Edward Kennedy

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The Washington Post
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The Harris Survey

Kennedy, Wallace Gain Support As Choice for Democratic Ticket

By Louis Harris

Sen. Edward M. Kennedy has widened his lead as the preferred nominee of the Democratic Party for 1976 in the latest Harris Survey among Democrats and independents. Gov. George C. Wallace of Alabama has also increased his support since last March as the first choice for the nomination.

Between them, Kennedy and Wallace are the preferred choice of 56 per cent of all Democrats and independents surveyed. Among Democrats, Kennedy and Wallace walk off with 63 per cent of the vote.

Some Democrats have raised the prospect of putting together a Kennedy-Wallace ticket for their party in 1976 in the presidential election, on the assumption that the two men represent opposite ends of the political spectrum within the Democratic Party, and thus could maximize the potential vote on election day. Others view such a prospect as a highly cynical and even unprincipled move, likely to boomerang if tried. It was just a year ago that Sen. Kennedy appeared with Gov. Wallace in Alabama to participate in an Independence Day ceremony.

Early in June, the Harris Survey asked a nationwide cross-section of 1,132 Democrats and independents:

Here is a list of people who have been mentioned as possible nominees for the Democratic Party for President in 1976. If you had to choose right now, who would be your first choice for the Democratic nomination for President in 1976?

	June '74	Mar. '74	Nov. '73
Sen. Ed. Kennedy	35%	32%	31%
Gov. G. Wallace	21	18	16
Sen. Henry Jackson	9	14	9
Sen. Ed. Muskie	8	12	11
Sen. G. McGovern	6	6	8
Sen. Walt. Mondale	3	4	3
Sen. Birch Bayh	2	3	2
Sen. Lloyd Bentsen	1	1	1
Gov. Dale Bumpers	1	1	x
Gov. Reubin Askew	1	2	2
Ex. Gov. T. Sanford	1	1	1
None or Not sure	12	6	16

x-not asked

Among independent voters, now estimated as increasing from 18 to 38 per cent of the electorate from 1968 to 1976, Wallace is stronger than he is among Democrats and stronger than Kennedy with this group. Jackson, Muskie and McGovern also run better with independents than with members of their own party.

Here is the standing of the candidates among Democratic and independent voters from this latest survey:

	Democrats	Independents
Kennedy	43%	20%
Wallace	20	22
Jackson	7	12
Muskie	7	10
McGovern	5	7
Mondale	3	3
Bayh	2	2
Askew	1	1
Bentsen	1	1
Bumpers	1	1
Sanford	1	1
None or Not sure	9	20

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Joseph Kraft

Senator Kennedy's Travels

Sen. Edward Kennedy steps off this week on some foreign travel that will carry him closer to the race for President. He will be visiting Western Europe, Eastern Europe and the Soviet Union where he is to meet the Russian party boss Leonid Brezhnev.

In deciding to make the trip, Kennedy accepted political risks not required merely to maintain his place in the Senate. What outweighed the risks, apparently, was his interest in entering the great debate on detente which has up to now been dominated by the leading Democratic presidential candidate, Henry Jackson.

The importance of Kennedy's upcoming travels can best be assessed by comparison with the past. Up to now the senator has chiefly been identified in foreign policy with splinter issues heavily loaded with elements of moral righteousness.

His interest in the Vietnam war centered around the refugee question. He has been known to support self-determination for the Irish. He came out against the repressive measures being used by the new government in Chile.

His present travels, by contrast, focus sharply on the big and difficult foreign policy issue—the issue of detente with the Soviet Union. The senator's first step on his current tour will be to West Germany. There he will visit the Western political leader most experienced in direct dealings with Russia and the countries of Eastern Europe—Chancellor Willy Brandt.

After a brief shuttle back to the United States, Kennedy will be off to Eastern Europe. There he will visit one country, Yugoslavia, which has achieved a certain liberalization in opposition to Russia, and another country, Poland, which has achieved a certain liberalization within the Soviet security system, or Warsaw Pact.

Finally, the senator will spend about a week in Russia. Apart from Moscow, and Mr. Brezhnev, he will be seeing Leningrad and one city outside European Russia.

When Kennedy first thought about making the trip a month ago, several leading foreign policy experts in the Democratic Party expressed strong reservations. The issues posed by the exile of novelist Alexander Solzhenitsyn were then vibrant. It was pointed out to Kennedy that the Communist leaders would use him to promote the theme that they were doing business as usual with America despite the crackdown on cultural freedoms. It was further pointed out to the senator that hardliners, for example Sen. Jackson, could cite his trip to argue that Kennedy is naive, and therefore soft, on Russia.

Kennedy swept these objections aside. "Going to Russia," he said in one internal debate, "is the only way to make an impact. I'm going because I want to make an impact."

But on what? Well, all the signs indicate that Kennedy wants a piece of the debate on detente now being conducted by Secretary of State Henry Kissinger and Sen. Jackson. "I'd like to broaden the options for the Democratic Party and the American people," he said in a chat the other day.

Sen. Kennedy also makes it clear that he sees the detente debate as a presidential issue. Speaking of his trip, he mentioned the nuclear test ban treaty negotiated by John Kennedy in 1963. The Senator said that the 1963 treaty had opened the way to subsequent arms control progress. He added that the 1963 treaty grew out of previous proposals made during the Eisenhower years by his brother, by Adlai Stevenson and by Hubert Humphrey. He did not add, but of course it is true, that they were the three leading Democratic presidential candidates in the late '50s.

Why Sen. Kennedy should now be edging close to a presidential race is not altogether clear. But two points come to mind. He has deep misgivings about what he conceives to be the hawkish policies now being enunciated by Sen. Jackson. He does not want the 1976 presidential nomination to go to Jackson, and the stronger Jackson looks the more Kennedy is likely to come forward.

Finally, there seems to be a change in his family situation. Until very recently concern about the family has been a powerful inhibition against making a race for President. But the rare cancer which led to the leg amputation performed on the senator's son seems to have diminished the constraint. The senator sounds now like a man who has experienced the worst—who has nothing more to lose even by running for President. "Just think of that little boy," he mused aloud the other day. "There are only 50 cases like his a year. Fifty cases out of 200 million Americans."

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from the office of

Senator Edward M. Kennedy

of Massachusetts

STATEMENT BY SENATOR EDWARD M. KENNEDY BEFORE THE SENATE FINANCE COMMITTEE IN SUPPORT OF A 90-DAY DELAY IN OIL IMPORT FEES

FOR IMMEDIATE RELEASE
FRIDAY, FEBRUARY 7, 1975

Mr. Chairman, I appreciate the opportunity to appear before the Senate Finance Committee in support of H.R. 1767 which imposes a roll-back of the $1 per barrel tariff imposed last Saturday and a 90-day delay of any additional tariff, fee or quota.

We believe that a 90-day delay will assure the Congress an opportunity to develop a cooperative approach with the executive branch in resolving our energy problems; but one which does not drive the nation's economy further into the ground.

The number one issue in America today is ending the recession and putting our labor force back to work. We cannot afford the President's budget assumption that 7 million Americans will be out of work over the next three years. We cannot afford the President's budget assumption that our gross national product will decline again. And we cannot afford the President's budget assumption that we will continue to have double-digit inflation.

Our concern is that the President's energy program was developed without any deep understanding of its devastating effect on any hopes of economic recovery.

That same concern was the foundation, I believe, for the overwhelming 309 to 114 vote of the House of Representatives on Wednesday in support of H.R. 1767. That action reflects a similar expression of opposition to the tariff and tax portions of the President's energy program in the Senate.

I introduced S. J. Res. 12 on January 23, 1975, with Senator Jackson. S. J. Res. 12 now has 52 other cosponsors from both sides of the aisle.

That resolution had two key elements: first, the delay of the effective date of any additional tariffs, fees or quotas on imported petroleum for 90 days; and, second, a similar delay of any attempt to lift the existing price ceiling of old oil. The resolution would assure a 30-day review period of any proposal following its submission to the Congress.

The House measure now before the Committee incorporates the 90-day delay of tariffs, fees or quotas contained within the Kennedy-Jackson resolution.

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We fully support its provisions as the most urgent matter before the Congress.

Without the approval of this bill, the Congress would have no opportunity to interpose adjudgment whether an alternative energy program can be devised which does not jeopardize the economy.

We believe that the President's energy program, of which the import fees are a major part, is not in the national interest. We believe that it will add a minimum of $55 to $60 billion to the backs of the nation's consumers. And we believe it will subvert the positive impact of a tax cut that is essential to stimulate the economy.

The Administration talks of a $30 billion direct cost and a 2 percent increase in the cost of living index resulting from their energy program.

Those figures are challenged by economists from both parties and by the Library of Congress.

On Monday, in Boston, Dr. Otto Eckstein, former member of the Council of Economic Advisors to President Johnson, testified that his estimates showed the impact of the President's energy program would be prices between 3.5 to 4 points higher on the cost of living index.

If we want to end double-digit inflation that has produced the first decline in the take-home pay of the American worker in 20 years, then the President's energy program is unacceptable.

A $3 tariff essentially tells the OPEC producers that the price they are charging for crude oil, some $11 per barrel, is $3 too low. It makes no sense if one of our goals is to see the world price of oil decline. It makes no sense unless we want to put more money into the coffers of major oil companies.

Even more disturbing, Dr. Eckstein testified that withdrawing $55 to $60 billion in added energy and energy-related costs would doom any hopes of rescuing the economy from its deep recession. He said there would be a real threat of 9 percent unemployment nationally by the end of the year and as high as 10 percent unemployment at some point next year.

I spoke to 10,000 angry United Auto Workers on Wednesday. They want Congress to understand that every decision we make should be designed to put them and the other 7 million unemployed Americans back to work. In Massachusetts, nearly 10 percent of my state's labor force is jobless. It would be irresponsible to permit an energy program that threatens to add more men and women to the unemployment rolls to take effect.

Before the House Ways and Means Committee, a series of economists testified to the potentially devastating impact of the Ford energy program on the chance for economic recovery.

Dr. Robert Gordon, of the University of California at Berkeley stated of the energy program: "The inflationary effect is self-evident. Oil products will rise significantly in price. At the same time, there will probably be a net depressive effect on the level of economic activity."

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Dr. Joseph A. Pechman, director of economic studies, at the Brookings Institution testified: "The proposed taxes on petroleum are, unfortunately, an ill-advised approach to the energy problem. These taxes will be counter-productive in two respects: first, they will raise prices substantially -- certainly more than the direct 2 percent effect to be felt initially -- as the effect of the petroleum tax increase is pyramided through the economy; second, on balance, they will depress demand, because $6.5 billion of the $30 billion tax increase will be used to reduce the corporate tax rate, reduction that will have little effect on corporate spending at least in the short run. Thus, the energy program will be inflationary and deflationary at the same time."

Walter W. Heller, former chairman of the Council of Economic Advisors, now regents professor of economics at the University of Minnesota, testified: "President Ford's 30-30 energy program would deal a fourth blow to the economy -- another double whammy that would boost inflation and worsen recession."

Paul A volcker, now a senior fellow at Princeton's Woodrow Wilson School of Public and International Affairs, testified that the President's energy program "could be another drag on business activity..." He added, "Much clearer is the upward impact on the price indices, which I suspect the official 2% estimate understates significantly in seemingly accounting only for the direct price effects on oil and from the new taxes."

Philip Klutznick of the New York investment bankers, Salomon Brothers, testified: "The Administration estimates that for the average family it would mean a hike in their energy bills on the order of $250 or $300 a year. Counting indirect costs, the bill will be substantially higher..."

Finally, Mr. Chairman, Arthur Okun, former chairman of the Council of Economic Advisors, testified: "Nonetheless, one aspect of energy policy looms as a dire and imminent threat to our economy. If the President levies the indicated tariff on imported oil and all oil prices are decontrolled before any offsets to these measures are enacted, the President would be draining real income away from the American consumer at the enormous annual rate of nearly $30 billion. I cannot believe that the President intends to risk a depression in order to hasten Congressional action on his energy proposals. Yet his own recent words point in that direction. The Congress must ensure against any such ruinous action -- if possible, by appealing to the President's good judgment; but, if necessary, by restricting his statutory powers over tariffs and mandating the extension of price ceilings."

Mr. Chairman, these are the warnings of eminent economists of both parties who fear the consequences of the energy policy on the nation's economy.

I share their concern; and taking them at thei word, I believe the most responsible course of action available is to approve H.R. 1767 and delay the $3 per barrel tariff for 90 days.

I would like to emphasize for a moment that it is not only the economists who fear the impact of this policy. The people of this country fear its impact. I believe they are ready to sacrifice and to do their share to attempt to meet the need for reduced consumption. But they do not believe the way to do it is by raising the prices of every fuel by 20 to 30 percent and by seeing the rest of the goods and services they require jump in price as well.

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The President's goal is to reduce consumption. Yet, a tariff and additional excise taxes at the wellhead are the least accurate way of achieving the goal. His program is a shotgun attack that inevitably will hit a great number of innocent victims.

The greatest reduction expected -- even under the most positive estimates of the FEA -- is not in gasoline, where virtually every observor believes we should focus our reduced consumption. Instead, it is in residual oil that simply makes very little sense at all. We will be directly under-cutting the ability of our industries to compete. Nor is there any consideration of conservation measures already put into effect.

Thus, even though home heating users in Massachusetts have dropped their consumption by 20 percent in the past year, they would find their heating bills -- which have doubled in the past year -- hit by a 30 percent increase. They have their thermostats set at the lowest possible level now and it would be unfair and unrealistic to expect any additional consumption savings.

With price hikes spread across the board, affecting home heating oil, residual as well as gasoline, I am afraid that -- other than gasoline -- the anticipated reductions in consumption, at least in New England, are illusory.

My region is perhaps one of those which will be affected most severely by the President's proposal. We depend on petroleum [illegible] for 85 percent of our energy. The nation as a whole depends on oil for only 46 percent of its energy use. In addition, we rely on foreign imports of crude for 30 percent of our oil and foreign imports of products for another 40 percent of our oil. The national average for foreign imports of both crude and products is only 32 percent.

It is evident that any tariff -- whether it falls on crude or on products -- will strike New England and the other heavy importing states heavier than most other parts of the country.

In fact, the Administration's estimate of the increased annual [illegible] direct energy costs for New England is exceedingly low. They assume an annual hike of $180 per household. I should add that that in itself is a 14.5 percent hike. However, a New England Regional Commission study shows a range of between $228 and $321 added direct costs. That is a 18½ percent to 26 percent increase. Those are enormous added costs for an average family, particularly when you realize that almost one out of every ten members of the Massachusetts labor force is unemployed today.

Nor do those price hikes include any estimate at all of the ripple effect as added fuel costs boost the cost to the consumer of other goods and services. The Library of Congress has estimated that increase to be between 1.5 and 2 times the direct cost increase. The impact on our consumers and on consumers across the country will be immense.

Mr. Chairman, let me summarize the reasons why I believe it is essential that this bill be adopted by the Senate.

First, I believe the President's imposition of oil

import fees will create the gravest economic damage to American consumers and American business. It will take between $55 and $60 billion out of the pockets of American consumers and it will make it far more difficult for American business to succeed against foreign competition. Its chief effect will be to raise prices and to depress an economy that already has seen industrial production plummet and unemployment skyrocket to the worst level since the depression.

Second, it is inequitable. It will place the most severe burden on those least able to bear the burden -- the poor, the elderly, and the unemployed and on those regions which already have suffered the most severe increases in the cost of their energy. Massachusetts and New England now pay 30 percent more for energy than the rest of the nation. The President's program will directly increase those costs.

Third, I believe it is inappropriate for a major policy decision -- such as the increase in tariff fees of such magnitude and the lifting of price controls on old oil -- to be taken without full Congressional consultation and without any prior public participation in the decision-making process. I believe the procedure used by the President was inadequate and possibly illegal. In amending Section 232 of the Trade Act I believe we intended that only in the most dire emergencies would the opportunity for public participation be denied. Also, I believe there is a requirement for the Federal Energy Administration, prior to implementing the President's proclamation, to follow the National Environmental Policy Act procedures.

Finally, I believe that there is serious question whether the tax and tariff program announced by the President will have the desired effect of reducing consumption.

For all those reasons, Mr. Chairman, I believe it it is essential that we sidetrack the unwise and deflationary energy proposal of the Administration. With a 90-day delay I am convinced that we can develop a credible energy policy that will be consistent with economic recovery which must remain our primary objective.

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be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from California (Mr. SISK) is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 143 provides for an open rule with 2 hours of general debate on H.R. 2634, a bill to increase the temporary public debt limitation. All points of order against the bill are waived.

For the benefit of my colleague who raised the question earlier about waiver of points of order, actually the action of the Committee on Rules in this case was to literally, for all purposes, discharge the Committee on Ways and Means from further consideration of this matter and to bring a bill directly to the floor. Of course, there was no report on the bill. The Ramseyer rule was not complied with. As a result, it is necessary that we have a waiver of points of order in order to expeditiously consider this particular bill which was only introduced yesterday afternoon.

The bill extends the temporary limit on the debt ceiling to June 30, 1975. I want to make it clear that this does not deal with fiscal year 1976, but deals only with the period up to and until June 30 of 1975. It also increases the temporary limitation to $531 billion. Present law provides for a temporary debt limit of $95 billion, and this would increase it by $36 billion, so far as the temporary period is concerned, bringing the total, then, to $531 billion, which would be $131 billion as the temporary limit, and $400 billion, of course, is the permanent ceiling.

Mr. Speaker, the Secretary of the Treasury estimates that the current ceiling of $495 billion will be reached on February 18.

Passage of H.R. 2634 is then needed in order to meet this deadline, and therefore is imperative.

Mr. Speaker, I urge the adoption of the resolution in order to permit the Committee on Ways and Means to debate the issue.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may consume.

(Mr. ANDERSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. ANDERSON of Illinois. Mr. Speaker, I rise in support of this rule which would make in order House consideration of H.R. 2634, a bill to introduce and extend the temporary ceiling on the public debt.

I must admit to some ambivalence about the action taken by our Rules Committee yesterday because it was a rather unusual, though not unprecedented maneuver. The chairman of the Ways and Means Committee had requested a closed rule on the combination tariff-prevention/debt-ceiling bill reported from his committee. The Ways and Means Committee had voted 15 to 14, I believe, to tack the unrelated debt issue onto the bill suspending for 90 days the President's authority to adjust petroleum tariffs or quotas.

The consensus which developed in the Rules Committee was that it was irresponsible to tie these two unrelated issues together, and the gentleman from Pennsylvania (Mr. GREEN), a member of the Ways and Means Committee, suggested that we could divide the proposition by reporting two rules on two separate bills.

My own inclination, given previous criticism in this body of such arbitrary actions by the Rules Committee, was to simply adopt one open rule on the entire matter and permit the full House to work its will on the merits of each of the propositions. My substitute rule was defeated, and the committee subsequently adopted the two-bill, two-rule approach, even though a separate debt ceiling bill had not yet been introduced.

So, this is the source of my ambivalence on the action taken by our committee. On the one hand, I don't like to resort to such questionable tactics in the Rules Committee; yet, on the other hand, I think the Rules Committee took the responsible course which should have been taken by the Ways and Means Committee in the first place. We just cannot countenance allowing such an important item as a debt ceiling increase to be held hostage for partisan blackmail. Such blatant confrontation politics make Russian roulette seem like pop-gun plinking by comparison.

Mr. Speaker, I am pleased that the rule of reason and responsibility eventually did prevail on the other side of the aisle and that the House will now be permitted to consider each of these important items separately and on their individual merits.

Turning to the rule before us, it grants 2 hours of general debate with full opportunity for amendment. Points of order have been waived, as in the past on such legislation, because this does involve appropriating on an authorization.

I think most Members are aware of the urgent need for this extension and increase in the temporary debt ceiling. The permanent debt ceiling is $400 billion. The present temporary ceiling of $495 does not expire until March 31, 1975. And yet the Treasury Department estimates that the present temporary ceiling will be reached by the 18th of this month if present outlay and receipt patterns continue. The bill which this rule makes in order would thus raise the temporary ceiling to $531 billion through the end of this fiscal year. Additional House action would be necessary at that time on the administration request to raise the temporary ceiling to $604 billion through fiscal 1976.

It is therefore imperative, before this House breaks for the Lincoln recess, to act on this vital legislation. If we do not act, the Government simply will not be able to meet its obligations after February 18.

I urge adoption of this rule so that the House may proceed to act on this urgent and vital debt ceiling bill.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF PRESIDENTIAL AUTHORITY TO IMPOSE FEES ON, OR OTHERWISE ADJUST, PETROLEUM IMPORTS

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee on the Whole House on the State of the Union for the consideration of the bill (H.R. 1767) to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 1767, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 1 hour, and the gentleman from Pennsylvania (Mr. SCHNEEBELI) will be recognized for 1 hour.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself 10 additional minutes.

First, let me express my appreciation to the members of the committee and also to the Committee on Rules for their cooperation and coordination in getting this measure before the Committee of the Whole in a very orderly and rapid manner.

Mr. Chairman, the purpose of H.R. 1767 is to temporarily suspend Presidential authority to impose fees on, or otherwise adjust petroleum imports. The first section of H.R. 1767 would suspend for the 90-day period beginning on the date of the enactment any authority that the President might have to adjust imports of petroleum and petroleum products.

Section 2 would negate any Presidential action to adjust petroleum imports taken after January 15, 1975, and before the date of enactment, including the termination of the Presidential proclamation on petroleum imports of January 23, 1975. In addition, there is provided a rebate of duties, taxes, or fees levied and collected pursuant to any such action.

Section 3 provides that the suspension of Presidential authority to adjust imports will cease if at any time during the 90-day period war is declared, a national emergency occurs, or certain situations involving the commitment of U.S. Armed Forces arise.

At the appropriate time I will offer a committee amendment to provide that the act should not affect the import license fee system on petroleum and petroleum products which was in effect on January 15, 1975.

Let me say, Mr. Chairman, to my colleagues that the Committee on Ways and Means does not want to have a confrontation with the executive branch or the President of the United States. I met with the President on two separate occasions prior to the proclamation of the President and strongly urged that he give us a 90-day period to act and permit the Congress to come forth with an energy policy. That, it seems to me, is the responsibility of the Congress.

I wrote a letter to the President on January 21 in which I stated:

As you have implied in your message to the Congress, the energy and indeed the economic problems we face call for comprehensive and consistent legislative approach. In this regard, there is a preferable course to take and one which will provide the greatest degree of cooperation between the Executive branch and the Congress. To this end I respectfully request that you take no further action under the national security provision to impose additional fees or tariffs on imports of petroleum and petroleum products, but await appropriate legislative action. As I am sure you are aware the Committee on Ways and Means is responding to your request for action by making your proposal the first order of business.

The President, I think, agreed with me that a confrontation between the executive branch and the Congress would do no good at all. What we must do as a government—that is, both the legislative and the executive branches—is to come up with a sound energy policy for this Nation and do it rapidly. But I made a strong argument with the President on the basis of principle.

What the President is doing, essentially, by imposing import fees is preempting the policy area.

In the judgment of the Ways and Means Committee and in the judgment of the very able staff on the Committee on Internal Revenue Taxation and in particular, the very competent staff we have on trade and tariffs, the President is acting on marginal authority in imposing the import fees. We also believe that the procedures he followed were extremely marginal in nature.

I think even more importantly what the President is doing is preempting policy that should really be determined by the Congress because he is moving into the price structure in such a way that it will of necessity create an inflationary wave throughout the whole economy. It will raise the prices of fertilizers and of airline fares and of electricity and of plastics and of the elements in our society that depend upon petroleum. It will have a major inflationary impact.

The President knows all too well that Congress cannot respond to an energy program in 30 days or even 60 days. He served here many years. We are going to move I think more rapidly than this Congress has ever moved in any major political area, but he well knows it takes 90 days minimum and possibly longer in order to put in place legislatively a new national policy and program in the field of energy. But by the time the Congress can act the President will have put in place this $3 import fee which will have a drastic effect on prices throughout our economy. Then if the Congress comes forth with an alternative policy, which I believe we will, it will not have an inflationary impact but will restrict the flow of petroleum into this country in an orderly way but not through the price mechanism. However, if the President has in fact through his action increased the price structure in the economy and we then impose a more orderly procedure that is not inflationary, the evil will have already been done. Prices and energy costs will have already increased. All of us who have lived through these inflationary times know all too well that once we get an increase in price and once we get the inflation, we are not going to recapture lower price levels.

So I think the President is doing a grave disservice not only to the consuming public of America, to those who pay airline tickets, and who buy fertilizer, all the things in which petroleum is part of the price package, but also in my judgment a grave disservice to the constitutional system.

Congress itself should be making this basic policy decision. There is not any energy policy unless we act. I think it is most unfair and I think it is most unwise for the President to move unilaterally to try to preempt policy, and that is why we have before us this bill that would stay the hand of the President for 90 days.

I ask for the support of Members in passing this bill. I hope it will be overwhelmingly passed.

There is no intention, again, of causing a confrontation. I met with the President twice, and I told him I would meet with him as often as necessary to obtain a constructive solution. Even now, after imposition of the first layer of import fees, there is no reason why in the world we cannot have an accommodation. What the people of America want is a sound policy. They want answers to our problems. They do not want confrontation. It will be doing our country a great disservice if we get ourselves into a posture of bickering between the two branches of Government.

My good friend, the gentleman from California, says he might introduce an amendment that would allow the President during this period of time to impose quotas even though we restrict him on import fees. I do not think it would be a disaster to pass that amendment, but I do not think it is really proper under the circumstances because a 90-day period of time for the Congress of the United States to make policy is not too long a time.

We have gone on for months and years and the President has not acted, and now all at once he refuses to stay his hands for 90 days when we are saying to him, "Give us 90 days and we will give you a policy."

I recognize that we have not in the past been fully responsive, and those of us in the legislative branch, I think, will agree.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. ULLMAN. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, this is a new Congress. This is a Congress fully aware of the problems of this Nation. The problems of recession, for example, is of major concern, and we are moving immediately on the tax reduction package of major proportions to accommodate that problem. We hope to have it on the floor of this House very shortly. We will then move immediately to an energy package. While the Committee on Ways and Means is considering its portion of the package, we will attempt to coordinate policies throughout the other portions of the House.

It is our intention to move more rapidly than we have ever moved before in a new national policy area and get a bill on the floor of the Congress within 45 days, or 60 days at the most, from the time it takes to get it out.

This Congress, the 94th Congress, will be responsive. All we are saying to the President is to give us 90 days, put the burden on us and we will produce a sound energy policy; but do not preempt our policymaking by placing us into a mechanism that will, through additional inflation, do grave disservice to the country at this time.

Before I discuss each of these points in detail, let me anticipate a question that has been asked a number of times. That is, why is the Committee on Ways and Means seeking to set aside a part of the President's energy program at this time when the committee has no alternative energy program to offer? I believe the answer is relatively simple. The President has no energy program until the Congress enacts it. In fact, there are any number of elements in the President's program over which there are honest and very wide differences of opinion throughout the country. It is the responsibility of the Congress to examine the options open to us.

The Committee on Ways and Means does not have jurisdiction over all aspects of the energy problem. However, if we stand aside, we will permit the President to commit the Government to the type of broad energy tax program depending heavily on the price mechanism and built on the petroleum import fee action. As a result, other committees may well be foreclosed from developing legislation in their own areas of jurisdiction. This is not appropriate, and it must not be allowed to happen.

The point is, Mr. Chairman, we are being responsive to the President. We do have the double challenge of inflation and recession as well as energy problem. The Committee on Ways and Means is meeting and will continue to meet day and night to report to this House needed tax reduction legislation. We intend immediately to turn our attention to the energy problem and report back to the

House on that matter as soon as possible.

No, we do not have a complete alternative to the President's energy proposals to present to the House today. We do ask favorable consideration of H.R. 1767. Enactment of this bill will preserve the possibility that, just as always, the President's program can be greatly improved upon not only by the Committee on Ways and Means but by other committees of this House.

FULL AGREEMENT ON NEED TO REDUCE IMPORT DEPENDENCY

Every Member of the House certainly agrees that we need to reduce our reliance on foreign oil. There are, however, any number of approaches that can be taken to achieve that goal. Not all of the alternatives rely on the import fee on petroleum proclaimed by the President on January 23. Not all the alternatives require an immediate and across-the-board increase in energy costs that is implicit in the President's program. It is ironic that we seemed to have relied on the authority Congress delegated the President some 20 years ago in section 232 of the Trade Expansion Act to prevent imports of petroleum from impairing the national security. For any number of reasons, the results have been increased dependence on foreign oil. It is time Congress resumed its constitutional responsibilities and enacted legislation to assure that foreign oil will account for a decreasing share of our energy consumption.

PRESIDENT'S EMERGENCY ACTION UNNECESSARY

The President's proclamation is said to constitute at least some action to reduce demand for foreign oil, and that his early action will help to achieve the goal of 1 million barrels per day reduction in consumption during 1975. I am not convinced. The figures on just how the reduction will be achieved rely heavily on the enactment of an excise tax on domestic petroleum, including products and on natural gas, plus price deregulation. The minimum import restraint achieved by issuing the proclamation and imposing the $1 to $3 per barrel import fee and not waiting for legislative action can hardly be measured. This is not a short-term crisis we face, but a long-term challenge.

The very nature of the investigation and finding by the Secretary of the Treasury belies the necessity of the unilateral action by the President.

Rome was not built in a day, nor are the important factors which go into a national security action on imports analyzed and placed in perspective and the appropriate action decided in 10 days. At 7 million barrels of oil imports per day, the $3 per barrel fee is the equivalent of a $7.7 billion tax increase, in this case by a proclamation by the President. Matters of this magnitude, particularly involving the equities of the divergent burdens of energy cost, demand much more careful consideration and decisions by the Congress. I remain unconvinced that the unilateral action by the President was either warranted or soundly based.

PRESIDENT'S PROGRAM IS INFLATIONARY

I am convinced that the President's energy tax program is inflationary, much too inflationary for the economy at this time, and just as disappointing are the severe recessionary aspects of the proposals.

The administration has indicated that the entire energy package is expected to cause a one-time increase in the price indexes of approximately 2 percent. This Treasury Department estimate combines the primary and ripple effects of the total $30 billion energy conservation taxes and fees package. Therefore, the administration considers the potential inflation impact of the oil import fee portion of the energy package to be small.

Other estimates are far more pessimistic. A January 1975 Library of Congress Congressional Research Service report indicates that all elements of the administration's energy program in the aggregate could cost at least $50.3 billion in 1975. Given an anticipated 1975 gross national product of $1,500 billion, the program could raise living costs by 3 percentage points, assuming complete pass through of the sum to final prices. Directly, before consideration of secondary or ripple effects, the energy package will raise the rate of inflation from an estimated 6 to 7 percent to 9 to 10 percent in 1975.

Energy costs are marked up through layer upon layer of the manufacturing, distribution, and retailing systems which results in products embodying energy having their prices raised by more than the actual increase in energy costs. Many wages and other payments like social security are tied to the change in prices, hence, compounding the rise in energy prices' effect on the general price level. The ripple effect is estimated to be 1.5 to 2 times the primary effect, implying that, potentially, the administration's total energy package's primary and secondary effects could cause 1974's 12 percent inflation rate tc continue through 1975.

It is quite clear that the negative impact of the $50 billion increase in energy costs on effective demand for other goods has been underestimated by the administration.

This was reflected in an unusual consensus among economists appearing before the Committee on Ways and Means.

Let me summarize statements by a few of the economists regarding the energy tax proposals:

R. A. Gordon, University of California and president, American Economics Association: Believes that the President's overall proposal will have a depressing effect on production and employment while being inflationary throughout the economy.

Argues against exclusive reliance on the market-price system to allocate necessary fuels.

Paul A. Volcker, Woodrow Wilson School of Public and International Affairs, Princeton University: Views a sudden $30 billion energy fiscal package as being uncertain in its impacts, with at least a short run drag on the economy while at the same time causing prices to rise.

Agrees with the President's long-term goals and the emphasis on price and market mechanisms, but that it would be too much for the present economy.

Philip M. Klutznick, chairman of the Research and Policy Committee, Committee for Economic Development: Maintains that the President's proposed energy taxes will raise prices on gasoline, fuel oil, electricity, et cetera, and will increase the average family's energy bill by $250–$300 a year. Feels that there is risk that the overall inflationary impact of the package will be substantial, after taking into account its indirect impact on costs and prices, including multiplier effects on wages and other costs of business.

Michael K. Evans, Chase Econometric Associates, Inc.: Argues that the President's proposed energy program has no redeeming features, except for the proposed deregulation of oil and natural gas.

Indicates that the President's program will reduce the rate of growth in the first half of 1975 because of higher oil prices without having an adequate offsetting fiscal stimulus.

Charles L. Schultze, the Brookings Institution: Feels that although it is important to reduce our dependence on oil imports over the next 5 years, it is not a necessary condition now for economic recovery. Asserts that the most needed action is an economic recovery, and that the President's import fee will seriously affect any recovery program by siphoning off $800 million a month by April 1—$10 billion a year—from consumers which will almost negate the impact of the proposed tax rebate.

Joseph A. Pechman, director of Economic Studies, the Brookings Institution: Considers the proposed taxes on petroleum to be an ill-advised approach to the energy problem because such taxes will be counterproductive by causing prices to rise substantially; and secondly, they will depress demand because the $6.5 billion in corporate tax rate reduction will have little effect on corporate spending in the short run.

Walter W. Heller, University of Minnesota: Notes that the quadrupling of oil prices is now siphoning off some $30 billion a year from consumers while adding about 3 points to the rate of inflation. Maintains that the President's proposed energy tax program would deal a double blow against the economy by boosting inflation and worsening the recession.

Arthur M. Okun, senior fellow, the Brookings Institution: Endorses the separation of the antirecession tax package from the more complex issue of energy taxes. However, contends that if the import fees go into effect and oil prices are decontrolled before income tax offsets can be enacted, there will be a substantial drain on the economy. If the President does not delay such action, recommends that the Congress restrict the President's statutory powers over tariffs and mandate the continued price ceiling on domestic oil.

AT ISSUE ARE LEGISLATIVE GUIDELINES OR DECISIONS BY EXECUTIVE FIAT

Although H.R. 14462 of the 93d Congress did not become law, section 204 of that bill would have amended section 232 of the Trade Expansion Act to prescribe criteria for, and to limit the use of, restrictions on the importation of petroleum and products derived from petroleum which may be imposed by the President under section 232. Thus, the nature of the proposed action forcefully indicated the committee's interests and views on these matters which, in effect, were ignored by the Secretary of the Treasury in his section 232 investigation and in the action taken by the President.

The existing license fee system and the import fee system proclaimed January 23 establishes a separate taxing mechanism, defining taxable units and categories of goods, determining equities among taxpayers based on assumed special circumstances, and assigning revenue collection responsibilities. The whole revenue and tariff system established by the President is outside the tariff and customs law and the Internal Revenue Code, and none of the criteria and guidelines for administering the system has been approved by the Congress.

Even at the low level of the license fees—$0.21 per barrel of crude—the future revenue was significant enough to cause the committee last year to drop the provisions of section 204 of H.R. 14462, mentioned above, from a tax bill it reported later in that session due to the revenue loss it was estimated could result from the enactment of statutory criteria on the imposition of import license fees on petroleum.

The long and continued use of such a broad authority as section 232 in the exercise of basic legislative functions of raising revenues and regulating commerce erodes the authority of the Congress and prevents it from fully exercising its constitutional responsibilities.

THERE ARE PREFERABLE ALTERNATIVES TO THE PRESIDENT'S ENERGY TAX PROPOSALS

There can be no doubt that in suspending the President's national security authority and negating his recent action under it with respect to imports of petroleum, the Congress is assuming a heavy responsibility to propose and enact an energy legislation. The Commitee on Ways and Means intends to develop as soon as possible and to cooperate with other committees in developing a sound energy program, hopefully, in cooperation with the President. Certainly it cannot be done effectively if Congress must act under the leverage of executive action which increases basic energy costs through import fees with no opportunity for the Congress to choose more selective cost increases through the tax system. By its action of favorably reporting H.R. 1767, the Committee on Ways and Means is accepting its responsibility to develop and report to the House as expeditiously as possible legislation on petroleum and petroleum products—both imports and domestically produced—that is responsive to our energy requirement and coordinated with broad tax changes that are needed to stimulate economic activity and alleviate the inequities stemming from the inflationary pressures of the past year and a half.

In order to carry out those responsibilities effectively, the Congress must enact H.R. 1767 and assume a full partnership with the President in this area of great concern.

For the reasons stated above, I ask that the House approve H.R. 1767.

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

Mr. Chairman, I oppose this legislation because I strongly believe that the President should not have his authority to adjust import license fees taken away from him, in view or a very real national security finding and in the absence of any alternative course of action.

H.R. 1767 is loaded with irony, as well as danger. Its sponsors would tell the President he cannot implement a key part of his plan to reduce our reliance on imported oil, yet they have no cohesive suggestion about what to do instead, except wait—but for what and for how long?

Mr. Chairman, there have been quite a few issues raised with respect to the authority under which the President acted to implement his duty increase. I would like to review that authority with my colleagues.

In 1955 the Congress approved a trade bill, including a "national security provision," giving the Chief Executive, in the interest of national security, the authority to use quotas, license fees, duties, or other imports adjustments. This authority was reexamined in development of the Trade Act of 1962, and was incorporated in that legislation as section 232.

Again, in the 1974 trade bill, passed just last fall, this authority was further reviewed, and the language relating to Presidential action was retained intact. Indeed, after almost 20 years of experience, that language has not been altered in any substantial way.

Now, what implementation has been made of this authority? In 1959 then President Eisenhower issued a proclamation, establishing quotas, because at that time heavy and cheap imports of oil into the United States were knocking down domestic prices, and endangering the capability of home industry to find and produce enough fuel to meet national needs.

In 1973 the quotas were replaced by license fees, with the fee on crude oil placed at 63 cents a barrel. That is equal to a cent and a half a gallon.

The action taken by the President in establishing these fees was not challenged by the Congress at that time. So, the question is, when the President wants to implement a policy already established, why this sudden questioning of his authority to do so, especially in view of the fact that authority has been reviewed repeatedly by the Congress and retained intact.

The Attorney General has stated, as was noted by the gentleman from Illinois (Mr. ANDERSON), that the action taken by the President was in full compliance with the law.

Now, just what is the thrust of the President's program? To what is it addressed? What are the basic problems involved?

The program goes directly to three problems of highest priority: The problem of recession, the problem of inflation, and the problem of energy conservation. In brief, the President's approach to the problem of recession includes a rebate of 1974 taxes in the amount of about $12 billion. This would be given back to taxpayers as early as May of this year. At the same time, business expansion, leading to more jobs, would be enhanced through an increase in the investment credit.

With respect to inflation, the President requested action on a series of energy taxes, estimated to yield $30 billion of annual revenue. This money would be returned to the economy through a major tax reduction, thus putting more money in peoples' pockets on a permanent basis. Reflecting a concern for inflationary problems, this package is balanced between income and expenditures.

The third problem, energy conservation, would be addressed through the higher price that would result from increased license fees. The price would discourage consumption and at the same time encourage the development of alternate sources of supply.

So, the President's broad and comprehensive program would address itself to three of our greatest problems—recession, inflation, and energy conservation—and the $1 additional license fee that he has imposed, and which we ask the Members to endorse, is merely the first step in implementing this program.

I would like to emphasize that under any effective program, whether devised by the Congress or the President, the price of oil is going to go up. Whether we have an allocation system, rationing, import quotas or a combination of any of these, the price of petroleum products will rise. We have enjoyed for many, many years low energy prices in the United States, but that era has come to an end, regardless of the program that we adopt.

Mr. Chairman, there has been ample time and opportunity for the Democratic majority in the Congress to develop a workable alternative. But none has materialized and as far as I know none is imminent. Meanwhile, our dependence on foreign supplies continues mounting, along with uncertainties about the stability of those supplies.

We now import about 40 percent of our total petroleum consumption, and most of the countries selling to us are organized into a cartel which has maximized prices at a level four times that which prevailed prior to the 1973–74 embargo. More than $2 billion are leaving the United States every month to pay for that oil—a loss which steadily weakens us economically and politically.

I submit that in these circumstances prolonged inaction is dangerous. The President has presented a carefully constructed program designed to remove us from an an energy quagmire. It is a tough and demanding program, and parts of it may very well be unpopular. But there are no easy ways out—a harsh fact

which the Democratic majority in the Congress undoubtedly has discovered and which may be in part responsible for the lack of a viable alternative at this time.

Without a better plan before us, Mr. Chairman, the President should be allowed to proceed with his program without delay, for the good of us all. His action would not preclude the Congress from proposing revisions, or even a completely different approach, if we indeed are able to develop one. On the other hand, each day which we waste in doing nothing increases proportionately our vulnerability because of our reliance on imported oil.

The American people have made it clear that they are anxiously awaiting the implementation of a sound and comprehensive program to reduce our vulnerability, and I believe they are pleased that the President has come forward with such a program. H.R. 1767 would thwart not only the President's efforts in this regard, but the public will as well.

Mr. Chairman, I urge my colleagues to defeat this bill as presented to the House.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. ROSTENKOWSKI).

(Mr. ROSTENKOWSKI asked and was given permission to revise and extend his remarks.)

Mr. ROSTENKOWSKI. Mr. Chairman, when this bill came to a vote in the Committee on Ways and Means, I supported it with some reluctance. I was concerned that in our debate on the bill, too little time was actually spent discussing the actual merits of the President's import fee. I was concerned as well, that attaching the debt ceiling extension to this bill would further cloud the consideration of this important energy issue.

Now that the Rules Committee has made in order separate votes on these issues, it will be easier to debate the actual suspension of the President's power to impose import fees on petroleum.

I consponsored H.R. 1767 because I felt that the President's plan to increase import fees on crude oil would impose tremendous economic hardships on many American families. This would be done without producing any significant decrease in the level of crude oil imports. In my opinion, the increased fee did not increase the economic disincentive necessary to force the American consumer to alter his present purchasing habits. In fact, probably the only product whose price would increase sufficiently to force consumers to change their habits would be home heating oil, home heating oil that is distilled from foreign crude. But, as has been consistently pointed out by my colleagues from New England, there is presently no alternative to this home heating oil for those consumers.

My support for this bill is based on the premise that if we want to impose economic incentives to discourage the use of petroleum, this must be done in a way that will force consumers to alter their spending patterns on products for which the demand is somewhat flexible. I feel that the President's import fee is not the economic incentive that would accomplish this.

Rather, in my opinion, it is necessary to take steps to directly curtail the use of gasoline—the one oil-based product in this country in which significant consumption curtailment can be achieved without massive economic disruption. While I personally favor a strong economic disincentive to the use of gasoline, I could support any alternative that would effectively eliminate wasteful gasoline consumption and as a result, decrease the need for crude oil imports.

Mr. Chairman, the passage of this legislation today will give us 90 days in which to form our own energy program. In this time, the Congress must act, for the American people are tired of hearing endless discussions of this issue. So, I hope that we in the Congress can come together behind a unified program to meet this present crisis. For, if we do not, I for one will feel obligated to support the President in his approach in solving our present energy crisis.

Mr. SCHNEEBELI. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. CONABLE).

(Mr. CONABLE asked and was given permission to revise and extend his remarks.)

Mr. CONABLE. Mr. Chairman, I hope my colleagues will think carefully about the consequences of their votes on H.R. 1767. I oppose the bill, because I feel it is a negative reaction to a positive program.

Certainly no one in this Chamber is likely to argue that all is well with respect to our fuel supplies. We face critical problems in this regard—problems which have grown in dimension and in number over the past several years. Virtually everyone in the Nation is aware, in varying degrees, of a need for concerted national action to meet these problems head on.

The President has responded to this need with an integrated program, a key part of which is the imposition of a higher import license fee on foreign petroleum. He took this step after careful deliberation and after a finding by the Secretary of the Treasury that imports of oil were indeed threatening to impair the national security.

In reaching his determination of a threat to national security, the Secretary ordered an investigation, which involved consultations with and advice from other Cabinet members and agency heads. He was directed to do this by section 127 of the Trade Act of 1974, and it is worth noting in this connection that both the Secretary of State and the Secretary of Defense have found conclusively that petroleum imports do in fact constitute a threat to the national security.

Section 127 also states that the Secretary may, if he deems it appropriate, hold public hearings or otherwise afford additional interested parties an opportunity to present information and advice relative to the investigation. The Secretary decided in this case that it would be inappropriate to follow such procedures, because he believed that national security required an immediate determination and action on oil imports. The language of the section in this regard is plainly permissive and the Secretary, who was in command of the facts disclosed by the investigation, exercized the judgment which the law unmistakably allows.

The President, in acting on the Secretary's finding, exercized the authority granted him under section 232 of the 1962 Trade Expansion Act. This is a relatively old provision of law dating back to the Trade Agreements Extension Act of 1955.

Known as the "national security provision" of our trade laws, the section states that unless the President disagrees with a finding that imports of an article are—

In such quantities and under such circumstances as to threaten to impair the national security . . . He *shall* take such action, and for such time, as he deems necessary, to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

The original language with respect to Presidential action was added by the other body to the 1955 act, and both in the committee report and in floor debate, congressional intent was made clear that the President could and should take whatever action he believed necessary to adjust imports of the article in question.

During the long life of this provision, many requests to use it have been filed and numerous investigations conducted, but the Presidential action has been taken only on petroleum imports.

Following a 36-day investigation in 1959, President Eisenhower issued Proclamation No. 3279, which established our oil imports control program. At that time, foreign shipments of petroleum were low in price and at such levels that the capability of domestic industry to find and produce enough oil to meet national needs was in jeopardy. As a result, quotas were used to restrict incoming shipments.

Over the years, oil supply conditions changed materially, and early in 1973, quotas were replaced with a license fee system. Heating oil had been in short supply during the preceding winter and there was a strong possibility that gasoline supplies would be inadequate the following summer. A Cabinet task force studying the problem found that quotas no longer served the national interest, that they were unduly limiting imports at a time of impending shortages and were no longer an essential device to stimulate increased investment in domestic exploration and production. The administration felt that a license fee system would result in increased foreign supplies sufficient to meet current needs yet would at the same time maintain adequate controls on imports for national security purposes.

Now, in the wake of the well-remembered Arab oil embargo over a year ago and the subsequent increase of imports following its end, our national position with respect to oil supplies has taken another new turn.

About 4 out of every 10 barrels of petroleum we use now comes from abroad, and only a small portion of these imports can be considered secure from interruption in the event of a new political or military crisis. Most of the exporting countries have formed a cartel which, in addition to having the capacity to control shipments into the United States at any level, has helped bring about an oil price level which is roughly

four times that prevailing prior to the embargo. Funds to the oil producers are flowing out of the United States at an annual rate of about $25 billion, and partly as a consequence our trade balance has sunk to the lowest level in years.

In view of these facts, it seems to me that the only conclusion the President could have reached was that immediate action was needed to reduce our reliance on imported petroleum and that a failure to take such action would add to the threat to our national security.

Mr. Chairman, I think it is significant that our oil imports control program has been continued for 15 years, under five Presidents, using both quotas and license fees, and the Congress has not enacted legislation during this time to alter that program.

The Attorney General, in a letter to the Treasury Secretary confirming the legality of administration action, pointed out:

The force of congressional acquiescence in this practice is particularly strong since Congress has during that period, twice amended the very provision in question—the last time only a month ago.

Mr. Chairman, it is clear that the President acted pursuant to the law, in response to public need and demand, and in the face of a threat to our national security. Those who would postpone the implementation of his program through H.R. 1767 have no reasonable, comprehensive plan of their own.

I realize that I have dealt a good deal here with the legalities of our situation. I think we can spend too much time talking about legalities.

The concern that many of us feel goes beyond the uncertainties afflicting our citizens lacking a comprehensive energy policy. We should also be concerned with our posture in the world as a free people. Clearly, our national security concerns here are real. Not only do the potentates presiding over the oil supplying countries have the capacity to shut off oil at the wellhead, but our supply lines can be disrupted in many ways by our potential enemies in the world.

However, our problem goes beyond the long-range protection we must provide for our national security. Our position is one of potential leadership in an oil-consuming world that is trying to pull itself together.

Any effort by the oil-consuming world to counter the operations of the oil cartel requires some sort of united front on our part. The United States is going to have a very poor claim to leadership in dealing with this threat if we now back down from an obvious step to reduce consumption of imported oil. The oil-producing countries are very likely to increase the price of oil as long as they feel we are incapable of concerted action. They have raised the price of oil twice since the embargo, and they will do it further if we demonstrate weakness at a time like this. Congress should consider what sort of signal it is sending to OPEC countries if it repudiates the President on his constructive action. And what signal does it send to our consuming allies, as well?

Mr. Chairman, I believe there are real dangers inherent in delaying positive action. It is 15 months since the embargo. I urge the House to vote down the bill before us and allow the President to move forward in the exercise of the powers we have given him. Approval of H.R. 1767 would constitute, in my opinion, a tragic step backward in our effort to achieve a safer level of self-reliance in energy.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. MIKVA).

(Mr. MIKVA asked and was given permission to revise and extend his remarks.)

Mr. MIKVA. Mr. Chairman, I heard the distinguished gentleman from New York suggest that the President's first tariff increase is an obvious move to reduce consumption.

I hope that this bill passes and that it is signed by the President, in which event we will never know whether Mr. CONABLE is right or not. However, if that eventuality does not come to pass, I think the last thing that will occur as a result of this first step of self-propelled action by the President is to reduce consumption one whit.

This step will raise prices. The fact of the matter is that there is no consensus in this country any place as to what the energy package ought to be—not in the Congress, not among the public, not among the experts; and not among the people in the administration.

During the testimony on this bill and on other bills before the Committee on Ways and Means, it was very clear that there are divided voices within the administration itself as to what we ought to be doing. If the President's program were adopted in its entirety, there have been estimates by some of the best economic experts in the country that it might add as much as five points to the rate of inflation.

Think of that, Members of the Committee. Are we really in such an economic position that we could add an additional five points to what has been such a deeply disturbing rate of inflation in this year? I am sure the President does not seek this result. The fact of the matter is that there are many who believe that this is merely a step toward escalating the "chicken war" with the Congress.

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

Mr. MIKVA. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I am glad to hear the gentleman in the well raise this point. As I recall, the price of oil was raised from about $3.40 in the spring of 1973 to about $7 average in the early part of 1974, which generated approximately 3 percentage points of inflation at that time. But what we are talking about here is a possible increase from about $9 average to about $15 average, and to hear people talk, as I heard this morning Mr. Greenspan speak in terms of a 2-percent increase in the face of that history seems to me to be wholly without basis.

Mr. MIKVA. Mr. Chairman, the gentleman from Texas is absolutely correct; there is no question that the previous inflationary problems were accelerated and aggrevated and escalated by the increasing costs in energy. And the proposals here, if the entire program were instituted, would make that last increase in the cost of energy look like a modest increase by comparison.

Mr. Chairman and members of the committee, if a program is to succeed then it is going to need support from everybody in the country. One part of that support that will be needed is from a Congress that agrees with the Executive as to where the best program can be found.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois.

Mr. MIKVA. Mr. Chairman, I thank the gentleman from Oregon for yielding me this additional time.

Mr. Chairman, I believe that the chairman of the committee, the gentleman from Oregon (Mr. ULLMAN), laid it on the line very clearly when he said that we are asking for a 90-day suspension; not a stall, as many of the Members have most assuredly made it clear, and if we cannot come up with the beginnings of a program within 90 days then we have no alternative but to let the President work his will. But I can assure the Members that if the President were told that the Congress could find an answer so as to do something about a program that the administration really wants, that I cannot believe for a moment that it would be a program that would add the level of acceleration to our inflationary problems that this program would add.

I cannot believe that the administration has no other answer, other than one that would clearly escalate the very serious problems of energy costs and increase the rampaging inflation.

So, if we cannot find the answer in 90 days then we have to let the President work his will.

Ninety days is not an unreasonable amount of time.

Mr. SCHNEEBELI. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. CONTE).

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, as the first sponsor of antitariff legislation in the 94th Congress, I rise to speak in favor of H.R. 1767, a bill to suspend for 90 days the President's alleged authority to impose a tariff on oil imports.

I am pleased to report that my own bill, H.R. 315, which would amend the Trade Expansion Act to require the President to get the approval of Congress before proposing an oil tariff, now has 50 cosponsors. I would urge the distinguished chairman of the Committee on Ways and Means to give this bill his further consideration.

Mr. Chairman, there is no region more affected by the tariff than New England. And there is no region that has given it closer attention. I have studied the possible impact of the tariff on New England, and I am deeply troubled. Let me tell you why.

In New England, three-fourths of the homes are heated by oil burners. The

fuel they consume is 75 percent imported. Electric utilities in my region generate 80 percent of their power by burning oil, almost all of which is imported. So overall, New England is 80 percent dependent on oil. Any increase in the price of oil means a sharp jump in inflation, unemployment, business failures and loss of consumer buying power. For New England, the tariff is both inflationary and recessionary.

The tariff means serious trouble for charitable organizations. The Boys' Club in Pittsfield, Mass., my home town, is one example. Its fuel bills have risen by $13,000 in the past 2 years. The tariff would hike it another $10,000, making the Boys' Club devote over one-fifth of its budget just for fuel. This would mean the end of the club's ice hockey, skating, swimming, and basketball programs.

For the 2 dozen independent colleges and universities in Massachusetts, the tariff would mean sharply higher tuition fees. These schools suffered higher fuel costs in the past year that averaged out to $100 per student. The tariff would add another $50 to $70 in per-student costs. Being tax exempt, private institutions like schools and hospitals would get none of the higher fuel costs back as a tax rebate.

For industrial firms that consume residual fuel, the tariff would mean another 25-percent hike in energy costs. In the past 2 years, their fuel bills have tripled. For many of the small, established paper, textile, and hand tool companies in New England—already plagued by high operating costs and taxes, OSHA and EPA clean-up laws—the tariff may be the final blow that puts them out of business.

I am very concerned about the impact of the tariff on home heating oil consumers. Their price for fuel has doubled in the past 2 years. It now costs between $110 and $150 a month to heat the average home. The tariff will add on another $14 to $20 a month. I already see the first stages of a chilling prospect. If the tariff goes through, by the end of this winter, 30 percent of fuel oil consumers in New England will be forced to pay "cash on delivery."

I am concerned about the impact of the tariff on our hopes to build new oil refineries in New England. With the so-called tariff rebate, the administration attempts to ease the impact of the tariff on product imports. But by slapping a $3 a barrel tariff on imported crude oil, the prospects for building a refinery in New England—and we now have two projects well along now in the early planning stages—are hurt.

The impact of the tariff on electric utility bills will be devastating. In my district there are thousands of new "all-electric" homes. When they purchased them, the new owners were promised years of cheap electricity, based on the promise of abundant nuclear energy in New England. The hopes for atomic power have dimmed since then, and electric bills for these people have jumped alarmingly.

Let me give you some examples:

In the past year, the monthly electric bill from December 1973 to December 1974 for John Bys of Easthampton, Mass., rose from $80 to $150. Almost all of that was due to the increase in "fuel adjustment" charges. For his neighbor, Rogers Madison, the December electric bill jumped from $72 to $126. For John Pistana on the same street, the same bill increased from $57 to $113. I could go on with thousands of examples.

Each of these homeowners has seen his electric bill double in just 1 year. He now pays almost as much for electricity in the winter as he pays for his mortgage.

The tariff would increase the monthly electric bill of each of these owners of "all-electric" homes by 20 percent. John Bys would be paying $225 a month—just to keep his home at a minimum temperature in the 60's. After paying his mortgage and utility bills, what will he have left to live on?

These are some of the reasons why I am worried about the impact of the tariffs on New England.

Higher fuel prices would not conserve fuel in our region, because we are already at minimum consumption. Tax rebates would not cover more than half the income spent on higher fuel prices. New England is in economic trouble. We need time to come up with reasonable alternatives. That is why we need a 90-day deferral of the tariff.

So I urge my colleagues to support this bill.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. VANIK).

(Mr. VANIK asked and was given permission to revise and extend his remarks.)

Mr. VANIK. Mr. Chairman, I urge adoption of this legislation which would postpone for 90 days, the President's unilateral action imposing a $1 per barrel fee on imported oil. An import fee of this dimension constitutes a tax and clearly intrudes upon the constitutional right of the Congress to impose taxes.

The imposition of the $1 import tax is the first step in the President's energy plan. It is the first step in what I believe is a blueprint for economic disaster. It is the first step in the incredible plan to increase the cost of living by a staggering $120 billion.

If we permit the imposition of this $1 tax to go forward, we will immediately see the price of oil—which is distributed around the Nation on a weighted average price basis—begin to climb. Other forms of energy, which follow the price of oil, will begin to increase. For example, in 1973, the average price of a ton of coal was about $8.50. Last year, the average price was about $15. Coal will soon be quoted at $30 per ton. As the oil prices rise—so will coal, natural gas, and uranium prices.

The President's proposal, of which the import fee is the first step, moves in one clearcut economic direction—the decontrol of prices on old oil and the deregulation of natural gas. The President's approach is designed to create a reduction in oil imports and gas demand by permitting drastic increases in price. In a time of crisis and shortage he endeavors to turn the problem over to the energy industry by giving it drastically higher prices and profits on the theory that a free market will produce conservation and new supplies.

However, there can be no free market in a scarce, essential commodity controlled by so few. Today, 64 percent of the crude oil reserves are controlled by eight companies. In his statement, President Ford charges the OPEC nations with rigging the price of oil by establishing a price cartel, and then he proposes to raise the price of old domestic American oil to the level of what he himself says is a price rigged by the OPEC cartel.

In the year following the Cost of Living Council action which increased the price of old oil to $5.25 per barrel, the consumer paid about $31 billion more for all forms of energy. The total consumer cost of oil and petroleum products rose from an estimated $56 billion in 1972 to $74 billion in 1973 and to over $102 billion in 1974. If the President immediately prevails in his efforts to decontrol old oil, the price can be expected to escalate to $11 plus the proposed excise tax of $2 per barrel, or a total of $13 per barrel. The import tax will equalize the foreign oil price at the same levels. The pass-through of these prices along the energy stream will increase energy costs to the consumer by more than $100 billion. There can be no retreat of inflation in the face of this circumstance.

The $13 per barrel oil will increase the costs of everything we buy and need. The costs of freight and passenger transportation will soar. The costs of fertilizer and food will multiply.

The President's proposal will create horrendous windfall profits which his rebate plan will never offset. The average consumer costs will bear little relationship to the insignificant rebate proposal. The horrendous windfall profits are very likely to escape the tax collector. It has yet to be proven that Congress can pass a meaningful windfall tax program. As these prices anger the consumer, pressures will develop for the elimination of the excise taxes and the import taxes on which the promised rebate or tax reduction is based. The best way to deal with windfall profits is to prevent them from occurring in the first place. There is every likelihood that the Nation will be letf with high petroleum prices, high windfall profits to the petroleum industry and increased Federal deficits.

The President's program guarantees continued high inflation and imposes a crushing burden on the consumers at every point along the energy stream. Those who conserve energy are penalized to the same degree as those who waste. His program imposes a special burden on homeowners who have no alternative source of energy supplies for home heating and little capital for realistic conservation measures.

I believe that the Congress can come up with a better idea. As a deliberative body of two Chambers, composed of 535 Members, we must have time, and 90 days is not too much, if we are to prevent a compounding of our economic disaster.

The passage of H.R. 1767 will give the 94th Congress a reasonable time in which to act.

Mr. SCHNEEBELI. Mr. Chairman, I yield such time as he may consume to the gentleman from Colorado (Mr. ARMSTRONG).

(Mr. ARMSTRONG asked and was given permission to revise and extend his remarks.)

Mr. ARMSTRONG. Mr. Chairman, in the brief period since the President announced his plan for reducing our energy imports, his program has received some muted praise and a great deal of much louder criticism.

The most popular alternative to his program, to judge by some of his most vocal critics, seems to be gasoline rationing. Many people believe—or profess to believe—that this is the only equitable way to reduce our energy consumption.

On the surface, rationing seems a reasonable proposition: Since we need to cut back on the amount of fuel we use and since we should share the sacrifice fairly among us, the idea seems to be that we should just limit every driver to the same amount of gasoline and require anyone who wishes to use more than that amount to buy extra coupons in an open market from those who choose to use less gas. What could be fairer than that?

Well, a closer examination of the details of such a program suggests that almost any alternative would be fairer, and not only fairer but more effective as well.

One of the first things to keep in mind is that this system will not prevent the price of gasoline and of other petroleum products from rising. Furthermore, a rationing program is estimated to allow each driver only about 36 gallons of fuel per month, based on an overall reduction in imports of 1 million barrels per day. Additional coupons would probably cost about $1.20 each on the open market, as consumers would vie for the right to buy the limited remaining supply.

For each gallon of gasoline over the 36-gallon limit then, the effective price, after the driver has actually paid for his gas at the pump, would be about $1.75. Therefore, the large majority of Americans, whose gasoline use averages 50 gallons a month, would find their overall gas costs increased from about $27 to $44—more than 60 percent. In effect, for them, the price of gas would have risen to almost $0.90 a gallon.

Another cost factor involves refinery engineering. Briefly stated, American refineries are constructed to use about 43 to 47 percent of every barrel of oil to produce gasoline. The remaining amount becomes heating oil, residual oil, and other products. This ratio cannot be changed without substantial rebuilding of refineries involving massive expenses. To achieve our goal of reduced consumption under a rationing program, refiners would be compelled to cut back their production of gasoline to about 90 percent of its present level. Reducing gasoline production, then, would mean reducing the production of other fuels by a proportionate amount. The country would have to rely increasingly on expensive imported products—middle distillates, and so forth—to make up the deficit and the prices of these products, of course, would rise.

However, we do not need to go into these complicated calculations—to crawl among the catalytic converters and fractionating towers of a refinery—to see why gasoline rationing does not present a solid answer to the energy problem.

In the first place, it simply does not cover enough ground. Gasoline consumption represents about 40 percent of the Nation's total petroleum use. If we control the consumption of only this 40 percent, we ignore such fruitful areas for conservation as improved industrial efficiency, better construction and insulation of buildings, and less wasteful use of electricity and natural gas. We cannot be independent unless these other petroleum uses are also dramatically reduced.

Another point to keep in mind is that individuals and industries dependent on gasoline would suffer disproportionately under a rationing program. It would be far fairer and more economically sound to spread the effects of reduced consumption across the spectrum of all consumers and industries in the country.

Even the most successful rationing program would be, at best, a short-term and temporary solution to our energy problems. What we need today is a comprehensive program which will encourage conservation as a way of life, not a program which is in itself an invitation to "beat the system." In order to accomplish our long-term goal of independence from foreign energy sources, we need to expand our own energy production. A rationing program contains nothing that would encourage increased domestic production, and offers no incentive whatever to explore and develop alternate energy sources.

But perhaps the strongest argument against gasoline rationing as a measure to solve the energy problem is the complete impossibility of constructing a fair program. Even the costly and cumbersome bureaucracy which would be needed to administer a rationing program would not be able to give everyone an even break. So varied are our lifestyles and needs that any regulation must immediately have hundreds of exceptions.

In one family, perhaps both parents and three teenagers, all licensed drivers, would be eligible for ration coupons. If the young people used their gasoline to drive to school instead of taking the bus, would it be fair for them to have it? If, on the other hand, they all had part- or full-time jobs, would it be fair for them not to have it?

And, what of a widowed mother of three young children who supplements income from her full-time job on one side of town with earnings from a part-time job on the other? If her one set of coupons were insufficient to handle her driving to and from work, would it be fair to force her into the marketplace to buy additional coupons at an estimated $1.20 each?

Inequities of this sort would abound under even the best constructed of rationing programs. Then, too, there would be geographical discrepancies.

People living in the sparsely populated West need more gasoline than people in the densely populated areas of the East, and would endure undue hardship as a result of rationing.

It would be literally impossible to construct a program that would have equitable impact throughout our society. Why then, should we be eager to embrace the idea of gasoline rationing as a cure for our energy problems?

What America needs now is a comprehensive energy program, one which will provide both short- and long-term solutions to our dependence on foreign energy sources, and one which will be as equitable as possible to every citizen. President Ford's proposals may not, in all their parts, be the answer—we must take them up, consider them, and accept or reject them. But we must not ignore them from the very start and opt, instead, for gasoline rationing.

Mr. SCHNEEBELI. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota (Mr. ANDREWS).

(Mr. ANDREWS of North Dakota asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS of North Dakota. Mr. Chairman, I share the concern that some of my colleagues have expressed over this action of the President, yet I also recognize the dire need to stimulate domestic energy production. Perhaps we could stimulate domestic production better by establishing a floor of $8.50 to $8 a barrel on imported oil, so energy companies could go after alternative sources of energy, as well as the development of new oil wells, without someone fearing they would bankrupt these companies by backdoor admission of temporarily cutrate oil. Perhaps that is the way to do it, and we can still do this under the provisions the President is putting forth.

I think we have to recognize that in the President's proposal he allows a passback of this $3 charge to the people and to the corporations, as he presented it to us not only through the press but in a working session last night.

I am concerned, because in his mention of reimbursing this charge to corporations and individuals, he totally forgot the biggest energy consuming business in this country, agriculture. There was no provision for farmers who use more fuel than any other business in this country, no passthrough. The concern, of course, should be for consumers as well, and the consumers are affected by agricultural production availability. If our farmers are not encouraged to produce, the entire Nation suffers.

Last night in a working session at the White House and yesterday morning in my office with my colleague, the gentleman from Virginia (Mr. WAMPLER), the ranking member of the House Agricultural Committee and some other members from agricultural areas, we visited with Mr. Zarb and brought this to his attention. He said he could do something about it and he pledged to us that he would act on it.

Last night with the President in attendance, Mr. Zarb pledged, and my good friend, the gentleman from Pennsyl-

vania, the ranking member of the Committee on Ways and Means was there, that he would remedy this situation so this tariff charge could be reimbursed through to the farmers.

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

Mr. ANDREWS of North Dakota. I yield to the gentleman from Pennsylvania.

Mr. SCHNEEBELI. Mr. Chairman, I was present when that statement was made to the gentleman that some cooperation would be worked out whereby the farmer would be refunded. This is not too difficult to do, because at the present time the farmer does get 4 cents Federal gas tax refunded to him, for off-the-road fuel usage, so the operation is already in being and it can be extended to rebate this new Federal tax.

Mr. ANDREWS of North Dakota. That is right.

Mr. SCHNEEBELI. The statement was made in the session last night.

Mr. ANDREWS of North Dakota. Yes, I also received a letter this morning from Frank G. Zarb, Administrator of the Federal Energy Administration, in which he said:

As we discussed, I share your concern over the increased costs to farmers caused by the President's energy tax proposals. I want to assure you that we will have in operation a program that will provide farmers sufficient transitional tax rebates so that the increased fuel costs associated with off-road farm use will not unfairly impact the agricultural sector of our economy.

Mr. Chairman, I think also we have to take a look at the impact across the Nation of cost of heating fuels to people in their own homes. We have to realize that one rebate level uniformly across the country is not fair, is not equitable. We brought that out last night and I pointed out to the President and to Mr. Zarb that in my district we had 9,271 degree-days. The national average is 4,257 and in Houston it is 1,434. The degree-day is a measure of heating cost and is computed by the weather bureau. We used twice as many degree-days in North Dakota as the average in America and four times as many as people in the southern tier of States.

Mr. Zarb also pledged they would seek to balance this up on a State-by-State basis, so that the passback to consumers would recognize the additional heating costs.

So, Mr. Chairman, while I am not happy about a price hike of any kind in these inflationary times, I have been assured that sufficient concern will be paid to our farmers and our homeowners in northern latitudes that I am intending to support this proposal, because the alternative, the lack of enough fuel at all, is far worse to our part of the country, it has far more dire consequences in our northern areas where we need to heat our homes and in our agricultural areas where we need to produce the food required by this Nation.

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

Mr. ANDREWS of North Dakota. I yield to the gentleman from South Dakota.

Mr. ABDNOR. Mr. Chairman, I would like to associate myself with the remarks of the gentleman in the well. As the gentleman knows, my district and his district are very similar in temperatures and industries and makeup of the area.

I, too, was very relieved, after visiting with Mr. Zarb, and again last night, when I attended a meeting with the President at the White House. Of course, I will be waiting anxiously to see the program that will be forthcoming that will correct the inequities that exist in my district and rural America. I am very pleased that the President and Mr. Zarb recognize our problem and intend to do something about it.

The paramount concern I have had ever since the President announced his energy program is the matter of equity for rural areas of America.

As the program was received, I found that I could not, in good conscience, endorse it. To be sure, I most certainly desired to give the action of President Ford my support, for the steps he has taken demonstrate that he has, indeed, "bitten the bullet."

The President did something about which the Congress in the past year has done little. We witnessed at the conclusion of the last Congress the record of much discussion, but little action by the legislative branch of Government on the critical energy and economic problems confronting this Nation.

Our country has been crying for action to meet the critical problems confronting us. So it is with some admiration that I say that the President responded, and forthrightly, with his program.

However, while I salute the President in moving forward while others merely gave lipservice to our dilemma of a country buffeted by the strange combination of inflation and recession, I have been concerned about some aspects of this program. These would, it seems to me, unfairly penalize a segment of our populace in which geography and livelihood have, unfortunately, established an unwitting victim of this new program.

Primarily rural States such as South Dakota have unusual circumstances confronting them which will result in extreme economic difficulties should the President's program be adopted as submitted to the Congress.

My concern over this aspect of the President's program was reviewed in a letter I wrote to Mr. Frank Zarb, Administrator of the Federal Energy Administration. I would like to include that letter in the RECORD at this point:

JANUARY 27, 1975.

Mr. FRANK ZARB,
Administrator, Federal Energy Administration, Washington, D.C.

DEAR MR. ZARB: South Dakota is located in the heart of the bread basket of rural America. Agriculture not only is the lifeblood of our state but of the whole nation, and I sincerely feel that the Administration's current energy proposals could impair the farmers' financial existence. In view of the response by Acting Deputy Administrator Eric Zausner to my question at the recent briefing you held for Members of Congress, I felt the following information might be helpful in your assessment of the desperate situation confronting agriculture producers.

Although some 12 to 13 per cent of the total United States energy consumption is located in the food and fiber sector of the economy, approximately only 3 per cent is consumed in farm production. In addition, fuel as a farm production input in 1973 was 2.9 per cent of total production input costs.

This, however, understates the nature of the cost of fuel to farm income returns. As can be seen in the attached table generated by the Economic Research Service of the Department of Agriculture, the impact of fuel prices on farm returns is significant. Fuel purchases as a percentage of total cash sales is consistently less than 5 per cent for all four types of farms. But if fuel purchases are computed as a percentage of labor and management earnings, these range from 18.6 to 39.4 per cent.

If fuel costs were doubled, for example, returns to labor and management for dairy men would be reduced by almost 40 per cent, and reduced nearly 20 per cent for grain farmers.

We are all too well aware that farming, more than any other sector of our economy, is dependent on the vagaries of the market place. Unlike manufacturing sectors, however, farmers cannot pass on higher input costs by raising their prices and are thus caught in a price squeeze.

We are currently pressuring the farmer for more production, possibly driving down prices for his products. This new economic and energy proposal will prove to be a great hardship, threatening the very foundation of American agriculture.

It is extremely important, therefore, that we implement a program which will not force the food producer out of business.

I would like to urge your consideration and development of an energy program which will not place the additional financial burden on our rural population which will be imposed by the present proposals.

Sincerely,

JAMES ABDNOR,
Member of Congress.

Subsequent to the letter, as noted before, a number of us met with Mr. Zarb to further review our concerns over the difficulties we felt would be faced by our agricultural areas.

In this conference, assurances were given to us that the problems of agricultural areas would be given attention. We were told revisions would be made in the program so that farmers and those living in our towns and cities of rural America who are dependent upon agriculture, would not be unfairly penalized.

For example, a formula is being developed which will permit a special allowance or credit for fuel purchases which will be above a prescribed level and which are a result of climate. This means that people living in the so-called cold weather areas of America will receive a credit for the extra amount of fuel they are required to use.

South Dakota requires more heating fuel to live—air conditioning is a luxury, but heating is a necessity in South Dakota. To exemplify this difference, Pierre, S. Dak., has 7,677 heating degree days and Aberdeen, S. Dak., has 8,617 heating degree days, while Houston, Tex., has only 4,752 heating degree days. The average temperature for Pierre is 46.2 degrees and 42.8 degrees for Aberdeen, while Houston's average temperature is 68.9 degrees.

I think this particular proposal will be of great benefit to some of our elderly

people who are confronted with the problem of living on a small income and faced with fuel costs which could take virtually all of their meager income.

Another step would be to provide a credit for gasoline used in business travel. According to the Federal Energy Administration, there are only three other States in the United States that use as much or more gasoline per capita than South Dakota. I sincerely do not believe that we waste more gasoline than other areas but that the great distances from our service centers result in higher usage. Without a rebate based on the money expended for energy consumed, South Dakotans would be penalized worse than any other region.

Of great significance, however, is the assurance given concerning agricultural use of both fuel and fertilizer, both of which promise to sharply increase in price. It is planned that farmers will be able to take a credit for the additional amounts it will cost them for fuel and fertilizer which will certainly make less painful this program.

And it should be noted, Mr. Chairman, that these credits of which I speak are not special benefits for a portion of our population. What these credits will do is achieve equity, and nothing more than equity, for our farmers who—unlike all other economic units of our society—cannot pass along to the consumer the increased costs they experience in their operations.

I think it is particularly important that this fact be kept in mind that the farmer must accept what the market will pay for his livestock, for his poultry, for his grain, regardless of how high his operating costs may rise. This, of course, as everyone knows, is not true for any other business operation in this country and explains why it is necessary to have a special protection provided by way of an energy credit if we are to prevent the agriculture economy from complete collapse.

Mr. Chairman, much of my discussion has resolved around the need for assisting our agriculture enterprises and those who rely on these enterprises for their livelihood. I believe the record should also contain a very positive note on what agriculture means to America and I wish to cite only one statistic.

We hear much about the problem we have with our balance of payments and the difficulties we have with the great outflow of American dollars overseas. In fact, the problems we are dealing with today are a direct result of the tremendous imbalance which exists. If it were not for agriculture, this deficit would be even more severe. Last year if it had not been for agricultural exports which totaled $11.7 billion above the break-even point of farm exports and imports, the U.S. balance-of-trade deficit would have been over $14 billion instead of the $3 plus billion.

Mr. Chairman, on the basis of assurances given my colleagues and me by the administration that steps would be taken to protect our agricultural areas which therefore will make this program as equitable as possible, I am pleased to lend my support to the President's efforts.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield 1 additional minute to the gentleman from North Dakota.

Mr. CONABLE. Mr. Chairman, will the gentleman yield

Mr. ANDREWS of North Dakota. I yield to my colleague from New York.

Mr. CONABLE. Mr. Chairman, I would like to compliment the gentleman on the position he is taking. I know there is very real concern about the increased costs resulting from the tariff on imported oil, but there is going to be increased cost in any event. How much preferable it is for us to have these increased costs provide us also with the opportunity to get under control a situation which is otherwise going to deteriorate, which is going to cost our farmers money without any prospect of improvement.

Clearly, the opportunity for improvement is implicit in the restriction of imports that is being taken, and provides us with a handle to take hold of an otherwise deteriorating situation.

Mr. ANDREWS of North Dakota. Mr. Chairman, I appreciate the gentleman's comment.

Mr. Chairman, let me conclude by saying that we need a supply of fuel on the farm. While the waiting in line at the gas station in Washington is an inconvenience, nondelivery of fuel oil to a home in North Dakota where it is 40 degrees below zero is stark tragedy. In addition, not having fuel to till the soil shortchanges our consumers and stops farming, which is highly energy oriented, dead in its tracks.

We need the supply. There has been no alternate that has been proposed in this Nation to meet this challenge.

I appreciate the solemn commitments made by the President and by Mr. Zarb to take care of the unique needs of agriculture and Northern climates. Based on this, I intend to oppose this bill. That would propose taking action on this critical matter. When the Congress faces up to its responsibility in the energy crisis the import tariff can well be removed. In the meantime, there is no alternative to assure in the adequate domestic supply development we need.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Chairman, at the outset I wish to say that there are some things which the President proposes as matters of general principle with which I agree. We must have a positive program which would include, first, reduction of imports; second, development and encouraging of alternate sources of energy; third, a means of decreasing U.S. use of energy sources, mainly gasoline.

As a member of the Committee on Interstate and Foreign Commerce, I certainly intend to help develop a positive program in Congress to accomplish these objectives, but I most strongly believe that the proposals of the President are not good answers to these propositions.

I present it this way: There may be some of my colleagues on the other side of the aisle who may be able to refute these propositions, but I want to say simply that as I understand it, the present average price of oil in the United States is about $9. Old oil is $5.25. New oil sells at about $10, and foreign oil at about $12.60.

If we add $2 ultimately to the price of foreign oil, we have then pegged the price of oil at about $14.60, and it seems obvious to me that the price of all oil used in the United States will go to approximately $14.60.

The price of oil advanced in 1973 from around $3.40 to approximately $7, just about double. If we permit it to double again, we are simply putting into effect a geometric progression in price, a doubling once and then a doubling of the result.

I have heard talk this morning—indeed, at the White House from Mr. Greenspan—that this would increase the cost of living by about 2 percent. It astounds me that this statement could seriously be made, because the increase of the cost of living caused by oil from 1973 to 1974 was approximately 55 percent.

How conceivably could the larger increase from 1974 to 1975 not produce a greater increase in the cost of living than occurred during the last year? Can the economy stand this?

I recognize that there must be a control on imports; I would place a dollar limit on them. Recognizing that there must be a decreased use of the use of oil in the United States, I would impose rationing, as I now see it. Recognizing that there must be something more done than is presently being done, I would take steps to develop other sources of energy. I think there are certainly more viable means for meeting the very standards that the President says ought to be met than the utterly disastrous plan that he has outlined of which this is the first step.

Of course, we should devise a specific answer. Of course, we should not engage in a game of oneupmanship between the Presidency and the Congress—and we shall not do that on our side—but is it unreasonable for us to consider the same facts that the President considered in devising his program To give him credit, he does propose something concrete. Is it unreasonable that we also take those same facts, that we also hear the options presented by the experts and develop our own plan before we adopt a portion of a plan which seems to me to be utterly disastrous in the area that poses the greatest danger to our economy, that is, in the area of energy?

Mr. SCHNEEBELI. Mr. Chairman, I yield 4 minutes to the gentleman from North Carolina (Mr. MARTIN).

(Mr. MARTIN asked and was given permission to revise and extend his remarks.)

Mr. MARTIN. Mr. Chairman, while I dislike any artificial price increases, I must oppose this legislation which would strip the President of his authority to impose fees on oil imports. The President's method of reducing oil import dependency may be unpopular, but it will be far more unpopular if we squander valuable time waiting until war again returns to the Middle East.

I voted against this stripping bill in committee and will do so again today. The power this bill would strip is that of the so-called "national security" clause of the Trade Expansion Act of 1962; in one form or another it has been on the books since the early years of the Eisenhower administration. The power was fought for and gained by that administration and then fought for and retained by the Kennedy administration. The question is now whether the power to restrict imports in the interest of national security will now be revoked, because it is used. Did those Members who voted to support President Kennedy—and earlier President Eisenhower—with regard to this power think it would never be used or that, if used, the burden of its use would be nonexistent? Why would the Congress give President Kennedy a blank check because he asked for it, and then deny a subsequent President the authority to fill in the blanks? Ironically, this is the third exercise of this authority. President Eisenhower first established import quotas, and more recently President Nixon affixed an import duty of 63 cents on a barrel.

The test as to the use of the "national security" clause is whether the particular use is in the interest of national security. We know there are costs imposed by every exercise of governmental power. Here we have a situation in which our galloping demand for imported oil is putting our entire economy, our entire society, in that final and very awkward position involuntarily assumed by the late Louis XVI at the moment of his demise. In our case, we have the Organization of Petroleum Exporting Countries—or, more accurately, Minister Yassir Arafat and his supporters—holding the lanyard. The posture is both vulnerable and humiliating.

This country cannot—absolutely cannot—endure depedence upon hostile and potentially hostile regimes abroad for our energy supplies. At the very least, we must curtail our consumption of foreign oil enough so that we can prevail through future embargoes.

I am convinced that President Ford's fee impositions will lead to a reduction in oil imports. It will mean less oil than we would otherwise have, and less than we would want. But, it would mean one giant step toward being immune from foreign policy dictation by Mr. Arafat and his supporters. Reduced oil imports mean costs and discomforts. We have a choice between that and remaining in that picturesque but untenable position of just waiting for the guillotine to drop all at once. While we wait, the billions of dollars to buy the foreign oil would continue to increase, making our would-be executioners even richer.

Sure, there will be costs resulting from the exercise of the power granted Presidents Eisenhower and Kennedy. Was it ever envisioned that a curtailment of imports by quota or fee would be without costs? But we can very easily adjust the impact of those costs so that they do not fall inordinately on any geographic section or economic strata. We cannot do everything through the Internal Revenue Code, but we can at least do that much, as the President himself has urged.

So, in the interest of making us immune from the economic and social disaster flowing from any future embargo—and immune from Arab dictation on foreign policy—I urge that this stripping bill be defeated.

Mr. Speaker, some have suggested rationing as an alternative. But rationing is not an alternative, because it was voted down last year. Some have suggested that import quotas would be preferable to import duties. If that is so, then this bill is ironically defective because it will suspend authority to do both. How embarrassing, Mr. Speaker.

There is no substitute for the President's action, because no substitute has been authorized and—let us face it—none is being authorized today. None is even seriously being proposed, although a lot of "suggestions" have echoed off these walls for a year and a half.

Maybe some day Congress will come up with "a better idea than Ford". When we do, then let us assert ourselves with all the glory and power that we command. Until then, and especially for so long as we do not have any alternative idea to substitute, it would be more fitting that we confine ourselves to rhetoric and headlines—and stay out of the way of those who have unpleasant work to do.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. HARRIS).

(Mr. HARRIS asked and was given permission to revise and extend his remarks.)

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

Mr. HARRIS. I yield to the gentleman from Connecticut.

(Mr. COTTER asked and was given permission to revise and extend his remarks.)

Mr. COTTER. Mr. Chairman, I rise in support of H.R. 1767, a bill to suspend for 90 days the President's use of authority under section 232 of the Trade Expansion Act of 1962. As each Member knows, the President has used this authority to impose a series of tariffs on imported crude oil and imported oil products.

I want to thank my chairman, AL ULLMAN, and our Trade Subcommittee chairman, BILL GREEN, for the expeditious and totally correct action in seeking swift approval of this necessary legislation.

Both JIM BURKE and I were charged with getting such action by the members of the New England Congressional Caucus; and with the cooperation of these men and the entire Ways and Means Committee, we are ready to seek this necessary delay through legislation.

Mr. Chairman, I, of course, support the 90-day delay on the imposition of the tariffs. In spite of repeated assertions that no region of this Nation would suffer adverse economic impact because of these tariffs, these facts stand out:

New England is heavily dependent on foreign oil, especially foreign oil products such as residual oil and home heating oil. We use 25 million barrels of foreign home heating oil and over 147 million barrels of residual oil, which provides fuel for 85 percent of New England's electrical capacity.

The entitlements program, which the administration says will equalize regional cost disparity caused by the tariffs, is now tied up in extensive court action. One major oil company—Gulf—has refused to participate at all in the entitlements program, and two other companies—Exxon and Marathon—are in the midst of a lengthy court battle over the constitutionality of the entitlement program.

The result of these factors led to the inevitable conclusion that the cost for the tariffs will be borne by the users of foreign oil alone and all this talk of price equalization looks to me like the traditional "sock it to New England" policy that has dominated Federal oil import policy.

I have spoken with Lynn Brooks, administrator of the Connecticut Energy Office, and he informs me that his newest, and most conservative, estimate is that the direct costs of the President's entire energy package for Connecticut alone will exceed $420 million in higher fuel and electric energy costs. This does not even take in the indirect costs.

Further, Mr. Brooks estimates the tariff alone will add an immediate cost of $120 million to heating and electric bills in Connecticut during the next few months. Without equalization, there will be an additional $16 million increase.

In brief, Mr. Chairman, the cost of this tariff program will be borne in large measure by the people of New England who have experienced tremendous price increases in home heating fuel of 102 percent and residual fuel of over 152 percent. Yet at the same time people in New England have been doing more than their fair share in energy conservation. We have cut our consumption of No. 2 heating fuel by over 20 percent and our use of residual oil by 10 percent. Both of these figures are well above the national average. We are doing our share and we hope to do even better; but forcing the price of foreign oil products even higher is a prescription for economy disaster.

Mr. Chairman, this position does not underestimate the need for both the President and Congress to work together for a reasonable energy policy. The House Ways and Means Committee is prepared to turn to the energy area immediate after finishing the tax stimulus package this week.

Yet I would be remiss if I did not point out another problem. In all my questioning of witnesses and economists last week—I might add, they were a bipartisan group and included Dr. Burns of the Federal Reserve Board—I was very concerned by the growing consensus that not only would the President's entire energy tax deregulation proposals add between 2½ and 3½ percent to the Consumer Price Index, but as importantly, would contribute directly to the deepening recession that is currently facing our country. Perhaps President Ford has decided to "live with" 8 percent unemployment for the next 3 years, but I have

not, nor do I believe this Congress will agree with this inhumane economic medicine.

The President and the Congress must be given a chance to work together, but to hold an economic gun to the head of New England is not a prudent way to proceed.

One final point, Mr. Chairman. As my colleagues may be aware, the Governors of several New England States are contesting the legality of the President's actions and trying to seek a court decision on this matter. There is nothing in this bill nor in the intent of those who support it to undermine this effort.

Therefore, Mr. Chairman, I urge my colleagues to vote for this legislation.

Mr. HARRIS. Mr. Chairman, I am a cosponsor of H.R. 1767, the bill to suspend for 90 days the President's authority to increase oil import fees and I urge the House of Representatives to move swiftly in passing this essential legislation.

The question before us today has been called a Presidential power play to force the Congress to act. It has been called a show of strength to the OPEC countries. It has been called an effort to stimulate the conservation of gas. It has been called our first step to escape from dependence on foreign oil. It has been called many things.

I believe the real question is one of these. The real question before us today is this: Are we going to make Government responsive to people's basic needs? The issue of oil—its cost, sources, allocation, and necessity—is at the core of the American economy, in fact, the American way of life. This lesson we too painfully learned last winter.

President Ford's "crash" program of a $1 to $3 increase in oil import fees, his drastically and intentionally driving up the cost of something so central to the way we live right in the middle of a skyrocketing inflation, is clearly a direct economic slap in the face to the American citizen. For when we jack up the cost of oil, we raise the cost of almost everything, especially our basic necessities. A few examples:

Just this week I received reports that the average residential electric bill went up 60 percent in my State, an increase far exceeding the 12 percent increase in the cost of living in the area last year. Likewise, gas bills for heating homes jumped 31 percent.

A food chain in my district—which serves citizens who coped with a 22 percent jump in food prices since 1973—has informed me that this proposal will only add "insult to injury." Petroleum is integral to the food industry. It is used to operate farm machinery for planting and harvesting; in transporting food from the farm to the processing plant to storage; and then from storage to the store, not to mention the fuel used in cooking and refrigeration.

One of the school superintendents in my district—who has to heat 187 buildings and fuel 1,177 vehicles within an already too tight school budget, says that the oil hike will mean $965,000 in increased costs.

A hospital in my district says that its fuel oil budget has tripled in the last 3 years. The cost of medical care generally in the Washington metropolitan area has risen 17 percent in the last year.

An already financially perilous public transportation system that this year has a diesel fuel bill of almost $6 million supplying 18,000 buses could be crippled by this proposal. Ford's plan would add almost a million dollars to their fuel budget.

Fairfax County, the largest jurisdiction in my district, paid 82 percent more for petroleum products in the last year and saw a whopping 160 percent surge in electric rates. The public coffers are not bottomless. Costs like these inevitably mean higher real estate taxes. And this would mean higher taxes on top of higher costs for food, clothing, electricity, and heating oil at home.

This is just the beginning. Energy costs are translated into manufacturing, distributing, and retailing costs. Since oil transports American goods by truck, rail, and air, all our basic material needs are affected. Since petrochemicals are the base for many plastic products, we will face escalating prices for everything from heart valves to ball point pens.

The experts say that overall the Ford fee boost will cost the country from $30 to $50 billion, $150 for every man, woman and child, $600 a year for every family of four. Or in everyday terms, it will mean 15 cents more for each gallon of gas, 10 cents more for every gallon of residual fuel.

I believe no one can definitely calculate the total dollar cost because the economy and energy are so intricately intertwined. I doubt if the most sophisticated computer could tell us in finite numbers what the total price tag of this proposal will be. But I do not need a computer to show me that this increase will further inflate inflation.

Not only will the President's proposal swell the cost of our basic necessities, it will also further stagnate our sick economy. When business and industry have to pay higher fuel and utility bills, they have to cut somewhere. And the first cuts always come in personnel. Thus, we will see more layoffs, more food stamp applicants, more medicaid recipients—and so goes a labyrinthian nightmare. The American economy will be further depressed by depriving American consumers of $30 to $50 billion in buying power. Furthermore, Ford's program, rather than encouraging industrial expansion and providing more jobs, which we critically need, will further disable industry and eliminate jobs.

I do not believe the administration's "$19 billion distribution to individuals" will make up for the enormous pinches in the American pocketbook that would result from this proposal. $19 billion—coupled with executive deferrals and recissions, cuts in food stamps and other human services—falls far short of the $30 to $50 billion predicted cost of this program. More important, these numbers do not begin to measure the humiliation of human beings who cannot feed their families, clothe their children, heat their homes, and find a job.

Mr. Speaker, I vigorously oppose the President's proposal and there are many reasons. But my first and foremost reason is, as I have outlined, the economically and personnally disruptive effect this increase will have on our American people. The solutions are many and involved. Both parties have proposed some that have merit, some that do not. I propose that we Democrats and Republicans, the Congress and the President, seriously and immediately agree on an all-encompassing crash program to solve this economic-energy mess that is so draining on us all. It was a crash program that got us to the moon. We can do no less to get every American back on his or her feet securely and proudly.

Mr. SCHNEEBELI. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. MOORHEAD).

(Mr. MOORHEAD of California asked and was given permission to revise and extend his remarks.)

Mr. MOORHEAD of California. Mr. Chairman, I rise in opposition to this legislation. There has been much talk around the country in recent weeks about the prospect of mandatory gasoline rationing. Various Senators have expressed support for such a program. I wonder, however, whether they have thought through the real implications of rationing for the average American—whether they have recognized that a vote for rationing would be both unfair to the American consumer and, ultimately, unwise for their own political future. Rationing may sound like an appetizing dish on the menu, but it will mean prolonged indigestion if we swallow it.

Today, the average American driver uses approximately 50 gallons of gasoline per month.

With mandatory rationing, the net effect would be to restrict the average driver to only 36 gallons per month—or a fraction more than 1 gallon per day.

This might, on the surface, seem like an equitable solution to our current energy problem. The amount of gasoline each American uses would be reduced, our oil imports would be contained, our balance of payments would be aided. In fact, there is only one objection to the plan.

And that is, it will not work.

The fact of the matter is that rationing, in order to be even remotely equitable, would require an enormous number of exceptions to its provisions, as our single past experience with it during World War II made clear. And adjudication of these exceptions would require an enormous bureaucracy. Now, I think most Senators are well acquainted with the kind and number of difficulties which would arise—all we have to do is multiply our mail on social security and veteran's benefits by a factor of 50 or 100 to gage what this aspect of rationing would entail.

Let us consider for a moment the effects of a rationing program without provisions for exceptions.

Take the case of a widow with two small children, living in a suburban community, who must drive 32 miles a day to work in a car that gets about 12

miles per gallon—13 is the national average. Under the rationing plan, her cost to commute will increase 70 percent since she would have to buy additional coupons—at $1.20 each—every month, just to keep her job. That amounts to about $250 a year.

There are thousands of other examples of people dependent on their automobiles for basic transportation to and from employment—migrant farmers, blue-collar workers, salespeople, and so forth. Is a gallon a day enough for them?

Similarly, a rigid gas rationing plan creates inequities on a regional basis. The average driver in rural areas travels twice as far as his urban counterpart, and the city dweller drives far less than the suburbanite.

The point is, a 36-gallon-a-month gas diet is not good for everybody. In fact, it is not good for anybody in the long run.

Gasoline by coupon is, at best, a short-term remedy for a single ailment—overconsumption. Reducing demand for gasoline for the estimated 130 million or more cars, trucks, and buses on America's highways is not enough. Conservation efforts directed only at the automobile ignore the need to save energy in other areas by better building design, construction, and insulation, more efficient industrial processes and practices, and more efficient generation of electricity. But conservation alone still isn't the answer. U.S. companies must accelerate domestic production and the search for alternative energy sources.

Thus, not only would rationing be inequitable—and, most probably, unworkable—in regard to curtailed consumption, but it fails even to address the other side of the energy crisis, increased production.

So, if we put the President's program down with no further consideration, and, instead, dredge up some kind of rationing device, what will we do a year from now, when the people have been justly outraged by it, when it has failed to promote development of new energy resources—in short, when it has permitted the energy crisis to roll on unimpeded for a full year? What will we do? Pull the President's program out of the dustbin, brush it off and try to make it work 12 months too late?

I do not concur on all points of his program. I want to study it, hear debate on it, consider it in detail. But I do not want to reject it out of hand only to find that an ill-conceived rationing program has been substituted in its place. That, I think, would be the result of adopting this resolution.

Mr. SCHNEEBELI. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. Mr. Chairman, President Ford has sent messages to the Congress with heavy energy emphasis on September 12, October 8, on November 18, and of course, on January 15.

For all practical purposes, the Congress has been here since early December when it held the first organizational meetings of the caucuses.

The Presidents action addresses itself to a problem which we all acknowledge. I share the reservations expressed here today about the President's action; but certainly we must concede that the Democratic Party and its leadership has had all the time they need to respond with a positive program of their own, if they have the capacity and the intelligence to do so.

In the absence of a program of its own, the Congress of the United States ought to have the good grace to refrain from saying no to the one proposal on the table today.

I urge a vote against this legislation, and I urge the appropriate committees to go to work on positive programs of their own.

Mr. ULLMAN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Kansas (Mrs. KEYS).

(Mrs. KEYS asked and was given permission to revise and extend her remarks.)

Mrs. KEYS. Mr. Chairman, in my opinion, there are two criteria to be used in considering the President's energy proposals: Fairness and effectiveness.

The proposal to increase oil import fees $3 per barrel meets neither standard.

A higher price for imported oil will mean higher prices for all petroleum products and derivatives, for all persons using those products.

We must conserve gasoline, but the President's arbitrary action puts an inescapable burden on workers traveling to their jobs, elderly persons driving to do their shopping, and others using their cars for necessary purposes.

These persons have no choice; they have to make their check or their pension stretch still further.

Other segments of our population also have no choice. Farmers will be forced to pay still higher prices for fertilizer and propane. Homeowners will pay more for heating oil. Consumers will pay more for every product that is derived from petroleum.

The President's proposal will result in an indiscriminate tax on everyone, regardless of their financial circumstances, type of work, or personal energy conservation measures.

In short, the proposal is not fair.

Neither would it be effective.

As a member of the Ways and Means Committee, I heard several days of testimony by administration officials in regard to their energy proposals. I heard no conclusive evidence that an increase in the price of gasoline will produce any significant energy savings. Unless the price reaches extremely high levels, people will continue to buy all the gasoline they need or want.

Other petroleum products and derivatives will also continue to be purchased. Farmers do not have the option of not buying fertilizer, for example. The higher prices will just make it harder for them to stay in business.

This Congress must and will accept the responsibility for our energy policy; but the President's action to save energy through higher import fees is neither fair nor effective. I urge my colleagues to suspend the higher fees by passing H.R. 1767.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana (Mr. WAGGONNER), a member of the committee.

(Mr. WAGGONNER asked and was given permission to revise and extend his remarks.)

Mr. WAGGONNER. Mr. Chairman and my colleagues of the House, it is somewhat difficult for me to rise in opposition to a bill from my own committee, and I intend to compensate for this opposition, however, by voting later today for the next bill, which is from my committee. But seriously, it is difficult to rise in opposition to a bill brought here by our distinguished new chairman, giving due consideration to the diligence with which he has proceeded and to the sureness of his action to lead this committee as the committee ought to be led.

However, my distinguished colleagues, we have a problem in this country, and there are no good answers. All the answers are bad, and they are going to cost somebody something by way of a sacrifice, either personally or monetarily.

The problem is simple. There is no satisfactory answer. Supply, as far as oil and gas are concerned, simply does not meet demand.

I come from a producing State. I am aware of the fact that in 1950 we were self-sufficient in the United States with regard to our petroleum needs, but by 1960 we were importing 16 percent of our petroleum needs. We have reached the point now that we are importing 40 percent of our required petroleum needs, and we are paying out about $25 billion a year for this product that we are forced to import.

If we do not do something, by 1980 we will be importing a minimum of 50 percent of our petroleum needs.

Whether you realize it or not, the situation is not told by those figures. The truth is that since about 1970 in the instance of crude oil, production has been declining in the United States, the overall production has decreased.

Another fact of life, and this is part of the problem, is that two-thirds of all of the known free world oil reserves are not located in the United States, nor on the North American Continent, nor in the Western Hemisphere; but they are in the Middle East. These reserves are held by the Persian Gulf nations, and they know that they have got us over an oil barrel.

Also there are international implications to the problem we have now. We will have to have some help from others, and if we are going to have to get help from others then we will have to give them something in the way of return. We will have to maybe at some point in time share products, and even now we are helping them pay for the burden of higher priced oil. The problem we have is one that in October 1973 the people who are asking for a delay today laughed at. They said, "Oh, this is all just a contrived shortage created as a figment of the imagination by the American oil companies simply to enable them to get a higher price."

These people are not saying today we were wrong in October of 1973, they are saying "give us time to do something

about the problem." They will not even admit they were wrong in 1973.

So at least we have come a little bit along the way, and some people are admitting now that we have a problem.

What is the answer to the problem? We have three options. The first one is do nothing. And even those who say, "Give us a delay today" admit that we cannot forever afford to sit idly by and do nothing; that we have to do something.

The second option is that we do something as the administration has done in the form of a combination of fees, tariff levys, taxes, and that sort of thing.

And the third option is the worst of all worlds: Rationing.

While I am talking about rationing, let me say that I have heard people say, "Let us try allocations."

Allocations would be rationing at another level.

Have the people who suggest that forgotten those gas station lines of late 1973? That was rationing by allocation. It was nothing else but that.

The problem in addition is this, and I want you northeasterners, you heating-oil people, to listen to me: Only about 40 percent of a barrel of crude oil on the average is converted into gasoline. We need to conserve crude oil, not just gasoline. If we are going to conserve crude oil we cannot ignore the 60 percent of that barrel of crude oil which goes for other products and say, "You go ahead and waste it, you go ahead and do what you want to with it. Let us just conserve in the instance of gasoline." This we cannot afford to do.

What has the President done? He has levied fees in two cases; he has levied and put in place a fee by the barrel on imported crude oil of $1 which took effect on February 1. He has done nothing yet in the instance of the other fee, which has to do with a fee on finished products. But when he does, if he does it, as he proposes, and if we can come up with a better answer it will not be done, and should not be done, he proposes a levy of 60 cents a barrel on finished products, with a rise the second month to $1.20 per barrel. This is favored treatment for the users of heating oil, not discrimination.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. Mr. Chairman, I yield 3 additional minutes to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, it is unreasonable to expect, you of the Northeast, that just those people who use gasoline should bear all of the burden. If we are going to conserve crude oil we have to conserve crude oil in every aspect of it, and that affects everything that comes from a barrel of crude oil.

The other thing is excise taxes. He proposes a levy on domestic oil. They have not been put in place yet. I hope they are not required to be put into force. I hope we can come up—and believe we can—with an answer before then under the able leadership of the gentleman from Oregon (Mr. ULLMAN).

Mr. Chairman, the President's proposal is intended to do—whether it will or not, I do not know—these things: First, to conserve crude oil by increasing prices to reduce demand, and this does work because we are not using any more product today than we did in October 1973. It is intended to put some pressure on the OPEC nations to lower prices, because if we can conserve and there is a reduced demand, then those people are going to have about 9 million barrels a day of excess production. I think they are going to look for something to do with that excess production.

It is intended to reduce, if we conserve, the outflow of dollars, which we must do something about. It is intended to provide a maximum supply of petroleum and petroleum products under the maximum conditions of the operation of a free market, a free economy. Some say it will not. What do you suggest?

Mr. Chairman, the purpose of the proposal to cut taxes is to help these people who are unduly burdened, where everybody is going to be burdened to a point, to allow them to pay for the cost-of-living increases of this program. The pressure is on the Congress. I believe that we can meet the responsibility, because we have come a long, long way. But we have got a problem now. I believe we are going to put our shoulders to the wheel in the Committee on Ways and Means, and in other committees here, and we are going to come up with a proposal we can present to the President; and if we can prove to him that what we propose is better than what he proposes, I believe that he would accept it.

However, if I sat where the President sits, I would not take the criticism from our international trade partners and our allies there and from the people of this country for doing nothing. I would keep the pressure there until somebody showed me they had something better in a detailed and specific way. If he had not made a proposal of some sort some of you who oppose him today would be criticizing him for doing nothing.

We in the Committee on Ways and Means are going to work toward that goal. I, as an individual, am going to oppose the bill today, believing that we can maybe later compromise this matter somewhat and have everybody be a bit happier. But we are not going to do it without cost to everybody in this country. Where will you and where will the country be if we do not reduce demand, we do nothing, and have to cope with another embargo which will be twice as devastating? Most o fyou oppose the President's proposal but none of you have a specific proposal.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. YOUNG).

(Mr. YOUNG of Florida asked and was given permission to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Chairman, I rise in support of H.R. 1767, a bill deferring for 90 days the President's authority to impose a tariff on foreign oil imports.

President Ford has demonstrated outstanding leadership by presenting to the Congress a coherent and comprehensive program for stemming inflation and reducing our energy costs. I agree with his goals and wish to work for the achievement of Operation Independence through energy conservation. I know the President is sincere in his desire to reduce our dependence on foreign oil, and I have discussed this problem with him at great length during several meetings. Thus, I am reluctant to disagree with one part of his specific plan for implementing the energy conservation goal, that is, the imposition of a $1 to $3 tariff on imported oil.

But it is clear that the imposition of this additional tax does not provide any guarantee that oil consumption will be reduced. What the tax does guarantee are high prices—for gasoline, for oil products, for synthetics derived from petroleum, and for electricity.

The President is seeking to reduce domestic consumption by 1 million barrels of oil per day. Clearly, such a reduction will create shortages which we must learn to live with. I feel that the President can accomplish the same goal—the 1-million-barrel-per-day reduction—by simply placing a limit on oil imports, without taxation or price increases. We will have shortages in either case, but under the President's current plan, we will have additional increases in costs. A limit on oil imports, without any built-in tax increase, is an important alternative which I feel that President and the Congress should consider during the 90-day deferral period established by H.R. 1767. Therefore, I will vote for H.R. 1767 and stand ready to work with my colleagues and President Ford to develop programs which will reduce oil consumption without raising prices.

Mr. SCHNEEBELI. Mr. Chairman, I yield 5 minutes to the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

(Mr. RHODES asked and was given permission to revise and extend his remarks.)

Mr. RHODES. Mr. Chairman, there is no good way to deal with a scarcity. Everybody wishes we did not have a scarcity, but we do. We have a situation in this world in which we are priced out of the market as far as petroleum is concerned, to the extent that the scarcities are imposed upon us because of our inability over a long period of time to sustain the cost to our balance of payments that will be necessary if we continue to import crude oil at the prices which we are now paying. So we do have a scarcity.

The only program which we have seen put forth so far—in fact, the only program in town—is the one that the President of the United States has offered. He proposes to deal with this scarcity by raising prices by imposing a tax to the point that we will not import 1 million barrels of oil a day which we now import. This will save rather considerable sums insofar as the international bill for petroleum is concerned.

However, the question arises, of course, as to just how to deal with what will then be a physical shortage as well as a projected shortage. Some people suggest that we deal with it by rationing.

I submit to the Members, Mr. Chairman, that rationing will not work over a long period of time. It never has, and it is flying in the face of what I consider to be the best traditions of the free enterprise system to try to do it in that way. I think it is much better to do it by imposition of a tax as the President has proposed.

I would point out to the Members that the President's program is not just for energy. It is also part of his economic program. I am certainly not giving away any secrets when I say we do have a recession in this country. One of the means of dealing with a recession is to do what is necessary to get the economy of the country moving again. One way is to instill confidence in the economy. This morning the distinguished Chairman of the Federal Reserve Board, Dr. Arthur Burns, made the point that it is not enough to have an adequate money supply. We need to have the confidence of the consumer which will cause the consumer to spend money, in other words to increase the velocity of the money supply.

One of the ways to increase confidence of course is to put some rather quick money into the hands of the consumer. The President proposes that there be a rebate for 1974 taxes to give to the consumer; half to be returned in May, and half in September. It will give the consumer a rather massive shot in the arm, as far as personal finances are concerned, and most people believe it will cause the consumer to go into the market and make contracts and purchase goods which he otherwise might not buy.

So this is to have a twofold effect. It will have the effect of reducing the amount of importation of oil and also it will have the effect of giving an impetus to the economy in areas which are in need of it. So I think it is important that we go ahead with this program.

If I could see another program which was taking shape which had as much chance of success as this one I might be willing to support that other program.

I might point out to Members also, as the gentleman from Louisiana did, that allowing this program to go into effect is not an irrevokable decision. It is the decision we make for now because it is the best thing we have. Then if something else comes along later, there is no reason why that better thing cannot be enacted and substituted for this program whenever the House and the Senate decide in their wisdom that this is necessary.

I say to my friends on my left, this is a brandnew Congress. This is the first key vote which we will have as members of the party of the President of the United States.

This is a very important vote because on the results of this vote will depend a great deal of the motion, the motive which is necessary for those on this side of the aisle to shape up as a group of people who have a program, who have a mission in life, and who, yes, if they were in the majority would know where they were going. I think it might be a well-put contrast to the people of this country, and I suggest the best way to dramatize the fact that this is so, that we do know where we are going, is to cast a substantial vote against this bill which would hamper the President of the United States in his ability to deal with the crisis which the country now faces.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania, the chairman of the trade subcommittee.

The CHAIRMAN. The gentleman from Pennsylvania will proceed.

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

Mr. GREEN. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, the gentleman from Pennsylvania is the chairman of the new Subcommittee on Trade of the Committee on Ways and Means. It is a new operation. We have a very responsible subcommittee. The gentleman from Pennsylvania is assuming the leadership in good fashion and I commend him for it.

Mr. GREEN. Mr. Chairman, I want to take just a few minutes, if I can, to review the situation and ask everyone on both sides of the aisle to take a look at what it is we are trying to do.

First of all, what has the President done? The President has acted unilaterally to put into effect part of his program for the economy and in the area of energy. He gave no notice to the U.S. Congress of any intention to do this, and in my opinion did not conduct the proper investigation, He based his action on a study or an investigation that they claimed was made from the 4th to the 14th of January and then announced on the 13th, prior to receiving a copy of that study from Secretary Simon.

Now, I do not want to get stuck on procedure, except that I think procedure is important. I think if we are going to have, as the President said when he spoke to the new Members of this Congress, a spirit of cooperation, a spirit of compromise, a spirit of conciliaton, so that we could get the action we so desperately need. Let us get together with the Congress and the President and take that opportunity to shape the program. We did not have that opportunity here. This is one part of the President's program.

The President's program is an integral program. I commend the President for having a program. I commend the President for making it a total program. I think that is important; but the fact of the matter is that he has taken one part of that program and unilaterally jammed it down the throats of Congress.

Let us get away from the procedure used for a minute and get down to whether or not, the President's decision was wise. The fact of the matter is that every single economist from every point in the spectrum who came before the Committee on Ways and Means and indicated that they thought that the President's decision in this instance was ill-advised, with the exception, of course, of Secretary Simon.

Now, we are not trying to be arbitrary. Are we delaying the President's action? Clearly, we are, and clearly we intend to, but not to slow things down; to speed things up.

We have done everything we could in this process to speed them up. As chairman of the Subcommittee on Trade which would have had original jurisdiction over this in our committee, we waived subcommittee action so that we could let the full committee consider the testimony and evidence and act immediately, as quickly as we possibly could. When the Committee on Ways and Means, with my participation and ill-advisedly, I think, tied the two bills together, and when we saw what was beginning to happen was a game of chicken between the Congress and the President, with the debt limit as a hostage, I went before the Rules Committee and the chairman of the Committee on Ways and Means went before the committee. I recommended this unusual procedure that the Rules Committee adopted.

Why? To speed things up, not to slow them down. We are anxious to get to work on a comprehensive package on the energy problem and for the economy. The fact that we had this unilateral action taken disagreed to by every economist that came before us and, I say, from all spectrums, the fact that we had to stop and consider this delayed action because we considered it ill-advised, has caused us to take valuable time away from the kind of consideration that the President of the United States would like us to give and certainly we will give to his entire proposal.

Now, to get back just for a moment to procedure, it is really very interesting to me all of a sudden to watch a group of strict constructionists become broad constructionists. That is exactly what is happening here.

The fact is that there are extraordinary powers granted under section 232, but those powers can only be exercised after an investigation and the President has seen the results of the investigation. It is in the report, a copy of Secretary Simon's letter to the President of the United States, sending him the results of the investigation, after the President made his announcement as to what his action would be in connection with section 232.

This bill should be passed. I hope it does not take us 90 days to act.

I indicated at the outset in the committee and I indicate now on the floor that it is not my intention to do this again. If the Congress does not act within 90 days, if the Congress does not act, will not act, or is incapable of acting, then I think the President should act even if, he is acting unilaterally.

Clearly, we have a crisis. Clearly, it has national security implications, certainly in the long run. Whether it does in the next day or two or 90 days, I think is extremely questionable, but let us not argue about that. We do have a crisis, and we must act, and we must act together because what we are going to be asked to do—and the point has been made by my good friend from New York (Mr. CONABLE) and by others—that it is important that Secretary Kissinger and others be able to go to the other consuming nations around the world and say that the United States is prepared to act with regard to its own consumption of

oil as we would expect other companies to do, so that we can have concerted action around the world in connection with this problem of a unified position, hopefully, by the consumer nations.

But, we will only have the chance to have that unified action if we are first, here in our own country, unified as to what course of action we should take, and that was the kind of call for compromise and conciliation that the President of the United States spoke of, and it takes quick action by the U.S. Congress.

I think we can act in 90 days. I will not propose this bill again if we do not act in 90 days. But, let us act together with the President of the United States, with him giving some notice to the Congress; with the Congress having a chance to have some input. That is what we seek today, a chance to help shape the program.

There was a prior economic program. I have heard how this has gone on 15 months. As late as November of this year the President of the United States had a program, which was rejected overwhelmingly by the American people and which most Members ran away from.

So, let us not just say that we have to rubber stamp any program the President of the United States sends up here to deal with the economy, but let us consider it openly. Let us consider it fairly, and let us work together without delay to solve the problems we face during this terrible crisis.

Mr. SCHNEEBELI. Mr. Chairman, I recognize for 1 minute a new member of the committee, a very valuable member of our committee, the gentleman from Wisconsin (Mr. STEIGER).

(Mr. STEIGER of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. STEIGER of Wisconsin. Mr. Chairman, I thank my distinguished ranking member for yielding to me and for his comments.

Mr. Chairman, I listened with great interest to several of the speeches made by the distinguished and articulate gentleman from Pennsylvania (Mr. GREEN). I would hope my colleagues would not become confused by a legalistic argument from a Philadelphia lawyer.

I think it is absolutely clear that section 232 grants to the President of the United States the power to take the action he took. It may be that Members do not want him to take any action, but it is fundamental to understand that the Congress of the United States granted authority to the President of the United States to take whatever action he deems necessary.

As to whether there was an investigation or was not an investigation, I have yet to find—and I have studied the question—where a written report is required. Clearly, there was an investigation. Clearly, it was published.

Clearly, we do not have to have public notice. So, at no point in time was the President of the United States in any way, manner, shape, or form abusing any of the powers, the extraordinary powers, granted to him, by this section under the act.

I will, when we go back in the House, ask unanimous consent to include the letter from the Attorney General which outlines this whole matter fully.

The letter follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., January 14, 1975.

Hon. WILLIAM E. SIMON,
Secretary of the Treasury,
Washington, D.C.

DEAR MR. SECRETARY: This is in response to your letter of January 7, 1975 requesting my views as to compliance with § 232 of the Trade Expansion Act of 1962, as amended, 19 U.S.C. § 1862, and with applicable Treasury regulations, of the proposed procedures for adoption and the proposed contents of an amendment to Proclamation 3279, Adjusting Imports of Petroleum and Petroleum Products into the United States, 3 CFR Proc. 3279, as amended.

Proclamation 3279 was originally promulgated on March 10, 1959 (24 Fed. Reg. 1781), after a finding by the Director of the Office of Civil and Defense Mobilization pursuant to 19 U.S.C. § 1352a (Pub. L. No. 85-686, § 8 (a), Aug. 20, 1958, 72 Stat. 678) "that crude oil and the principal crude oil derivatives and products are being imported in such quantities and under such circumstances as to threaten to impair the national security," which finding was concurred in by the President. As you are aware, that finding was based upon the facts that existed at that time, an overproduction of petroleum in the world market with a consequent extremely low price for foreign petroleum which discouraged domestic exploration and production. No one doubts that the findings was accurate, and a proper basis for the Proclamation, in 1959,[1] but the question arises whether it is a lawful basis for the presently contemplated modification of the restrictions, especially in light of the drastic change from the factual situation which provided the basis of the 1959 finding. Today the world is faced with high prices and threatened cutbacks in production, and the United States has recently suffered an oil embargo by many producing states.

Section 232(b) of the Trade Expansion Act, as amended, 19 U.S.C. § 1862(b), after setting forth the requirement for an investigation and finding of a threat to the national security, provides that the President ". . . shall take such action, *and for such time, as he deems necessary* to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security." (Emphasis supplied.)

The normal meaning of the phrase "such action," in a context such as this, is not a single act but rather a continuing course of action, with respect to which the initial investigation and finding would satisfy the statutory requirement. This interpretation is amply supported by the legislative history of the provision, which clearly contemplates a continuing process of monitoring and modifying the import restrictions, as their limitations become apparent and their efforts change. See *e.g.*, the comments on the floor of the House by Congressman Cooper, floor manager of the bill which adopted the provision: [2]

The President would not only retain flexibility as to the particular measure which he deems appropriate to take, but, having taken an action, he would retain flexibility, with respect to the continuation, modification, or suspension of any decision that had been made." [3]

The Conference Report on the bill stated with reference to § 232(b) that "it is . . . the understanding of all the conferees that the authority granted to the President under this provision is a continuing authority . . . ." H. Rep. No. 745, 84th Cong., 1st Sess. 7 (1955). The 1958 amendments to § 232(b) were aimed at eliminating the same sort of wastefulness and duplication of effort which a requirement of reinvestigation for every modification of restrictions would produce. *See* S. Rep. No. 1838, note 2 *supra*.

The interpretation here proposed, whereby import restrictions once imposed can be modified without an additional investigation and finding, has been sanctioned by the Congress' failure to object to the President's proceeding on that basis repeatedly during the past fifteen years.

Proclamation 3279 has been amended at least twenty-six times since its issuance in 1959, *see* U.S.C. § 1862 note. Some of those amendments have been minor administrative changes; others have involved major alteration of the means by which petroleum imports were restricted; none have been preceded by a formal § 232(b) investigation and finding. The force of congressional acquiescence in this practice is particularly strong since Congress has, during that period, twice amended the very provision in question—the last time only a month ago. *Cf. Saxbee* v. *Bustos*, —— U.S. ——, ——, 43 USLW 4017, 4021 (Nov. 25, 1974).

The foregoing does not imply that the statute contemplates modification of restrictions without any Presidential determination that the modification is necessary to protect against imports that threaten national security. To the contrary, not only for modification but even for continuation of restrictions the statutory scheme presumes that the President will monitor, through the appropriate agency (now the Department of the Treasury), the factual situation and the effectiveness of his measures in meeting it. The point, however, is that this monitoring, both for continuation and for modification, does not have to comply with the formal investigation and finding requirements applicable to the original imposition of the restriction. And there is nothing to indicate that this rational scheme somehow changes when the factual basis on which a threat to the national security is found changes from that which governed the original determination. Such a distinction not only has no foundation in the statute or its legislative history; it is also unworkable, since facts constantly change and there is no apparent criterion

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[1] In *Texas Am. Asphalt Corp.* v. *Walker*, 177 F. Supp. 315 (S.D. Tex. 1959), the President's judgment that the facts called for exercise of his authority was held not subject to judicial review.

[2] 19 U.S.C. § 1862(b) has its origin in Section 7 of the Trade Agreements Extension Act of 1955, 69 Stat. 166. It was originally codified to 19 U.S.C. § 1352a. In the Trade Agreements Extension Act of 1958, Pub. L. No. 85-686, § 8(a) Aug. 20, 1958, 72 Stat. 678, the wording of the subsection was slightly changed so as to increase the President's flexibility and power, *see* S. Rep. No. 1838, 85th Cong., 2d sess., 1958 U.S. Code Congressional and Administrative News 3614, and a new subsection was added which is now 19 U.S.C. § 1862(c). In 1962 the entire section was reenacted as § 232 of the Trade Expansion Act of 1962, Pub. L. No. 87-794, Oct. 11, 1962, 76 Stat. 877, and codified to 19 U.S.C. § 1862, without change in meaning or intent, *see* S. Rep. No. 2059, 87th Cong., 2d sess., 1962 U.S. Code Congressional and Administrative News 3118. Most recently the Trade Act of 1974, Pub. L. No. 93-618, § 127 (d), made further slight amendments in the investigative procedure.

[3] 101 Cong. Rec. 8160-61 (1955). Because these remarks were made in amplifying the Conference Report by the House floor manager, they are entitled to be given the same weight as a supplemental committee report. *See Duplex Printing Press Co.* v. *Deering*, 254 U.S. 443, 474-75 (1921).

for determining when the change is significant enough to give rise to a reinvestigation and renewed finding requirement.

My conclusion that there is no legal requirement for a new § 232(b) investigation and finding in order to issue the proposed Proclamation does not preclude your making a specific investigation and finding if you wish to do so in connection with the constant monitoring which the statute envisions. Such discretionary action would not be subject to the requirements of § 232(b) nor to the Treasury regulations (31 CFR Part 9) relating to that section. Moreover, even if it were, there is no doubt that you would not be required to give notice, allow for public comment, or hold public hearings on the matter. Section 232(b) states that "the Secretary shall, *if it is appropriate* and after reasonable notice, hold public hearings . . ." (Emphasis added.) There is no evidence in the report of the committee which drafted this language, S. Rep. No. 93–1298, 93d Cong., 2d Sess. 96 (1974), that it is meant to establish a standard any more specific or restrictive than its language implies. Your own regulations require public notice upon undertaking an investigation and allow for public comment, 31 CFR § 9.7(b); and they provide for public hearings when the Assistant Secretary deems it appropriate, 31 CFR § 9.7(f). But these provisions can be varied or dispensed with in emergency situations or when, in your judgment, national security interests require, 31 CFR § 9.8. Your letter states that you have determined in the present case that national security interests require a most speedy investigation which would not allow for notice and hearings or comments. This reason fully suffices for dispensation from any such requirements of the statute and the regulations.

There remains for consideration the question whether § 232(b) authorizes the types of measures adopted by the proposed Proclamation to restrict imports of petroleum and petroleum derived products. It is clear that § 232 grants the President the broadest flexibility in determining what measures to use to restrict imports, as well as in modifying the restrictions in light either of changed circumstances or of evidence that existing restrictions were insufficient. The language of the section, "take such action . . . as he deems necessary," reflects this, and the legislative history reinforces it.

The report of the Committee which drafted this provision stated that the President was to have the authority to take "*whatever* action is necessary to adjust imports." (Emphasis supplied.) S. Rep. No. 232, 84th Cong., 1st Sess. 4 (1955). On the floor of the Senate, Senator Milliken, who with Senator Byrd actually drafted the provision as an amendment to the House bill, stated that: "It grants to the President authority to take whatever action he deems necessary to adjust imports. . . . He may use tariffs, quotas, import taxes, or other methods of import restrictions." (101 Cong. Rec. 5299 (1955)).

Senator Barkley, also a member of the Senate Finance Committee which added this section to the bill, stated that the President can ". . . impose such quotas or take other steps as he may believe to be desirable in order to maintain the national security." (101 Cong. Rec. 5298 (1955)).

Senator Bennett, again a member of the Senate Finance Committee, commented on the powers the President could give to the Office of Defense Mobilization, saying that— ". . . they will have at their command the entire scope of tariffs, quotas, restrictions, stockpiling, and any other variation of these programs." (101 Cong. Rec. 5588 (1955)).

The Conference Report made clear that the President's flexibility in choosing the means extended not merely to his initial action but also to any modifications that he might make in light of changed circumstances. H. Rep. No. 745, *supra;* see the floor remarks of Congressman Cooper, quoted at page 3, *supra*. The 1958 amendments intended no change in this flexibility and discretion. The Senate Report stated: "As was the purpose when the national security section was added in the 1955 extension of the act, the amendments are designed to give the President unquestioned authority to limit imports which threaten to impair defense-essential industries." (S. Rept. No. 1838, supra).

A broad interpretation of the President's powers under § 232(b) has been concurred in by the courts. As stated in *Pancoastal Petroleum, Ltd.* v. *Udall,* 348 F.2d 805, 807 (D.C. Cir. 1965), "The law confers discretion on the President in broadest terms."

Against this background, there is no doubt that the devices employed in the draft Proclamation are within the authority of § 232 (b). These include a return to the tariffs eliminated by Proclamation 4210 of April 18, 1973, and an increase in the license fees established by the same Proclamation. Both tariffs and license fees are traditional means of restricting imports and certainly envisioned by the statutory provision.

Sincerely,

WILLIAM B. SAXBE,
Attorney General.

Mr. ULLMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. FASCELL).

(Mr. FASCELL asked and was given permission to revise and extend his remarks.)

Mr. FASCELL. Mr. Chairman, I rise in support of the bill.

Mr. Chairman, as a sponsor of identical legislation, I urge our colleagues to join in passing overwhelmingly the bill H.R. 1767. This legislation is needed to assert the legitimate role of the Congress in formulating the Nation's energy policy.

I am most distressed by President Ford's action in utilizing the national security clause of the Trade Expansion Act of 1962 to arbitrarily impose a high import tax on oil before giving the Congress an opportunity to review and act upon the remainder of his energy proposals. This single action by the President will not conserve a significant amount of energy nor will it contribute to the national security.

It will, however, place a tremendous burden on the people of the State of Florida and other sections of the country, who, as a result of long-established petroleum supply networks, are largely dependent upon foreign oil for energy.

While President Ford promised in his state of the Union message to equalize the price burden nationwide, the actual proposal issued by the Federal Energy Administration will leave a grossly unfair portion of the import tax to be paid by residents of Florida and the New England States. These areas of the country are already the hardest hit by current foreign oil prices, and simply cannot afford to pay more.

In imposing this additional tax on foreign oil without a fair equalization program, the President is, in essence, holding Florida and New England as economic hostages in the energy policy debate.

Further, while the people of these regions are being bled dry by increased fuel oil and electricity costs, the major oil companies will add to their already immense profits by immediately raising the price of uncontrolled domesitc oil to equal the price of imported oil.

While the increased import tax will undoubtedly add to the coffers of the oil companies and the miseries of the consumer, there is no indication that it will conserve much oil. I question whether even the drastic, across-the-board increases in the price of all oil and gas that the President has proposed will effectively meet the short-term energy conservation goals he has set for the Nation. The dramatic price increase imposed by the oil cartel 18 months ago has reduced energy consumption only slightly.

On the other hand, the same price hike has fueled doube-digit inflation, created severe hardship for many lower income Americans and small businessmen, and drained money from the domestic economy, thus contributing to the present serious recession. I can see no reason why the President's proposed price increase will be any more beneficial than the OPEC price increase except that the U.S. Government, rather than the OPEC nations, will have the opportunity to share in the bounty with the major oil companies while the economy continues its downward slide.

The additional import tax which the President has imposed is an arbitrary and unfair first step toward an energy policy that will seriously damage our already reeling economy. Enactment of this legislation, H.R. 1767, will provide the Congress with the time it needs to create a more rational energy policy.

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

(Mr. BADILLO asked and was given permission to revise and extend his remarks.)

Mr. BADILLO. Mr. Chairman, I rise in support of this legislation. As my distinguished colleague from Pennsylvania, Mr. GREEN, has so forcefully stated, we need to develop a comprehensive program that will take into account the need for concerted action all over the world. It is for this reason that we must provide for the 90-day suspension.

Moreover, it is not possible at this time to measure the full impact of the $3 per barrel oil import tariff throughout our entire Nation.

I have been able to secure preliminary information with respect to New York City and I must say that it is devastating.

In New York City, which depends heavily on imported fuels, the price of home heating oil is already an astronomical $12 to $13 per barrel. A $3 barrel import tariff would translate into an immediate 25-percent increase in the price of home heating oil, an increase that most individual homeowners can ill afford.

The increase would also affect the residents of apartments, specifically the poor who are forced to live in substandard housing. Home heating oil, currently priced at over 40 cents a gallon, is expected to receive a minimum 8-cent-a-gallon increase. Today, the New York City Council is debating a bill that would pass along the increased energy cost to

the tenant. The measure calls for a $3 per month per room increase in rent whether the apartment is controlled or decontrolled under the city's rent control laws. For the average five-room apartment, this would mean a $15 per month increase in rent for the tenant.

The pass-along measure, along with the tariff would probably cause a deterioration of housing conditions and greatly aggravate the already overwhelming problem of building abandonments. Those landlords who could not absorb further increases in heating oil would simply refuse to supply their tenants with heat and thereby exacerbate the plight of the poor and accelerate the rate of building abandonments. New York City can do without any additional factors which worsen living conditions, cause the abandonment of buildings, and further erode the city's tax base.

In addition, the President's proposal will cost the New York City consumer a minimum increase of $200 million per year for electricity. For the average electricity customer, it will mean a raise in the monthly utility bill of 8 percent per month.

The people of New York City, already suffering tremendously because of our current economic conditions, could not bear the added burden of the $3 per barrel oil import tariff. I understand that people in areas elsewhere in the country would be faced with similar increases if the President's proposal were adopted. It is for these reasons I support H.R. 1767. I am hopeful that, following its adoption, the Congress will consider more equitable solutions to the energy problem, such as fair price mixing of domestic and imported oil, import limitations coupled with meaningful priorities, and the reallocation of existing domestic supplies.

Mr. ULLMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Rhode Island (Mr. ST GERMAIN).

(Mr. ST GERMAIN asked and was given permission to revise and extend his remarks.)

Mr. ST GERMAIN. Mr. Chairman, I am rising in support of H.R. 1767, to prohibit the levying of tariffs on imported oil. To implement such a tax program is to further devastate the New England region.

If the closing of the naval base facilities in Rhode Island last year did not contribute to a 9.1 percent current unemployment rate, if the already bloated prices of oil had not caused New Englanders to pay 139 percent more for energy than the previous year—as opposed to a 40 percent increase nationwide—if New Englanders were not voluntarily responding to the energy crisis by conserving at rates more than twice as high as the national average, if New Englanders were not dependent on imports for 75 percent of their oil and not dependent on oil for 85 percent of their energy needs, perhaps then and only then would it be appropriate to bring them this harsh philosophy.

However, this is certainly not the case. And we can neither minimize nor ignore any of the elements of the problem unique to the New England region.

I must admit to some admiration of President Ford as he has gone around the country and spoken to the people about his energy program. His breakfasts with Congress, his use of the media, and his appearances at various State and local affairs have bespoken his desire to bring his program to the people and to provide full explanations as he did in Atlanta a couple of days ago.

As I said, I admire his zeal. And I would invite him to bring his program, explanation, zeal, and all, to the people of New England. I invite President Ford to come to Providence and explain to these people why they deserve to carry yet another burden. I invite him to tell the residents of Rhode Island why a program supposed to reflect a spirit of compromise and conciliation, a two-way street, has suddenly become a dead end.

New England is famous for its opposition to unfair taxation and has fought more than one battle to sustain its rights. Though we certainly are not declaring a war with the administration, I do feel that the President owes New England equal time, that to speak to the rest of the country is impressive, but to bring his story to Providence, Boston, or any New England city would certainly be the ultimate test.

Mr. ULLMAN. Mr. Chairmain, I yield such time as he may consume to the gentleman from Wyoming (Mr. RONCALIO).

(Mr. RONCALIO asked and was given permission to revise and extend his remarks.)

Mr. RONCALIO. Mr. Chairman, I support H.R. 1767, to prohibit imposition of import tariffs on crude oil, because I am deeply concerned about the inequity of the President's energy program and because of the severe inflationary impact it will have upon our economy.

My State of Wyoming is one of the foremost petroleum producing States in the Union, and I shall defend retention of the oil depletion allowance for oil and gas independent producers, particularly for those who produce less than 3,000 barrels a day. They are the backbone of the industry, and we need the independents in the national effort to increase domestic production and free our country from OPEC control.

Though imposition of import fees would be beneficial to our domestic petroleum industry, I am more concerned about the $40 billion increase in consumer costs for fuel and petrochemical products caused by the administration's energy program. The administration estimates that import tariffs alone would raise the cost of gasoline at the pumps by at least 10 cents per gallon. Added to the fourfold increase in petroleum prices in the past year, that is an unreasonable burden upon American working people. And what guarantee have we that the President's goal of independence from OPEC oil can be met through this inequitable means by the year 1985?

The President's action is not in the spirit of cooperation with the Congress. Rather it is a hasty act which will have a terrible inflationary impact upon our economy without the guarantee more stringent actions would have upon reducing oil imports.

We are all willing to bite the bullet to reduce our 17-percent energy dependency upon foreign sources of oil, but it must be done in a manner fair to all segments of our society. To deny this passthrough today will be the beginning step in that direction.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. FISHER), a member of the committee.

(Mr. FISHER asked and was given permission to revise and extend his remarks.)

Mr. FISHER. Mr. Chairman, in support of this bill (H.R. 1767) I want to make one point that I believe to be of critical importance. The placing of an import fee of $1 on a barrel oil on February 1, to be followed by additional dollars on March 1 and April 1, make three significant steps in the direction trying to reduce oil imports mainly by raising oil prices. These steps, no doubt, will be followed by removing regulation of the price of domestic oil. Taken together, these actions will be inflationary and constitute an unnecessary burden on consumers of all oil products.

The Congress and the country need a short time to consider these actions in the context of a comprehensive energy policy, whether the President's or its own. We must not be drawn into a policy direction we may well not wish to take. Failure to pass this bill would make it much more difficult for the Congress to weigh the alternative solutions and legislate wisely. Up to three months is not too long a time to take to do this job right.

Mr. SCHNEEBELI. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

(Mr. PEYSER asked and was given permission to revise and extend his remarks.)

Mr. PEYSER. Mr. Chairman, last night, along with a number of my colleagues, I had the opportunity of being with the President, Dr. Kissinger, and Mr. Zarb. I listened to the situation that they outlined in this country and in the world today, and I came away from that meeting genuinely disturbed over the future and the security of the United States. I listened to them outline the real critical situation this country is faced with today.

In my belief, the President's program is not addressing the real problem that this country is facing today. It is my hope, and, frankly, my prayer, that the Congress and the proper committees are going to address this problem just as though we were fighting a war, because it is my understanding that we are, basically, fighting a war. This happens to be an energy war. But it is a war for our very survival.

We should and must establish national goals. We must set a program in motion for the people of this country, we should not worry about frightening the people with a tough program. The people of this country will rise to support a program, a national goal of conservation, a national goal of nuclear energy, a national goal in the development of new domestic oil.

We have to take the steps. Give the country something to shoot at, give it a target, and this country will meet it. In effect, I look at the President's program as nothing but pussyfooting around the issue.

Mr. Chairman, I do not believe this program of taxing import oil is going to answer or solve the problem in any way—it will create new problems. I believe we must take hard steps; we must be willing to take them in order to make this country independent. If we do not have the creative ability here in the Congress to do that, then the President must do it. But I hope the Members on both sides of the aisle—this is not a one-party affair—will take the steps, will establish the goals, and will tell the people what has to be done and then go ahead and do it.

Mr. SCHNEEBELI. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. BROWN).

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Chairman, I am one of those who would have preferred something else besides costlier fuel to solve the energy crisis. I would have preferred something that would cause less economic pain and deprivation and injury to my constituents. But the fact is that there is no such alternative offered that I can vote for in trying to resolve this problem.

I had hoped that my distinguished colleagues on the majority side of the aisle would come up with some more pleasant alternative, a painless alternative. I thought, through the control of the effective committees we have here in Congress and utilizing the experience of the large and well organized staffs of experts that these committees have, perhaps they could have come up with something better.

That would have saved me a good deal of embarrassment, had they been able to come up with a better alternative, because I do not like the idea of asking people to pay more for gasoline or for fuel oil or for the other products that come from petroleum. Unfortunately, nothing has come forth in the past several weeks or, for that matter, for the last several months or, for that matter, for the last year and a half during which we have known that we had this energy crisis, or, for that matter, for the last 5 years during which we have been afflicted with inflation. If they could not come up with a painless alternative, perhaps they could have come up with something less painful. But again there has been no real comprehensive less painful alternative proposed.

Mr. Chairman, the President's plan makes sense, painful though it may be. It is designed to make it possible for us as a nation to avoid being held hostage by the Arab oil producing powers and by other powers which control more oil than we do in the world markets. It will keep us from being dependent, after it has operated for a period of time. Right now we are dependent to the extent of 35 percent of our present oil needs.

Increased prices will serve to bring in more oil from our domestic reserves, both from military reserves and existing wells, from which we now get out, on the average, only about 32 percent of all the oil in the ground. I have been advised by some technicians in the business who reside in my part of the country that the technology exists to get an average of 48 percent of the oil out of old wells, existing wells, if the price of oil were to go to about $2 higher than it is now. That is a 50-percent increase. That amounts to 48 percent of the oil out of a well that only brought in 32 percent before, which is a 50-percent increase in our oil supply from such domestic wells.

In addition, the President's plan encourages the development of new wells on the Outer Continental Shelf, and the vehicle he uses for that is an effective human quality—the desire for profit. The conservation factor is equally as effective, and again it is a human quality—the desire for self-protection.

If gasoline costs each of us more, we will each find a way to get along with less of it. Perhaps we will get a sufficient amount in rebates from taxes to pay for the additional costs that we cannot avoid. As for the average citizen, he will probably do better than that, because those of us in Congress have never been able to devise a Federal program where the average citizen has not been able to figure out a way to make it work for his advantage—or else the average citizen sees that it does not work at all.

So if we have a program of rebates, the average citizen will save more because the price is up, and he will probably get more in rebates than it actually costs him for gasoline. That is the beauty of this program. It fits together. It uses natural economic methods to accomplish what we must do for good and sufficient economic reasons for the benefit of the Nation. It depends on the average citizen.

Rationing? Allocation? All of these require some form of very expensive Federal programs where supposedly superior intelligence from Washington makes all the decisions. However, since that superior Washington wit has not been able to galvanize into action in order to resolve this problem in any better or more comprehensive way than that which the President of the United States has now proposed to us, I have little confidence in our ability to ration or allocate any more equitably than free market economic mechanisms.

Mr. Chairman, I do not find any pleasure in this rather painful plan, but I do not find any pride in just putting it off for 90 days and saying, "We will try to think of something."

That, frankly, is a little embarrassing to me after 18 months of this energy crisis. It is a little embarrassing after 5 years of inflation. It is a little embarrassing after what happened to us last year when the Arabs cutoff our oil.

I think we ought to have the integrity, as Members of Congress, to accept a comprehensive plan that tries to resolve a real problem. If we have a better idea, I am sure that our ideas can be presented to the administration and some negotiation can take place to come up with a compromise over the next few months. But failing that, failing having the better idea now, I think the American people look to us to try to solve what they also perceive as a real problem.

Mr. Chairman, I insert in the record the testimony this morning of Secretary of the Treasury William E. Simon before the Joint Economic Committee. It deals in general with the energy problem, and also in general with the economic problem our Nation faces today.

It lays it on the line very clearly for all of us to try to understand and accept, even though it may not have been an idea that we originally came up with.

The statement follows:

STATEMENT OF THE HONORABLE WILLIAM E. SIMON

Mr. Chairman and Members of the Joint Economic Committee:

It is a pleasure to appear again before your distinguished Committee. These sessions provide a valuable opportunity to review the economic and financial developments of the recent past and to discuss appropriate policies for the future.

We have no shortage of problems to deal with this year. The economy is in recession while intolerably high rates of inflation still persist. At the same time, we must take drastic steps to reduce our dependence upon foreign oil. These same three problems of recession, inflation, and high-priced oil also dominate the international scene and we must continue to work with our friends abroad in search of acceptable solutions.

Our discussions today take place within the context of three recent events: the formulation and submission by President Ford of a comprehensive program to cope with the interrelated problems of the economy and energy; the submission by the President of the budget for the coming fiscal year; and the release yesterday of President Ford's first economic report. The main elements of the Administration's program are familiar to you and I will not take your time this morning to review this program at any length. It does seem to me that your Committee is uniquely equipped to take a broad view of our economic situation and possible remedies, and it is to these that I wish to turn initially.

DOMESTIC ECONOMIC OUTLOOK

We have an economy with a short-run problem of recession and a continuing problem of inflation. There is no doubt about the recession; it may very well turn out to be the longest and deepest decline since World War II. There is also no doubt about the inflation. It dwarfs anything that we have experienced in our peacetime history. Both of these conditions must be bought under control.

Much of the current discussion concentrates almost exclusively upon the recession. This is understandable. Falling output and rising unemployment create economic hardship, which would be intolerable if continued for too long a period. Real output declined at a 9 percent annual rate in the fourth quarter and is again falling sharply during the current quarter. Unemployment rose above 7 percent by the close of last year and will probably exceed 8 percent this year before beginning a gradual decline. For 1975 as a whole the unemployment rate is likely to average close to 8 percent, far above last year's 5.6 percent.

The trend through the year, however, should be distinctly better than last year. In 1974, output was falling rapidly by the end of the year. By the end of this year, output will be rising. In 1974, the rate of inflation was in double digits by the end of the year. By the end of this year, it will be well below 10 percent. The Economic Report provides our best estimates on out-

put, prices, and employment. As in other rent years, our own estimates are close to the consensus of private economic forecasts.

The forecasts may not be altogether convincing. Last year's forecasts—our own and most others—called for output to rise and inflation to fall in the second half of the year. That was not the way it turned out. Now, with the good news once again scheduled for the second half of the year and the bad news here in the present, some skepticism is inevitable.

Our case for a recovery in the second half of this year rests primarily upon cyclical forces. Inflation caused the supply of mortgage credit to dry up and sent the housing industry into a tailspin. With inflation gradually receding now, and the economy soft, short-term interest rates have declined sharply. This has renewed the inflow of funds to the thrift institutions and provided the essential precondition for a housing upturn.

Inflation also cut deeply into the real income of consumers as prices transferred income from most consumers to growers of grain and sugar and to owners of oil both here and abroad. Inflation also cut indirectly into real disposable income through higher effective rates of taxation. As a consequence, real consumer purchases fell 3 percent in the past year. However, now that the pattern of wage settlements has accelerated and the rate of inflation is subsiding, the real income of workers should be on the upgrade again in 1975. This, in turn, should lead to an increase in consumer spending, providing another element of support for the general economic recovery.

A third cyclical element that should turn around during the year is inventory investment. Businessmen are liquidating excessive stocks now, not only in the automobile industry, but also in a wide range of other industries. Since final demands in the economy will not fall away precipitously—for many reasons, including the automatic stabilizers built into our budget—the decline in inventory investment will end and will turn around and become a positive economic factor once again.

Thus housing, consumer spending and inventory investment will all be contributing to a recovery from the recession during 1975.

There have been 5 cyclical contractions in the postwar period, 27 in the past 120 years. We have survived them all. From every indication, the present contraction will fall within the accustomed postwar pattern. I think there is no prospect whatsoever of a long and deep economic downturn on the scale of the 1930s.

Nonetheless, we are not prepared simply to let nature take its course. The Federal Reserve has already eased monetary condition substantially. Similarly, the President has recommended a $16 billion temporary tax rebate this calendar year to provide economic stimulus at a time when the economy is weak. This tax rebate is in addition to the estimated $17 to $18 billion that will be spent on unemployment compensation and public service employment programs in FY 1976. We advocate the $16 billion temporray tax cut not because the economy would not recover without it, but because it will make the recovery in the second half of the year more solid and certain.

Even so, there are no instant cures. Our current economic troubles grew out of multiple causes reaching back a decade or more. While special factors, of which food and fuel are the most prominent, were important, the most fundamental sources of our difficulties have been overstimulative monetary and fiscal policies. It is unrealistic to expect that the economic weakness can be cured overnight. A careful and balanced policy approach is required, and it will take time to yield its full results.

The worst policy of all, in my opinion, would be to both crank up Federal spending and cut back taxes in a massive and permanent way. Those are the very policies that got us where we are now. That sort of advice ignores or minimizes the fact that inflation remains a problem of the first magnitude. It also ignores or minimizes the fact that the enormous budget deficits have to be financed in capital markets that are already strained by a decade of inflation. The financial implications of a massive swing to fiscal ease are so disturbing that I want to discuss them with you subsequently at some length.

Even with a cyclical recovery beginning in the middle months of the year, the economic situation will remain difficult. Productivity has fallen. Gains in output later in the year should mean that productivity growth will resume. But prices, costs, and productivity will not quickly come into anything like the balanced non-inflationary relationship that existed before the mid-1960s. Inflation has become deeply imbedded in the economic system and it will not be removed in a matter of a few quarters.

LONGER RUN CONSIDERATIONS

We must face up to the fact that under the best of circumstances we will finish this year with the rate of unemployment and the rate of inflation far above acceptable long-term levels. From there, at least two paths branch out into the economic future. One choice would be to attempt to push the economy back to full capacity operations at breakneck speed without regard to the inflationary consequences. That is the wrong path to travel, because it would not work. In a very short time, inflation would again be rampant. We would then retrace the same sequence of events we have just been through, tumbling into another recession and shaking public confidence even more severely than at present.

The other path requires patience on the part of the American people. There must be vigorous growth in the economy so that we can steadily reduce unemployment. But some margin of economic slack must remain for a period of years to insure that inflation can be squeezed out gradually. There must be no early return to conditions of excess demand. If this seems an overly cautious approach, it might be recalled that in early 1965, after four years of recovery from the 1960–61 recession, the unemployment rate was still only slightly below 5 percent but the economy was relatively free from inflation.

In the remote historical past, periods of rapid inflation were followed by financial panics and an ensuing deflation. Since the economic and financial trauma of the 1930s we have been unwilling to accept that result and, quite properly, we have built safeguards into the economic and financial system to prevent any deep cumulative downturn from occurring. But we have not yet learned any way of avoiding the inflationary consequences when the economy is pressed too far, too fast. Price controls are no solution at all. They would destroy our market economy if used permanently in peacetime. Therefore, we must hold the economy within the zone of acceptable price performance and apply such other policies as may be required to deal with any structural unemployment that remains.

As we look to the longer run, much greater emphasis also needs to be placed upon the central role of capital formation in economic growth. Our own ratio of private investment to gross national product is much lower than that of other major industrial nations. In turn, this is reflected in our much lower rate of growth in productivity.

In the future, we are going to have to do better. The capital requirements of the American economy over the next decade will be enormous. We will need up to a trillion dollars for energy alone. Beyond that, we will need extremely large sums for control of pollution, urban transportation, and rebuilding some of our basic industries where new investment languished over the past decade. In addition, there are the more conventional, but still mammoth, requirements for capital to replace and add to the present stock of housing, factories and machinery.

Yet in the face of these massive requirements, we are not providing adequate incentives for new investment. Over the past decade the inflation has led to high effective rates of business taxation and low rates of profitability, which in turn, have greatly eroded the incentives for capital formation. It is not unfair to say that we are in a profits depression in this country. Nonfinancial corporations reported profits after taxes in 1974 of $65.5 billion as compared to $38.2 billion in 1965, an apparent 71 percent increase. But when depreciation is calculated on a basis that provides a more realistic accounting for the current value of the capital used in production and when the effect of inflation on inventory values is eliminated, after-tax profits actually declined by 50 percent from $37.0 billion in 1965 to $20.6 billion in 1974. A major factor contributing to this decline is that income taxes were payable on these fictitious elements of profits. That resulted in a rise in the effective tax rate on true profits from about 43 percent in 1965 to 69 percent in 1974. Thus, a realistic calculation shows that the sharp rise in reported profits was an optical illusion caused by inflation.

Since, in our economy, corporate profits are the major source of funds for new investment, and thus in the creation of new jobs, all of this has grave implications for capital formation and growth. That is perhaps seen best in the figures for retained earnings of nonfinancial corporations, restated on the same basis to account realistically for inventories and depreciation. It is the retained earnings that corporations have available to finance additional new capacity (as distinguished from the replacement of existing capacity). In 1965, there were $20 billion of retained earnings. By 1973, after eight years in which real GNP had increased 36 percent, the retained earnings of nonfinancial corporations had dropped 70 percent to $6 billion. And for 1974, our preliminary estimate for retained earnings is a minus of nearly $10 billion. That means that there was not nearly enough even to replace existing capacity, and nothing to finance investment in additional new capacity.

It is a simple but compelling economic fact of life that increases in productive performance are required over time to support a rising standard of living. Yet, as a Nation, we are rapidly expanding public payments to individuals but neglecting to provide adequate incentives for new investment. Since 1965, in real terms, economic output has increased by one-third while government transfer payments to persons more than doubled. On the other hand, private investment expenditures—upon which the economic future of all of us inevitably depends—have failed to keep pace, rising by only a bit more than one-fourth.

It is imperative that we make better provision for the future. This means that we must place much greater emphasis upon saving and investment and much less upon consumption and government expenditure. Today, recession, inflation, and energy policy dominate the discussion of economic events and policy. We must take determined action to deal with these interrelated problems. At the same time, however, we must begin to shift the long-run balance of domestic priorities away from consumption and government spending and toward investment and increased productivity. I believe history will judge us, not on how we handle our short-run problems such as recession, but on our ability to deal with the more fundamental problems of the allocation of resources and

capital formation. If, as a Nation, we fail to address these problems, we will fail to attain the prosperity and the rising standard of living that the American people can achieve. Our goal should be to enlarge the economic pie, not just to redistribute it.

FINANCING FEDERAL BUDGET DEFICITS

Federal budget deficits are estimated to total $87 billion in fiscal years 1975 and 1976—$35 billion this fiscal year and $52 billion next year. I have made no secret of the fact that I feel that such deficits are large by any standard and that they pose a substantial problem. Let me make my conclusion on this issue quite clear. Although they present dangers and although they will inevitably impose strains on the financial markets, I believe those deficits will be manageable if—and I want to stress this—if they do not become significantly larger and if they are temporary in duration.

It is true that financial conditions normally ease substantially during a recession and normally they remain easy well into the period of recovery. There are two main reasons for this: First, some private demands for credit are closely related to the pace of business activity and decline sharply during a recession period. Short-term business borrowing to finance inventories is a prime example. Second, the Federal Reserve customarily "leans against the wind" during a period of recession and seeks to expand, or at least maintain, the rate of growth in money and credit. Therefore, interest rates can be expected to decline and the availability of credit to increase as a normal part of the cyclical process.

It must be considerations of this general nature which lead some observers to conclude, too readily in my opinion, that the financing of large Federal deficits in the current recession is a routine matter, largely devoid of any particular economic significance. I respectfully disagree.

The current recession is an outgrowth of a long period of inflation that has left private financing demands much heavier than usual. There has been the market decline in profits I mentioned earlier and a serious erosion of the liquidity base of households and busineses. The decline in the stock market has in many cases virtually ruled out the sale of new equity as a source of funds.

For these and other reasons, there has been an unusually large supply of private debt issues coming into the market. Our latest projections show that net new corporate bond issues, which rose from $12½ billion in 1973 to $25 billion in 1974, will advance even further to some $30 billion or more in 1975. While corporate capital spending programs are being cut back, there will still be a very heavy volume of corporate long-term borrowing. Furthermore, the state and local fiscal position has changed drastically. Their surpluses have melted away, tax receipts are affected by the recession, and state and local borrowing needs will be substantial.

Some slackening in private demands for short-term credit is underway and more can be expected. Yet by any previous recession standards, total private demands for credit—both short and long term—are likely to remain fairly large.

Federal requirements will, of course, have to be met. But there are risks in such a situation. First, if private demand does not fall back spontaneously to make room for the larger Federal borrowing, credit demand will outrun supply, interest rates will be driven higher, and some private borrowers will be crowded out. Judging from past experience, the housing industry would be the most likely to suffer. Indeed, its recovery might even be aborted. At the worst, financial factors might be such a binding constraint as to dampen the normal cyclical recovery that would otherwise occur.

The second risk is on the inflation side. Some observers suggest that, in order to avoid any strains on the credit markets, the Federal Reserve should undertake whatever rate of growth in money and credit is required to insure that Federal and all other borrowing requirements are met at stable or declining interest rates. This approach, however, could be a sure formula for still higher inflation rates when the recovery gets into full swing—if not sooner.

The key to successful financing of the large Federal deficits lies in diligent restraint of Federal expenditures. Large as they are, the $85 billion in deficits projected for fiscal years 1975–76 can probably be accommodated although they will produce some strains in the financial markets. However, if Congress were to push Federal expenditures much beyond the budgeted levels, it would not be possible to retain much optimism as to the result. Either the recovery would be delayed or more inflation would be experienced in the future.

In previous recessions one could be more relaxed about the financing of temporary Federal deficits. This recession began, however, with the financial markets under considerable pressure. If the Congress will work with us in a joint effort to restrain expenditures, we can probably move through the period ahead without undue difficulty, but it would be a mistake to ignore the possible adverse effects of having to finance large Federal deficits. In my opinion, the projected deficits for fiscal 1975–76 are—in the context of our expectations about the course of the economy—about as large as our financial system can tolerate without doing more harm than good for the economy.

THE DOMESTIC ECONOMY AND THE ENERGY PROGRAM

In addition to the temporary measures designed to cushion the impact of recession and promote recovery, President Ford is recommending a comprehensive program to achieve self-sufficiency in energy in ten years. The essence of the program is the reduction of energy consumption through the use of the market mechanism. Under the President's program, energy price increases and other measures will enable us to achieve an estimated 1 million barrels per day saving on imported oil by the end of this year and another 1 million barrels per day by the end of 1977. From a macroeconomic point of view, the program is designed to be neutral in its impact on total demand. An additional $30 billion will be collected in the form of taxes and fees but it will then be returned to the economy, mostly in the form of permanent tax reductions and payments to non-taxpayers.

The introduction of such a program, many of whose effects cannot be predicted with absolute precision, is bound to be controversial. There probably would never be an ideal time for such action. The plain fact of the matter is, however, that many non-economic considerations dictate the necessity of prompt, credible action to move toward energy independence.

With our own economy in recession, it is important to insure that the energy program has as neutral an impact as possible on the overall economy. In particular, this requires that the timing of the economic impact be carefully considered. Taken in conjunction, the temporary $16 billion tax cut to stimulate the economy and the various energy taxes are designed to exert their maximum stimulus in the second and third quarters of this year and then to taper off to a position of neutrality by the end of 1976. A table attached to my statement provides an estimate by quarters of the direct budget impact.

One undesired, but unavoidable, impact of the energy program will be a temporary inflation effect. Our best estimate is a one-shot increase in the general price level of roughly 2 percent. It should be stressed that the rate of inflation is increased by this amount once only, not on a permanent basis.

It is a valid question whether any program seeking to reduce energy consumption through a sizable shift in relative prices can confidently be described as neutral in its impact. Its neutrality is, of course, only with respect to the net effect on economic activity. Energy intensive industries and higher income taxpayers—to mention only two examples—will feel a disproportionate impact. Furthermore, there are uncertainties and gaps in our knowledge which preclude a definite and precise estimate of all the effects. To the best of our ability, however, we have put together an energy program which should be neutral in its total impact on economic activity. At the same time, it represents a comprehensive and balanced national energy policy that will effectively reduce our reliance on insecure sources of energy.

FOREIGN ECONOMIC OUTLOOK

The picture I have given you of the U.S. economy also portrays only too well the economic situation in most other major industrial countries. As the industrialized nations have become more interdependent, their economies increasingly march in step together. In 1972–73, the industrialized nations experienced virtually simultaneous boom conditions. Now most have moved into a generalized condition of minimal or negative growth and substantial unemployment in the face of continuing price pressures.

The recession which most major countries are experiencing is the worst since World War II. Collectively, our partners in the Organization for Economic Cooperation and Development (OECD) saw their growth rate fall to 1½ percent last year from 6½ percent in 1973. Toward the end of last year the Secretariat of the OECD was predicting 2¼ percent growth for the area in 1975, again excluding the United States. From the reports I have heard from my colleagues abroad recently, however, I judge that this estimate will have to be revised downward.

Japan and Germany, like the U.S., are experiencing a more pervasive slowdown in economic activity than expected only a few months ago. To a lesser degree, the outlook for the French, British and Canadian economies has also weakened. There is considerable evidence of loss of confidence on the part of both consumers and investors, with consequent damage to investment and jobs. Reduced levels of consumer spending, along with high interest rates, have led to continued retrenchment in business plans for plant and equipment expenditure.

Unemployment has also become a problem abroad. Declines in average hours worked, increases in part time work and actual declines in employment, particularly in the manufacturing and construction sectors, are characteristic. Unemployment rates in Europe are in many cases approaching postwar highs, and in the case of France, unemployment has already reached a postwar record. As in the United States, unemployment levels may well increase further before levelling off and starting down again toward the end of the year.

Intolerable inflation rates abroad have recently shown signs of easing. But for much of last year, far from abating, in most countries they climbed to even higher levels under the pressure of the oil price increases and escalating wage and salary demands.

Double digit inflation rates were recorded in 22 of the 24 OECD countries in 1974. Excluding the United States, the OECD inflation rate was over 15 percent for that year, as compared with 8½ percent in 1973 and an average of 4¼ percent in the previous ten years.

All of the OECD countries hope to bring down their inflation rates in 1975, but none expects to achieve a level which it would consider satisfactory. Of the other OECD coun-

tries, price increases of less than 10 percent are forecast for only Germany and Switzerland. Japan, Italy and the United Kingdom still face the prospect of rates above 15 percent for 1975.

For the policy maker searching for the means to restore both prices stability and growth, the difficulty has been compounded by record wage demands. In many countries, wage increases in 1974 averaged more than 20 percent—well above inflation rates—and in Japan they approached 30 percent. The extent to which these pressures can be moderated will be a key factor in determining the success of efforts to reduce inflation in 1975.

In my talks with other finance ministers, I find an acute awareness that economies caught in a two-way stretch and that it would be dangerous to focus on only one source of the tension. Individually and together, governments are reappraising their policies as time passes and the situation changes. In several countries, government policies have shifted, just as they have in the United States. Most Governments are moving cautiously, however, seeking to absorb slack gradually so as to avoid giving a new boost to inflationary pressures. Germany—which had the best record on inflation in 1974—has relaxed previous restrictive policies significantly, and Britain has also moved progressively to stimulate its economy.

Canada has moved modestly toward less restraint in both budget and monetary policy. France on the other hand, has sought to maintain restraints. Japan, laboring under a cost of living increase of 25 percent in 1974 and facing demands for another 30 percent increase in wages, has also kept restraints taut despite a 6.7 percent decline in output in the fourth quarter.

One implication of the depressed outlook for major economies this year is that foreign demand will not be of much assistance in achieving early recovery. The volume of international trade may well decline in 1975. Another, more heartening, implication is that there could be greater progress against inflation then earlier foreseen. There is a possibility that the world wide slump may lead to more softness in the prices of basic commodities than has been incorporated into most forecasts. With higher unemployment rates, wage demands may turn out to be somewhat more modest than anticipated. Inflationary pressures could thus subside somewhat more rapidly than expected, if governments can resist pressures for excessively stimulative policies.

INTERNATIONAL PAYMENTS

Never in peacetime has the pattern of international payments shifted as sharply and as suddenly as it did last year under the impact of the OPEC cartel's quadrupling of oil prices. The OECD countries, which had a combined current account surplus of $2½ billion in 1973, faced a deficit of perhaps $37½ billion in 1974. Countries which had been accustomed to exporting capital and transferring resources to the developing countries found themselves unable to pay for their own imports with their exports. They have been forced to become borrowers—on a scale out of all proportion to previous experience.

The announcement that the United States had a $3 billion merchandise trade deficit in 1974 (census basis) occasioned headlines here in Washington. This was a deterioration of less than $5 billion from the 1973 balance. With the trade surplus of the OPEC countries rising—in rough order of magnitude—$60 billion in 1974, there had to be an equivalent deterioration in the trade balances of the oil importing countries as a group. Since the U.S. was importing not much less than a quarter of the oil and our oil import bill rose $18 billion, our trade position clearly strengthened relative to most of the oil-importing world. Germany was the only important industrial nation to experience an increase in its surplus on trade account.

Record deficits in the oil importing countries had their counterpart in record surpluses of the oil exporters. We estimate that in 1974 the thirteen OPEC countries received about $90 billion from oil exports, or roughly four times the amount they earned in 1973. In addition, their other exports, or roughly about $5 billion, bringing their total receipts to $95 billion. During this same period, the OPEC nations spent approximately $35 billion—or a little more than a third of their export receipts—on imports. This left a balance of approximately $60 billion available for investment abroad.

OPEC needed to find investment outlets for this balance, and oil importing countries needed to borrow these funds. Our rough and tentative estimates suggest that in 1974, the OPEC countries invested their surpluses as follows:

Some $21 billion, or about 35 percent of the surplus, apparently went into the Eurocurrency market, basically in the form of bank deposits.

Some $11 billion, or 18½ percent, flowed directly into the United States. Available figures suggest that of this amount, roughly $6 billion went into short and longer-term U.S. Government securities, while some $4 billion were placed in bank deposits, negotiable certificates of deposit, bankers' acceptances, and other money market paper. As best we can tell, less than $1 billion was invested in property and equities in this country.

Some $7½ billion, or about 12½ percent, is believed to have been invested in pound sterling denominated assets in the United Kingdom, some of it in U.K. government securities, some in bank deposits, some in other money market instruments and some in property and equities. This amount, I should note, is quite apart from the large Eurocurrency deposits there.

Some $5½ billion, or about 9 percent, may have been accounted for by direct lending by OPEC countries to official and quasi-official institutions in developed countries other than the U.S. and the U.K.

About $3½ billion, or 6 percent of the total, represented OPEC investments in the obligations of official international financing institutions such as the World Bank and the IMF.

Perhaps $2½ billion, or 4 percent, has flowed from the OPEC countries to other developing countries. This includes funds channeled through various OPEC lending institutions such as the Kuwait Fund and the Arab Bank for Africa.

With regard to the remaining 15 percent, we have only limited information, but this residual would cover funds directed to investment management accounts as well as private sector loans and purchases of corporate securities in Europe and Japan. There are, of course, other transactions we simply know nothing about.

The rather wide distribution of OPEC capital flows among markets in the oil importing nations explains in part why the massive shifts in financial assets did not lead to the financial crises that some envisioned. OPEC funds did not move to one or only a few attractive capital markets, as once was feared.

The United States, with the largest capital markets, received directly only 18½ percent of the total, an amount substantially less than OPEC's increased receipts from oil sales to the U.S. The United States also continued to export large volumes of capital to other areas abroad, and our net capital imports last year, as measured by our current account deficit, were probably in the range of only $3 billion.

It appears that something approaching half of the OPEC investments last year were placed through the commercial banking systems of the major industrialized countries. The banks redistributed these funds exercising their traditional intermediation role in meeting the needs of borrowers throughout the world. Admittedly, the sheer volume of OPEC funds placed some strains on the banking systems. Probably few banks expect to continue to increase international lending at the 1974 rate. Banks as a whole may not be able to accept as large a portion of the OPEC surplus in 1975.

Changes in the methods of channeling OPEC investments were already edvident in the course or 1974. Banks were increasingly playing the role of broker and assisting their OPEC clients in arranging direct placements. OPEC countries were relying more heavily on government-to-government credits, investment in longer-term securities of governmental and quasi-governmental agencies and lending to international institutions. There was also evidence of a small amount of OPEC funds being invested in corporate securities and real estate. As time passes, we are likely to see a more varied pattern of investment as well as increasing disbursements under OPEC commitments of assistance to developing nations.

That last year's totally unexpected and unprecedented shift in international payments flows occurred without financial crisis and without disruption of trade says a great deal for the soundness of the international banking system and the international capital markets, the network of intergovernmental financial cooperation, and the system of floating exchange rates.

Nevertheless, I recognize, that at times concern has been expressed about the magnitude of exchange rate fluctuations under the present regime. We recently witnessed a temporary episode of large fluctuations in individual rates, when the Swiss franc appreciated by about 5 percent against the dollar within a span of a few days. These abberations tend to reflect market reactions to specific, immediate developments—in this case probably to a bank failure and the decline in U.S. interest rates—but become subsumed as the market adapts to broader economic trends. As has generally been the case, this most recent experience has had only a minor impact on a broader measure of the dollar's "exchange rate": the dollar's average value, relative to the currencies of all of the major industrial countries, declined by only about 1 percent before a reversal was set in motion. Taking a more relevant period of comparison, the dollar's average exchange rate is still at the level reached after the major exchange rate realignments of 1971 and 1973, despite nearly two years of generalized floating since the latter realignment. Throughout this period of generalized floating, our intervention policies have been directed to the avoidance of disorderly exchange market conditions and not to the achievement of maintenance of any particular rate.

INTERNATIONAL COOPERATION

The experience of the past year has served to reinforce our conviction that the financial aspects of the oil situation are manageable. Nonetheless, we have recognized the possibility that some countries might encounter particular difficulty in meeting their financial requirements and turn to restrictive actions which could disrupt the world economy.

To reduce that risk, the United States developed a comprehensive series of proposals involving expanded use of the resources of the International Monetary Fund, the establishment of a new "solidarity fund" to provide a "safety net" for members of the OECD, and a Trust Fund to provide the concessional assistance needed by the poorest of the developing countries. Other countries also had suggestions for new financing arrangements. These proposals have been the

subject of intensive consultation and negotiation over the past months.

Finance Ministers around the world have developed a whole family of committees and informal groupings in which they can meet periodically to consider the world's economic and financial needs. The great value of this network—including the Group of Ten, the Interim Committee of the IMF and the IMF/IBRD Development Committee, as well as smaller, less formal groups—was demonstrated by the agreements reached at a series of meetings here in Washington in mid-January. In the course of these sessions, a consensus was reached on a number of measures which will provide additional financial security for the near future and strengthen the monetary system for the longer term:

Agreement was reached among the major OECD countries that a new Solidarity Fund, a financial support arrangement along the lines of the United States proposal for a $25 billion "safety net", should be established at the earliest possible date. This arrangement is to be available to provide supplementary financing, if the need arises, to participating OECD countries which follow cooperative economic and energy policies. Detailed work on this new arrangement is to be completed promptly.

Agreement was reached among IMF countries that IMF resources would continue to play a role in 1975 to the extent needed. As one expression of this intent, it was agreed that the IMF oil facility should be continued on a limited basis during 1975. Borrowing from oil producers and others for this facility will be limited to about $6 billion (or 5 billion SDR's), less than some countries originally favored. This agreement was preceded by considerable discussion of different methods of using IMF resources. One approach is to use the Fund's resources in effect as collateral for loans as is done for the special oil facility. A second approach is to mobilize the Fund's resources directly for lending. In the end, it was agreed to do both. There will be some new borrowing and also increased direct use of IMF resources to meet the needs of nations in difficulty. Contributions from oil producers and industrial countries to subsidize interest costs of the IMF Oil Facility for the very poorest countries may also become a feature of the facility in 1975.

Agreement in principle was also reached to increase IMF quotas of member countries by approximately one-third subject to agreement on a related package of amendments to the IMF Articles of Agreement. The major oil exporters' collective share of the total IMF quotas will be doubled in order to call for greater participation and a greater voice for these countries in the activities of the International Monetary Fund. Quota increases will be dependent upon the agreement of countries when such use is economically justified.

Agreement was also reached on the general lines of a number of other amendments to the IMF Articles, with the particulars to be worked out over the months ahead. These amendments are designed to improve the structure of the IMF and bring it more in line with current realities. One amendment supported by the United States will provide that member countries are no longer required to maintain their exchange rates within narrowly fixed margins, but can float their currencies—a practice which is not legally permissible under the IMF Articles as now written.

Considerable progress was also made toward narrowing differences with respect to the broader question of gold and its role in the international monetary system. It was agreed in principle that the official price of gold—and its central function as "numeraire" of the monetary system—should be abolished and that obligations on the part of members to pay the IMF in gold, and on the part of the IMF to receive gold, should be ended. Progress was also made toward replacing the existing prohibition against members of the IMF buying gold in the private market with safeguards assuring that this freedom would not be used to return gold to the center of the monetary system. Our aim is to arrive at workable arrangements which will take gold out of the center of the international monetary system, while also allowing countries greater freedom to utilize their gold holdings. It is my hope that the entire package of quota provisions and amendments, including those relating to gold, will be ready for approval at the Interim Committee meetings scheduled for this June.

Less progress was made at these meetings than had been hoped in organizing assistance for developing countries, some of which face very serious difficulties. As I mentioned earlier, there was some support for measures to subsidize interest rates for loans to these countries from the IMF oil facility. The United States proposal for a new facility—a Trust Fund managed by the IMF which would channel funds to the poorest of the developing nations on concessional terms—remains under study. It continues to be our hope that adequate arrangements can be devised, and that the OPEC nations will provide an appropriate part of the contributions to this effort.

Oil consuming countries have also made considerable progress in concerting their energy policies. Last fall agreement was reached among a number of consuming countries on the International Energy Program which was an outgrowth of Washington Energy Conference in February of 1974. We have developed an unprecedented program to limit individual and collective vulnerability during emergencies created by supply interruptions. Under this arrangement, participating countries have agreed to:

Build a common level of emergency self-sufficiency, which would allow them to live without imports for a certain period.

Develop demand restraint programs to cut oil consumption by a common rate without delay if necessary.

Allocate available oil to spread shortfalls among participants should there be supply interruption.

Concrete plans are also now being laid to coordinate programs of energy conservation and longer term development of new sources of supply. The new solidarity fund, by providing financial assurance and promoting confidence, will support accelerated efforts in the energy field. And consumer solidarity in both energy and finance will prepare the way for a fruitful dialogue with the oil producing countries.

U.S. participation in the solidarity fund will involve commitments requiring the endorsement of the Congress. I hope the Congress will recognize the importance of this arrangement in furthering our economic goals and, following presentation of the detailed agreement, endorse U.S. participation without delay.

With the passage of the Trade Act of 1974, the new round of Multilateral Trade Negotiations can move into substantive bargaining. The February meeting of the Trade Negotiations Committee will open this stage of negotiations that are the most comprehensive ever attempted. They will deal not only with the traditional trade problems of tariffs and nontariff barriers, but also with overall reform of the international trading framework.

Getting the trade negotiations underway is more important now than ever because of current world economic conditions. These negotiations should help forestall unilateral measures which attempt to shift economic burdens to other countries, and which, if widespread, could have a depressing effect on the world economy.

THE CHALLENGES AHEAD

Mr. Chairman, the past year has seen the development of the high degree of consensus necessary for effective actions to deal with the multiple problems of recession, inflation, and a disruption in the world energy balance. While there still remains room for honest differences as to the course to be followed, I believe that the scope for disagreement has become increasingly smaller.

Certainly we cannot afford, either in this country or abroad, excessively stimulative policies which could only lead to further escalation of an already intolerable inflationary spiral.

Nor can any country afford not to take prompt steps to ensure that the current recession does not deepen and is instead succeeded by a resumption of the sustainable growth of production and productivity necessary to maintain the health of economies around the world.

And we cannot afford to delay programs of strong action to create a new energy balance.

The President has placed before the Congress an effective program to address all of these problems. He has expressed his desire and evidenced his willingness to work with the Congress in carrying out that program. We recognize that Members of the Congress have views of their own—views that are held with the same degree of conviction as we hold ours within the Administration. Our hope is that we can find reasonable means of reconciling those differences, so that together we can provide America with the leadership it needs at this critical hour.

TABLE 1.—DIRECT BUDGET IMPACT OF THE PRESIDENT'S ECONOMIC AND ENERGY PROPOSALS

[In billions of dollars]

	Calendar years—							
	1975				1976			
	I	II	III	IV	I	II	III	IV
Energy taxes	+0.2	+4.1	+12.6	+7.6	+7.5	+7.5	+7.5	+7.5
Return of energy tax revenues to economy:								
Tax reduction	0	−3.2	−9.0	−9.0	−5.6	−7.9	−6.3	−6.4
Nontaxpayers			−2.0				−2.0	
S. & L. Governments	0	−.5	−.5	−.5	−.5	−.5	−.5	−.5
Federal Government	0	0	−.8	−.7	−.8	−.7	−.8	−.7
Temporary tax cut	0	−6.1	−7.9	−.6	−.8	−.9	0	0
Net effect	+.2	−5.7	−7.6	−3.2	−.1	−2.5	−2.1	−.1

Mr. SCHNEEBELI. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. WYLIE).

(Mr. WYLIE asked and was given permission to revise and extend his remarks.)

Mr. WYLIE. Mr. Chairman, I have asked for this time to ask the distinguished gentleman from Oregon, the chairman of the Committee on Ways and Means, a question, if I may.

Inasmuch as this legislation affects foreign producers and the President has said that one of its purposes is to en-

courage domestic oil production, I would like to say that I have long had a concern about the granting of foreign tax credits for what are, in reality, royalties to the OPEC nations.

What does the chairman intend to do about this situation?

Mr. ULLMAN. If the gentleman will yield, this matter will come before the committee when we get to the energy package, which will be immediately following the tax reduction.

Last year we considered it tentatively. It is a problem. The committee will have to deal with that problem at that time and, hopefully, have it on the floor within the next 2-month period. If it is not considered at that time, it will certainly be consedered in connection with tax reform.

Mr. WYLIE. I thank the gentleman. Does this involve a substantial amount, I would ask the gentleman?

Mr. ULLMAN. It involves a substantial amount.

Let me qualify that somewhat. We are going to have a third package with respect to tax reform. I think it would be of the utmost urgency that we get an energy package, and the committee may desire to wait until tax reform passes, but certainly some time this year it will be brought to the floor of the House.

Mr. WYLIE. I assume that included in said consideration will be the question of the oil depletion allowance on foreign oil income?

Mr. ULLMAN. Certainly; this was part of the tax reform package last year. It should be a part of the energy package that we expect to bring next to the Congress.

Mr. WYLIE. Would elimination of these tax benefits be a feasible alternative to this approach of imposing a $1 tax on a barrel of crude oil; I mean all of the tax breaks, the tax credit, the oil depletion allowance, the deduction for intangible drilling expenses, et cetera?

Mr. ULLMAN. I say to the gentleman that a part of it is, but the whole energy program is far broader than that. This is only one little piece of it.

Mr. WYLIE. I thank the gentleman.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. DENT).

(Mr. DENT asked and was given permission to revise and extend his remarks.)

Mr. DENT. Mr. Chairman, the facts are available for all who want to see them. Within 3 years from this very date, within about 2 years and 3 months after the embargo that was put on, and the price rises that were announced by the oil companies, these United States could have been independent of all oil imports into our country. We have the greatest resource in both Btu's, volume, and availability of energy in the entire world right within our own land.

One nation on the face of the Earth, when driven to it by adversaries all over the world pressuring them, pinching them, was able to come up with coal as the source of all their energy, 85 percent of all of their oil requirements and gas requirements being derived from coal—and our coal deposits are even richer than the coal deposits of that country, South Africa.

They have now started, since the embargo was put on, toward converting all of their diesel fuel equipment, navigation equipment, transportation equipment, boilerhouse equipment, into coal-burning units.

We in America have just announced the purchase of $160 million worth of new locomotives burning diesel fuel.

We do not want to get well.

We do not want to correct this situation.

We had to have some kind of an issue, and not an issue that would lead to the salvation of this problem which indeed means the very survival of our Nation.

We have at this moment coal being produced above ground, and not being sold. The western coal which was intended to fire the stokers of the powerplants of the West is being shipped East. This affects the cost of ore as well as coal. We have never been able to have a great economy anywhere in our ore production unless we sold our coal to the West. We shipped coal out on the Great Lakes into Duluth and Superior, and above, and brought back ore. We are now going to have an increase in the cost of the ore coming into the steel producing States, because we will have to ship the freighters out with empty bottoms to bring back ore. They will ship coal from the West to the East, and go back with empty cars.

The amount of coal coming from the West to the East has risen from 4 unit cars per week to 68 unit cars per week in a little less than a year.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ULLMAN. Mr. Chairman, I yield the gentleman from Pennsylvania another 3 minutes.

Mr. DENT. Mr. Chairman, I thank the gentleman for yielding me the additional time.

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

Mr. DENT. I am happy to yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, I think what the gentleman from Pennsylvania is saying is that unless we face up to the total problem that we cannot expect to have an energy program in this country. The President's program does nothing toward increasing our coal production or our conversion program. We have to convert and we have to get started. This will be a major part of the program, and has to be a part of any energy package. The program proposed by the President does not face up to this issue.

Mr. DENT. The gentleman from Oregon is absolutely correct in what he has said.

In the early 1960's, along with the late John Saylor, I was a cosponsor, and in helping to pass the first coal experimentation program in this country. We have spent millions of dollars ever since, and up to right now we have not gotten 5 gallons of oil.

The South Africans started 7 years ago. They do not produce 1 gallon of oil, and they are producing 85 percent of their needs. Within 60 days they will produce 110 percent of their requirements.

What are we talking about here? What crisis is there? There is an energy crisis because we have a thinking crisis in America.

Do you know that all the major coal companies have been purchased by the oil companies? All of the major oil companies own the coal in the West. They are shipping the coal to the East to stoke our furnaces here, and they are keeping the oil-burning furnaces out there to burn oil now, the valuable oil that ought to be put into transportation, ought to be put into the grease and oil that is required to run our machinery, and the commerce of this country.

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

Mr. DENT. I yield to the gentleman from New York.

Mr. KEMP. I appreciate my friend's yielding, and congratulate him for his statement.

I could not agree with you more about the great need for coal conversion. I just wanted to ask the gentleman if he does not think that the President's program to deregulate new natural gas thus allowing the price of new natural gas at the wellhead to go up, would make coal competitive, and ultimately make a contribution to the industry?

Mr. DENT. Coal needs nothing to make it competitive except to help this country to put it to use.

Mr. KEMP. If the gentleman will yield further, I should like to ask another question. Has not the FCC artificially low-priced natural gas accelerated the switch from coal to natural gas?

Mr. DENT. No, not necessarily. In fact, if we would convert our coal into gas, we would probably reduce the price of oil and gasoline to the users of oil and gasoline, because there is no need in the world for this Nation to import one barrel of oil.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. WHALEN).

(Mr. WHALEN asked and was given permission to revise and extend his remarks.)

Mr. WHALEN. Mr. Chairman, I rise in support of H.R. 1767.

Fuel prices were a major element in last year's 12.2-percent increase in the Consumer Price Index. Thus, any program designed to combat inflation should seek a meaningful reduction in the consumption of imported oil—the price of which increased from $3.32 per barrel in December 1972, to $12.50 per barrel in December 1974.

Regrettably, the President's energy program not only fails to achieve this goal but, in its implementation, exacts a very high economic and social cost.

Specifically, I have four objections to the administration's plan—the first part of which—$1 per barrel tax on imported oil—was invoked last Saturday.

First, the conservation effect will be minimal. In today's industrial economy, oil is a necessity. Therefore, it is much less elastic than other commodities in that prices have relatively little effect on

demand. For example, in December 1972, the composite price of oil—domestic and foreign prices combined—was $3.50 per barrel. The average price of gasoline at the pump was $0.2514 per gallon—not including Federal and State taxes. The average daily consumption during that month was 18,738,000 barrels of oil.

In December 1974, at a time when the composit price was $9.50 per barrel—an increase of 171 percent in 24 months—and the average per gallon price at the pump was $0.4145, a 65-percent rise; the average oil consumption was 18,168,000 barrels per day. This slight decline in oil usage is attributable principally to the current economic recession, not an increase in energy costs.

From the foregoing, it is clear that the imposition of higher taxes on imported and domestically produced oil will have little effect on industrial and individual consumption of that product.

Second, the administrations's energy program is highly inflationary. President Ford concedes that his proposed new policies will increase taxes by $30 billion. Under the executive branch's economic plan, this direct cost to business and the consumer will be offset by a corresponding $30 billion Federal rebate—in the form of tax reduction, increased revenue sharing, and other means. However, much of the $30 billion in increased taxes will be absorbed by our Nation's business firms and, therefore, will be passed on to the public in the form of higher prices.

An illustration of this "pass-through" phenomenon is the doubling of heat and electric bills in my congressional district, occasioned by the higher fuel costs being borne by local utilities. The February 10 issue of Business Week notes that separate economic studies reveal that the multiplier effects of the President's plan will create anywhere from a 2.8-percent—Chase Econometric Associates—to 4-percent—Data Resources, Inc.—increase in the Consumer Price Index. Library of Congress research indicates that the total cost of the Ford plan would be "at least $50.3 billion in 1975."

Simply stated, the administration is apparently seeking to combat higher prices by generating more inflation.

Third, if allowed to continue, the President's energy undertaking will aggravate an already serious economic recession. Our present business downturn stems primarily from the 9-year period of rising prices which commenced with our military intrusion in Southeast Asia. This inflationary spiral reduced the average citizen's buying power—for instance, between September 30, 1973, and September 30, 1974, real per capita income in the United States declined by $110, $25 billion overall decline in purchasing power.

As already indicated, the President's energy policy will reduce further the consumer's ability to buy. What will follow is inevitable. Declining consumption will lead to curtailed production of goods and services; this, in turn, will reduce total employment requirements, thereby swelling the Nation's ranks of unemployed.

Fourth, the administration's new energy policy is inequitable in its application. This program is being sold on the premise that the marketplace is the simplest and most effective way of allocating resources. If the issue involved the utilization of luxury items—chocolate eclairs or vacation trips to Florida—this principle might be defensible. However, as delineated previously, we are concerned with restricting the use of a necessity—a commodity required both by industry and the private citizen—conceding, of course, that there is considerable wastage by both user categories.

Under the Ford program, oil distribution will be regulated by the price mechanism. This means that the question of who obtains oil products will be determined by "ability to buy," not "need." This concept, of course, penalizes low- and middle-income Americans. There is nothing in the executive branch's plan to restrain wealthy citizens from driving or flying from New York to San Francisco on a vacation jaunt, but it may preclude the blue collar worker from driving to and from his place of employment. I have two ancillary concerns regarding the administration's energy proposals. First, the "marketplace" principle is already being distorted. For instance, imported duties for oil destined for the New England States will be less than those applicable for the rest of the country. The President also has promised to give relief to farmers, as well as educational and other nonprofit institutions. Too, Mr. Ford has pledged to give consideration to the problem of higher-than average usage resulting from geographical peculiarities—colder winters; greater commuter distances.

Consequently, the administration already has begun to accept "need" as a distribution factor. In so doing, Federal energy authorities have begun the transition into the allocation-rationing approach they so deplore.

Second, I am disturbed by the linkage between tax relief and the imposition of a system of sumptuary taxes. The most successful sumptuary tax is one which curtails consumption completely, thereby raising no revenues. At best, the income effects of a sumptuary tax are uncertain. Therefore, while the President, a majority of the Congress, and America's leading economists are agreed upon the desirability of a tax cut, predicating such a reduction upon the vagaries of a sumptuary tax seems inappropriate.

In conclusion, administration spokesmen urge congressional adoption of the Ford energy package "because it is the only game in town." To sanction a plan containing the previously outlined defects because it is the only program off the drawing board is illogical. It is for this reason that I support H.R. 1767. By the same token, a more feasible approach to our energy problems is essential. It is the responsibility of the Congress to develop such a program. To the attainment of this objective I pledge my full cooperation and support.

Mr. ULLMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. VANDER VEEN).

(Mr. VANDER VEEN asked and was given permission to revise and extend his remarks.)

Mr. VANDER VEEN. Mr. Chairman, as a member of the Committee on Ways and Means I was privileged to hear over the last 10 days to 2 weeks a series of the most eminent economists we could bring before the committee. They were there to testify on two principal matters, the tax emergency relief bill and the energy program that has been suggested to the country by the President.

As has been pointed out earlier here today, without exception every single one of those economists, and they numbered about 20 in total and ranged from one end of the spectrum to the other, including Mr. Herbert Stein, stated that economically the President's proposal to impose a tariff on imported oil would be an economic mistake. Many of them used different kinds of adjectives to describe it, but the word "disaster" was used by more than one. So I asked myself, together with other members of the committee, what the real purpose is of asking at this time that this country go to the expense, the enormous expense that would be involved in the imposition of tariffs on imported oil such as the President has suggested.

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

Mr. VANDER VEEN. I yield to the gentleman from Pennsylvania.

Mr. SCHNEEBELI. Mr. Chairman, the gentleman from Michigan made a statement that the economists who testified before our committee objected to the President's program. As I recall it, there were several economists who testified they thought an ongoing program such as the President suggested might be feasible as a part of the total program.

Mr. VANDER VEEN. I ask the gentleman from Pennsylvania if he can name some of them?

Mr. SCHNEEBELI. I think that Messrs. Stein, Weidenbaum, and Roosa may have been among them.

Mr. VANDER VEEN. With all due respect to the gentleman from Pennsylvania (Mr. SCHNEEBELI), I believe that Mr. Stein did not testify in accordance with what the gentleman from Pennsylvania has just reported Mr. Stein to say. We may have misunderstood the gentleman.

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

Mr. VANDER VEEN. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I believe the gentleman will agree the economists before our committee testified primarily on the tax cut and that although some of them may have expressed opinions about the energy program, the burden of their testimony related to other things. Therefore, they were not there for the purpose of dealing with the energy program which our committee was described as addressing itself to later on in connection with the total energy policy. Is that not correct?

Mr. VANDER VEEN. It is correct, I will say to the gentleman from New York (Mr. CONABLE).

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

Mr. VANDER VEEN. I yield to the gentleman from Oregon, the chairman of the committee.

Mr. ULLMAN. Mr. Chairman, it would be fair to say that most of the panelists dealt with this problem in one way or another and most of them were not in favor of that program.

Mr. VANDER VEEN. I would be glad to accept that.

I would like to make this point. I was one of those who was invited to the White House for a working breakfast this morning. The first speaker presented to us was the Secretary of State Dr. Kissinger. I felt as if he should have been a witness before the Committee on Ways and Means because I felt during the testimony that it was Dr. Kissinger who could really give us the real reason why this program was being proposed.

Mr. ULLMAN. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. VANDER VEEN. Mr. Chairman, I was waiting for someone this morning to ask Dr. Kissinger what the reason was for his program and he said in his careful statement that it was to give encouragement and leadership to the rest of the oil importing countries of the world.

Mr. Kissinger was not asked—we were not given the opportunity to ask the direct question: "Would you consider any other alternatives to this kind of a program?"

We were not given the opportunity to ask him this directly. This may have been only because of the shortage of time.

The question I wished to ask was: "Could you not achieve the same result you wish by a quota of whatever number of barrels per day you may wish to prevent coming into this country?"

It is my feeling that there are other more direct and more precise ways to accomplish the result that Dr. Kissinger says is the purpose of the tariff.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. SCHNEEBELI. Mr. Chairman, I yield 1 minute to the gentleman from Illinois (Mr. O'BRIEN).

(Mr. O'BRIEN asked and was given permission to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Chairman, the President's plan for reducing consumption of gasoline and other petroleum products may not be perfect, but it does offer a unified approach to the problem. And, as many editorial writers and commentators have pointed out, it is the only comprehensive program before us at the present time.

We are being asked today to suspend for 90 days the President's authority to adjust imports of petroleum and petroleum products. In other words, the bill reported by the Committee on Ways and Means would block implementation of the President's order increasing petroleum import fees which he made effective February 1. The committee's rationale for this bill, as set forth on page 4 of its report, is that its enactment "will reserve congressional options to work as an equal partner with the President on our energy problems, including the problem of the growing dependence on foreign oil." Nobody can quarrel with the partnership notion. But here we have a situation where one of the partners, the President, has already acted to reduce our dependence on foreign oil, while the other partner, the Congress, stands ready to block that action without having an alternative plan to take its place. Wouldn't it be wiser not to interfere with the President's authority to increase the import fees until we have something better to offer?

We must not lose sight of the fact that only President Ford and his advisers have developed a comprehensive energy program to protect our national security and our freedom of action in foreign policy, to reduce the outflow of dollars from our economy, and to reduce our international trade deficit. Those who criticize it should have an alternative plan to offer. Let us keep the President's program in operation until we find a better solution, if indeed one is available.

My colleagues may not heed these words but they should because enactment of this bill will assure continuance of the dollar drain for imported oil until we find some other way to curb this country's voracious appetite for petroleum products. We currently depend on foreign sources for 38 percent of the oil consumed in the United States. Imported oil cost us $24 billion in 1974. By 1975, the bill could rise to $32 billion and it will keep on increasing in succeeding years if we fail to act.

Those dollars represent wealth, ownership, and jobs transferred from the United States to the oil producing countries. This leaves our industries vulnerable to interruption of energy supplies, as occured during the 1973–74 Arab embargo, and our foreign policy subject to the advice and consent of the oil producing states.

Mr. Chairman, if the message I get from home is similar to that which other Congressmen get, it is, "For heaven's sake, do something."

I do not think a 90-day delay is in the national interest. While my people are concerned about their personal energy needs, they are also deeply concerned about the national interest.

I suggest for the benefit of our constituents that we allow the President's program to go into effect and thus put pressure on the Congress to re-do the job, if, indeed, we think we can do it better than he.

Mr. SCHNEEBELI. Mr. Chairman, I yield such time as he may consume to the gentleman from Nebraska (Mr. McCOLLISTER).

(Mr. McCOLLISTER asked and was given permission to revise and extend his remarks.)

Mr. McCOLLISTER. Mr. Chairman, I would briefly like to state my reasons for opposing the proposed resolution.

Its sponsors say that it will merely postpone the implementation of the President's program for a few months—enough time for us to think out our own position on the issues—to decide if the President's program really is the best thing for America.

But let us be under no illusion about the matter. To take no action is in itself to take action in the least constructive possible manner. It means that the same economic crisis which now troubles us will continue to contribute to our Nation's economic ills for at least 90 more days. More likely, before the sponsors are ready to present their own plan, another 6 months, or even a full year will have elapsed—a full year of stagnation, continued outflow of American capital, continued layoffs of American workers, and, of course, continued energy paralysis. Our country cannot accept the prospect, much less the fact, of such a course of inaction.

There is, however, an even more troubling prospect before us, and I think that we have to be aware of it if we are to understand what underlies efforts of the resolution's supporters.

They realize that if the President's program is dealt this setback, at the very outset, the way will be clear for implementation of their own favored plan; namely, mandatory gasoline rationing.

But mandatory rationing would be a return to a system discredited 30 years ago, and a complete denial of the basis of the American economic system—the free market.

What rationing does is to say to the average man, "You are not competent to make intelligent choices about energy; we in the government, who knows what's best for you, will make your choices for you."

This system was tried last during World War II. Do any of us have to be reminded what happened then? We saw profiteering, evasion, corruption and, in the end, general ineffectiveness. And at the same time, a massive bureaucracy was called into being to administer the program, a bureaucracy which contributed nothing to the Nation's economy and nothing to the winning of the war. The results would be no better if rationing were tried today; in fact, they would be far worse in their economic impact, owing to the greater weakness of today's economy.

The results would be no better if rationing were tried today in fact, they would be far worse in their economic impact, owing to the greater weakness of today's economy.

A rationing program, if implemented, would require: 15,000 to 20,000 full-time Federal bureaucrats; the use of 40,000 post offices to aid in its administration; setting up 3,000 State and local boards to grant exceptions to rationing rules; and, $2 billion of the taxpayers money per year to operate.

Moreover, a rationing program would take 4 to 6 months to activate, months during which we would be at the mercy of the current energy crisis. And it would, when complete, give the average American driver exactly 36 gallons of gasoline per month. Today the average driver uses 50 gallons per month.

It would be a bonanza for organized crime, the greatest since prohibition. With fuel supplies so reduced, and with the rewards so great, a black market could spring up in a matter of months pumping millions of dollars from the pockets of the American taxpayer into the subsidization of racketeering and international drug traffic. Do the sponsors of rationing really desire such results?

Some expect that the problems of a

black market can be averted by the use of a so-called "white market" system whereby those having more coupons than they needed themselves could sell their surplus to someone needing an additional supply.

But this system itself could lead to abuses. How would the coupons be distributed, by family or by individual driver? If by family, how would we deal with the needs of a teenager who needs a car to get to work? If by individual, how would we handle a family, with a number of teenaged drivers, able to travel when and where it wanted, and their neighbor, a widow with small children who would get too few coupons for her family needs.

The examples I have just cited are drawn from an excellent editorial in the Washington Post of January 26. I commend this editorial to the attention of Members of the House.

So the "white market" is no solution to the problems of a rationing program any more than the rationing program itself is a solution to our energy problem.

These points might seem to offer sufficient refutation of the thesis that rationing is the easy cure for all of our energy ills, but there is one point yet to be made: the failure of balance that such a program would involve.

In order for us to solve our energy problem, it is necessary to create a balanced program, one that will boost our domestic energy production at the same time that it reduces our energy consumption.

The President's program does this. By increasing the price to be paid for energy, it encourages fuel economy. At the same time it creates a financial incentive for the type of energy development that we need.

Rationing does not do this. It offers nothing but energy privation and offers this at a time when we are desperately trying to stem the effects of recession on our economy.

America cannot afford the bureaucracy this system would entail, the inefficiency with which it would be administered, or the ineffectiveness and the inequities that would be its only results.

For this reason, I urge my colleagues to oppose the proposed resolution. It is only the opening wedge of a program that our economy cannot, and should not, be asked to bear.

Mr. SCHNEEBELI. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. SARASIN).

(Mr. SARASIN asked and was given permission to revise and extend his remarks.)

Mr. SARASIN. Mr. Chairman, I rise in opposition to this bill and in support of the President's program.

It has been mentioned on this floor that we are at war. I think that if we continue to delay and procrastinate, we are very quickly going to lose that war.

We have a very basic question before us; that is: Is the goal set out for us to become energy invulnerable by 1985 worthy of being reached? If we answer that question no we might as well forget this program or any other program; but I happen to think the goal is worthy of being reached.

How do we get to be energy invulnerable without saying that we are going to deliberately deny ourselves oil that is there, that we are going to slow our imports before our dependence becomes even greater than it is; before we send billions of dollars overseas and out of our economy?

I am sure it has been mentioned over and over that imported oil cost us $3 billion in 1970, $24 billion in 1974, and will reach $32 billion in 1977, unless we turn this around. How do we do this? What system do we use?

I like the President's program because it has a symmetry to it. It has a balance to it, and if the numbers are wrong, if we decide that the energy cost to the individual is, in fact, greater than the estimates, then let us adjust it on the other side of the ledger and make the necessary tax adjustments and tax rebates required to make up for that loss to the individual, but let us not destroy a program that has this kind of balance.

There are other alternatives suggested, such as allocation; which are self-imposed embargoes. Those of us in New England remember well what the embargo did to us in 1973. Rationing, which is the worst of our choices, is being suggested. Rationing can reach the goal of conservation, but does nothing for the economy or for development of alternatives sources and creates a system which is designed to be beaten, which obviously will self-destruct before it has a chance to accomplish the desired purpose, and which will become the most despised system of governmental interference ever put forward. I am categorically opposed to this option.

A tax at the gasoline pump might discourage consumption but also fails to meet the goal of alternative source development and will impose a tax of at least $0.40 to effect the desired conservation.

Or, do we let price become the incentive for conservation? Do we allow people to make their own decisions? Do we allow them to set their own priorities, and do we cover them for the increased cost of energy? I think the President's program does cover the cost, and reach the other goals as well. That is why this program is a good vehicle to use.

We are saying, if we do not adopt this; we are saying, if we go along with the delays; "Mr. President, we have not the slightest idea of what to do. We know we are not going to be able to do anything. The only thing we are sure of is that we do not like what you are doing."

It is very easy to line up people on this floor to say, "Yes , I am against the President's program," but ask them what their program is and see how many people are left standing in that collection of those who are against the President's program.

This body is very, very quick to give away the goodies. There is no question income tax rebates and tax adjustments will pass this House but where do we see this Congress making the hard decisions? We do not see any alternative program, an alternative program which has the same kind of balance. One which addresses itself to eventual freedom from unsafe oil imports; one which directs itself to domestic energy development; one which allows the automatic market functions to bear most of the load; one which is as fair and equitable to our society as possible.

Such a program is not before us, so we should be directing our efforts to improve and fine tune the President's program. It is the only game in town.

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

Mr. ULLMAN. Mr. Chairman, this country is in a serious recession. This is no time to send an inflationary wave through this economy, as the President's import fee schedule would provide.

We in this Congress have a responsibility for coming up with a sound energy package. The President's program is no substitute for an energy package. All this measure says is, "Give the Congress 90 days to come up with a program."

That is the constitutional way. I urge all the Members to support this bill.

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

Mr. ULLMAN. I yield to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Chairman, while I have my own reservations about some parts of the President's energy proposals, and in particular higher tariffs on imported oil, I am going to vote against stripping the President of tariff-imposing powers in a final effort to get the Democratic majority in the Congress off its collective tail.

In my judgment the proposed across-the-board increase in the tariff on imported petroleum will unfairly penalize users of fuel oil as well as cause increased prices in other segments of the economy. For these reasons I favor other energy conservation measures.

At the same time I cannot in good conscience take away from the President the only lever he has to pry the Democratic Congress into taking some kind of action to meet the energy emergency. The Democratic leadership in particular has put on an impotent display of partisanship at its worst by continually opposing administration initiatives while offering no solid plans to ameliorate the energy situation.

Individual Democrats, including the Senate majority leader, have offered a number of general plans to cut oil consumption without providing any specifics. The Democrats have failed to agree on a single approach let alone a single plan.

And incredibly, with an emergency situation before us, the Democrat leadership recessed Congress for the better part of December and January and now propose to recess again, having done little or nothing in the meantime.

Mr. PICKLE. Mr. Chairman, did you know that the Governor of Texas, Hon. Ralph Briscoe, has stated that the President's proposed program would generate harsh consequences that he finds unacceptable because of their negative impact on Texas?

The Governor's office maintains a computer simulation [1] of the Texas economy and it tells us that the immediate effect of the President's increasing import fees on crude oil and petroleum products will result in a decline in employment in Texas of 9,000 jobs. The loss in total personal income in Texas is estimated at $102.9 million. State and local government taxes are estimated to lose $17.4 million if the tax rates remain unchanged. Fuel and feedstock costs would result in increase of $142 million to the petrochemical industry in Texas. Gasoline prices are estimated to increase at least 4 cents per gallon. Natural gas utility prices are estimated to rise 54 percent, while electric utilities will rise as follows:

[In percent]

Commercial	12.2
Industrial	21.4
Residential	10.6
Refined petroleum products	18.6

These price increases will be felt by all industries in the Texas economy. For example, $13-per-ton increase in the cost of natural gas used in the manufacture of 1 ton of anhydrous ammonia fertilizer by Texas farmers. This can be expected not only to raise the farmers costs but to raise the prices that the consumer has to pay for agricultural products.

This program, of course, hurts all the States. We are all in this together. We all need to work to get energy prices to a level that we can afford. Raising them by imposing a severe tax on them, will not help but hurt the consumer.

Another interesting assessment was made by Governor Briscoe's simulated model of the Texas economy that has a point that affects all the other States too. A national equilibrium analysis on the market versus regulated crude oil and natural gas showed that without price regulations or price controls on crude oil, natural gas, or coal, the 1974 price of these fuels would have been: Crude oil, $8.70 per barrel at wellhead; natural gas, $0.66 per thousand cubic feet at wellhead; and coal, $6.20 per ton at mine.

At these prices for oil gas and coal, the industry would have discovered new reserves and increased production facilities within the State so that declining trends in oil and gas production in Texas would have been reversed in the late 1970's. At these prices it is estimated that Texas oil production would have increased by 26.1 percent in 1980, gas production would have increased 20.6 percent in 1980. A comparison of estimated production under controlled prices and the estimated national market clearing prices are shown below:

Year	Crude oil			Natural gas		
	Old price (billion barrels)	New price (billion barrels)	Increase (percent)	Old price (billion barrels)	New price (billion barrels)	Increase (percent)
1974	1.185	1.185		8.360	8.360	
1975	1.103	1.133	2.7	7.050	8.000	1.9
1976	1.031	1.091	5.8	7.390	7.700	4.2
1977	.968	1.062	9.7	6.970	7.450	6.9
1978	.913	1.043	14.2	6.610	7.280	10.1
1979	.866	1.036	19.6	6.230	7.160	14.9
1980	.825	1.040	26.1	5.910	7.130	20.6

The input model further shows that although increased prices for Texas crude oil and natural gas would increase the prices of petroleum refinery products petrochemicals and electricity to Texas consumers, total personal income in Texas would increase.

While these figures are good for Texas, the further increase in oil and gas production would mean that all the States could rely on domestically produced oil and gas rather than the uncertainties we face with foreign oil. The lessen is obvious. While we question the President's tax on oil imports, nevertheless his proposed deregulation of the price of "old oil" and natural gas can only have an overall positive effect. In general, his proposed program has many worthwhile objectives, and I support many of them.

Mr. Chairman, during the committee hearings, I offered an amendment that would have allowed the $1 tariff to go into effect on February 1, as proposed, but to hold off or delay the imposition of the additional $2 and $3 tariff for 60 days so that the Congress could come up with proposals of their own. I felt the President had the legal right to propose the tariffs, and that the first dollar tariff was or could be acceptable. The administration would not accept that approach, apparently choosing to negotiate later or to compromise later. The majority of the Democrats on the committee felt that no tariff or fees should be imposed. Neither group or side would make an effort to compromise at this point.

The $1 tariff is now in effect. This morning the President indicated he might be willing to go to the $2 level and no more. But if we defeat this bill many of us would be unable to offer amendments. We would be locked in on our position. The President's program will be the program.

I am willing to meet the President more than halfway. I do not think the public interest will be served if we engage in partisan conflict now in energy matters. We must conserve. The President has advanced a bold program, but he has chosen the price mechanism—at this time—to be practically the only weapon to force conservation. I am willing to let the price be one of the vehicles to help us obtain conservation but not the only weapon.

Mr. DRINAN. Mr. Chairman, I rise in strong support of the legislation presently being considered by the House, H.R. 1767, the oil import fee bill. This legislation would suspend for 90 days the authority of the President to increase import fees, tariffs, or quotas on petroleum and refined products. It would also repeal any similar actions taken by the President after January 15, 1975. While the act only delays the final imposition of the oil import fees, it is important that this legislation pass so as to prevent the President's energy program from going into effect.

I have strongly objected to President Ford's energy program previously on a number of occasions. I have argued that if this program is adopted, it will deal a devastating blow to New England, and in particular to my State of Massachusetts.

In the New England region, we are 75 percent dependent on oil for our energy needs. This is a much larger percentage than most other regions of the country. Statistics show that while New England is three-quarters dependent on oil, most other regions are only 10- to 20-percent dependent on this form of energy. For example, the East South Central region of the United States uses oil for 10 percent of its energy needs, and the Pacific region is 20 percent dependent on oil. Clearly, when we talk about raising prices of oil, we must realize that New England takes the full brunt of these cost hikes.

Mr. Chairman, the administration's energy program is no small-cost item. If the total energy package were enacted, the cost to American consumers would be at least $30 billion in 1975. This $30 billion figure has come, however, from the Federal Energy Administration. A more independent study conducted by the Library of Congress estimated that President Ford's energy proposals could cost consumers an additional $50 billion per year, truly a staggering sum. The Library of Congress has also estimated that the tax on crude oil alone could cost consumers $12.6 billion. The ripple effect of these higher oil prices would be felt throughout the economy as well. With this energy program enacted, last year's 12 percent inflation rate would probably continue throughout 1975.

When we speak in terms of billions of dollars, Mr. Chairman, it is very difficult for us to understand the magnitude of those figures. However, they may be easily understood if we bring them down to a more personal level.

With this in mind, we should point to the figures which the White House has recently released estimating the increased energy costs for the American

[1] Holloway, M. L., H. W. Grubb, and W. L. Grossman, "An Economic Analysis of Declining Petroleum Supplies in Texas: Income, Employment, Tax, and Production Effects as Measured by Input-Output and Supply-Demand Simulation Models," Office of the Governor, Austin, Texas, January, 1975 (report in review).

family as a result of this broad program. After its latest calculations, the administration is now projecting that for a family of four, the average cost increase could amount to as much as $345 per year in increased fuel bills. In these present times of economic recession I ask the President, "Can these drastic measures really be justified?"

The rationale behind the President's energy program is that these import fees will cut down on the consumption of energy. While on the surface it might seem that energy conservation would result from this drastic step, in New England, this would not be the case. Our region is already well ahead of the rest of the country in promoting energy conservation. We are doing our share and this is reflected in the energy savings which have been brought about. Industrial companies in Massachusetts have cut fuel consumption from 20 to 35 percent, and residential consumers have realized up to 20-percent savings in heating oil. Yet there is a practical limit to the conservation measures which can be taken by industries and companies, and I fear that the only way to further reduce oil consumption would be to actually close the doors of our businesses. Instead of having the effect of conserving energy, the oil tariff would only force these companies to pay a higher price for what they must have.

As I have previously stated, H.R. 1767 only suspends the President's authority to increase import fees for 90 days. While I believe that this action must be taken on a short-term basis, I am most in favor of legislation which would require the approval of Congress before the imposition of such tariffs take place. In article I, section 8 of the Constitution, Congress is given the exclusive power to "lay and collect taxes, duties, imports and excises." I do not feel that the President, irrespective of the provisions of the Trade Expansion Act of 1962, has the power to impose unilaterally a tariff duty. Whether the tariff is called a duty or a "license" as the administration prefers to call it, it is the Congress and not the President which is given the power to act in this area.

In conclusion, Mr. Chairman, I feel that the impact of the Ford energy program would strike a devastating blow at New England. With only 5.8 percent of the Nation's population, New England is being asked to bear over 10 percent of the newly imposed cost increases. While I do believe that the Congress must act to reduce this country's dependence on imported oil, I maintain that President Ford's plan is ill-advised and discriminatorily applied against New England. Surely the Congress is capable of devising a more equitable system.

Mr. BOLAND. Mr. Chairman, H.R. 1767, which would temporarily suspend the President's power to impose fees upon petroleum imports, has my unequivocal and total support, just as the President's recent actions pursuant to this authority have my absolute disapproval and opposition. Even with the rebate system which the administration has devised to alleviate the harshest effects of the oil tariff on my region, New England, severe economic dislocation will be the hallmark of Mr. Ford's program to raise energy import prices. In particular, the prices of home heating fuel and residual oil, which heat New England's homes and run its businesses respectively, and which have skyrocketed in the past year, will still climb sharply. Both products are imported into the Northeastern States and cannot be replaced by domestic supplies. Since New England is practically unique in its near total dependence on these products for heating and power and domestic refineries do not have the capacity to replace any significant amount of the imports.

For people who have since the founding of this Republic been known as a frugal and thrifty race, the New England Yankees now find themselves in the unenviable position of being punished for their truly admirable effort of the past year and a half in greatly reducing energy usage. Of course, they had the spur of quadrupled prices, high unemployment, and incredible inflation to quicken this surge of conservation, but their gains have been great—a 20 percent cut in home heating fuel usage and a 15 percent cut in the use of residual oil. President Ford's new tax on imported oil and petroleum products has the effect of greatly increasing the price of products whose usage has already been pared to the bone. Some of my constituents—too many to mention—now live in constant 60° temperatures because they cannot afford to heat their homes at higher levels. And yes, New England businesses have been and continue to be falling because of impossible prices they must pay for power or specialized petroleum derivatives.

Mr. Chairman, sadly enough, increased taxes on imported oil will not merely raise oil prices. Increased charges for energy will have a ripple effect on retail prices across the whole spectrum of American products. It has been estimated that, even taking into consideration the President's proposed tax rebates and tax cuts, consumers across the Nation will experience little if any benefit in the first year and from $30 to $40 billion in price increases in the second year. That kind of an economic drag offers a strange sort of weapon with which to fight unemployment and recession. I just do not know of a responsible economic analysist that recommends more of the problem as a solution to the problem. I think that this indicates the lack of foresight and depth of consideration inherent in the presentation of the President's economic package. You simply cannot sacrifice an entire region of the country in an effort to halt economic ills, and in the process bankrupt the lower- and middle-income consumers throughout the entire country, and call that the answer to recession.

Mr. Chairman, the country cannot wait to see the economic chaos that Mr. Ford's programs will bring. At the same time, it must be obvious to all that the Congress has not yet formulated a precise package of relief measures despite general agreement on many points. Faced with these circumstances, it is incumbent on this body to place Mr. Ford's energy tax powers in abeyance for a few months until we in the House and Senate can explore the alternatives to this most disastrous of policies. This may require a number of months and H.R. 1767 provides 3 months. I believe that this time will be well used by the Congress. The House Ways and Means Committee has already made important advances in increasing the tax cuts proposed by the President. We cannot afford, however, to delay much longer in implementing such programs. Every day brings fresh evidence of deepening economic woes. We require a tax cut, but we must also set our house in order by providing for strict energy conservation and the reordering of spending priorities.

This Congress has the obligation to get our economy moving again. It must act swiftly, but only after a consideration of options other than the President intends to offer us. To do this, we need the 90 days provided by H.R. 1767. I urge the overwhelming passage of this bill that will be necessary to later overcome the expected veto. The consequences of any other outcome offer no hope for economic recovery.

Mr. ASHLEY. Mr. Chairman, I rise in support of H.R. 1767, a bill to suspend the President's authority to impose tariffs on imported oil. Although the President's directive to place a $1-per-barrel fee on foreign oil went into effect on February 1, I believe that it is important for us to delay this program because there are serious questions as to whether it will accomplish its intended goals.

The great drawback of the administration plan is that it will have the immediate effect of raising prices on all petroleum products directly and on all commodities and products produced in industries dependent on imported oil. By his own admission, the President's tariff proposal will raise the American people's oil bills by $30 billion this year, and the estimates of its inflationary impact range from a 2-percent to 4-percent increase in the cost of living in 1975.

To counter higher fuel costs, the administration has proposed $16 billion in tax cuts, $12 billion for individuals and $4 billion for business. Assuming his own forecasts are correct, on balance the President plans to take $14 billion out of the pockets of consumers this year in an attempt to cut oil consumption.

Mr. Speaker, there is widespread agreement that recession is our most urgent problem, and it is my conviction that by jacking up oil prices to new inflationary levels long before any tax rebates or other income supplements reach consumers, the President has reversed the order in which programs should be implemented to solve our economic problems.

Unemployment continues climbing to new highs, real earnings are falling behind cost-of-living increases, production declines, GNP is dropping, and we have massive balance-of-payments deficits. It is clear, therefore, that our first priority must be to stimulate the economy by tax cuts, followed by an expansion of public service jobs, emergency measures to restore the health of the housing market, and incentives for business to expand and thereby create opportunities for employment.

But not until such antirecessionary measures are enacted and their benefits flowing into the economy should we risk fueling a new inflationary spiral by imposing steep tariffs on oil. We need time to examine all the alternatives—from rationing to tariffs to gasoline price hikes—before taking hasty action, as I believe the administration has done, on any proposal that threatens to have adverse effects on the economy in the long run.

I have no argument at all, Mr. Speaker, with the goal of reducing our vulnerability to foreign oil embargoes and unilateral price increases. On the contrary, one of our highest priorities must be the formulation of a long-range conservation program that will result in our achieving eventual self-sufficiency in energy. But the administration's tariff scheme was conceived and put in place with too much haste and without sufficient consideration of its impact on the economy. Since no public hearings were held on this subject and since, as has happened so frequently in the formulation of our hodgepodge national oil policy, there was no consultation with Congress preceding the President's directive, I believe that the prudent course is to suspend the tariffs for 90 days to assure more careful deliberations as to the best solutions for our pressing national problems.

We must insure that the tax and energy programs we enact mesh in such a way that the economy will be stimulated by increases in jobs and consumer purchasing power, and that those effects will not be negated by stiff hikes in the prices of oil, utilities, and petroleum products.

Mr. Speaker, this is not a partisan dispute, for the American people will not—and should not—abide our playing politics on such a critical matter. We need to act with deliberate speed, not reckless haste, and I believe that 90 days will allow time for sufficient consultation between the President and the Congress as to the most feasible programs to attack our national problems. Working together, we should be able to produce a coordinated and comprehensive long-range tax and energy package in the immediate weeks ahead. We must avoid the danger of acting just for the sake of acting, and for that reason, Mr. Speaker, I will vote for passage of H.R. 1767 today.

Mr. EVANS of Indiana. Mr. Chairman, I am neither an economist nor an energy expert, and I do not represent myself as one.

But if we have learned anything during the past 2 years, it is the basic principle that increased oil prices mean higher prices here at home across the board, and we must be fully cognizant of and prepared for what is accurately and reliably estimated to be the result of such an increase before blithely increasing the cost by artificial means.

It is obvious to me that all the consequences of the President's proposal are not clear at this time. The administration estimates that the President's action would cost consumers about $30 billion in 1975. On the other hand, the Library of Congress estimates the cost to consumers to be $50 billion this year, causing last year's 12 percent inflation rate to continue in 1975. High unemployment and decreased buying power due to last year's double-digit inflation have already taken their toll, and I don't believe Congress should embark on a course of action which would continue such hardships.

I fully agree with the President that we must lower our dependence on foreign oil. The question is, instead, how best to implement this policy. Without further study, by Congress and the administration, and I note with some skepticism that the Secretary of the Treasury was able to investigate the complex arena of issues involved in the increase in the amazingly brief time span of a few weeks, I do not believe anyone, either in Congress or the administration, has all the facts with which to make a knowledgeable decision.

Mr. STOKES. Mr. Chairman, as a cosponsor of legislation identical to H.R. 1767, I rise to urge the passage of this measure. As we witness an economic situation imperiling the security and livelihoods of millions of Americans, it is imperative that the policies we pursue not cause even more severe economic disruption.

My support for this resolution stems from both my conviction that the import fee proposal is terrible on policy grounds, and from my concern that hasty action in defiance of strong congressional calls for more careful evaluation is both unwise and intolerable.

This resolution conveys the sense of the Congress that the President not impose any tariff or import restrictions prior to April 1, 1975. What we ask for here is a reasonable opportunity for Congress to act.

When proposing such a major change in our economic structure as raising the oil import fee, it is particularly necessary to be certain that all points of view have been well represented in deliberations, and that all the ramifications of such action are understood. That is a role which Congress performs extremely well.

It is important for us to discern, as precisely as possible, what the impact of a major new policy will be on our economy and our citizens. Any impact must be measured by both the immediate and direct results and the subsequent indirect results so often misunderstood. Already we have discovered that reasonable changes in questionable assumptions used by the administration vary the estimated impact of this program by 38 percent. If Mr. Ford's plan is compared to an automobile then the oil import fee proposal can be expected to fit like a 38 percent oversized tire. And I do not intend to ride in such a hodgepodge.

What I hope to gain is a chance to discuss the substance of this proposal, to point out why I feel the logic behind this rise in the oil import fee is seriously flawed, and to allow the expeditious development of alternative policies.

We are asked to understand that we can remedy the damage done by excessively high oil prices if only we make them higher still. Higher crude oil prices will be passed through the economy and affect food processing, farming, all transportation, industrial fuels, plastics, and chemicals.

The price of other fuels will naturally increase as well. Excess automobile gasoline use is likely to be less curtailed than vital home heating and industrial use because, as recently pointed out by the Joint Economic Committee of Congress:

> To avoid losing sales, refiners would have an incentive to pass the tax through disproportionately on the most essential products with the *least* price elasticity of demand.
>
> If this were done, it would maximize the price inflation and consumer hardship from the tax and minimize the oil savings.

A crude oil tax will spur a new round of inflation, deepen the recession, and it may not even be that significant in curtailing gasoline consumption. I urge the passage of this resolution so that Congress may intelligently and thoughtfully bring relief to the American people.

Mr. BEARD of Rhode Island. Mr. Chairman, 2 days ago the President presented to us the fiscal year 1976 budget as part of his economic and energy program. This budget contains a deficit of at least $50 billion cutbackin social services and an increase of $8 billion for defense. In short, it is a blueprint for ocntinued economic disaster, especially for New England.

The Ford program is based in part upon a tariff on oil imports. However, I believe this tariff will have a tremendous inflationary impact on all sectors of our economy. The average New Englander cannot afford to pay additional taxes hidden in higher fuel costs. The 94th Congress has a clear mandate: We must remedy the worst economic affliction our country has experienced since the depression. We need to stimulate the economy without unnecessary inflation. The administration's proposals do not meet these objectives. Congress must provide fair alternative programs to meet our economic and energy needs. It is our obligation as a separate and equal branch of Government to innovate to resolve people's problems. I urge my colleagues to impose a 90-day prohibition of tariffs on oil imports as a necessary first step in getting the economy moving again.

Mr. MOAKLEY. Mr. Chairman, I rise in support of H.R. 1767 which would suspend the Presiden's power to increase the tariff on imported oil for 90 days to give this Congress time to enact a comprehensive program to deal with the energy crisis that faces us today.

The President's decision to increase the tariff on imported oil would be a disaster if it became effective. The burden of increased fuel costs would be unfairly placed on the consumers least able to reduce their consumption. Home heating bills alone would increase by over $200 a year in New England and the ripple effect that this proposal would have on our economy is estimated to be a drag of more than $800 million in New England alone.

Furthermore, the President's decision represents a unilateral action which denies Congress the ability to exercise its legal authority to deal with the crit-

ical energy and economic issues which must be resolved.

I commend the distinguished chairman and the members of the Committee on Ways and Means for their expeditious action on this proposal, and I urge my colleagues to vote for this bill and against the President's proposal which would be a national disaster.

Mr. BROYHILL. Mr. Chairman, after listening to a lot of rhetoric from both sides of the aisle on President Ford's national energy program, I have come to the conclusion that there is no one perfect energy plan.

Without doubt, there will be compromise before a final program is enacted. The President and his chief advisors have indicated their willingness to work out any viable changes which Congress may propose.

During the weeks ahead, as these critical decisions are made, I trust that we will keep sight of the larger goals and principles that are essential for any national energy policy to be effective.

In the near term, our primary goal must be to reduce oil imports. The President has set reduction targets of 1 million barrels a day by the end of 1975, and 2 billion barrels a day by the end of 1977.

Over the midterm—the next several years—our goal must be to increase production and development of our own domestic energy resources, while continuing a concerted effort to cut back on energy consumption so we can further reduce our reliance on imports.

Over the longer haul, hopefully before the year 2000, this Nation must strive to develop the technology and new sources of energy that will carry us and the rest of the world beyond our dependence on depletable fossil fuels.

And, I feel strongly that whatever plan of action that we agree on must be consistent with the basic principles that are imperative for the wellbeing of this Nation. That means the energy program must go hand in glove with our national economic goals.

It means that while some hardships are unavoidable, the American consumer must be provided with energy at the lowest possible cost, and that both the hardships and the benefits of the program be distributed as equitably as possible among our citizens.

It means that some tradeoffs must be made over the next few years to balance our energy requirements with our environmental concerns.

And it means that while an effective program requires increased Government involvement in the energy marketplace, precipitous action must be avoided and every effort made to retain and strengthen the fundamental integrity of our free market system.

Most of the programs we will enact in the weeks ahead will be concerned with setting our own domestic energy house in order. And that is as it should be.

At the same time, as the leader of the free world, the United States has a large stake in setting the kind of example necessary to foster solidarity among all the energy importing nations of the West.

I trust the actions taken in this Chamber and by our colleagues on the other side of the Rotunda will display the type of objective concern and leadership needed to answer these goals.

DELAY AND RATIONING—UNACCEPTABLE ALTERNATIVES

Passage of the resolution—that is, rejection of the very first portion of the administration's comprehensive economic and energy program to come before us for a vote—would, for all practical purposes, leave us with two alternatives: to continue to do nothing, or to pass some measure mandating gasoline rationing. Both of these alternatives are unacceptable, and for this reason the resolution should be rejected.

For 4 years—since we undertook a National Fuels and Energy Study—we have done nothing. For the past year—since the oil embargo forced the energy crisis into the consciousness of virtually every American—we have done nothing. And during these years this Nation's energy ills have developed, worsened, and become acute. We could not afford the luxury of inaction 4 years ago or 1 year ago; we can afford it even less today.

The President's proposals are not, perhaps, timely themselves. Nor, in every detail, do they necessarily spell out the course we should follow. But presentation of his program, at least, set the stage for a response we can no longer avoid. He has, at least, forced Congress to abandon the unacceptable alternative of continued inaction.

But does that mean that, because we disagree with individual portions of his program, we should scrap it at the very outset and turn, instead, to that second alternative, mandatory rationing, which is, in my judgment, every bit as unacceptable as further delay?

At the moment, rationing seems to enjoy some popular support. Gallup and Harris polls suggest that 50 to 60 percent of the American people are favorably disposed toward it. This is not surprising. The administration program, complicated as it may be, is crystal clear in its major thrust—we are going to pay more for energy in the future, and that includes gasoline. The President has been perfectly forthright about it. The costs of rationing, on the other hand, are less obvious. And its advocates, for good reason, have not spelled them out to the people.

So, popular perception of the alternatives today is of more costly gasoline under the President's program, on one side, and of some simple, painless solution through rationing, on the other.

But, can we really face the people of our respective States and tell them that rationing would effectively cut oil imports to tolerable levels with no expense to them in convenience, mobility or money? Can we, in good conscience, confirm their mistaken belief that rationing would guarantee them a fair share of supply at low cost and little sacrifice?

Curtailing oil imports is not a short-term need; it is a long-term necessity. We all know that reduced consumption must become a permanent feature of American life. Given this national imperative, is it wise or fair to promote rationing as the easy way out of our energy dilemma?

Evaluation of the problems of gasoline rationing does not have to depend upon speculation or theory. We have the evidence of history—the 38 months of rationing imposed on the Nation during World War II.

It was a time when patriotic fervor in this country was running as high as it ever has—a time when the entire country was united in its desire to win the war. And yet, during those 38 months, during that time of unprecedented national unity, the rationing system had to be reorganized three times, black marketers eventually controlled over 5 percent of the Nation's gasoline supply, 300-million gallons worth of stamps were stolen from ration boards, Congress had to launch an investigation of the whole program, more than a thousand dealers in counterfeit and stolen coupons were arrested, and over 40,000 filling stations had to make good on illegitimate coupons. And all of that took place at a time when there were one-fourth as many automobiles on the road as there are today.

Now we are hearing talk about "white market" rationing—a system that would miraculously dispense with all of these difficulties. It, too, has a deceptively superficial appeal: every driver would receive the same basic allotment of coupons; those who had more than they needed could sell them on the open market to others who were willing to pay the price for a few extra gallons. This, we are expected to believe, is just free enterprise. But it is not that simple.

To reduce our oil imports by 1 million barrels a day, we would have to limit each driver in the country to just 36 gallons per month—or slightly more than a gallon a day. Perhaps that might be enough for some hypothetical "average" American motorist, but how many drivers actually conform to that abstract profile? What, for example, about a blue-collar worker who has to travel 20 miles each way from his home to work and back? Is it a "simple" solution for him to supplement his basic 36-gallon allotment by paying an estimated $1.20 per coupon on the "white" market to a doctor or accountant whose office is in his home?

It might be simple but it would certainly not be fair.

Nor would it be fair for the millions of Americans who would have to buy extra coupons to subsidize the inevitable network of brokers and middlemen who would spring up between them and those motorists who have coupons to sell.

These individual inequities would be intensified by regional differences. For instance, Easterners with relatively well-developed transit systems and short driving distances, could accommodate themselves to rationing far more easily than drivers who must daily negotiate the vast distances of the Midwestern and Western States. The average driver in Montana, for example, travels about twice as many miles per month as his counterpart in New Jersey. Could the extra financial burden that rationing would impose on him be considered fair?

But even assuming that all the difficulties concerning who should get how

much gasoline could be equitably resolved, there are compelling arguments against rationing.

First, it would focus entirely on gasoline—considerably less than half of our petroleum consumption. It would do nothing to reduce consumption of other oil products. It places the entire sacrifice of conservation on just one segment of society.

Second, although gasoline rationing might dampen demand, it would do nothing to encourage production of one additional drop of oil—nothing to provide incentive to tap our other vast energy resources.

In fact, since most of our refineries were built during an era of profligate gasoline consumption, they are equipped to produce more gasoline than anything else. We cannot cut gasoline usage by 1-million barrels per day without cutting the supply of all other petroleum products, including, for example, home heating oil.

In short, gasoline rationing would impose undue hardship on the American people and would compound, not resolve, our energy problems. Like continued inaction, it is an unacceptable alternative. For this reason, we must not shoot down the administration's program with the first shot. Rather, we should take it up, examine it constructively, eliminate those portions of it that we find wrong, and from it develop a comprehensive energy program that addresses the larger questions of the energy crisis and is fair for the American people.

Mr. MAGUIRE. Mr. Chairman, the President's proposed hike in oil import tariffs violates the spirit of cooperation he has pledged to foster with the Congress. It is also unsound economics. Because the price increases are indiscriminate and across the board rather than targeted at energy consumption practices which are relatively the most wasteful, the President's plan will further aggravate both inflation and recession. The victims of his unilateral action will be the American people.

After revising earlier figures, the President estimates that his program will cost about $345 per year for a family of four. I believe even that figure is low. After paying for all the indirect costs that will occur in food production, manufacturing, transportation, building materials, and all the other goods and services that would be affected throughout the economy, it is apparent that the actual impact on the average family will be much more serious—perhaps two or three times what the President now estimates. The administration's tax plan would only offset a portion of these increased costs, and the relief promised by his proposed tax rebate schedule is unfortunately weighted in favor of wealthier individuals and corporations and against the average homeowner.

We cannot permit this administration to place the burden of balancing the budget on the people who can least afford to bear it—the poor, the elderly, the middle-income family. These are the people who have already shouldered the recent 40-percent increase in gasoline costs and a near doubling of fuel oil prices.

I must therefore respectfully join with my colleagues to suspend implementation of the President's plan. I do so in the expectation that we will be able to develop a less indiscriminate, more equitable program which fits the solution to the problem—both in economic and in human terms.

Mr. JEFFORDS. Mr. Chairman, I honestly wish I could stand here today and offer my unqualified support for the President's energy program. Along with virtually every other Member of this Chamber, I share the President's deep concern about this Nation's overconsumption of energy, and overdependence upon foreign petroleum sources. The problem is indeed a serious one, which requires sober action by the Congress and by the President.

I have nothing but admiration for the President's determination on this issue. He has chosen a strong course of action, and a strong course is needed. But after a thorough analysis, I can only conclude that the first step of his program is unfair, if not totally in the wrong direction.

Raising the fees for oil imports would place an intolerable burden on the New England region, which includes my home State of Vermont. We have already done much in Vermont to conserve energy, and are proud of the record. For example, Vermont's gasoline consumption dropped 5.6 percent from 1973 to 1974, compared to 1.2 percent nationally. Even more dramatically, during the same period Vermonters decerased their consumption of medium distillate and residual fuel oils by 20 to 25 percent.

In my own home, we have cut in half our consumption of heating fuel, with no reduction in our heating bills. That is a fairly typical situation for a Vermont family. The residents of my home State have proven their willingness to make sacrifices for fuel conservation. But the winters are cold, and they must heat their homes. And Vermont is a rural State, where the majority of workers have no alternative to the automobile as a means of commuting to their places of employment. I cannot believe higher prices will achieve any meaningful further reductions in consumption in Vermont. Instead, they will impose needless pain. You cannot squeeze blood from Barre granite.

The tariff program will cost the average Vermont family about $250 annually, some $50 more than for the average family in the rest of the Nation. If the entire program as proposed by the President comes into play, the inequity may be ended by price increases throughout the remainder of the Nation. But we have no assurance that the entire program will ever be enacted. Decontrol of crude oil prices, indeed any proposal for increased prices, is not popular in this Chamber. Imposition of the tariff now is similar to asking New Englanders to duck their heads in the bathtub without an assurance that the water will be drained.

And continuing with the same analogy, we are uncertain of the consequences even if the water is drained. The experts are in disagreement as to projections of the economic impact of the administration's energy program.

The Congressional Research Service estimates the loss of consumer purchasing power would be slightly over $50 billion, or more than double the President's estimate. If the $50 billion figure is correct, then even with the proposed tax rebates the average U.S. family would carry an additional financial burden of $490. Some experts tell us the program could increase the inflation rate by 3 percent, and that the impact on industry would drive unemployment up to 8 percent or more. I am not suggesting that those projections are any more accurate than the President's. I am simply saying that there is no way for us to know at this time with reasonable certainty. And if the worst of the projections are correct, the consequences could be catastrophic.

Mr. Chairman, I am firmly convinced that this Congress can deal decisively with today's energy problems after passage of H.R. 1767. This legislation will by no means negate this Nation's commitment to the goals of conservation and energy selfsufficiency. I personally shall be working on at least three alternative routes.

The first is a modification of the President's plan, to remove inequities to New England and avoid any drastic economic impact on the Nation.

The second is to carefully watch the rationing proposals which appear to be forthcoming. I personally have grave reservations about rationing, largely because it could pose a terrible threat to the tourist industry which is vital to the economy of Vermont and many other parts of the Nation. It would also be expensive and clumsy to administer. But rationing proposals should be closely watched and examined to determine how to minimize the harmful effects if, as a last resort, such a system is eventually passed by the Congress.

The third route is to continuously search for new approaches. The New England delegation is working on a legislative package which is expected to be completed within 2 weeks. I will be complementing this effort with proposals now being developed in my office. It would not be fruitful now to review all the proposals under consideration, but I am confident that the Congress can and will take action on a program which will be both fair and effective.

Mrs. HECKLER of Massachusetts. Mr. Chairman, it is indeed unfortunate that the first legislative action on energy by the 94th Congress must be in opposition to the President's initiative; however I firmly believe that we are right in delaying the use of import tariffs and fees to drive up the price of foreign oil. I have tremendous respect for the President, and I know he is sincere in his desire to provide leadership in this difficult time.

However, I also know that the direction he has chosen will be disastrous for the country, and particularly for New England. Our region derives 85 percent of its total energy from oil, twice the national average. Further, New England is twice as dependent on foreign oil as is the rest of the country. We import two-thirds to three-quarters of the oil we use, whereas the national average is one-third.

This is not by choice, but because New England has long been the economic stepchild of the major oil companies. We are at the end of the domestic distribution system, and we are always the first region to feel the effect of any increase in price, or any reduction in supply. Over the years, our utilities and industries have been forced to import oil because it has been the only way to obtain the product at prices competitive with the rest of the country. Without foreign oil, our manufacturers would be at a severe competitive disadvantage. The economics of our domestic oil industry forced New England to rely so heavily on imports.

Therefore, any price increase or supply reduction in imported oil has a much greater effect on New England. In the last year, we have seen the price of oil triple in New England, with residual prices skyrocketing from $4 a barrel to over $12 a barrel.

This increase was felt immediately in 7 of 10 homes in New England, because they burn oil for heat. It was also quickly reflected in utility charges, because New England's electric generators mostly burn oil. My constituents have found themselves paying heating bills that often exceed their monthly mortgage payments, and also are paying electric bills on which the fuel adjustment charge is more than the basic rate itself. I have constituents contacting me who are bankrupt because of higher heat and electricity costs.

Business and industry in New England are just as severely affected. When I was in the city of Taunton, Mass., the other day, one businessman showed me the utility bill for his plant. In 1973, he paid $23,000 for oil. In 1974, he paid $93,000 for the same amount. This terrible increase is by no means an isolated instance.

And now we have an Executive order calling for further increases, at a time when unemployment in Massachusetts stands at 9.9 percent, and is rising almost 1 percentage point each month. The national average is far less, 7.5 percent.

We are confronted by the fact that the proposed tariff increase, will add $800 million to the cost of energy in New England. The added havoc that this increase would wreak in New England, for the homeowner, for the unemployed, for the elderly, for the poor, for our economic foundations, is completely unacceptable.

It is obvious that we as a nation can no longer afford to be as dependent on foreign petroleum, and I fully support our Government's efforts to achieve that objective. But we cannot cut our needs so abruptly. The reduction in oil imports must be more gradual, so that in the process we do not produce atrophy in our economy.

Certainly Congress has a responsibility. It is up to us to draft an alternative program, which will accomplish our national goals and avoid the pitfalls accompanying the tariff increase. In taking back the power to adjust import tariffs and fees, Congress is also assuming the burden of decision and the responsibility for the results of our actions. I hope that our actions here today will result in compromise, not confrontation. We need solutions, better solutions than have so far been proposed. It is the foremost challenge this Nation now faces, and our future prosperity and independence depends on our initiative.

Mr. LEGGETT. Mr. Chairman, President Ford has offered the Nation a complex program for the purpose of dealing with some economic aspects of the energy shortage. Today we are to cast our first vote on this program; specifically, we are to vote on the imported oil tax.

After considerable study, I have concluded that this tax, and the entire program, would make our problems worse rather than better. Therefore, I shall vote against it.

Let us consider the standards by which an energy program should be judged, and let us evaluate the Ford program in terms of these standards.

First, the program should reduce our dependence on imported oil. I know there are those who argue that a "drain America first" policy is unwise, but on balance I am convinced our best course is to minimize the total export of American wealth during the 20 or so years before technology can bring our need for fossil fuel down to a tolerable level.

By this standard, the Ford program is a failure. If the import tax were applied in isolation, it would have considerable beneficial effect. But since the plan calls for taxing and decontrolling domestic oil so that its price will rise to the price of the taxed imported oil, the import-reducing effect is lost except to the extent that all oil consumption is reduced.

Second, the program should minimize the total economic burden placed upon the American people. In this respect, the program is an absolute, abysmal, spectacular catastrophe. It is by this standard that my strongest objections to the program are generated.

Mr. Ford proposes to discourage consumption of petroleum by taxing and decontrolling crude oil up to a price of about $15 per barrel. This will express itself in a direct increase of about 12 cents per gallon of gasoline at the pump. Since decontrolling will allow the oil companies to receive about $12 per barrel for old oil as opposed to the present $5.25 per barrel, an excess profits tax would be imposed. Funds raised would be returned to the people by an income tax reduction.

At first glance, all this appears reasonable. Consumption would be discouraged by higher prices, but the additional cost would be returned to the consumer. Thus, those who use less petroleum would come out ahead; those who use more would have to pay steeply for their profligacy.

But on closer examination, the beautiful theory has warts in practice. In fact, it is all wart.

Consider the excess profits tax. It does not really get at the excess profits. In fact it allows a totally unconscionable profit increase on old oil of nearly $2.

Moreover, the excess profits tax will be applied to crude oil only. But as the price of crude rises, the price of everything else—not only refined petroleum products, but every commodity that is manufactured or transported by petroleum-based energy—will go up, and every firm that sustains this increased cost will not only pass it along to the consumer but will add its cut. Responsible economists have estimated that the Ford energy tax package will total about $15 billion in itself but the American people will find themselves with a $50 billion increase in consumer prices.

Therefore, if we make realistic assumptions about the excess profits tax specifics, we find the Ford program giving a twofold bonanza to industry and a twofold sock in the jaw to the American people.

I do not favor any kind of energy tax. But if there is to be a tax, it should be imposed at the reail level, both for selectivity and to prevent its effects from multiplying through the wholesale-retail chain.

Third, the program should distribute the burden among the American people in a socially responsible manner.

By this measure, the Ford program is all Republican, which means the rich get richer and the poor stay home and freeze.

The Ford idea is for everyone to pay the same price for petroleum products, but to ease the burden through cash rebates. So far so good; this is the only way such a program can be administered effectively—and I am pleased that Mr. Ford does not mind copying one of Senator McGOVERN's campaign proposals.

But look at what happens when Ford puts the theory into practice: Zero-income families get $80; families with incomes of $5,000 get $197; and families with incomes of $50,000 get $1,130.

As I have said, perhaps this is a Republican administration's concept of fair and equitable load sharing. It is not mine.

Fourth, the program should give everyone at all levels a strong incentive to reduce energy consumption. In fairness, I must give the Ford program good marks in this respect. While not ideal, it does as well as a realistic program can.

Fifth, the program should encourage new oil exploration and discover, and discourage draining of old reserves. By this criterion, the Ford program gets a zero, since it wipes out the price difference between old and new oil.

Sixth, the program should give us long-term direction toward more efficient energy consumption. This is a fancy way of saying we need money for good mass transit systems that will be used because they get people where they want to go; the Paris system is a good example. Coincidentally, a mass transit program will also provide jobs. The Ford program directs none of the energy tax funds to mass transit, so it gets a zero by this standard.

Seventh, the program should minimize the degradation of quality of life. We do not want people to have to wait 3 hours for a tank of gas as they did a year ago. By this criterion, the Ford program works well. But this is not enough.

We have drifted along without an enery policy for entirely too long. President Ford is correct when he says we need decisive action, and the very fact that he has produced a plan is to his credit.

This is particularly true in light of his and his predecessor's record on inaction on all pressing domestic problems. But it is not enough to have a plan; it must be a good plan and this is not.

It is now incumbent upon us in Congress to produce a better idea. In my view, we can do a great deal better with an intelligent rationing program. I recognize that this will entail some inconvenience, and also a substantial bureaucracy. Nevertheless, on balance I believe it to be the best program available.

The administration's objections to rationing are incomprehensible. They center around various hypothetical people—ranchers, migrant workers, people who move cross country, et cetera—and point out how these people will exceed their basic ration.

This has to win the "Richard Nixon Award for Weakest Argument of the Year." These people will simply have to buy extra ration stamps. They will thus pay a relatively low price for their first batch of fuel and a high price for the remainder. Under the Ford tax system, they would pay an intermediate price for all their fuel. The net results will be approximately identical, depending on the details of the rationing program.

The administration arguments are particularly objectionable in that they imply rationing should be rejected because it would penalize some high energy users. It is fantasy to suggest that things could be otherwise. The fact is we are short of petroleum, and there is simply no painless way around the problem. Whether under a rationing system or a tax system, everybody is going to suffer. The best we can do is to distribute the suffering equitably and not add to it. This is what the Ford program does not do, and what a good rationing program could do.

My own preference is for a relatively inflexible ration program. The American people are highly sensitized to and antagonistic toward anything that suggests favoritism. If we start giving extra rations to everybody and his brother, the whole system could lose public trust and collapse. If a man drives a 4,500-pound car 50 miles to and from work, he has no claim on extra rations; he needs a smaller car or a car pool. An obstetrician may need extra rations, but most physicians, who make neither house calls nor emergency hospital visits, should not get extra rations. Members of Congress have no claim to extra rations. And so forth.

A good rationing system can be worked out, and I hope to see Congress get on with the job.

Mr. ST GERMAIN. Mr. Chairman, it seems to be habitual with both the administration and Congress to speak of the current economic problems of recession, inflation and energy shortage in cosmic terms far removed from the reality of constituents. Today I would like to step back from the "OPEC nations," "billions of dollars," and "double-digit inflation" to address the problems of a single constituent whose concerns, I believe, are highly representative to those in Rhode Island, New England, and perhaps the entire country.

This constituent, Nick, is an independent service station owner who is concerned not with the reduction of 1 million barrels per day of imported oil, but with the few cents' increase in his price per gallon of gasoline which has placed him far above competitive prices in the area. Nick buys from a small oil distributor who sells the imported product, as do most of the New England dealers. And a further tax on imported oil will surely spell Nick's ruin. The question becomes, how do we explain to Nick, and numerous others who will be adversely affected by the import tax, that this move is required because of our need to create programs to oppose OPEC nations' control over the United States. Do we point to the outrageous attempt recently made by an Arab sheik to buy the Alamo for his son's birthday? Do we tell Nick that in one night Arabian oil barons lost several hundred thousand dollars in Las Vegas?

I, for one, have no further answers to give Nick to explain why he, being a Rhode Islander, should be charged higher prices than those dealers supplied by the major, domestic companies, simply because of New England's economic dependence on imported oil. I cannot explain to Nick why he and all other Rhode Islanders will shortly be charged even greater fees for gasoline, heating fuels, and other petroleum products, even though all of the New England States have voluntarily conserved fuel at much higher rates than the rest of the country.

I do have one answer, perhaps the only equitable one, to propose to my colleagues. Let us seek an alternative to the President's program which will place the burden proportionately throughout the country. New England should not be punished because of its involuntary dependence on imported oil. Our constituents deserve to be served individually and collectively. I do not believe that a "bite the bullet" philosophy which asks basically that New Englanders chew more than their share of the ammunition is either an honest or realistic solution to the energy problem.

LINCOLN CITGO SERVICE,
Lincoln, R.I., January 15, 1975.

Hon. FERNAND ST GERMAIN,
Rayburn House Office Building,
Washington, D.C.

DEAR SIR: I am writing this letter to bring to your attention a situation that exists in the gasoline service station business, of which you may be unaware of.

The price of gasoline as it is being sold on the street is taking its toll on all of the small service stations that are privately owned. It seems to me that somebody in the government should be aware of these facts, because unless the small businessman can have a fair chance to build a successful business in America, there will be no incentive for men like myself to work hard to build a better country. It seems to me that for too long we have passively sat by and let the big money interests take over in one community after another.

Here in the Town of Lincoln where I operate my business, competition is so keen I just can't believe it is fairly carried on. The gasoline prices that are posted on this avenue run from 45.9 to 52.9, which is my price. I am the smallest service station on the street with probably the lowest overhead, but can't compete in this market. My present price that I pay for a gallon of gasoline is 45.6/10. At present I am working on a 7.3 cent margin, which when you consider the national average at 10 cents a gallon, is pretty low.

In order for me to enter into competition with other dealers, I would have to be able to buy my product for approximately the same tank wagon price. It is my belief that competition should be among retailers not wholesalers. In the present situation it seems that wholesalers are all selling their gasoline at various prices. Gulf Oil has a wholesale price of 2.5 cents lower than Citgo. It has been lower all year long. This means because I am a dealer who can only buy from Citgo, I have the privilege of paying 2.5 cents more a gallon for such a basic product. If the Major Oil Companies want to compete with each other, gasoline should be sold on an open market.

My sales representative says that the Citgo tank wagon price is higher than other companies because they have to buy foreign oil. It is my understanding that some of the majors like Gulf, Exxon, Texaco, Mobil and American have plenty of native product to sell so they can sell to their dealers at a lower price. As a Citgo Dealer I must buy foreign oil at a higher price and my customers are penalized for patronizing my station.

I am a Veteran of the Korean War and fought for this country in 1952 with the 45th Infantry Division and feel I deserve a chance in this country of ours and feel I am being short changed. I am not a person who wants charity or any kind of special treatment, but what I want is men like yourself to fight for equal opportunity for all men like myself.

One way you could begin is by finding out what the different oil company tank wagon prices are and why the big variation. Nobody can give the excuse that certain dealers pay less because they buy in quantity. All gasoline is sold in large amounts. I buy 3000 to 4000 gallons every delivery and sometimes as much as 7000 or 8000 at a time. I suggest all Major oil companies publicize the tank wagon price to the dealers via the newspaper.

If you were a customer of mine, you would be paying about 60 cents more for every ten gallons you purchase from me. You drive into my station and say, "Fill it up Nick." The sale comes to $7.55 for 14.3 gallons of gas. A tax of 12 cents on every gallon of gas goes to repair our roads, which never seem up to par. You drive down the road thinking about the high price you paid just to fill your tank at Nick's Station at 52.9 a gallon. As you are driving by Shell which post 46.9 Cumberland Farms 46.9, American 46.9 and Texaco 46.9, you must have to feel that Nick is really gouging you.

I am sure it is obvious to you by now that dealers like myself need help in this or we will just fade away like many private stations have done in the past. Competition is only good when it is done on a fair basis. I do not consider this as competition, a better way of stating it would be oil company pressure on small independent dealers.

I feel that since you are a native of this area, you would lend an ear to me and not just file this letter in the waste basket. You may have an opportunity of going to bat for the little guy, his only defense and voice in government. We can't lobby in Washington.

I am writing this letter to you knowing you will bring these facts to the attention of the proper government agency.

Very truly yours,

NICHOLAS B. O'REILLY.

Mr. ADDABBO. Mr. Chairman, I rise in support of H.R. 1767 which would prohibit imposition of tariffs, fees, and quotas on oil imports.

The bill to postpone for 3 months the Presidential power to impose oil import fees is the first battle in the war against

the sagging economy that the Congress will wage this year.

The President's proposal, as many others have indicated, is too harsh a method of dealing with a complicated problem and it would have dealt a particularly devastating blow to the North Atlantic States whose homeowners already pay a discriminatingly high proportion of their annual incomes for petroleum products. As is the case with so many of the President's energy proposals, the wrong people are singled out to assume most of the burden for carrying the administration's proposals.

Thankfully, we are able to head off at the pass this poorly conceived proposal. Three months from now, the Congress should have its own energy package ready to enact, or failing that, the immediate impact upon Northeastern States should not be so great with winter past.

I should point out to the House what New York Governor Hugh Carey has already told President Ford. Imposition of the $3-a-barrel import quota would cause a 20-percent increase in heating costs not only to every homeowner within our State, but to every governmental jurisdiction. Schools, office buildings, mass transit systems all would suffer unjustly because of the proposed fees. Where would the money come from to provide the basic services? It would have to come from the pockets of individual taxpayers who are already groaning under the heavy load they carry. Certainly, our cities and our States, as well as individual citizens, must reorder their priorities in the coming months as we adjust to the new world of high petroleum costs. But unless we are ready to return to the Dark Ages, we must do our best to maintain vital services at prices our citizens can afford. The action of the House will do that today, the Ford proposal would reverse all we have sought to gain in years past.

Mrs. MINK. Mr. Chairman, I rise today in support of H.R. 1767 which would suspend for a period of 90 days, the President's authority to increase tariffs, import fees and quotas on petroleum and refined products. I support the legislation not only because of the obvious inflationary impact of this discriminatory across-the-board tariff proposal which the President has mandated on the Nation as a whole, but also because of the unwarranted disproportionate hardship which imposition of the tariffs and the increased prices would bring down upon my own constituents in the State of Hawaii.

Surely the President himself can see that by increasing the tariffs on imported oil and removing controls on the pricing of domestic oil, higher prices for energy and petroleum-based products such as plastics and fertilizers will soar. Smaller service and manufacturing concerns in my district have already made it clear that increased costs of petroleum products can no longer be absorbed and that these increased costs must now be passed on to the consumer. And surely the President must see that his own proposal for tax rebates and tax reductions for the future cannot hope to offset these higher consumer prices. We see the Government pouring money into the economy in order to fight recession on the one hand, while at the same time, under the President's plan, the government asks that the consumer take that money—and more—to offset higher prices which come as a result of an obviously counter-productive government oil pricing policy. We have now seen that the White House realizes that its own optimistic predictions of what the new energy package will cost the average American family are too optimistic—that the cost to the average family could go as high as $345 a year, an amount that is three-fourths of an entire month's income for someone who is living at what the Government has established as the poverty level.

We cannot allow the restructuring of petroleum pricing as the President has decreed. H.R. 1767 will allow the Congress sufficient time to examine the several better alternatives to our common and most worthy goal of energy conservation to assure equitable treatment among those most able and those least able to bear the increased economic burdens which seem likely to result. Fair treatment for all American citizens must be the goal of public policy; surely the President's tariff increase proposals cannot be considered fair to all.

In addition to hitting hard at the pocketbooks of low-income Americans, this proposed plan to raise the costs of all petroleum products will work special hardships on those areas of the country which have a heavier-than-average dependence on oil as a source of energy. We have heard a great deal lately about the plight of the New England States in this regard, and I fully sympathize with that plight. If the situation in New England is bad, I would remind my colleagues that we in Hawaii are 100 percent dependent on oil as a source of energy. We have no natural gas lines from sources across the Pacific in the continental United States; we have no hydroelectric power or nuclear plants; we have no coal fields; nor do we have any practical means of getting coal or gas to our islands. We have a virtual total dependence on oil, about 65 percent from foreign sources in Asia, and 35 percent from domestic U.S. sources. An analysis of the impact of the President's proposed tariff increases on foreign oil and the lifting of price controls on domestic oil indicates that increases in utility rates in Hawaii would be five times the comparable increases in other parts of the United States.

While the President in his state of the Union address to this Congress promised geographical relief for areas disproportionately effected by the energy plan, no such relief for Hawaii—and evidently inadequate relief for New England—has been included in Federal Energy Administration regulations published to implement the revised fees. We cannot allow these tariff increases and revised fees to take effect.

For these reasons, Mr. Chairman, I urge my fellow Representatives to vote for H.R. 1767.

Mr. ANDERSON of California. Mr. Chairman, on January 23 the President issued a proclamation which would increase the import fees on crude oil by $1 per barrel effective February 1, $2 per barrel as of March 1, and $3 per barrel as of April 1.

Since we presently import about 37 percent of the oil we use—about 4.1 million barrels per day of crude oil and about 2.6 million barrels per day of fuel oil and other refinery products—the effect of this program on our economy is devastating. According to a January 1975 study conducted by the Library of Congress Congressional Research Service, this import fee program will increase the rate of inflation about 50 percent in 1975, even before considering the ripple effect that would emanate from the primary price increase. The result would be a continuation of the double-digit 12 percent inflation rate through 1975.

The reason for the President's action is to cut imports by 1 million barrels a day and, thus reduce the outflow of U.S. dollars to the oil producing nations. Certainly, we should cut imports and I feel that the decisive action by the President was a needed addition to our dialog on energy conservation.

However, the oil tariff program, as proposed by the President, runs a great danger toward resulting in increased inflation, greater recession, and even more unemployment. Moreover, those areas, such as Los Angeles, which must rely on imported oil because of its low sulfur content, would be especially hard-pressed by the import fee system. The Southern California Edison Co., which provides public utility electric service to more than 7.5 million residents, estimates that the tax on imported oil would cost their customers in excess of $150 million in additional increased rates annually. Pacific Gas and Electric Co., which serves 3 million customers, states that the additional tax would result in an $80 increase in rates.

Not only would the consumer's electric bills be increased, but the cost of groceries would also increase, since fertilizer is a prime derivative of petroleum.

In addition, the price of gasoline, as a result of the import tax, would rise by approximately 10 or 15 cents a gallon.

Thus, the oil import tax, as proposed by the President would threaten our already shaky economy and could lead us into even greater economic turmoil, with the middle and moderate wage earners bearing the brunt of the fight.

Is there not a better way to cut imports?

I believe that we must move quickly to reduce our dependence on overseas oil. But a rationing program, advocated by many, would be unwieldly and inequitable. And a gasoline tax would fall particularly hard on those individuals with limited incomes. However, a combination of these approaches, with gas "stamps" for the middle and moderate wage earners, might present an alternative. Conservation, certainly, should be increased; if the U.S. cars on the road averaged 20 miles per gallon, we would save 500,000 barrels of oil per day—half of the savings goal expressed by the President.

In addition, gasless Sundays or weekends is an alternative that should be explored.

Mr. Chairman, we must conserve our resources and we must reduce our dependence on foreign oil. However, the proposed oil tariff threatens to do more harm than good and should be postponed until the other alternatives have been analyzed and acted upon.

Mr. HANLEY. Mr. Chairman, I rise in support of H.R. 1767, a bill suspending for 90 days the President's authority to levy import tariffs on oil.

As you know, the President hopes to reduce our reliance on imported oil by using higher prices to force a reduction in demand of some 1 million barrels a day. While in all probability such a plan would reduce consumption of oil, it would also have the disastrous effect of setting off another round of inflation, place further strain on an already recessionary economy and harm the well-being of the American people through a further erosion of their purchasing power. This is an action that can only be construed as completely contrary to governmental efforts to stimulate spending and reduce unemployment.

As a result of the October War in the Middle East and the subsequent Arab oil embargo, imported oil prices jumped 150 percent in a few short months, sliding an already shaky economy into a full-bloom recession. The $3-a-barrel import tariff would add a further 75 percent increase to this already massive burden and would represent a complete about-face in our efforts to bring the price of energy down to a reasonable level.

While the President is to be commended for his initiative in developing an energy program, Congress would be making a grave error in judgment if it were to confuse initiative with wisdom. These may sound like harsh words, but I feel they are commensurate with the harsh action the President has taken in committing the American people to another round of price hikes. These same American people; dismayed over the probable effects of the President's plan, are also very worried that the Congress has no satisfactory alternative to raising the price of oil. I, in all honesty, must share their concern, for at present we do not have a comprehensive legislative program to meet the challenge in this area. However, given the time extension contained within H.R. 1767, I am fully confident that the expertise and experience of the committee process will develop the comprehensive and thoughtful approach that is the hallmark of this body's best legislative efforts.

I hope you can agree with the sentiments expressed above and that you will support this legislation to give Congress the necessary time to go forward with alternatives to the import oil tariff.

Mr. FINDLEY. Mr. Chairman, two aspects of this legislation I feel justify further comment.

Several speakers have pointed a finger of blame and alarm at Arab nations. It is true of course that Arab nations imposed a boycott on oil shipments in 1973. No one mentions that this action was taken as a means of economic warfare by the Arab States to bring pressure on Western nations in support of their desire to have the State of Israel return occupied lands to Syria, Egypt, and Jordan. One may argue whether the Arab position was justified, of course, but the linkage between the oil embargo and occupied lands cannot be denied.

A resolution of the controversy over occupied lands hopefully is emerging. When it comes, as I believe it will, the likelihood of a new embargo will diminish substantially.

By implication if not directly, several speakers have scored Arab States as undependable sources of oil. No mention is made of the fact that Arab States—admittedly at a high price—have supplied fully U.S. oil needs in recent months whereas shipments from two non-Arab OPEC States—Venezuela and Canada—have dropped.

The other aspect relates to inflation. In my view, inflation is the greatest peril facing our citizens, certainly the greatest since the Civil War. Although unemployment is at a high level and less dependence on imported oil is desirable, I view both of these goals as less critical than halting inflation.

I oppose this legislation with mixed feelings, because I feel that the President's proposals place too much emphasis on curbing oil imports. The price, in terms of inflationary pressure, is too high.

Mr. BURKE of Massachusetts. Mr. Chairman, I support the passage of H.R. 1767, which would negate the recent action of the President in proclaiming a $1 to $3 per barrel fee on imports of petroleum and petroleum products. New England, which depends more than any other area of the country on petroleum imports, particularly for home heating and residual fuel oils, would also bear the greatest inflationary burden of this program. The New England Fuel Institute estimates that the President's program would increase oil costs for consumers in New England by more than $1½ billion and that electric bills could rise between 30 to 40 percent. This comes at a time when New England utilities and other energy users have already been undertaking voluntary conservation measures.

Consequently, increased fees on oil products would not be likely to bring about a further significant decrease in consumption. The President's program also comes at a time when the impact of recession and unemployment has been pictured particularly severe in New England. The increased fuel costs proposed at this time can only increase the closings and exodus of industry from the area which cannot meet their higher energy bills.

I wish to thank the chairman of the Ways and Means Committee for his leadership in bringing about prompt action on this bill, which can enable the Congress to legislate a sound energy program which is balanced and equitable in its impact on all regions of the country.

Mr. MOFFETT. Mr. Chairman, I wish to voice my firm opposition to the administration's planned tariff on imported petroleum products and to express my support for H.R. 1767, which rescinds any such Presidential order for 90 days.

As a Representative from a northeastern State, I find the inequitable burden placed on a region so dependent upon imported petroleum products totally unacceptable. As a Member of a body whose duty it is to make laws and to oversee the implementation of laws, I resent the usurpation of this power by the executive branch with that well-worn and in this case, unsubstantiated, argument of "national security." And, as a consumer of petroleum products in varying forms to either heat my home or place food on my table, I share the frustration of my constituents, who are finding it more and more difficult to make ends meet.

I believe it is our obligation to ease the economic burden on the American people. And I feel even more strongly that raising the prices on increasingly inelastic commodities is not the proper vehicle to alleviate the current pressures on the average American family.

The strongest single inflationary factor in the past year has been the rising cost of energy. But this proposed import fee will only serve to fuel the fires of inflation. The major emphasis in a national energy policy should be, in my opinion, conservation of energy, rather than Mr. Ford's "price rationing." Unfortunately, the administration's proposals only pay lip service to this conservation concept. The President's program includes few substantive provisions which will genuinely affect the present crisis in other than short-range terms. In addition, the administration's total lack of concern for those on fixed incomes—the elderly, the poor, the disabled—is both heartless and unnecessary.

For the benefit of my colleagues, I insert a brief outline of some of pertinent arguments presented before the Energy Resources Council in December 1974, by Mr. Gary DeLoss, staff attorney for the corporate acoountability research group, on the need for a mandatory energy conservation policy.

The first point Mr. DeLoss emphasizes is that our economy cannot afford another $18 billion in excess profits for the energy industry; additionally, Mr. DeLoss indicates his support for price rollbacks on domestic oil, gas, and coal. A program of mandatory limits on energy consumption would permit such rollbacks without simultaneously stimulating an undesirable increase in energy use. Conversely, these rollbacks would help make the mandatory reduction of energy consumption palatable to the public. The tradeoff is sacrificing some consumption while gaining lower cost energy in return.

Second, Mr. DeLoss points out that mandatory energy conservation is anti-inflationary. Squeezing energy waste out of the economy would improve efficiency in the production of goods and the delivery of services.

A third consideration is that mandatory energy conservation can eliminate our trade deficit. Since so much, if not all, of this deficit has resulted from the

increased costs of oil imports, a reduction in consumption of imported oil of about 7.1 percent, according to Mr. DeLoss, could mean a trade surplus once again.

Mandatory energy conservation can also help insure a proper distribution of natural gas supplies. An allocation system for this commodity is feasible and necessary to prevent the closing of factories, schools, and other users of natural gas which are unable to find substitute energy supplies.

A final and important aspect of Mr. DeLoss' testimony is that a program of mandatory energy conservation would reduce environmental hazards inherent in overzealous exploration and powerplant construction programs. Utility companies have displayed a very consistent tendency to maximize profits and expand their plants at the cost of any environmental or conservation considerations.

Implementation of this type of long-range plan could be accomplished through a variety of alternatives, all of which deserve thorough examination and cost-benefit analyses. What is clear to me, at this point, is that President Ford's proposal of "price-rationing" is not the answer; in fact, it can only serve to aggravate an already serious situation.

Mr. DON H. CLAUSEN. Mr. Chairman, over the past several days I have taken the time to carefully study the number of energy proposals presented by the President and the congressional leadership, because I share the concerns of my constituents in finding the most efficient, equitable, and economic means to resolve our energy problems. I have concluded that, at this point, the President's plan represents a more practical approach to the total energy dilemma than the individual, "patchwork" proposals presented in Congress thus far.

First, I want to set the record straight on two points that I think the President and most of the Congress would agree on:

There are no simple, overnight solutions to our energy problems. We have the capability to achieve energy independence, but reaching this goal will require commitment and cooperation.

Each of the energy alternatives we are now considering will add to the cost of energy, not only in economic terms, but also in social and environmental considerations. The days of cheap energy are over and from now on, energy will be occupying a higher priority position on our scale of social and economic values.

Why?

Because several years ago, the United States began moving from a position of strength as a major energy-exporting nation—one which produced enough energy to meet its own requirements and sell energy to other countries on favorable economic terms—to a position of increasing energy dependence—a position of economic vulnerability.

While demand for energy at home increased enormously, the economic climate in the United States became less favorable to the energy industry. Through the regulation of natural gas, a loosely administered oil imports program, and other related actions the Federal Government brought about a decline in the domestic production of oil and gas, and energy companies began to expand their overseas operations where the energy resources of other nations could be favorably exploited to produce maximum energy supplies at the lowest possible costs.

As a result, until recently, American consumers have had access to cheap, available energy supplies. But as a nation, the United States has paid an awfully high price, because our dependence has left us dangerously vulnerable to international boycotts and other economic pressures, and consumers are now feeling the pitch.

Consider these facts:

In 1970, the United States paid out $3 billion to foreign governments for imported oil.

In 1974, oil imports cost the United States $24 billion.

If we continue to import at present levels, by 1977, foreign oil will cost the United States an estimated $32 billion.

At the present time, the United States imports about 38 percent of the petroleum it consumes.

If present trends continue, by 1977, imports will constitute 50 percent of the petroleum products consumed in the United States.

The implication of these facts is unmistakably clear. Our growing appetite for foreign oil has accelerated the growth of inflation and made the United States more vulnerable in world affairs. If this trend is not halted and gradually reversed, there is no question but that the United States will become a second-class power, unable to maintain a stable economy at home and unable to protect its citizens from unacceptable compromises in its dealings with other nations.

With this in mind, I think the American people can readily see why we cannot wait any longer to reduce this dependence.

What is the best course of action to achieve our goal?

To answer this question, I want to briefly compare the program outlined by the President and measures proposed by the leadership in the Congress.

First, the President's approach is far-reaching and comprehensive. To meet increasing energy costs, it provides a means for reimbursing those hardest hit—those on fixed incomes, the low- and moderate-income wage-earner and the small businessman—for those added costs through a system of tax rebates and incentives. The President's program will stimulate the accelerated development and production of domestic energy resources and production facilities to insure that our national defense interests are protected and that the American consumer will have access to stable, secure, and reasonably priced energy. While it provides incentives to the energy industry to increase production, it would prevent the industry from taking an unfair advantage through a windfall profits tax. Finally, while encouraging development of new energy sources and supplies, the President's plan offers incentives for energy conservation and brings environmental and economic considerations into balance, by recognizing the fact that reliable and assured sources of energy are absolutely essential if we are to restore the required confidence in the investor and the job-creating enterprises of the private sector.

In short, the administration's program provides an across-the-board approach for achieving energy independence—it is an action plan for coping with short-term energy problems as we move to achieve long-range energy goals.

To place the administration's plan in perspective, I see it this way—the increase in energy costs is offset by a reduction and/or rebate in taxes to the individual. The major gains for society and the country as a whole come about with the establishment of a positive energy conservation program and by creating more incentives for energy production, thus adding to supply. This, then, will set in motion a trend toward production, sale, and use of a more energy-efficient automobile and/or the development of a more comprehensive, efficient and functional bus or mass transit system. While the fuel may cost more, the more efficient auto will use less fuel, equalizing the overall cost to the consumer, cutting down on total fuel consumption and enabling each of us to make a personal contribution to energy conservation and independence. Under the administration's program, decisionmaking on energy choices is left in the hands of the consumer, rather than in the hands of a large, cumbersome, inefficient Government bureaucracy.

In addition and of utmost importance is the fact that we are doing something positive about checking the very dangerous outflow of dollars to oil-producing nations that is threatening our entire monetary system and our balance of payments relating to international trade.

Finally, as this positive energy conservation program takes effect, we will increase our bargaining leverages in concert with other energy-consuming nations as we lessen our demand for and dependence on the oil-producing nations' supplies. This reduction in demand could have the affect of lowering the price of crude oil in the future—particularly as we develop alternative energy sources.

All of this can and will add immeasurably to America's economic strength and stability at home and throughout the world.

What are the alternatives?

It has been suggested that individual rationing of gasoline is a better and fairer means of weaning ourselves away from foreign oil, but now many in the Congress who advocated rationing as an alternative are backing off, because the facts simply do not support this conclusion.

Consider these points:

It has been estimated that to meet the stated goal of saving 1 million barrels per day, while assuring adequate fuel for business and industry, each licensed driver—who now uses an average of 50 gallons per month—would be limited to 36 gallons per month. For those drivers who would be required to purchase more than the basic ration, the price of gaso-

line could run as high as $1.75 per gallon.

Rationing is a short-term solution to dole out existing supplies of gasoline, but it provides no incentive for increasing domestic oil supplies or development of new energy sources.

Rationing limits gasoline consumption not through price but through prohibition, creating an artificial shortage and encouraging people to "beat the system" rather than conserve energy, and could lead to development of a "black market" or production and sale of counterfeit ration coupons.

Gasoline consumption amounts to about 40 percent of total petroleum use, and as an energy conservation tool, rationing would not deal with the consumption of other fuels, which also must be reduced.

In a rationing system where each driver receives the same number of coupons, there is no way that individual needs and preferences or regional driving patterns can be taken into consideration.

Rationing would involve the Government even more in our individual lives through more bureaucratic controls. It has been estimated that an effective rationing system would require 15,000 to 25,000 additional Government employees and would cost taxpayers about $2 billion annually.

Finally, most of the earlier congressional advocates of rationing are backing away from support. Recently, the Southern Governors came out against rationing.

There are but a few of the consequences that any plan to ration gasoline, no matter how well-intentioned, will have on individual citizens, along with the long lines and delays we experienced during last year's fuel shortages.

Others have proposed plans offering a "mixed bag" of oil import reductions and quotas, petroleum allocations, rationing, and increases in gas taxes to discourage automobile use. Yet the proposals presented thus far offer no comprehensive "package" for rebating higher fuel costs to those on fixed incomes, low- and moderate-income wage-earners and small businessmen; no programs for increasing energy supplies or developing new energy sources; and no incentives for energy conservation.

As my colleague in the Senate, Mr. GRIFFIN, so aptly stated, it has been well over a year since the Arab oil embargo, which cost the American consumer between $10 and $20 billion, was first imposed, yet the leadership of the Congress has done nothing to curtail or reduce foreign imports and alleviate the devastating economic impact another embargo could have on our sagging economy.

The President, on the other hand, has proposed a specific action plan for achieving energy independence, and while I, like many others, have reservations about certain elements of the plan, it seems to me that the President's approach does provide a basic framework within which the Congress and the President can work out a mutually acceptable compromise.

For this reason, I strongly believe that taking action to negate the President's initiative to reduce foreign oil imports is shortsighted and ill-advised, unless and until the leadership is prepared to offer a positive and constructive alternative.

As I see it, President Ford has taken an important first step. The ball is now in Congress' court and every Member of the House and Senate has the responsibility of evaluating this proposal on its merits free from partisan or political considerations. These are serious times and demand that we either accept this comprehensive energy package or come forth with improvements or better alternatives.

I, for one, will reserve my options and work toward possible improving amendments, but I will not be a party to delay and procrastination on a question which so vitally affects all Americans. Our future, our economy, our people, and our position of respect in this dangerous and unstable world are all key factors dependent on the Congress' and the President's cooperative and positive action.

It seems to me that if the Congress wants to demonstrate to the American people that it is serious about dealing effectively with our energy dilemma, we ought to be dealing with the entire question in as comprehensive a manner as it has been put before us in the President's proposed Energy Independence Act of 1975. To do otherwise places us in the position of being part of the problem rather than part of the solution.

Mr. O'NEILL. Mr. Chairman, I rise in strong support of this legislation to suspend for 90 days the authority of the President to increase import fees, tariffs, or quotas on petroleum and refined products.

I heartily commend Chairman AL ULLMAN and the members of the Ways and Means Committee for their courageous and expeditious consideration of this bill. The President's plan to increase oil import fees, coupled with an excise tax on domestic crude oil, will have a severe inflationary impact and will worsen the Nation's recessionary economy. Chairman ULLMAN has clearly pointed out in the debate today that there are other more desirable alternatives to the President's inflationary energy tax program which must and will be considered by this Congress. The President's Executive order would preempt these alternatives.

This temporary legislation is desperately needed if we are to avert a worsening of our economic difficulties. I urge all my colleagues to endorse this measure and vote aye.

David Rosenbloom, of the Parkman Center for Urban Affairs, has conducted for me a research project on the impact of the President's tax and energy proposals on residents of Boston. The results of this research point out graphically that the President's action will place unfair burdens on certain regions of the Nation, particularly in the New England States, which are most dependent upon imported fuel oil. I include Mr. Rosenbloom's report for the benefit of my colleagues:

If President Ford's economic program becomes law, the real income of almost every family in Boston will decline in 1975. Families living near or below the poverty line and older people living on social security will be particularly hard hit. The 20% of Boston's families with incomes below $5000 a year will lose almost $400 in buying power in the next year. If the President's proposals are fully adopted, older individuals living alone on social security will lose almost 10% of their buying power. Couples living on social security will see 4.6% of their buying power erode.

If the earnings of workers in the city remain steady during the next year despite the recession the average working family in Boston (four people with an income of $10,000) will take about a $650 cut in real pay. If worker's incomes decline, as they did in the last quarter of 1974, families will be even worse off. If they get a 5% pay raise for 1975, the average family will be worse off at the end of the year than it is now.

Further, rather than meet its objective of stimulating the economy out of the current recession, the President's program will weaken the economy of the city of Boston and threaten the ability of state and local government to hold the line on taxes. Despite the recession, vigorous efforts by local government and private developers have led to scheduling more than one billion dollars in new construction in Boston for 1975. The higher interest rates that will result from the President's program threaten this job creating construction and provide the likelihood of even higher unemployment.

The energy tax package proposed by the President is a direct challenge to State and local government's efforts to hold the line on tax increases. For example, the tax rate in the city of Boston will rise by $8.40 per thousand if the city is forced to pass on to tax payers the entire burden of price increases expected to result from the energy tax program.

These conclusions emerge from an analysis of the impact of the President's proposals on Boston residents the sections which follow indicate how the conclusions were reached.

ELEMENTS IN THE PROJECTIONS

Expected gains in income—During past recessions, money income has held about steady because of increases in government support payments like social security and welfare. However, money income actually declined during the last quarter of 1974 for workers in Massachusetts and there are continuing rumors that welfare and unemployment payments may be reduced if the numbers of people who need help continue climbing. On the other hand people earning higher salaries in service and professional jobs have not yet been hit hard by the recession. Thus it is very difficult to predict if and how much money income will rise for Boston families next year. A different projection is made for each income group and is explained in the detailed presentation.

The 1974 Tax rebate—The President has proposed that 12% of all personal income taxes, up to $1000 a family be rebated in two payments during 1975. This will represent an increase in the income of everyone who paid taxes on 1974 income.

The permanent tax rate reduction—The President has proposed permanent reductions in the personal tax rates. These new rates will put more money in most people's pockets. The effects of these reductions are calculated for each of the typical income groups studied from IRS projections.

Low income payment—The $80 payments proposed by the President were added to the incomes of the poorest groups examined.

The expected rate of inflation—There are two elements in the President's proposals that will cause prices to go up. They are 1) the continuing impact on the inflation already in the economy and 2) the impact of the new energy taxes themselves. To assess the net impact of the President's programs on Boston families, a projection of the continuing inflation had to be made. The rate

of inflation in the United States during 1974 was 12%. That could have been continued as the projection for 1975. However, prior to the President's proposals a consensus seemed to be emerging among economists that the rate of inflation for 1975 would be somewhere between 8% and 10%. There was nothing in the President's proposals to indicate an easing of inflationary pressures. In fact, the heavy federal borrowing that will be needed to pay for the large deficits may well add new pressure. The projection for continuing inflation used in this report is the lowest of those made for the year prior to the President's proposals. (The effect of choosing a low projection is to make the estimates more conservative or lower than they may actually turn out to be.

Additional home heating costs—The President has proposed new taxes on imported oil, new fees on domestic oil and steps that will increase natural gas prices. To calculate the likely impact on Boston families, the anticipated increase of 12 cents per gallon was multiplied by the average number of gallons of oil used by Boston families. The result was about $200 a year or a 32% increase in the cost of heating a home in Boston.

Curiously, this was lower than the estimate of $250/year increased home heating costs issued by the White House. Thus the estimate used in this report may be conservative.

Additional electricity costs—New England imports almost 90% of the oil used to generate electricity. The costs of fuel is passed directly along to consumers. Thus an increase of $3 a barrel on the price of fuel will show up in higher electric bills very quickly. Boston residents can expect another 20% increase in their fuel bills over the course of next year. This is a somewhat lower estimate than the national forecast of 25% made by the Edison Institute to account for the phasing of the tax and price increases over the next few months.

Possible increase in state and local taxes—The federal government can run a deficit in bad times, but state and local governments can not. When their costs rise or incomes fall they must either cut services or increase taxes. The energy proposals alone will probably mean an inflation of about 4% for the Boston city government and 3.3% for the Commonwealth government. The possible increases are calculated according to the share of local and state taxes now paid by different income groups. In fact, both the city and state governments are committed to not raising taxes during the next year, and they will try very hard to offset the price increases caused by the President's program. However, if the city of Boston is forced to pass its energy related cost increases along to taxpayers the tax rate in the city would go up about $8.40/thousand.

These figures take into account the extra money the Commonwealth and city will get from the federal government to help them pay their higher fuel bills. Boston's share of the special appropriation will be about $6 million, but its added costs will be about $21 million. The possible increases calculated in this report make up for the difference.

LOW-INCOME FAMILIES

More than 20% of Boston's families have incomes of less than $5,000 a year. Since many in this group already rely on unemployment or welfare funds, they can look forward to no increases in income during 1975. In fact, there have been several press reports that welfare and unemployment benefits may be cut back as a result of the recession. This group of families did not pay much in federal taxes in 1974, so the rebate will give them only about $12. The permanent tax cut will help them because they will no longer pay any federal income taxes. This will increase their income by about $100 a year. The payment to low income people will give each family another $80 or $160 depending on whether one or two adults are present. Thus, the President's proposals will put up to $270 into the hands of our poorest families. However, the continuing inflation, and the added costs of home heating oil and electricity resulting from the President's energy tax program will cost them about $622 during 1975 and possible increases in state and local taxes related to the cost of energy would cost them $35. Thus the poorest families in Boston will see the value of their incomes shrink by almost $400 during 1975, if the President's proposals are adopted.

Impact of the President's proposals on a Boston low-income family of four

Present adjusted gross income	$5,000
Expected gain in income	0
1974 tax rebate	12
Permanent tax cut	98
Low income payment	160
Total additions to income	270
Expected inflation at 8 percent	400
Additional home heating costs	200
Additional electricity costs	22
Possible increase in State and local taxes	35
Total reductions to income	657
Net loss for year	387
Expected real income at end of year	4,613
Loss in real income during year	7.7%

MODERATE-INCOME FAMILIES

The median family income in Boston is now around $10,000 for a family of four. The heads of most of these households are still employed. In normal times people in this income group can expect their incomes to increase every year. However, in the last quarter of 1974, money income actually declined in Massachusetts and it is therefore impossible to predict a rise in income for this group in 1975. This large group of families will benefit from the tax proposals made by the President. The rebate will be worth about $104 and the tax cut an additional $349. As with the poorer families, however, inflation and increased heat and electricity costs and state and local taxes make this group of families lose about $650 dollars in real income, this is the equivalent of taking a 6.5% cut in pay during the next year.

Many working families have raised their incomes by having both adults work full or part time. Thus many families in the city now make about $15,000 a year. Even if these families' incomes stay steady during this recession, they too will be net losers at the end of the year. The family of four which makes $15,000 in 1974 in Boston can expect to take a pay cut of about 7.5% by the end of 1975 if the President's proposals have the predicted effect.

Impact of the President's proposals on a Boston moderate-income family of four

Present adjusted gross income	$10,000
Expected gain in income	0
1974 tax rebate	104
Permanent tax cut	349
Low income payment	0
Total additions to income	453
Expected inflation at 8 percent	800
Additional home heating costs	200
Additional electricity costs	36
Possible increase in State and local taxes	74
Total reductions to income	1,110
Net loss for year	657
Expected real income at end of year	9,343
Percent loss in real income during year	6.5%

HIGHER INCOME FAMILIES

Even higher income families in the city making $20,000 and continuing to increase their income will suffer losses during 1975. Many of these families have not yet been hit by the recession. Their heads of households are often in service or professional jobs. They may be able to keep their jobs and even get modest pay increases in 1975. By the end of the year, however, they will probably have real incomes that are about 2.5% smaller than what they have now.

Impact of the President's proposals on a Boston middle-income family of four

Present adjusted gross income	$15,000
Expected gain in income	0
1974 tax rebate	204
Permanent tax cut	221
Low income payment	0
Total additions to income	425
Expected inflation at 8 percent	1,200
Additional home heating costs	200
Additional electricity costs	36
Possible increase in State and local taxes	113
Total reductions to income	1,549
Net loss for year	1,124
Expected real income at end of year	13,876
Percent loss in real income during year	7.5%

Impact of the President's proposals on a Boston high-income family of four

Present adjusted gross income	$20,000
Expected gain in income	1,000
1974 tax rebate	319
Permanent tax cut	210
Low income payment	0
Total additions to income	1,529
Expected inflation at 8 percent	1,600
Additional home heating costs	200
Additional electricity costs	60
Possible increase in State and local taxes	124
Total reductions to income	1,984
Net loss for year	455
Expected real income at end of year	19,545
Percent loss in real income during year	2.3%

PEOPLE LIVING ON SOCIAL SECURITY

Twelve percent of Boston's population is over 65. Most of these people depend on social security payments for their income. Currently they are scheduled to receive a 9% incerase in payments during 1975. Under the President's plan this increase would be reduced to 5%. When the increased costs growing from the Persident's program and continued inflation are totaled, individuals living alone on social security will suffer a 9.4% loss in income in 1975 and couples will suffer a 4.6% loss.

Impact of the President's proposals on a Boston elderly individual living alone on social security

Annual social security benefits	$2,244
Cost of living increase at 9 percent	202
Tax rebate	0
Tax cut	0
Income payment	80
Total Additions to Income	282
Scheduled cost-of-living increase:	
Expected inflation at 8 percent	180
Proposed cost-of-living reduction to 5 percent	90
Additional home heating costs	200
Additional electricity costs	22
Possible increase in state and local taxes	0
Total reduction to income	492
Net loss for year	210

Impact of the President's proposals on a Boston elderly individual living alone on social security—Continued

Expected real income at end of year	$2,034
Percent loss in real income during year	9.4%

Impact of the President's proposals on a Boston elderly couple living alone on social security

Annual social security benefits	$3,864
Cost-of-living increase at 9 percent	348
Tax rebate	0
Tax cut	0
Income payment	160
Total additions to income	508
Expected inflation at 8 percent	309
Proposed cost-of-living reduction to 5 percent	155
Additional home heating costs	200
Additional electricity costs	22
Possible increase in State and local taxes	0
Total reduction to income	686
Net Loss for year	178
Expected real income at end of year	3,686
Percent loss in real income during year	4.6%

IMPACT ON THE LOCAL ECONOMY

The President hopes his program will jolt the country out of the current recession by stimulating private consumption and major investment in new construction and equipment. The Wharton econometric model of the economy predicts that the President's proposal will not stimulate the economy as a whole. The prospect for Boston is also grim.

The Ford program threatens progress in jobs and economic development in Boston. There are no provisions to marshall savings and mortgage money for badly needed housing, though many people may put their rebates in the bank. There are no measures to channel urgently needed credit for privately funded urban development. As a result, new housing construction in Boston in 1975 is likely to experience one of the poorest years in recent times. Further, one or two of Boston's most prestigious prospects for major private commercial developments scheduled for construction in 1975 are experiencing serious difficulty in obtaining short-term bank financing. The higher interest rates expected as a result of federal deficits may halt these and other projects.

Despite the limited means at its disposal, the City of Boston has been doing its part to mobilize resources for jobs, development and expanding opportunities through public investment in community facilities. In addition to enhancing the city as a place to work and live, these capital improvements encourage a large private investment commitment to the future of the city and provide hundreds of constructive jobs.

The capital improvement program is financed by long term bonds. In the past year, the city's bond rating has been improved twice as testimony to its improved fiscal management. The higher interest and construction costs facing the city as a result of the President's proposal may reverse this progress and add more than $20 million to the ultimate cost of the 1975 capital construction program. However, if the program is stretched out of cut back, jobs will be lost and unemployment will go even higher than it is now.

INCENTIVES FOR ENERGY CONSERVATION

By raising the cost of energy, the President hopes to reduce its use and our reliance on foreign energy sources. He believes that the higher prices of oil will make people conserve more than they do now. While higher prices may well provide real incentive toward energy conservation, it is not true that the demand for home heating and electricity consumption are entirely elastic according to price. In fact, during a cold spell, it may be easier to give something else up and pay the higher heat bill than to be cold.

Energy conservation in homes and institutions is more likely to be effected by investments that increase the efficiency of heating systems and reduce the need for oil, gas and electricity. To encourage such investments the President has proposed a tax credit of 15% (up to $150) of the cost of installing insulation and storm windows on homes. It may be possible to take the credit in each of the next three years enabling a person to recover up to 45% of the cost of these energy saving home improvements.

Home owner-occupants in Boston may be eligible for an additional 20% subsidy on the costs of these improvements when the housing improvement program announced by the Mayor goes into effect. Under this program, owner-occupants in Boston will be eligible for rebates on the cost of many home improvements including insulation and storm windows.

With these incentives, it will be cheaper for Boston home owners to install insulation and storm windows than to pay higher prices for home heating oil. Initial calculations indicate that most improvements will pay for themselves in one year.

CONCLUSION

The net impact of the President's proposals on residents of Boston will be negative. They will be called upon to make sacrifices in the quality of life they lead, without any real prospect that the inflation and recession in the economy will be ended.

Mr. Chairman, even Mr. Sawhill has indicated that the Ford administration's energy policies discriminate against New England. If President Ford's import fee is implemented, it could eventually cost the six-State region $800 million annually in higher oil prices.

I include for my colleagues David Nyhan's article in today's Boston Globe in which Mr. Sawhill very poignantly shows how counterproductive is an energy program that adversely affects the economies, environment, State policies and programs of the Northeast section of this country. Mr. Nyhan's article follows:

SAWHILL CALLS U.S. ENERGY POLICIES RIDICULOUS AND UNFAIR TO NORTHEAST

(By David Nyhan)

WASHINGTON.—John Sawhill, who was eased out of the nation's top energy job by the Ford Administration, said yesterday the Administration's energy-economy policies are "absolutely ridiculous" and unfairly penalize New England.

"I think New England is being discriminated against," said Sawhill, former head of the Federal Energy Administration. He called Mr. Ford's oil import tariff fees a hastily-concocted program, and said "I don't know anybody who would disagree with that position."

New Englanders in Congress are trying to overturn the oil import fee, charging the scheme Mr. Ford implemented last Saturday could eventually cost the six-state region $800 million annually in higher oil prices.

Sawhill said the Administration is shying away from tackling head-on the need to conserve gasoline, and that it is moving to revive the ailing auto industry, hurt badly by slumping sales and massive layoffs.

"I think the Michigan Mafia is at work," he said, in apparent reference to the fact that President Ford, his top economic aide L. William Seidman, and his closest Senate friend, minority whip Robert Griffin, are all from the home base of the auto industry.

"My own perception is that the economic policy and the energy policy were put together separately and are not coordinated," he said. Sawhill is in the running for an appointment by congressional Democrats to head the new Congressional Budget Office.

"My own concern is that the energy policies will negate the economic policies. The No. 1 problem is recession—we have to do everything we can to get people back to work. And scooping $50 billion out of the economy (under the Ford economic program) is not the way to do it."

Asked if he was forced out of the Administration because of his views, Sawhill said, "Oh, yes, I felt very strongly about this."

"What we need to do is not have a crash program to reduce oil usage—that is too tough on the economy—but we should have a long-range program to change the life-style and consumption habits of the American people, and put that in place now."

He criticized the underpinnings of the Administration's oil import fee approach, which aims to curb oil imports by one million barrels a day in its first year. "I've never seen any justification for (the target of) one million barrels a day," Sawhill said.

"We are spiralling down into the worst recession since World War II," he said adding that unemployment will probably be worse than the Administration predictions of at least six million unemployed through 1980.

As far as New England's dependence on oil, which is greater than the nation's as a whole, he said, "Frankly, I think you just can't have that kind of program which has that regional impact. What we need is not a sharp reduction right now (of imported oil) but to put in place policies that will curb long-term consumption nationally."

Concerning the rebate structure, under which the Administration claims New England will pay no more for its oil, than the rest of the nation, Sawhill said: "I don't think anybody understands it."

He said, "the basic flaw (with the President's program) is that it is asking for too much too soon" in terms of restricted oil imports.

Sawhill proposes a modest gasoline tax, such as 5 cents a gallon now, and phasing in 5 cents more each year so that in four years gasoline would carry a tax of about 25 cents a gallon. This would not disrupt the economy, he said, and would give the public time to prepare for it.

"I favor things like a mandatory requirement that new cars get at least 20 miles per gallon, mandatory thermal standards for new buildings (to conserve heat loss), subsidies for installation of storm windows and insulation, and substantial tax credits" to induce energy conservation.

Mr. MINISH. Mr. Chairman, I rise in strong support of H.R. 1767, a bill to delay for 90 days the President's authority to increase tariffs on imported oil.

I want to commend the chairman and members of the Ways and Means Committee for their hard work and expeditious action in bringing this measure to the floor at such an early date. In my opinion, prompt and overwhelming passage of H.R. 1767 is vital if we are to avoid a severe rekindling, in the form of higher home heating oil and gasoline prices, of our dangerously high level of inflation.

On January 23, President Ford by Executive order, increased oil import fees under authority granted him by the Trade Expansion Act of 1962. The fee increase began at $1 a barrel for imported crude on February 1, is scheduled to rise to $2 on March 1, and to $3 by April 1.

A Library of Congress study estimates

that all the administration's energy proposals could cost consumers an additional $50 billion this year, and the tax on imported crude oil alone could cost $12.6 billion. The study concluded that the ripple effect of the higher petroleum prices might cause inflation to continue at a 12-percent rate for all of 1975. This is completely unacceptable to me as I am sure it is to the vast majority of Americans.

It is significant to note that the President issued the oil import fee proclamation without the benefit of a public hearing on the effects of such a tax and without public or congressional review of the decision, the criteria used in reaching the decision, or the possible alternative methods of energy conservation.

While we all agree that the goal of energy conservation is laudable, adding more to the price of necessities like home heating oil at this time will only contribute to the inflationary spiral, increase the recession, and not guarantee any fuel savings.

Price increases for home heating oil and gasoline will make life much less tolerable for the millions of citizens who cannot do without these products. They will have no alternative but to pay the higher prices.

All Americans share the President's goals of implementing a national fuel conservation program and reaching national self-sufficiency in this area. However, I urge my colleagues to join me today in sending a clear message to the White House that these goals cannot be reached through higher energy prices.

Mr. HEINZ. Mr. Chairman, we do not want the Arabs, or any nation, to dictate our foreign policy.

For this reason, we absolutely must adopt an energy program to reduce our dependence on OPEC oil imports.

Furthermore, demonstrating to the world our ability and determination to deal with our own massive waste of oil and energy is a matter of the greatest urgency. The best chance to achieve international cooperation in reducing the world price of oil is right now while a worldwide recession is causing a substantial cut in international demand.

I am not convinced that President Ford's program is the fairest or wisest or best program for this Nation, and I do not intend to acquiesce in accepting the administration's plan or any plan. In fact, I want Congress to make the final decision on any plan. This is a responsibility we must not ignore.

In this connection, the vote today is not a vote of approval or disapproval for the President's plan. It is a question of adopting a temporary plan—and only a small part of a comprehensive plan at that—until Congress provides, as we must, a better plan.

I think it is important to also point out that the bill we are considering, H.R. 1767, does far more than simply stay for 90 days any change in tariffs on imported oil. This legislation would prevent the President from taking "any other import adjustment action," as stated on page 1 of H.R. 1767. The result is to strip the President of his authority even to impose an import quota, a step which has been called for by many economists and Members of Congress of both parties. To weaken ourselves to this extent is a dangerous and irresponsible action.

Mr. Chairman, the American people agree that we need a tough conservation plan. Only last week I mailed a questionnaire to my constituents asking their opinion on these issues. One question in particular that I asked is as follows:

The President's goal is to cut oil imports by 2,000,000 barrels a day by 1977, to reduce our dependence on Arab oil. Obviously, considerable sacrifices will have to be made to do this. In principle, do you support this goal?

My constituents are answering "yes" to this question by a 3-to-1 margin. It appears they realize the necessity for a tough and responsible energy conservation goal.

I believe what we need is a carefully planned strategy to meet this goal. It must be one the American people can understand and support. It must make clear, as will be true of any plan, that sacrifices will be required and what those sacrifices will be. Assuredly they will cause changes in the lifestyle and habits of all Americans. This is why the final plan we in Congress adopt must give Americans a chance to make an orderly change in our lifestyle. A plan which touches off a pattern of disruption is totally unacceptable. Just as important, we must not adopt any plan that would permit a rip-off by oil companies.

It is my hope that the result of our actions here today will not be to destroy the initiative and incentive for Congress to develop a fair and effective plan, but rather to insure that we will meet our responsibilities to the American people to provide the participation and leadership in quickly enacting an energy program the American people will support.

That is why I must vote "no" on H.R. 1767, the resolution to suspend for 90 days the President's power to set tariffs or take other actions to control the massive outflow of American dollars for foreign oil imports.

Mr. FORD of Tennessee. Mr. Chairman, I rise in strong support of H.R. 1767. I address this body because of many questions I have concerning the economic policies proposed by the White House. We are, as we all know, in a situation in which we are faced with the twin demons of inflation and recession. We are also in a situation in which we have been told that our energy resources are in short supply. Clearly, it is a time for some action. The question before us is, What kind of action is in order?

I think the answer that we must come up with must be based on a clear understanding of our goals and our priorities. What is it we are trying to accomplish? Are we trying to keep foreign oil out of the United States? Are we trying to reduce unemployment? Are we trying to cut down on the use of our energy resources? The reason we must state our priorities is that one action may move us toward one goal at the expense of another. We may slow down inflation and cause unemployment. We may conserve oil by putting the squeeze on the middle and lower income American.

Besides getting clear our own priorities and goals, we must ask and then answer, Who is going to pay the prices for our proposals to solve our problems? Are the poor going to suffer the most? Will the burden be on the shoulders of the middle class? Or will every American pay his or her fair share?

President Ford, during the fall of 1974 and since the first of this year, has given us many, many proposals for our consideration. Some of these he himself has retracted. He is no longer advocating a surtax. He is now proposing the opposite—a tax rebate. He is no longer telling us to whip inflation now. He is talking about the recession we are in and which we have been in for some time. Like his ill-advised surtax, I believe he will reconsider some of the proposals he has now made to us.

Foremost of the proposals we ought to reject is the $3 per barrel tax on domestic crude oil and the removal of a price ceiling on presently existing crude oil in the United States. Such proposals which would raise the price of fuel and gasoline would be an unfair burden to the average American and a hardship to the poor.

According to the White House figures, the price increases would cost the average American family at least $400 per year. According to Robert A. Gordon, president of the American Economic Association, the rise in oil prices would add about 4 percent to the inflation rate as reflected in the Consumer Price Index. If this is correct, a rise in fuel prices would be both inflationary and increase unemployment. President Ford's ideas are both inflationary and increase unemployment. President Ford's ideas are but another example of the kind of thinking that has given America both inflation and recession. We have paid heed to that thinking long enough.

But inflation and recession aside, we have no reason to believe that a new tax on oil coupled with a lifting of the price ceiling on oil will serve what has been its stated purpose. It will not be a step toward real conservation of our energy resources.

The increase in oil and gas prices will not conserve energy resources significantly at the same time that it will cost the average American family $400 and add at least 4 percent to inflation.

The President's proposals which would lead to higher fuel prices would do two things in addition to what I have mentioned which America cannot and should not tolerate. Granted that the very rich can buy fuel at almost any price and granted that the very poor cannot buy it at any price. What about the vast majority of Americans who will continue to buy fuel even if the price rises, but who do not have money in limitless supply? These people, in order to continue to have the freedom of their own cars, the convenience of going when and where they please, and the comfort of their own homes—these homes in order to maintain their good life are going to stop going to restaurants, stop buying new clothes, not buy a new car

or go to movies, and so on. In short, the result of a tax increase on gas will be to take money from many segments of the economy and give it to the giant oil companies.

That means further economic imbalance. It means unemployment and more profits to the oil companies which are now making record profits in this time of suffering for the average Americans. I will not stand for this.

I suppose it could be argued that the President's policy would bring revenue into the Government Treasury. As the demand for energy is inelastic, surely, it would be an effective tax measure. But what good is it if it is used to pay for unemployment? What good is a tax increase if it is inflationary? What is worse, what should we say about a tax that is unfair because it does not tax people in proportion to their ability to pay. A tax on gas is regressive. It asks those who can least afford to pay more than their share.

Now, I know that there are inequities in every system. I know also that we will always have some people in this country who are richer than others and some who are poorer than others. But I also know this: the American people in their fight to improve our economy are willing to sacrifice and pay their dues. But they are not willing to get behind any program that is unfair. The President's program is just that. I know also that I will never support any program which makes the rich richer, and the poor poorer. The tax on crude oil and the lifting of the ceiling on oil prices would do just that. So I reject it and urge the House to do the same. If the Government asks to increase rather than to reduce inequity, then we are no longer a government of the people. Let us reject the idea of increasing fuel prices.

Mr. CLEVELAND. Mr. Chairman, I rise in opposition to H.R. 1767 which would suspend for 90 days the President's authority to adjust petroleum imports under the Trade Expansion Act.

Although I am deeply concerned about the impact of the President's imposition of increased fees on imported oil, particularly in my own region of New England which has already borne a disproportionate share of the energy conservation and cost burden, I am even more concerned about the lack of a serious and intensive effort to reduce U.S. dependency upon foreign oil.

Since last winter's Arab oil embargo, the Congress has had ample opportunity to enact a comprehensive program to achieve energy self-sufficiency. Indeed, the House could have taken steps toward preventing the crisis which resulted from that embargo as early as 1971 had they not defeated a bill which I cosponsored to establish a special congressional committee to study all aspects of our energy situation and the crisis that even then was evident.

Even today, the criticism directed at the President's program has failed to produce an equally effective alternative proposal. For this reason, I intend to vote against this bill which would simply prolong the delay in taking action that is badly needed. I would also point out that much of the criticism against the President's program seems to be emanating from those who have advocated gasoline rationing, which I strongly oppose.

This decision was not easily made. In fact, immediately following the President's speech, in keeping with my well-known fight against a continuing abrogation of congressional powers, I joined in cosponsoring a bill to require congressional approval of tariffs on petroleum imports. However, as it becomes more and more apparent that this Congress is not prepared to assume its responsibilities in enacting a comprehensive energy program and the situation continues to worsen, I am convinced that mere negative reaction to the President's program and delaying tactics will serve no useful purpose.

Furthermore, having read the minority views in the committee report together with the appendix to those views, I am convinced that the implications of the President's program have at least been carefully studied with particular attention given to the threat to our national security if our dependence upon imported oil is not substantially reduced.

Faced with this evidence, I am constrained to oppose this delaying tactic and urge my colleagues to address themselves to positive effective action which I will gladly support.

In my view, the Congress should move forward on efforts to improve our long-range energy situation by passing legislation to permit expanded use of our own abundant coal resources, to accelerate the construction of environmentaly acceptable nuclear powerplants, to open up the Elk Hills Petroleum Reserves, to move ahead with offshore drilling, and to develop solar, geothermal, and other alternate sources of energy. Only by such broad-based, concreted action will we effectively reduce our dependence on imported oil and move forward to a real solution to our energy problems.

Mr. HUGHES. Mr. Speaker, I would like to take a few moments to make some brief comments supporting my decision to vote for H.R. 1767, to delay for 90 days the President's authority to increase the tariff on imported oil and against H.R. 2634 to increase the national debt from $495 billion to $531 billion through June 30, 1975.

First of all, I want to thank the managers of the legislation for showing the wisdom to separate the oil tariff bill from the debt ceiling provisions. These are separate questions which we should have the opportunity to so consider.

I have stated many times that if we are to develop an effective energy program that the vast majority of Americans will have confidence in—because the sacrifices are fair and shared—that our best hope was through cooperation not confrontation between the Congress and the administration.

Unfortunately the President, in the desire to give the appearance of action, has chosen unwisely to exercise his authority under the Trade Expansion Act of 1962 to increase import tariffs by $1 a barrel effect last Saturday and by like amounts on March 1 and April 1.

I am not so much voting against the tariff increases as against the manner in which it is being presented. Frankly there is much in both the President's energy program that troubles me and in the response of the Democratic leadership.

But I do not consider the differences irreconcilable. Our action in delaying for 90 days the President's authority to unilaterally impose an increase will give both his advisors and the Congress the short delay necessary to determine how such a hike fits in to an overall energy strategy.

On the question of raising the public debt limit by $36 billion to a level of $531 billion, I am compelled to register a protest.

We are in this budget box because we have historically failed to make cuts in better economic years or to enact legislation to restructure an inequitable tax system.

Put bluntly, we have simply poorly managed our economy and are reaping the unpleasant benefits of budget deficits in 14 of the past 15 years.

It took 186 years for the Federal budget to reach $100 billion, a line it crossed in 1962, but then only 9 more years to reach $200 billion. Now, 4 years later, we are breaking the $300 billion budget barrier, rolling up deficits of $36 billion in 1975 and the projected, staggering $51.9 billion deficit next fiscal year.

I am appalled, Mr. Speaker, by the administration's request for a debt limit of $604 billion through June 30, 1976, and an annual debt service of $33 billion.

My vote against this new debt ceiling is a vote for tax reform this year and for budget cuts which I believe this Congress can make in reviewing the President's recommended 1976 budget which reached us this past Monday.

We are indeed fortunate this year in having just selected an excellent group of colleagues to serve on the Budget Committees in the House and Senate.

I am confident that this 94th Congress is going to have much to say about priorities and what cuts can be made in the budget recommendations.

We are no longer a rubberstamp Congress when it comes to the Federal budget and I have no intention of conceding that we need to be a rubberstamp Congress whenever the administration feels it can pass off mismanagement by raising the national debt.

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

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment. No amendments are in order to the bill except amendments relating to the authority of the President under section 232 of the Trade Expansion Act of 1962.

The bill reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, during the period beginning on the date of the enactment of this Act and ending at the close of the ninetieth day thereafter, nothing in section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1862(b)) or in any other provision of law shall be deemed to grant to the President any authority to adjust imports of petroleum or any product derived therefrom.

SEC. 2. (a)(1) Any action which is taken

after January 15, 1975, and before the date of the enactment of this Act by the President under section 232(b) of the Trade Expansion Act of 1962 or any other provision of law which results in the imposition of a rate of duty on petroleum or any product derived therefrom shall cease to have effect on the date of the enactment of this Act, and the entry or withdrawal of petroleum and any product derived therefrom on or after such date of enactment shall be duty free.

(2) Upon appropriate request therefor filed with the customs officer concerned on or before the sixtieth day after the date of the enactment of this Act, the entry or withdrawal of petroleum or any product derived therefrom to which a rate of duty imposed by the President (pursuant to any action by him after January 15, 1975, and before the date of the enactment of this Act under such section 232(b) or any other provision of law) applies shall, notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, be liquidated or reliquidated as if no duty applied to such entry or withdrawal.

(b)(1) Any action which is taken after January 15, 1975, and before the date of the enactment of this Act by the President under section 232(b) of the Trade Expansion Act of 1962 or any other provision of law which results in the imposition of a tax or fee on the importation of petroleum or any product derived therefrom which is higher than the tax or fee imposed on the importation of petroleum or any such product on January 15, 1975, shall cease to have effect on the date of the enactment of this Act; and the tax or fee imposed on the importation of petroleum or any product derived therefrom after such date of enactment shall be the tax or fee in effect on January 15, 1975.

(2) Upon request therefor filed with the appropriate Federal agency on or before the sixtieth day after the date of the enactment of this Act, the amount of any tax or fee imposed by the President (pursuant to any action by him after January 15, 1975, and before the date of the enactment of this Act under such section 232(b) or any other provision of law) and paid by any person on the importation of petroleum or any product derived therefrom which exceeds the tax or fee that was imposed with respect to the importation of petroleum or products derived therefrom on January 15, 1975, shall be rebated to such person.

SEC. 3. If during the ninety-day period referred to in the first section of this Act—

(1) the Congress declares war,

(2) United States Armed Forces are introduced into hostilities pursuant to specific statutory authorization,

(3) a national emergency is created by attack upon the United States, its territories or possessions, or its Armed Forces, or

(4) United States Armed Forces are introduced into such hostilities, situations, or places, or are enlarged in any foreign nation, under circumstances which require a report by the President to the Congress pursuant to section 4(a) of the War Powers Resolution (50 U.S.C. 1453(a)),

the first section of this Act shall not thereafter apply.

The CHAIRMAN. Are there amendments to the bill?

COMMITTEE AMENDMENTS OFFERED BY MR. ULLMAN

Mr. ULLMAN. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. ULLMAN: Page 4, after line 14, insert the following:

"SEC. 4. Nothing in the first section and sections 2 and 3 of this Act shall be deemed to affect the validity of any proclamation or executive order issued before January 16, 1975, by the President under section 232(b) of the Trade Expansion Act of 1962."

Mr. ULLMAN. Mr. Chairman, I will not take the full 5 minutes.

Mr. Chairman, this committee amendment to H.R. 1767 would add substantively the same language as in section 4 of the bill reported by the Committee on Ways and Means.

The purpose of H.R. 1767 is to suspend the authority of the President to impose import restrictions on petroleum imports and to negate such action taken after January 15 for a 90-day period beginning on the date of enactment; namely, to negate the system of supplemental fees outlined in the Presidential proclamation of January 23.

It is not the purpose of the bill to affect in any way the existing system of import license fees on petroleum and petroleum products instituted in May 1973. However, the bill in its present form would have the effect of precluding the President from imposing any fees, present as well as prospective, on petroleum imports. This amendment remedies that.

I, therefore, urge adoption of this amendment to restrict the application of the bill to the new program.

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Oregon (Mr. ULLMAN).

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: On page 1, strike out line 3 and all that follows thereafter down through line 5 on page 2 and insert the following:

That section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862) is amended by adding at the end thereof the following new subsection:

"(e) After the effective date of this subsection, no tariff, fee, or quota may be imposed by the President pursuant to this section with respect to imports of any petroleum or any products derived therefrom unless the Congress by concurrent resolution first approve the imposition of such tariff, fee, or quota."

On page 3, strike out line 24 and that follows thereafter down through line 14 on page 4.

(Mr. CONTE asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Chairman, I rise to offer an amendment to this bill that would strengthen the control of the Congress over the imposition of tariffs on imported oil.

My amendment is quite simple. It provides that the President, before he can impose a tariff, fee, or quota on imported oil—must first get the approval of the Congress.

My amendment is identical to H.R. 315, the first bill in this Congress to be introduced against the tariff, which I introduced on the opening day of this session. This bill was cosponsored by 50 Members, sufficient support to warrant its introduction as an amendment.

My bill would restore to the Congress a power that the Constitution expressly gave to the Congress. The Constitution states:

The Congress shall have power to lay and collect taxes, duties, imposts and excises.

In the press of other business, the Congress has allowed the power to impose oil tariffs to slide to the executive branch. It is now time to restore this power to the Congress.

Mr. Chairman, when the Rules Committee split the tariff deferral and debt ceiling, it put this entire tariff issue in a new ballpark. In splitting these bills, the Congress gave the President what he wants—the debt ceiling authorization. Now it is time for the Congress to take its quid pro quo. My amendment provides that, instead of a 90-day deferral period on the oil tariff, the Congress should pass a law invalidating the tariff that has already been promulgated and requiring that the President come to the Congress to get approval first before any new tariff can be imposed.

Earlier during general debate on this bill, I outlined some of the devastating effects the tariff would have on the people of my congressional district.

I mentioned how the tariff will seriously curb the activities of charitable and nonprofit organizations. I gave the example of the boys' club of Pittsfield, Mass., my hometown, which might have to stop its hockey, skating, swimming, and basketball programs this winter.

I mentioned how the tariff would add another $50 to $70 per student cost on the independent schools and colleges of New England.

I outlined how the tariff would drive out marginal business firms in New England, leading to higher unemployment, fewer jobs and less consumer buying power.

I showed how the tariff would require fuel oil dealers in New England to demand "cash on delivery" from at least 30 percent of their customers this winter.

And then I showed how the tariff would have a devastating effect on the utility bills of people in my district who live in all-electric homes. I have thousands of such constituents. I showed how these people have watched their electric bills double in the past year to the point where many are paying as much for their electricity as they are for their mortgage.

If other members look at their districts, they will find some of the same effects. The tariff is part of the President's overall energy package. It should be considered as part of that package. With my amendment, the Congress would be afforded a full opportunity to consider the Nation's energy future—not just in the next 60 or 90 days, but in the time that such important decisions require.

I urge my colleagues to support this amendment.

Mr. ULLMAN. Mr. Chairman, I rise in opposition to the amendment.

I am strongly opposed to this amendment, Mr. Chairman. It goes far beyond the intent of the bill. What the bill does is this: It merely restricts for a 90-day period Presidential authority, but it does

carve out special military emergency situations where the President can act.

This amendment provides for a permanent change, and it carves out no emergency military situation. What we are saying in this amendment is that the President's hands are permanently tied, and that there will be no national security authority on the part of the President without action on the part of the Congress.

It totally subverts the purposes of the bill before us. It makes a fundamental change in the whole trade concept involved in the national security provision, and I strongly oppose it.

Mr. Chairman, I hope the Members will vote unanimously against the amendment.

Mr. SCHNEEBELI. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, twice since this section was put into the Trade Act of 1955, both in 1962 and in 1974, this section was reviewed very minutely by the members of the committee. The action now being proposed had been reviewed, and it was turned down in the committee after due deliberation.

First of all, there is no time limit involved in the amendment, as I read it. The amendment stops forever any Presidential action in a national emergency with respect to the petroleum industry. It takes away from the President any right to act in a situation where it is in the interest of national security.

I am very much opposed to the amendment. I think, probably, a more effective way of dealing with this matter is to eliminate the entire section—entirely. That is the real way to "gut" this thing.

Mr. Chairman, I am very much in opposition to the amendment.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I rise in opposition to this amendment, and I am going to try to be very brief in my explanation. First of all, I like the general thrust of the amendment.

I really believe that the Presidents of the United States in the past—not just this one, but other Presidents—have too quickly used the so-called national security provisions to take some action in the name of national interest. We have heard cited today some justification for what was done in these instances and for what was done in 1959 during the Eisenhower administration when the quotas were put in.

Mr. Chairman, I will tell the Members why the quotas were put on then in the name of national security, or why I think they were put on. I think they were put on because foreign oil was at that time much cheaper than domestic oil. What we did was this: In order to give higher profits to the oil companies in this country, we put a quota on, and it resulted in draining America dry. So now we have a crisis.

So I find the amendment, I will say to my friend, the gentleman from Massachusetts (Mr. CONTE), very attractive. But make no mistake about it, the amendment goes too far and it should not be adopted.

Mr. Chiarman, there is absolutely no provision in the amendment for the President of the United States to act in a genuine national emergency, if we were attacked for example. If that occurred, we would have to get a concurrent resolution through this Congress before the President of the United States could act with regard to oil.

I will say to my friend, the gentleman from Massachusetts, that I, as the new chairman of the Subcommittee on Trade, certainly intend to take a hard look at how the President of the United States or any President in the past has used this or would use it in the future. I think this is an area for action, but this is not the time to act on that matter.

Mr. Chairman, it would be extremely ill-advised for us to agree to this amendment.

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

Mr. GREEN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I am a little confused about this issue, on the basis of the gentleman's previous statements made just about an hour ago in which he said he wanted the Congress to share more of this responsibility. The gentleman from Massachusetts has offered an amendment which I must say goes too far, in my opinion, but I am a little confused as to why the gentleman now does not want to support the idea of recapturing that authority, since that was the thing he was just criticizing.

Mr. GREEN. I know the gentleman's record, and I would like to say that I am not surprised that the gentleman is confused by anything I say.

Mr. ROUSSELOT. No; but I was also interested in the gentleman's comment about irresponsibility.

Mr. GREEN. I think I made myself clear. I think the general thrust of this amendment is to put some limit on the President's unilateral exercise of power in this area in the name of national security. There is no question in my mind that in many areas allegations of national security, whether it is with tapes, whether it is with oil, or whatever it may be, has been excessively used by the President of the United States in the past; but to strip away all power for the President to act in a case of national emergency with regard to something like petroleum is extremely ill advised.

I do not think that this House should fall for anything like that.

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

Mr. GREEN. I yield to the gentleman from Massachusetts.

Mr. CONTE. First of all, I would like to ask how the gentleman from Pennsylvania voted on the War Powers Act.

Mr. GREEN. I voted to sustain the President's veto.

Mr. CONTE. I asked the gentleman how he voted on the War Powers Act.

Mr. GREEN. I voted against the War Powers Act.

Mr. CONTE. Then the gentleman is not consistent on it.

Mr. GREEN. I thought that that was giving the President congressional power to make war, and I did not think we should give that authority away.

Mr. CONTE. Not if the gentleman voted the other way. I just thought the gentleman said he voted with the President.

Mr. GREEN. Believe me, I was not voting with the President.

I reject the reasons the President gave for his veto.

Mr. CONTE. Then the gentleman is inconsistent. I am glad that the gentleman was able to see the old quota system, adopted under national security, was as phoney as a $3 bill. He knows it, and I know it.

Mr. GREEN. I agree with the gentleman. The general thrust of what the gentleman is trying to do has a great deal of merit, but the gentleman's amendment is clearly excessive, and I think it should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The amendment was rejected.

AMENDMENT OFFERED BY MR. SISK

Mr. SISK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SISK: On Page 2, line 5, immediately before the period, insert the following: "; except that nothing in this Act shall be deemed to deny the President authority to impose import quotas, during such period, on the importation of petroleum or any product derived therefrom".

Mr. SISK. Mr. Chairman, I want to express my appreciation to the Committee on Ways and Means for the work that its members have done in connection with the bill that we have before us today. Let me hasten to say that I expect to support their legislation whether or not this amendment is adopted, but I do feel very strongly about this particular part of the issue.

I have a feeling—maybe it is entirely erroneous—that the President is desirous of working with the Congress. I think the President is concerned, as we are all concerned, about doing something in connection with our energy and in conservation of energy and all sources of energy.

If I understand what he is saying today, he took certain actions intended, to some extent, I think, to try to build a fire under some people.

Maybe it is a good thing, and to that extent I accept the challenge, and I hope that all of us, as Members of Congress, so accept it. However, many of us have felt that a better way to meet this problem, at least to deal with it, is through some kind of import quotas, whether we go back and set as a base 100 percent of 1972 and move into allocation from there, or whether other adjustments, starting from the import allocation, would be advisable.

But it seems to me that, if in fact we feel this way, that it is unfair at this point in time to deny to the President such powers as he at present would have to impose import quotas. That is exactly what this act does in addition to precluding the President from the assessment of fees: it also negates his authority to impose import quotas which would have to be, it seems to me, the first step in any kind of allocation program in this country.

I think as a strategic matter that we,

as Members of the Congress—and I might say to my good friends on the Democratic side that it is an error to deny him this authority when in fact many of us are hopeful that we will be able to reach some compromise here. Almost of necessity a part of such a compromise, as I see it, and I know that in the direction so many of us would like to go, would be the necessity of his power to impose some kind of import quotas.

All this amendment says is that nothing in this act restricts his power, if he sees fit in 15 days or 30 days or 60 days, to use the imposition of import quotas to deal with this subject.

It just seems to me it is good common sense. It in no sense affects the fee matter, the bill can go ahead and more forward in connection with restricting him on the imposition of those fees. But let us at least leave that much flexibility in connection with our attempts to work out a compromise which, as I say, I feel the President is desirous of achieving.

I would hope that my colleagues would support this amendment.

Mr. ULLMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the first place the committee feels very strongly that in resolving this problem, which is a matter of economic policy, that the national security provisions should not be used. We think it is an extremely marginal use of the national security provisions. As a matter of fact, it may very well result in some legislation in our committee further restricting the Presidential authority. It is a misuse of that provision.

But, second, Mr. Chairman, if we do go the quota route, and it certainly at the present time is my thinking that we should, if we need to restrict imports then we should use the quota mechanism, but it should be done by congressional mandate, and according to a set of ground rules, which is a sound constitutional procedure, rather than allowing the President to implement it in a manner that he sees fit under very marginal authority. The quota system can be implemented in many ways, and it should be designed to fit the total pattern of an energy policy. But to allow, willy-nilly, a quota implementation not geared to a national energy policy, would be a grave error.

So it seems to me that we should vote this amendment down.

It will accomplish no good purpose. It may accomplish a great deal of harm.

Remember, this bill involves only a 90-day stay, and we in the Congress have the responsibility of coming up with our energy package. So give us the 90 days before we further subvert our course of action by this kind of amendment.

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

Mr. ULLMAN. I yield to the gentleman from California.

Mr. SISK. Mr. Chairman, I deeply appreciate the gentleman yielding. As the gentleman knows, I have great respect for him in this matter, and I appreciate the work the gentleman has done. However, it seems to me that we are dealing with a national emergency, as I recognize it, in connection with this energy situation.

The question I would like to direct to my good friend, the gentleman from Oregon (Mr. ULLMAN) is this:

Is the gentleman in essence saying that the President should not use his emergency powers in connection with the present situation, if in fact it is for national security—and I think that is basically what we are talking about—to impose import quotas if in fact he felt within 30 days that was the best move to make.

Mr. ULLMAN. The Committee on Ways and Means does not believe that the present situation meets the criterion that allows Presidential action for national security. We think that this is an economic program. There certainly is great need for an energy policy, but it is a grave mistake to implement either import fees or quotas by Presidential mandate until the Congress has fashioned a total energy policy. They should fit together, and the President, if he moves unilaterally without considering the direction of congressional policy, may very well do just as great a disservice in that direction as he is going to do in the import fee direction. We have only 90 days, and in 90 days the Congress has the responsibility of coming up with an energy policy, and I think it would be a grave mistake to adopt the gentleman's amendment.

Mr. CONABLE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

The effect of the amendment offered by the gentleman from California would be to force the President to go the quota route if he is going to do anything restrictive of oil imports during this 90-day period. I personally oppose this approach because it is completely unpredictable as to what the imposition of quotas would do to price. At least when we are using the tariff mechanism or the license import mechanism, we have some idea of the economic impact. When we start changing the supply of something by quota restriction, we have no idea what the results will be in terms of price, and the results can be quite capricious.

For this reason, Mr. Chairman, I think the amendment is inadvisable, and I hope it will be defeated.

Mr. SISK. Mr. Chairman, would the gentleman from New York yield momentarily to me?

Mr. CONABLE. I yield to the gentleman from California.

Mr. SISK. I thank the gentleman for yielding.

I do not expect to take a lot of time. In fact, there is nothing in here that forces the President to use this. I understand from statements made by the President and his people that they do not feel this is the proper way to go, but it does seem to me that this would be unnecessary if, in fact, the situation should change within 15, 30, or 60 days, and it does not require him to do anything. But it would be impossible to use that as a mechanism if, in fact, there is an allocation.

Mr. CONABLE. I understand what the gentleman is saying, and I appreciate his motives for it. In fact, the President has clearly signaled his intention to try to restrict oil imports, and if he is to do this, I would personally far prefer to see him do it with tariffs rather than with quotas.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words.

(Mr. SIMON asked and was given permission to revise and extend his remarks.)

Mr. SIMON. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from California. Basically, we have, as I sense it, three options before this body and before this Nation. One is the imposition of fees which, as I sense it, a strong majority of this body and the majority of the people in this Nation who have studied it oppose.

The second is rationing, which some Members of this body support—which I do not—and which the President opposes. I think it would be a first-class mess.

The third, and it seems to me the compromise, is import quotas.

What the gentleman from California (Mr. SISK) said we should keep in mind. We are not mandating it. We are leaving the door open in the event the President wants to utilize this tool.

The gentleman from New York suggests that because of restrictions on the amounts coming in, prices might soar. The purpose of the import fees is to restrict the amounts coming in and we would have the fees on top of everything else. But there are ways to restrict price increases and demand, many ways. We could have allocation. We could close gasoline stations on Sundays. We could close retail stores 1 day a week. We could say the public cannot use credit cards for the purchase of gasoline the first 7 days of the month.

Right now we reward people for the more energy they use. We could increase the gas and oil and electricity fees as they use more and more instead of the other way around, as Senator LONG of Louisiana has suggested. There are all kinds of things that can be done.

I think this amendment makes a great deal of sense. I attended the breakfast this morning. I sensed on the part of the President a yearning to work out a practical compromise. That compromise can be worked out in this direction.

This does not stop the distinguished gentleman from Oregon and his committee from continuing to work on this. This does not say to the President: "You have to go in this direction." But let us make clear in a signal through this amendment that this is a door for possible compromise. I think this is the right answer for the Nation and I would like to see the President explore it. I would like to see the Ways and Means Committee explore it.

Mr. GREEN. Mr. Chairman, I rise in opposition to the amendment. I just want to say I do not think that we need this door in order to consider quotas an area for possible compromise, but I do not

think if we are going to work together, as we must if we are going to have a unified position in this country, that we should leave it to the national security mechanism, and give the President the power to take unilateral action for the next 90 days, which might be disagreed with by the Congress.

I happen to prefer the quota route and perhaps some kind of allocation and perhaps a gasoline tax as a method of reducing consumption and as a way of keeping those 1 million barrels out. But I think we will work best if we can develop a program at this time. But this amendment tends to leave the President with one option if he wants to act. I do not think we want him to act unilaterally, I do not think he should act unilaterally, and I think we want to work with him in a spirit of compromise that we are talking about, and I do not think it will take us 90 days to come up with a plan.

Mr. KREBS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by my distinguished colleague, the gentleman from California (Mr. SISK).

(Mr. KREBS asked and was given permission to revise and extend his remarks.)

Mr. KREBS. Mr. Chairman, I am a newcomer to these Chambers and as such I want to make it abundantly clear that I speak for myself. If there was a mandate that the people of this country gave anybody in this past election, it was a mandate not to obstruct, and I am very much aware of my responsibility in that direction. I need not be reminded by the Secretary of Agriculture or by Members of the minority party in these Chambers of this responsibility.

But let me say that in my opinion this country is facing an emergency, and whether it is facing a national security problem or not is a question of semantics and of individual interpretation, but it seems to me that when the reserves of Saudi Arabia are only 2 billion dollars behind the United States, this country indeed is facing a grave problem and should attend to it forthwith.

I certainly concur wholeheartedly with the President in his attempt to do so. However, I respectfully depart from his methods for reasons that have already been eloquently stated and therefore I will not dwell on them in any detail.

Let me say, having grown up in the Middle East, I do not have the slightest illusion that any time the Arabs see fit, they will cut oil supplies to this country, and let us not kid ourselves on that.

I wish I could stand here and support the President's program. I want to support the President of the United States anytime I feel that I can agree with him; but I simply cannot buy a program that I in my own mind, and everybody that I have talked to almost without exception, feels is not going to solve the energy problem of this country; however, by the same token, it is not my intent to tie the hands of this President any more than I absolutely have to in order to protect the best interests of the people who sent me to these Chambers. It is for this reason that I am supporting the amendment proposed by my distinguished colleague, the gentleman from California (Mr. SISK).

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

Mr. KREBS. I yield to the gentleman from Pennsylvania.

Mr. GREEN. Mr. Chairman, the President of the United States without this amendment can propose a quota and we can make decisions then to agree with it.

The fact of the matter is that what we are trying to do is get something to work together and not unilateral action. I think we have to be very careful in the area of national security but even our bill does not strip the President in the case of emergency from imposing a fee or a quota if we were attacked or in a situation of hostility of any kind.

So I think we have the opportunity to work together and let us not do what we do by unilateral action which might cause reaction by this House causing further delay. Let us leave the situation so we can work together in the next 90 days.

Mr. KREBS. Mr. Chairman, may I point out that I sense the same feeling of compromise on both the executive as well as the legislative branches of the Government; but I do not wish to leave the impression with anybody in or out of this Chamber that the Democratic majority is not willing to work with the President wholeheartedly. It is in this spirit and in this spirit only that our distinguished colleague, the gentleman from California (Mr. SISK) offered this amendment. I urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. SISK).

The amendment was rejected.

The CHAIRMAN. Are there additional amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of Union, reported that that Committee having had under consideration the bill (H.R. 1767) to suspend for a 90-day period the authority of the President under section 232 of the Trade Expansion Act of 1962 or any other provision of law to increase tariffs, or to take any other import adjustment action, with respect to petroleum or products derived therefrom; to negate any such action which may be taken by the President after January 15, 1975, and before the beginning of such 90-day period; and for other purposes, pursuant to House Resolution 142, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

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

RECORDED VOTE

Mr. ULLMAN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 309, noes 114, not voting 10, as follows:

[Roll No. 13]

AYES—309

Abzug	Early	Krebs
Adams	Eckhardt	Krueger
Addabbo	Edgar	LaFalce
Alexander	Edwards, Calif.	Leggett
Ambro	Ellberg	Lehman
Anderson, Calif.	Emery	Lent
	English	Levitas
Andrews, N.C.	Evans, Colo.	Litton
Annunzio	Evans, Ind.	Lloyd, Calif.
Ashbrook	Evins, Tenn.	Lloyd, Tenn.
Ashley	Fascell	Long, La.
Aspin	Fenwick	Long, Md.
AuCoin	Fish	Lott
Badillo	Fisher	McCormack
Bafalis	Fithian	McDonald
Baldus	Flood	McEwen
Barrett	Florio	McFall
Baucus	Foley	McHugh
Bauman	Ford, Mich.	McKay
Beard, R.I.	Ford, Tenn.	McKinney
Bedell	Fountain	Macdonald
Bennett	Fraser	Madden
Bergland	Fulton	Maguire
Bevill	Fuqua	Mahon
Biaggi	Gaydos	Mann
Biester	Giaimo	Mathis
Bingham	Gibbons	Matsunaga
Blanchard	Gilman	Meeds
Blouin	Gonzalez	Melcher
Boggs	Goodling	Metcalfe
Boland	Grassley	Meyner
Bolling	Green	Mezvinsky
Bonker	Gude	Mikva
Bowen	Haley	Milford
Brademas	Hall	Miller, Calif.
Breaux	Hamilton	Mineta
Breckinridge	Hanley	Minish
Brinkley	Hannaford	Mink
Brodhead	Hansen	Mitchell, Md.
Brooks	Harkin	Moakley
Burke, Calif.	Harrington	Moffett
Burke, Fla.	Harris	Mollohan
Burke, Mass.	Harsha	Moore
Burlison, Mo.	Hawkins	Moorhead, Pa.
Burton, John	Hayes, Ind.	Morgan
Burton, Phillip	Hays, Ohio	Moss
Byron	Hébert	Mottl
Carney	Hechler, W. Va.	Murphy, Ill.
Carr	Heckler, Mass.	Murphy, N.Y.
Casey	Hefner	Murtha
Chappell	Helstoski	Myers, Pa.
Chisholm	Henderson	Natcher
Clancy	Hicks	Neal
Clawson, Del	Hightower	Nedzi
Clay	Holland	Nichols
Cohen	Holt	Nix
Conlan	Holtzman	Nolan
Conte	Howard	Nowak
Conyers	Howe	Oberstar
Corman	Hubbard	Obey
Cornell	Hughes	O'Hara
Cotter	Hungate	O'Neill
D'Amours	Ichord	Ottinger
Daniel, Dan	Jacobs	Passman
Daniels, Dominick V.	Jeffords	Patman
	Jenrette	Patten
Danielson	Johnson, Calif.	Patterson, Calif.
Davis	Jones, Ala.	Pattison, N.Y.
de la Garza	Jones, N.C.	Perkins
Delaney	Jones, Okla.	Peyser
Dellums	Jones, Tenn.	Pickle
Dent	Jordan	Pike
Dingell	Karth	Poage
Dodd	Kastenmeier	Pressler
Downey	Kazen	Preyer
Downing	Kemp	Price
Drinan	Ketchum	Randall
Duncan, Oreg.	Keys	Rangel
Duncan, Tenn.	Koch	Rees

Reuss	Shipley	Ullman
Richmond	Shuster	Van Deerlin
Riegle	Simon	Vander Veen
Rinaldo	Sisk	Vanik
Risenhoover	Slack	Vigorito
Roberts	Smith, Iowa	Walsh
Rodino	Snyder	Waxman
Roe	Spellman	Weaver
Rogers	Staggers	Whalen
Roncalio	Stanton, James V.	White
Rooney	Stark	Whitten
Rose	Steed	Wilson, Charles H., Calif.
Rosenthal	Steelman	Wirth
Rostenkowski	Stokes	Wolff
Roush	Stratton	Wright
Roybal	Studds	Wylie
Runnels	Sullivan	Yates
Russo	Symington	Yatron
Ryan	Symms	Young, Fla.
St Germain	Teague	Young, Ga.
Santini	Thompson	Young, Tex.
Sarbanes	Thornton	Zablocki
Scheuer	Traxler	Zeferetti
Schroeder	Tsongas	
Seiberling	Udall	
Sharp		

NOES—114

Abdnor	Frey	Quillen
Anderson, Ill.	Ginn	Railsback
Andrews, N. Dak.	Goldwater	Regula
Archer	Gradison	Rhodes
Armstrong	Guyer	Robinson
Beard, Tenn.	Hagedorn	Rousselot
Bell	Hammer-schmidt	Ruppe
Broomfield	Hastings	Sarasin
Brown, Calif.	Heinz	Satterfield
Brown, Mich.	Hillis	Schneebeli
Brown, Ohio	Hinshaw	Schulze
Broyhill	Horton	Sebelius
Buchanan	Hutchinson	Shriver
Burgener	Hyde	Sikes
Burleson, Tex.	Johnson, Colo.	Skubitz
Butler	Johnson, Pa.	Smith, Nebr.
Carter	Kasten	Spence
Cederberg	Kelly	Stanton, J. William
Clausen, Don H.	Kindness	Steiger, Ariz.
Cleveland	Lagomarsino	Steiger, Wis.
Cochran	Landrum	Stephens
Collins, Tex.	Latta	Stuckey
Conable	Lujan	Talcott
Coughlin	McCloskey	Taylor, Mo.
Crane	McCollister	Taylor, N.C.
Daniel, Robert W., Jr.	McDade	Thone
Derrick	Martin	Treen
Devine	Mazzoli	Vander Jagt
du Pont	Michel	Waggonner
Edwards, Ala.	Miller, Ohio	Wampler
Erlenborn	Mitchell, N.Y.	Whitehurst
Esch	Montgomery	Wiggins
Eshleman	Moorhead, Calif.	Wilson, Bob
Findley	Mosher	Wilson, Charles, Tex.
Flowers	Myers, Ind.	Winn
Flynt	O'Brien	Wydler
Forsythe	Pettis	Young, Alaska
Frenzel	Pritchard	
	Quie	

NOT VOTING—10

Collins, Ill.	Jarman	Pepper
Derwinski	McClory	Solarz
Dickinson	Madigan	
Diggs	Mills	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Diggs for, with Mr. McClory against.

Until further notice:

Mr. Pepper with Mr. Mills.

Mr. Solarz with Mr. Jarman.

Mrs. Collins of Illinois with Mr. Madigan.

Mr. Dickinson with Mr. Derwinski.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that I may have 5 legislative days in which to revise and extend my remarks and include extraneous matter on the bill just passed and that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill just passed.

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

There was no objection.

RESIGNATION AS CHAIRMAN OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

The SPEAKER laid before the House the following resignation from the Committee on Standards of Official Conduct:

WASHINGTON, D.C.,
February 5, 1975.

Hon. CARL ALBERT,
Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I hereby resign as Chairman of the House Committee on Standards of Official Conduct effective this date.

Sincerely,

MELVIN PRICE,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

DESIGNATING MEMBERSHIP ON CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. O'NEILL. Mr. Speaker, I offer a privileged resolution (H. Res. 144) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 144

Resolved, That John J. Flynt, Jr., of Georgia be, and he is hereby, elected chairman of the Committee on Standards of Official Conduct; and,

That Wright Patman, of Texas be, and he is hereby, elected a member of the Committee on Interior and Insular Affairs.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF MEMBERS OF THE STANDING COMMITTEE ON THE BUDGET

Mr. O'NEILL. Mr. Speaker, I offer a privileged resolution (H. Res. 145) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 145

Resolved, That the following-named Members, be, and they are hereby, elected members of the standing Committee on the Budget of the House of Representatives: Brock Adams (chairman), Washington; Thomas P. O'Neill, Junior, Massachusetts; Jim Wright, Texas; Thomas L. Ashley, Ohio; Robert L. Giaimo, Connecticut; Neal Smith, Iowa; James G. O'Hara, Michigan; Robert L. Leggett, California; Parren J. Mitchell, Maryland; Omar Burleson, Texas; Phil M. Landrum, Georgia; Sam Gibbons, Florida; Patsy T. Mink, Hawaii; Louis Stokes, Ohio; Harold Runnels, New Mexico; Elizabeth Holtzman, New York; Butler Derrick, South Carolina.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TO INCREASE THE TEMPORARY DEBT LIMITATION AND TO EXTEND SUCH TEMPORARY LIMITATION UNTIL JUNE 30, 1975

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2634) to increase the temporary debt limitation until June 30, 1975.

The SPEAKER. The question is on the motion offered by the gentleman from Oregon.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2634, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 1 hour, and the gentleman from Pennsylvania (Mr. SCHNEEBELI) will be recognized for 1 hour.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

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

(Mr. ULLMAN asked and was given permission to revise and extend his remarks.)

Mr. ULLMAN. Mr. Chairman, I feel very badly that in my first appearance here chairing the Committee on Ways and Means in handling this matter of the debt limit, that it is necessary to come to this body and ask for one of the most significant increases that we have asked for in some time.

The fact remains that this Nation, because of the impact of both the recession and inflation, and the energy problem, and other factors, is in serious economic difficulty, and the 1975 and 1976 budgets are going to see this Nation with a total deficit that will run over $90 billion.

This is the result of the factors that I have mentioned, but it is clearly an indication that the economy of the Nation is out of order; that we do need a better system of budgeting and managing our resources.

The increase in the debt limit before us today will be sufficient until fiscal limit expires on March 31 of this year.

It is, however, a substantial increase of $36 billion over the present limit. The present temporary limit is $495 billion, and the bill increases it to $531 billion. The bill also extends this new limit to June 30, 1975. The present temporary limit expires on March 31 of this year.

The need for so large an increase in the debt limit reflects, first of all, the effects of the recession on both receipts

and outlays. This recession is the most serious since the 1930's.

The rate of unemployment, Mr. Chairman, of the labor force was 7.2 percent in December and will be near 7½ percent for January, and it is expected to go to 8 percent before the year is out.

The gross national product in constant prices fell in each quarter of 1974. Real GNP fell 2.2 percent last year, but the decline in the fourth quarter was at an annual rate of 9.1 percent. The recession generally is expected to continue through the middle of this year before there is even a leving off, or a start on the recovery.

Receipts and outlays in the Federal budget quickly reveal the effects of a recession. Falling profits reduce corporation income taxes as the corporations revise their quarterly estimated tax liabilities to reflect their most recent economic situations. Layoffs and shorter work weeks cut individual income taxes, and a falling stock market generates capital losses rather than capital gains.

On the outlay side of the budget, recessions produce higher unemployment benefit payments and increase the number of retirees receiving benefits under the social security system.

The latest budget estimates demonstrate the impact of the economic decline. The latest estimates show a deficit of $35 billion for fiscal year 1975, as compared with an estimated $9 billion deficit just 2 months ago. The receipts estimates have been cut in this 2-month period by $14 billion, $9 billion of which reflects the economic decline. Outlay estimates have gone up by $11 billion in the same period, primarily reflecting increased expenditures for unemployment compensation and other programs to offset the effects of recession on individuals.

In addition, the President's programs for economic stimulation and energy conservation have some effect on the fiscal 1975 budget. The President proposes emergency and temporary tax cuts, a rebate to individuals based on 1974 tax liability, and a temporary increase in the investment credit that would reduce receipts by $6 billion. The bill that the committee is presently working on—and it is the hope of the chairman that they will be able to complete action on this bill by this Thursday night—entails reductions of at least the size outlined by the President for this period of time. The total package will probably be in the vicinity of $19- to $20 billion, but the impact on this particular budget at this time will be in the neighborhood of $6 billion.

To see the effect of the budget on the requirements for public debt limitation, it is important to look at the deficit in Federal funds rather than the deficit in the united budget. The estimated Federal deficit in fiscal year 1975 presently is $43 billion. Remember, this is the figure that is relative to an increase in the national debt. The unified budget does not directly relate to the indebtedness. This $43 billion Federal funding deficit reflects both the $35 billion deficit in the unified budget and an $8 billion surplus in the trust funds which must be invested in Federal obligations.

The $531 billion limit represents a net increase of $55 billion through fiscal year 1975.

The Federal funds deficit of $43 billion accounts for all but $12 billion of this increase. The remaining debt increase represents the net amount of financing for the credit activities of various Federal agencies through the Federal Financing Bank. The administration decided to use the Federal Financing Bank as the means of acquiring funds for these credit activities, rather than permitting the agencies to issue their own obligations directly in the market, because it is able this way to reduce the rate of interest on these issues by one-half percentage point and save about $70 million in interest costs. I am in accord with that procedure as also is the committee.

Although the administration asked for a debt limit increase that would meet its estimated requirements for a 17-month period through June 30, 1976, the committee decided that there were too many uncertainties to be resolved in the fiscal year 1976. There is no way to get a crystal ball good enough to analyze what might happen in the next fiscal year as a result of legislation not yet reported from committees, and so the committee felt we should just provide an increase sufficient to carry us through fiscal year 1975, or until June 30 of this year.

The committee carefully listened to the Secretary of the Treasury and the Director of the Office of Management and Budget who represented the executive branch. We have a very excellent report which I commend to the Members which has all the tables that explain this matter and explain the nature of the fiscal impact on a time basis. I commend it to the Members.

The administration asked for the amount that we are giving them. The committee felt however that on the basis of the assumptions of the President we might have cut back the request of the administration somewhat. However, it was the feeling of the chairman and of the members of the committee, that some of the assumptions, that are included in the President's budget are not valid and therefore it was our feeling that the administration would need every dollar they asked for. As a result we decided to provide for in all respects the requests of the executive agencies and the administration. This is the only practical solution which will meet the very real problems we are facing. I suggest and I commend that we vote by a large margin for this bill.

In conclusion I would like to suggest that the theory that somehow we are an economy minded Member of the Congress if we vote against a debt ceiling simply is not a valid theory. This is no more economy minded than is the man who refuses to put a sufficient balance in his bank account to cover the checks he has written. The way to cut expenditures is to budget properly and to act properly on the appropriation bills when they come along, but after we have done that and we have authorized the expenditures, then to try to imply that there is some great economizing in voting against a debt ceiling proposal is clearly not valid. I respect the voters too much to believe that very many of them are fooled by this device.

All we are talking about here is the authority of the Government to pay its debts or obligations that we have already authorized the executive department to spend. So I urge upon the Members not to vote against this measure because of any false theory that in some way it might indicate that a Member is economizing. All we are doing here is facing up to the realities of the situation and paying the bills on indebtedness we have authorized in the past.

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

(Mr. CONABLE asked and was given permission to revise and extend his remarks.)

Mr. CONABLE. Mr. Chairman, I support H.R. 2634, which would increase temporarily the statutory limit on the public debt.

Under present law, the limit is $495 billion. $95 billion of that amount is temporary, and at midnight March 31, the ceiling would—without prior congressional action—revert to its permanent level of $400 billion.

Under more normal circumstances, we might be considering about now an increase in the statutory limit to take effect upon expiration of present law. But well in advance of March 31—by February 18, according to the latest Treasury estimates—the actual debt will be pushing up against the statutory limit. Therefore, there is an unusually critical time factor in the proposal before us. It is important that we act as promptly as possible in order to prevent the Government from encountering a fiscal crisis in about 2 weeks.

The Committee on Ways and Means, in meeting this problem, has developed legislation which is highly restrictive, both in amount and duration. The administration requested a new debt ceiling of $604 billion, to run through fiscal 1976. The committee, however, noting Treasury projections of actual debt levels, determined that $531 billion would enable the Government to borrow sufficiently to meet its obligations through the end of this fiscal year. Thus, the bill before us provides for a $36 billion increase in the statutory ceiling for a period of fewer than 5 months, instead of the $109 billion increase the administration had requested through June 30 of next year.

There is not much margin for error in H.R. 2634. It should be pointed out that the Treasury, in making its debt projections, assumed that the Congress would not enact new spending programs and would accept the President's proposals for recisions in programs already in existence. I would like to think such objectives could be realized, but experience tells me the administration has made some optimistic assumptions—assumptions which underscore the narrowness of the borrowing authority this bill would grant.

It is a tight measure, even if the Treas-

Is America Really Ready for Ted Kennedy?
By Richard Reeves
Martha Mitchell Isn't Crazy, By Nora Ephron

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Buying Desks: From Kneehole to Roll-top

Underground Notes of a Homeworker

A Shopping Guide for Your Office

NEW YORK

Teddy or Not

By Richard Reeves

"... He has to play his game, play out his options. The hell with the Democratic party and Walter Mondale. Let them eat turnips..."

Talking with Democrats about 1976, you eventually realize you've heard it all before. Samuel Beckett wrote it:

ESTRAGON: Let's go.

VLADIMIR: We can't.

ESTRAGON: Why not?

VLADIMIR: We're waiting for Godot.

Teddy Kennedy, of course, is Godot. And the dialogue goes on: "And what did he reply?"... "That he'd see"... "That he couldn't promise anything" ... "That he'd have to think it over" ... "In the quiet of his home" ... "Consult his family" ... "His friends" ... "His agents."

The man Beckett's tramps could have been talking about was, in the language of politics, keeping his options open. Edward Moore Kennedy was usually in Washington, the very model of a good senator—whatever that means in the real world—casting his broad shadow over the Democratic party.

Aleksandr Solzhenitsyn's most quoted observation is that a great writer is like a second government—in the United States that might be amended to say that a Kennedy is a second government. A Kennedy is always a candidate for President. It does not matter that Ted Kennedy sat in his dining room the other day and told me, as he has told others, that it is "unlikely" he will run in 1976 after consulting his family. That word is small comfort to the straining likes of Walter Mondale, trying to recruit the Vladimirs and Estragons of the Democratic party—and "unlikely" is not the code to halt Kennedy agents like the North Carolina radio station owner who has been testing commercials for a possible 1976 run.

The Kennedy shade, ironically, most comforts Republicans. He even puzzles over the fact that the Democratic party doesn't seem to be producing a national leadership college in the 35-to-50 generation, perhaps without realizing that *he* is the reason. In the simplest terms, this space and these words would be devoted to the Mondales, Askews, Churches, and Udalls if their destinies were not inevitably eclipsed, at least for now, by Kennedy's. "It drives me crazy sometimes," said a Democrat of that generation. "No matter what I do, people, media people and politicians, are watching Teddy or waiting to see what he'll do. Hell, I spend half my own time trying to figure out what he'll do."

An old-fashioned rational analysis—dozens of interviews, studying polls, and looking out the window a lot—would convince anyone, including me, that Teddy will run. He looks unbeatable for the Democratic nomination, and, conceding that analysis 30 months before an election is not unlike fortune-telling, has a very good chance to win it all in November of 1976—and that is how politicians make decisions. He will be under almost unbearable political pressure to go because the pending new rules of the Democratic party may make him the only candidate who can get the nomination without breaking up the party like peanut brittle. (*See box, page 42.*)

My head says yes.

My gut says no.

Almost everyone you talk to who has Kennedy credentials says he thinks Teddy will go; some claim they *know* he will and that the decision was made last fall but things never really got rolling because of the personal trauma of discovered cancer in twelve-year-old Teddy Jr. "Things are in limbo until he knows about the boy," said one "friend." The catch in those neat answers is that the closer you get to Kennedy himself, to the people he would call friends, the more you get answers like: "I'm just not sure, but I'd bet 'no.'" And the reasons then get more and more personal, the name of his wife starts coming up, and, well, Ted Kennedy seems to have more trouble keeping the privatest parts of his private life secret than any public figure except Secretariat. He's a wine, women, and song Irishman—actually he doesn't like singing that much—who can't seem to grow out of shouting gross things at parties like: "Hey, it's George McGovern, the man who sleeps with ———."

"A lot of people want Teddy to run because they think politics will be fun again," said Martin Nolan, *The Boston Globe*'s Washington bureau chief who has followed the Massachusetts senator since his precocious election at 30. "It's not going to be fun, it's going to be ugly."

There are a hundred stories, many true, that will make Teddy look like a hyperactive teenager. He is the senator who had to issue a public statement two years ago denying he was having an affair with Amanda Burden. He is the man Cleveland Mayor Ralph Perk, campaigning for the Republican nomination for senator in Ohio, was talking about last month: "People ask me how Republicans will explain the eighteen-and-a-half-minute gap in the tapes. I tell them it will take the Democrats a lot longer to explain the twelve-and-a-half-hour gap at Chappaquiddick."

"He's the one man who can override Watergate," said one of the country's leading pollsters. "If he runs, Teddy becomes *the* issue. He polarizes the nation unbelievably."

The people who know Kennedy slightly, senators and other politicians and journalists, often debate his fitness, his character, his personal priorities, among themselves. Many, including those who admire his politics, are uneasy, afraid about a President Edward Kennedy—maybe he's not a full-grown man, or maybe he's just been unlucky (or self-destructive) enough to get caught. If he runs, those late-night Brendan Behan conversations become a national debate. Maybe he'll wait, postpone it until 1980. He'll still be only 48 then. . . . You know, his grandfather, John (Honey Fitz) Fitzgerald,

"... He turns people on. He also turns a lot of them off. An estimated 25 to 30 per cent of the electorate is anti-Kennedy ..."

chose not to run for re-election as mayor of Boston in 1914 when his opponent, James Michael Curley, announced he planned to use the campaign to discuss "great lovemakers from Cleopatra to Toodles." It seems that a cigarette girl named Toodles Ryan was, depending on whom you believed, a casual or not-so-casual friend of the mayor's.

Returning now from those thrilling days of yesteryear and beginning with more conventional, and comfortable, political analysis: Kennedy, after twelve creditable, sometimes distinguished, years in the Senate, is probably the most popular politician in the country, certainly the one with the best chance of putting together a Son of New Deal coalition of academic liberals, working-class Catholics, and the poor—and he turns people on. He also turns a lot off—the pollsters I talked with estimated the fervent anti-Teddy constituency at between 25 and 30 per cent of the electorate—but Franklin Roosevelt, too, was many men's devil.

"He can have the nomination by asking for it; nobody can beat him in the Democratic party. But Republicans will eat him up in the general election"—that wisdom is so conventional that I heard it almost word for word again and again from state chairmen, governors, senators, and just plain old "observers," Democratic and Republican. I had just heard it from a covey of Southerners—they forecast 2-to-1 and 3-to-2 victories for Gerald Ford over Kennedy in their states—when I picked up the Texas Poll, 501 voters surveyed by the Joe Belden organization last month. The results in trial heats: Kennedy 41-to-35 per cent over Ford; Ford 35-to-29 over Henry Jackson; Kennedy 44-to-24 over Nelson Rockefeller.

Trial heats do not an election make—Peter Hart, the Washington pollster, is convinced that head-to-head pairings are meaningless until after the first Presidential primary, and he's onto something—but with someone as well known, loved, and hated as Kennedy, they speak volumes. So do other recent numbers: 37 per cent of voters surveyed nationally identify Kennedy as the man who "best represents my views," by far the highest of any public figure (Roper); 44 per cent of Democrats surveyed nationally "would like to see" Kennedy nominated in 1976, compared with 17 per cent who prefer George Wallace and 8 per cent for Jackson (Gallup); Kennedy over Ford 49-to-45 in a national trial heat (Harris).

"Some of the famous anti-Kennedy vote is a myth," said Tully Plesser of Cambridge Opinion Studies. "The educated liberals who reject Teddy's saying 'I want to be President' will react quite differently when he is Edward Kennedy, The Democratic Candidate. ... He is very, very formidable because he has a unique hold on the Catholic vote in this country, particularly at the blue-collar level. He is the Catholic's Catholic. ... All the talk about Chappaquiddick will only reinforce the feelings of people who are against him anyway. What could destroy him would be some new event reflecting on his character. A divorce, oh God. ..."

Plesser and other pollsters agreed that Kennedy could not win big in a general election—too many voters have already made up their minds against him—and when asked to bet their own money, all agreed that a Kennedy-Anybody race would fall within a 53-to-47 range either way. Unless. Unless Wallace actively supports Teddy—then, they said, Kennedy wins big. In case you were wondering why Teddy went to Alabama last July 4 to say what a great guy ol' George is.

That's politics. And Ted Kennedy is a hell of a politician: a great, lusty campaigner; finely tuned Boston Irish instincts; and enough guts to know what he's for—amnesty, for instance—and what he's against—abortion on demand. On the same day last month he could argue articulately, almost brilliantly, on the Senate floor against reinstituting the death penalty for a bizarre range of federal crimes and twice take time out to call Matty Troy in Queens to get him to pull the right strings so that a Kennedy friend could get a couple of hotel billboards raised over the highways to La Guardia and J.F.K. airports.

It's all in a day's work. So is snapping at his staff to "Get me an energy program by next week—I'm sick of Scoop Jackson being called 'Mr. Energy!'" And grimly warning a bright young legislative assistant never again to whisper information to him in front of reporters or cameras.

Teddy is not timid about the manners and the freedom of a young lord. He doesn't have to bend as deeply as other politicians—and he often doesn't. He went to a cathedral of orthodox Catholic attitudes, the Iona College Alumni Association, after May Day, 1971, and told the hissing crowd: "The arrested demonstrators were your children, your nieces and nephews or your friends' children or nieces or nephews." In the late sixties and early seventies, after he had effectively lobbied for a fairer draft lottery—students would be drafted along with truckdrivers—he went to college campuses to speak against a volunteer Army. "How many of you favor an all-volunteer Army?" he would ask, and the raised hands would fill the auditoriums. "How many of you would volunteer?" and there would be no hands. "See? You want someone else to do it for you, and I'm against that."

Kennedy, partly because he is preoccupied with Teddy Jr.'s well-being, will not be spending much time on the campaign trail, his own or other Democrats', until this fall. But he does his standard routine occasionally for visitors like 50 delegates to a Textile Workers Union political conference in Washington three weeks ago.

"I remember when my first opponent in 1962 ended a television debate by saying, 'Furthermore, ladies and gentlemen, this man has never worked a day in his life.' Well, I was north of Boston the next morning and some big labor fellow grabbed me at about 5:30 outside a plant gate and he said: 'Kennedy, I heard what they said about you last night, that you never worked a day in your life. Well, let me tell you something—you haven't missed a thing.'

"Your union has had a long relationship with my family. ... Like President Kennedy and Robert Kennedy before me, I serve on the Labor and Education Committee. ... There's been no increase in the minimum wage since 1967 and inflation has. ... The American Medical Association doesn't agree with my health care plan, the insurance companies don't. ... We want health to be a basic right ... hospital bills marked 'Paid in Full.' ... Where does the President go when he wants a medical checkup? Walter Reed. But the working men and women of America. ... Tax reform. The tax code is the greatest welfare system of them all ... when the President pays less tax than the average workingman earning $8,500 a year. ... Private contributions to political campaigns produce private benefits for private interests. ... Okay, I'll take a couple of questions and then we'll pose for pictures."

The questions, as always, begin with his 1976 plans and move to Teddy Jr.—"We appreciate your thoughts and your prayers"—then a man with "Duke" across a royal blue Local 710



bowling shirt, asks: "Do you think these big companies, these conglomerates, should be broken up?"

"Yes, I do. The energy companies are an example. . . ."

"Your brother was a good man," Duke says. "He was working on it when. . . ."

In 1976 or whenever, the issue will be: What manner of man is Edward Moore Kennedy? The little brother, the ninth child? The nicest guy? The plugger? The dumb one? The perpetual adolescent? The best one?

There is a family photograph taken in 1944 of John F. Kennedy and the crew of PT-109 standing with their arms around each other on the lawn at Hyannis Port, proud and strong in their young manhood. Kneeling in front of them is a twelve-year-old boy in a little striped polo shirt—Teddy, he was so much younger. It reminded me, sadly, of a movie that was made that year, *The Sullivans*, about five Irish brothers from Waterloo, Iowa, who were killed in World War II. The youngest, Al, who was called "Short Change," had spent most of his short life trying to catch up with the big guys. The movie ended in heaven with the four big brothers striding through the clouds and Short Change running behind, shouting, "Hey, fellas, wait for me!"

The father, Joseph P. Kennedy, once said he was going to "sell the name Kennedy like soap flakes." Well, he did, and Teddy has been running after larger and larger images. Even today, when he has more or less mastered his habit of answering questions that get too close with phrases, grunts, and sentences that don't end, he said this about being a Kennedy: "The extraordinary sense of expectation . . . the comparison . . . is a constant . . . constant. . . ."

Being a Kennedy, of course, may have the same end as being a Sullivan. An attempt on his life when he runs seems inevitable—"They have to miss sometime" is one of the grimmer jokes around Kennedy—and, what can you say? He lives with it—"Life is unfair," Jack said—and he has been seen to flinch or double up when a car backfires. But occasional fright is not necessarily fear, and he has also been known to elude the Secret Service and bodyguards to seek his own pleasures.

One of those pleasures, interestingly, is drinking with a couple of New York policemen who are his friends, and crawling the East Side of Manhattan. For a guy whose family chauffeur waited nearby when he camped out as a kid, Teddy has a strong pull toward the verities of middle-class America, especially Irish-Catholic middle-class America. "They must have talked good sense around his kitchen table" is Kennedy's highest compliment about another political man, according to his friend and former administrative assistant, David Burke—and the Kennedys talked at dining room tables with servants to the left. Burke, whom Kennedy described to me as the one man he would turn to in a crisis, as he did after Chappaquiddick, is a vice-president of the Dreyfus Corp., but he is also the son of a Brookline cop, a background not dissimilar to that of many of the men closest to this Kennedy.

Does he wish he had been born Edward Moore? No, he told me. Would he have made it if his name were Edward Moore? "Yes, I think so! Oh, I think so!"

Maybe. He is very determined, dogged—but that may be because his name *is* Kennedy and not Moore. "I've got to go at a thing four times as hard and four times as long as some other fellow," Kennedy said a couple of years

The Rules of the Game, 1976

The Democratic party might have to nominate Edward Kennedy for President because no one else in the country is able to win a majority of the delegates to the 1976 convention—you see, the Democrats have changed their rules again.

The most significant change is the elimination of "winner-take-all" state primaries and conventions. This time it will be "proportional representation"—that is, any candidate who wins 15 per cent or more of the vote in a primary, precinct caucus, or state convention will get his proportion of the delegation. In 1972, for instance, George McGovern won 271 California delegates by winning the primary election there with 45 per cent of the vote. Under the 1976 rules, McGovern would have taken roughly 144 delegates and 127 would have gone to the loser, Hubert Humphrey.

It is impossible to apply the 1976 rules directly to the 1972 race, but it's reasonable to say that McGovern would not have had enough delegate votes to win on the first ballot and possibly could not have gotten the nomination at all. The winner in a divided convention would probably be picked in what they used to call a smoke-filled room.

The first-ballot power of the Democratic candidates in 1972, before last-minute withdrawals and switches, was roughly:

McGovern—1,383	Wallace—370	Humphrey—366
Muskie—171	Jackson—52	Others—110
	Uncommitted—562	

Even assuming the same primary results—and that is a bad asumption because Muskie and Jackson would have had more incentive to stay in the race—the 1972 first ballot might have looked like this under 1976 rules:

McGovern—1,161	Wallace—411	Humphrey—644
Muskie—302	Jackson—63	Others—94
	Uncommitted—332	

The new rules mean that every candidate will have to campaign in almost every state primary and caucus—it would probably take a broad national political base and organization, and *major* money for any candidate to put that much together for a first-ballot victory. The only one who comes to mind is Teddy Kennedy.

If Kennedy does not run—and these rules mean more pressure on him to do just that—some interesting possibilities surface:

☐ George Wallace as the first-ballot leader. In most states he can get 20 per cent of the vote just by putting his name on the ballot, and he is trying to develop precincts and congressional district organizations.

☐ Ten to twenty active candidates on the first ballot. Presumably some of the politicians can get 15 per cent in some of the places. Once they have some delegate strength they would be foolish to drop out before the bargaining begins after the first ballot.

☐ A black caucus with as many as 20 per cent of the total delegates. Since most black congressional districts are essentially uniracial—Bedford-Stuyvesant or Hough, for example—black leaders would be foolish not to run local uncommitted delegate slates in their areas. A Kennedy candidacy might cramp that style, but one thing that works in its favor is that the only exception to proportional representation is in states, like New York, which select delegates in congressional district primaries. So, the blacks would have to win only 51 per cent of the vote in their congressional districts to win all the delegates.

—R. R.

"...I found friends asking me about Kennedy as they did about John Lindsay: how smart is he? My answer: smart enough . . ."

ago. Perhaps because father Kennedy's soap flakes machine so smoothly convinced us that Jack and Bobby were brilliant, perhaps because we remember Teddy was thrown out of Harvard for getting another student to take a freshman Spanish final for him, or perhaps because his justified insecurity as a 30-year-old *dauphin* senator made him sound like one, the impression is abroad that Kennedy is some kind of dope. At any rate, I found friends asking me about Kennedy, as they did about John Lindsay a few years ago: how smart is he? Or, how dumb is he? My answer, then and now: smart enough.

Successful modern politicians, for better or worse, have a special kind of intelligence—like an oil slick, broad, restless, and only deep enough to make sure everything is covered. The phrases that you hear about Kennedy are "short attention span" or "a great instinct for getting right to the heart of the matter, for asking the right question"—one is unfriendly, the other friendly, but they both really mean the same thing. He is no scholar, and he is neither reflective nor imaginative—he has people to do all that for him—but on any day he can absorb two twenty-pound briefcases of memos and background papers, take a couple of dozen verbal briefings ranging from 30 seconds to an hour, handle a dozen confrontation situations with senators, reporters, or bureaucrats trying to trap him, juggle the egos of 50 staff members and ex-officio advisers, interrogate the presidents of four drug companies and their counsel about their business, debate Senator John McClellan about the death penalty and Senator Jesse Helms about handgun production in the South, read the newspapers, remember 500 faces and names, and be witty at dinner. You try it.

On that day, as chairman of the Health Subcommittee of the Senate Labor and Public Welfare Committee, Kennedy was taking testimony from the presidents of four of the largest pharmaceutical manufacturers in the country. Subcommittee investigators and Kennedy's staff had investigated industry sales practices to try to prove Teddy's contention that tens of thousands of Americans are dying each year because drugs are being peddled and prescribed without adequate safeguards. The drug executives had been briefed, too, and Henry W. Gadsden, who presumably had something on the ball to become the chairman and president of Merck & Co., was defending the use of salesmen-detailmen and industry sales manuals urging them to "appeal to the pride, ego, and fear" of pharmacists and physicians when this exchange took place:

KENNEDY: You think detailing is a valuable service, then?

GADSDEN: The fact is we wouldn't spend the money on detailing if we didn't think it was worthwhile.

KENNEDY: Exactly. But you only talk about *your* drugs.

GADSDEN: Sir, I believe Xerox salesmen only talk about Xerox machines.

KENNEDY: How long can you stay in the hospital or can you die from overuse of a Xerox machine?

Someone who knows Kennedy very well described him to me as "canny," a good word to describe the kind of Irish-Catholic intelligence that comes from coexisting with the doctrine of the church and the realities of life. There is a great deal that is very Catholic about Edward Kennedy: the almost instinctive respect for institutions (Congress and unions, for example) that makes him more conservative than many people would like to believe, and the separation between public and personal morality that the church's rigid regulation forces on its children very early in life.

"Whatever you think of Teddy's personal morality," a friend said, "he is a publicly moral man. The rules of the church are so rigid that we have to develop a separate personal morality to survive—then the question of how good a Catholic you are becomes a question of how much do you stray and how soon do you return."

Kennedy strays often and clumsily, which really doesn't have much to do with being a good senator or President. Unless the straying is part of a pattern —a lack of what might be called character, a bent toward self-destruction, or just an immature sense of priorities.

Do you want Teddy Kennedy to be President? "Everybody hestitates when you ask that, don't they?" answered a congressman who has campaigned with Kennedy and votes the same way. "I'm not sure, but then I'll never be sure, and in a crunch I would say yes."

The word that kept coming up was "maturity," and I finally asked Kennedy for his definition of it.

"I suppose it's an approach to life,"



The Long Wait: *Until Teddy makes up his mind, prospective candidates like Walter Mondale can't move.*

"... He may be the real Bobby. Certainly his feel for those people near the bottom is more genuine. He just might put it together..."

he said, "an ability to be able to perceive the important rather than the unimportant, balance the real dimension of existence. I'd say it doesn't include being right all the time, but having reasons, views, actions, and attitudes that are sound."

And are you mature? "Certainly more than I used to be. I'm getting there," he said, breaking into a huge grin, and that was the end of that.

Someday, 80 million American voters are going to judge Kennedy's maturity —it will be the basic question that decides whether he is to be their President. Because of that there is tremendous political focus in Washington on his relationship with his wife, Joan, the neglected and insecure woman called "The Reluctant Kennedy" in the title of a book coming out this summer.

"Gossip is fun, we all love it," said one of the wiser old heads in the Democratic party. "But this isn't fun anymore. It's serious. Kennedy can't take another scandal, a divorce or anything, it'd just be too much. Whatever arrangement they have, his wife has a lot of power over what happens to this party."

The Senate is a comfortable, comical imitation of what the Founding Fathers had in mind. Like a hundred grandees trailed by a hundred attendant entourages, the elders wander from committee rooms to the floor to National Airport for a quick flight back home to dazzle the folks with the glamour that has attached to them since the television networks and major newspapers decided to concentrate their national coverage in the Capitol. Washington, of course, is not the nation, and the great national debate of the elders is a farce, with two or three senators at a time gesturing dramatically at empty desks and glancing into the galleries to see if *The New York Times* or *The Washington Post* is taking notes. When Kennedy was effectively arguing against capital punishment last month, his distinguished adversaries were yocking it up around the Republican cloakroom about Chappaquiddick, getting up a phony amendment about "swimming away from the scene of a crime."

If Senate sessions were televised, we would be talking about governors and mayors for President. At any rate, we are talking about senators, and Ted Kennedy is in the upper half of the class, working hard and manipulating the public attention that comes with his name to push his favored interests through the world's greatest deliberative body—national health care; draft, tax, and campaign finance reform; world refugee probems; and the eighteen-year-old vote, which became law because his staff figured out a way to do it without a constitutional amendment.

He has had his moments—like trying to make Francis X. Morrissey, his father's old coat-holder, a federal judge—but the third Kennedy has been a more diligent and effective senator than his brothers. He has grown into the best orator the family has produced—although I haven't figured out why anyone would want to orate in an empty room—and kept his liberal credentials shiny with Americans for Democratic Action ratings above 85 and Americans for Constitutional Action ratings below 5. He is also a nice guy, which counts for a lot in those hallowed halls.

When the Senate went into session in 1969, Kennedy wanted to prove something—probably that he could rise above being a Kennedy, could function away from charisma and media—and got himself elected assistant majority leader of Senate Democrats (whip) over Russell Long of Louisiana in closed caucus.

In 1971, Kennedy belatedly realized that Robert Byrd of West Virginia was trying to take his little job away, and he did, because Teddy had been a lousy whip—that is, he hadn't done enough piddling services like making sure certain senators got back from martini time to discharge their sacred trust on some inconsequential roll call. When the secret vote was over and some of his colleagues had betrayed their word that they would vote for him, Kennedy walked out and found, as usual, Marty Nolan of *The Globe* waiting for him.

"This is first time you've ever lost anything, senator, isn't it? How does it feel?" Nolan asked.

"The Kennedys have known personal tragedy before . . ." the answer began. So have the Nolans. But Kennedy couldn't rise above being a Kennedy.

A Kennedy lives all his life in public, that's the way they've wanted it. Burton Hersh, the author of *The Education of Edward Kennedy*, believes that decision was made in 1946 after an enormously successful reception for congressional candidate Jack Kennedy at the Commodore Hotel, just off Harvard Square in Cambridge. He wrote:

"[It] may have marked that moment when the Kennedys began knowingly to market an apprehension of themselves as something more than people, stimulate somehow that oversweet awareness of the beauty and meaning and predestination of their lives which was to excite the longing and hatred and adoration of millions and millions everywhere, and finally of those insane little moths who flew at them in Dallas and Los Angeles. . . . At the time the idea of the reception came up it seemed an absurdity to the regulars in the organization—a kind of costume put-on to which 1,500 local scrubwomen and taxidrivers were invited by embossed invitation along with a sprinkling of openly tongue-in-cheek Harvard faculty, all filing together in confusion along a protocol-ordered reception line headed by the Ambassador [Joseph Kennedy] himself in white tie and tails before fanning out to play hell among the teacups and petits fours; the line of communicants stretched across the lobby and out of the door of the little hotel, across the street and into a park nearby. The Kennedys had stumbled onto what was to remain their most successful publicity recourse, their ability to minister to the sharpening pretension among ox-tongued ethnics across America, their ability to involve other people as unaware of the traditional moorings as *they* were in their own exhaustedly derived intuition of pop class."

So 30 years and 100,000 carefully arranged family pictures later, it comes down to Teddy in 1976. I asked him what he wanted from the President who will take office in 1977 and he answered in part:

"To rebuild the confidence of the United States in the United States. . . . Build a series of early warning systems in domestic areas: energy, food, the economy. We can't go on like this from crisis to crisis. . . . There are no *answers*, but you can have approaches. There has been resentment about special programs, and we have to have programs that reach out. . . . I'm obviously thinking about things like national health care and social security. They have to help the Cambridge cop and the inner-city poor. If approaches are equitable, the cop is then glad to help the person in harder straits. . . . In foreign policy, he should move away from balance of power to interdependence. . . . We should not try to reshape and change the world, but have the United States represent something, the things we all believe it is supposed to represent. . . . You don't give mili-

tary aid and credits to military governments like Chile. . . . You don't favor Pakistan—even if you're doing it to get into China—when they're using force to oppose an elected government. . . . We believe in influencing the world toward humanity and humanism."

There are a couple of interesting things about that recitation. One is that Kennedy is still very much a domestic-oriented national politician—I say *still* because that seems to change when a man becomes President and realizes that outside the twelve-mile limit he *is* the United States of America. The other is that he is of a new generation of liberals who, unlike J.F.K. and his contemporaries, the junior-officers-in-World-War-II generation, don't believe that the great problems can be solved. The next generation that comes to power, and he may be the first of them, has faith only that the problems can be lived with, if they are lived with fairly—if the burden of discomfort is distributed more equitably. He is also, incidentally, the first national politician I have talked with in a long time who said something like "face it, the inner city is our principal problem area"—New Yorkers and inner cities are out of fashion and you want to stand up when you hear someone say that again.

If Edward Kennedy does become President, it is going to be different than some people think. He is not one of his brothers and he has his own style and his own people.

Teddy consults his brothers' men often and listens to them with great deference, but later he is as likely as not to turn to one of his own men, Dave Burke or Paul Kirk, and say with a smile: "Jeez, what bull----!" Ted Sorensen and the rest will be talking about running the country, but they'll be doing more of it on *The Tonight Show* than in the White House.

The new Kennedy men, with Burke as *primus inter pares*, are more his own age, more Irish, earthier than, if not as academic as, the men around Jack or Bobby. They are also likely to have served on his staff at one time or another. Their names, except perhaps for Stephen Smith, his coldly calculating brother-in-law, are practically unknown: James Flug, former chief counsel to Kennedy's Subcommittee on Administrative Practice and Procedure; Paul Kirk, the political liaison in the Senate office; Burke Marshall, a professor of law at Yale who was the "one man" Bobby said he would turn to for advice. Then there are Tim Hanan, a New York attorney; Richard Drayne, his press secretary; Edward Martin, his administrative assistant; Carey Parker, a legislative assistant . . . Gerard Doherty, John Nolan, Lester Hyman . . . the list goes on. His gurus would include Senator Philip Hart, the gentleman from Michigan, and Archibald Cox, whom Kennedy would almost certainly like to make a Supreme Court justice. And the old friends or "the jocks," as they are known in Washington, Senator John Tunney and Representative John Culver of Iowa, a Harvard fullback when Teddy was an end.

Out there are the Kennedy Minutemen. The Kennedy Machine has always been something of a myth, a clanky thing at best, but there are hundreds, perhaps thousands, of people willing to drop their own careers and families if the call comes—it can only be described as a phenomenon, a calling. Stan Kaplan, the wealthy North Carolina radio station owner who has been doing audience research on possible Kennedy for President commercials, is a minuteman.

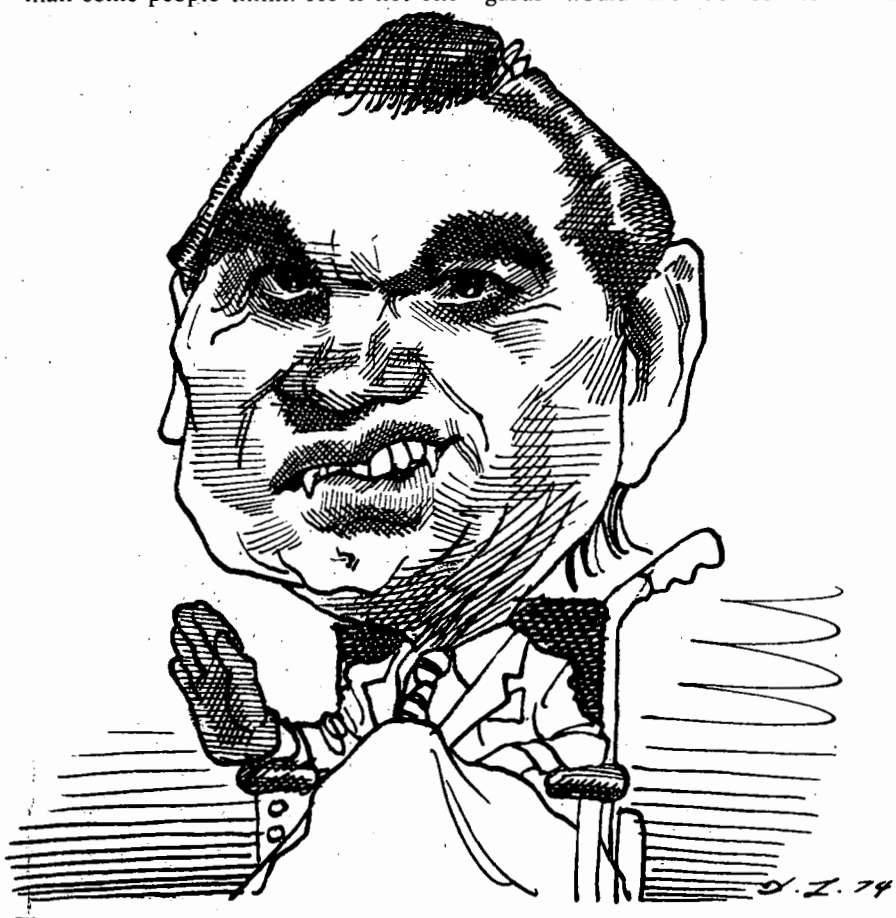
The question is whether Kaplan and others doing little chores for Teddy are acting under orders or are self-starters or just self-serving. Kaplan, who was at Harvard Business School when Teddy was an undergraduate, started working for the Kennedys as a canvasser in Boston Italian neighborhoods, calling himself "Pizzaro."

Who started Kaplan? Teddy, who sees him periodically, says he didn't. Kaplan, who probably talks too much, said: "I don't do things for the fun of it. As far as I'm concerned, Teddy is running, and running hard—it's more than just keeping his options open. That's all I'm going to say."

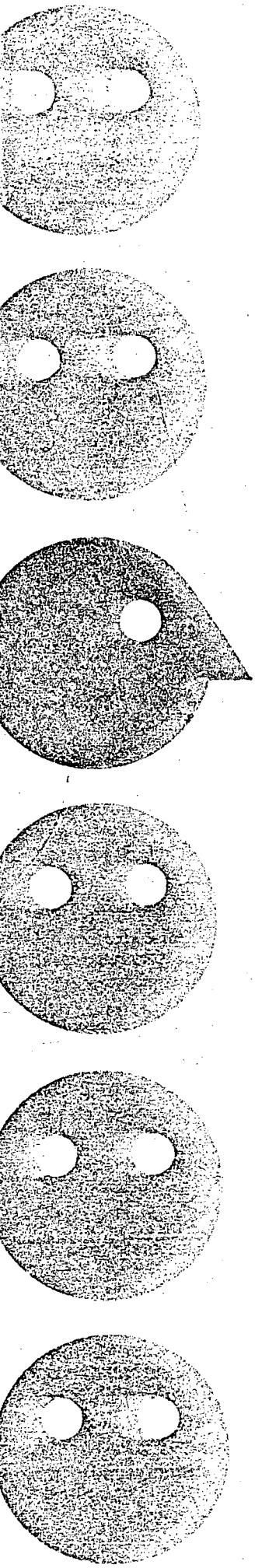
And Kennedy isn't going to say much more, not for a while. He has to play his game and play out his options. The hell with the Democratic party and Walter Mondale. Let them eat turnips! —that's what Vladimir and Estragon ate while looking down the road for Godot.

Edward Moore may be the best of the Kennedys—even if, as I assume, he spent six days of his life sitting at Hyannis Port talking about payoffs or whatever else it would take to cover up how a 28-year-old girl died. He may be the real Bobby—that is, he may be the guy who can make the magic connection, the bringing together on some levels of working white ethnics and the poor. Certainly his feel for those people near the bottom, all those ethnics working two jobs, is more genuine than Bobby's. He just might put it together.

The country might be ready for Teddy—if he's finally ready. The public and the press has been sensitized by the Nixon charade of '72 and Watergate. We have to believe the '76 gauntlet can test character as well as anything. If Kennedy survives it, he deserves to be President—whatever goes on at that $750,000 house in McLean or whatever the hell really happened at Chappaquiddick. ■



The Big Unless: *Teddy can't win big unless Wallace actively supports him, pollsters say.*



Ralph Nader Congress Project
Citizens Look at Congress

Edward M. Kennedy

Democratic Senator
from Massachusetts

written by Robert Schwartzman

The office is large but not grand, and pictures of President Kennedy, the senators, and the children fill the walls. In a captain's chair by the small sofa and coffee table, Edward Kennedy sat in shirtsleeves, hunched over a cardboard container of minestrone soup. It was nearly five o'clock and he apologized for snacking. "I missed lunch today," he said with a glance at his stomach, "which was probably a good thing."

On the day he missed lunch, Kennedy was floor managing an employment bill he had been working on for several years. It was supposed to have come to a vote that morning, but complications delayed passage until late afternoon.

Kennedy has a reputation for being a hard worker, a "plugger." One of his subcommittee consultants, Jerry Tinker, says that on the morning of a subcommittee hearing, "I'll go out to the Senator's home in Virginia just to ride into Washington with him and brief him along the way. He doesn't like to waste the driving time."[1] An interviewer waiting to catch Kennedy when he comes off the Senate floor is cautioned by Ed Martin, Kennedy's administrative assistant: "Keep your eye on him. He moves pretty quickly, and if you miss him he's gone."

Kennedy has to move quickly, partly because his schedule is tight, and partly because he has to make up the countless minutes lost shaking hands, exchanging greetings, and posing for pictures with the instant crowds he attracts wherever he goes. The people back home in Massachusetts probably realized long ago that Edward Kennedy wasn't exactly theirs alone, that people from Bangladesh to Baltimore think he's <u>their</u> senator, too.

The guest book in his Washington office reads like a national convention roster. On one August day the faithful came from Brooklyn and Milwaukee, from Kalamazoo, Michigan, and Los Angeles, California, from Massillon, Ohio and Redmond, Virginia, and from Wilmington, Newton, Saugus and Ft. Devens, Massachusetts. They came in groups and they came alone, like the dark, serious woman with the sad eyes and foreign accent who "needed to see Senator Kennedy."

Senator Kennedy's five-room suite in the Old Senate Office Building has the look and feel of a small newsroom. Desks crown in to every available inch of floor space, partitions try vainly to make single rooms double, and papers, books, posters and people are scattered liberally throughout.

<u>Visitors.</u> The activity that takes place in an hour in Kennedy's office compares quite reasonably to a week in other congressional offices. Melody McElligott, Kennedy's receptionist for four years, handles much of the contact with the outside world. By staff estimate, the office receives in an average week 3,000 phone calls and 300 visitors. During the seasonal rush the arrival of 300 visitors per day is not unusual.[2]

Most visitors to the office seek passes to the House or Senate galleries and are quickly dispatched with a smile and a gesture toward the pink and green cards. Surprisingly frequently, though, people pop in unannounced fully expecting to see or speak to the senator.

David Maxey wrote in an article for Life Magazine: "Because he is seen as rich and powerful, the big guy who can fix it all, [Kennedy] also attracts more than his share of the harmless, disturbed, lonely ones. They petition, have ideas to salvage the world, visit his office. Several do so often. Kennedy staffers call them 'our regulars'...."[3]

"This isn't like other offices," says Dick Drayne, Kennedy's press secretary. "We get more of everything: more mail, more threats, more nuts, and more fruitcakes at Christmastime than anybody else."[4]

On one August afternoon, a troop of Girl Scouts from Georgia arrived to see the Kennedy pictures in the office. At the same time, about 20 members of a co-ed church group "just happened to be passing by." An Indiana politician stopped in to pose for a picture with the senator, and the phone began to ring. As the small entranceway filled, Kennedy's receptionist, obscured by the crowd but still smiling, called out "Can I help all of you?"

Office Organization. To the uninitiated, life in the Washington office is hopelessly confusing and in apparent disarray. But according to Ed Martin, the senator's administrative assistant, there is a system that governs staff activity. Basically, each staff member has a clearly defined area of responsibility. Some work on constituent casework,* some on legislative affairs, and others on home state issues.[5]

Various parts of the office are reserved for each of these activities. In addition, Martin occupies a room next to the senator's private office along with an appointments secretary, and Kennedy's personal secretary. Dick Drayne has a corner in a partitioned area of the casework room. A room down the hall from the main suite is set aside for incoming and outgoing mail and press releases.

The mail room, run by Kennedy staff members and part-time volunteers, serves as a filter that initially separates and directs the flood of correspondence that comes into the office every day. In 1966 Newsweek mentioned that Edward Kennedy received about 500 letters a day. Kennedy staff members now estimate the number to be closer to 2,000.

The mail arrives in four daily deliveries. Each pile is sorted, and each letter stamped with the time and date of arrival. Mail room personnel scan the letters to determine which concern legislation, casework, or other areas and then direct them to the appropriate staff members.

Incoming mail covers virtually every subject, though requests for help in solving problems with the federal government and expressions of opinion on legislation dominate. Mail in these two areas makes up roughly 60 percent of the total received. Other areas of frequent attention include complaints about federal government activities (15 percent) and requests for statements outlining Kennedy's position on various issues (8 percent).[6]

Routine requests, like those for pictures of the senator, President Kennedy, or Robert Kennedy, require little individual staff attention. Sometimes the volume of mail on particular issues is great, and form letters are composed and typed on a high-speed automatic machine. Kennedy staff members showed a few recently prepared form letters to a Congress Project researcher. Each began with a similar opening passage: "I appreciate your taking the time to write me concerning the trouble in Northern Ireland."; "Thank you for your letter regarding Social Security."; "I appreciate your taking the time to express your views on the controversial issue of school busing."; or "I appreciate your taking the time to write concerning the question of amnesty." Each letter then clarified the senator's position on the issue, explaining a recent bill and the senator's vote, or giving an account of recent hearings on the subject. Enclosures included the text of a Kennedy statement or copy of remarks made on the Senate floor.[7]

*"Casework" refers to the handling of problems between people and their government. Non-delivery of a Social Security check, reassignment of a serviceman to a post nearer home, checking on the delay of a Small Business Administration loan; these are just a few examples of the broad spectrum of problems called casework.

State Voting History

	1966			1968			1970		
	Name	%	Vote*	Name	%	Vote*	Name	%	Vote*
Senate Democratic Primary	Peabody	55	321	No el ection held			Kennedy	Unopposed	
	Collins	45	265						
Senate Republican Primary	Brooke	Unopposed		No election held			Spaulding	57	109
							McCarthy	43	81
Senate General Election	Brooke (R)	61	1213	No election held			Kennedy (D)	62	1203
	Peabody (D)	39	775				Spaulding (R)	37	716
Gubernatorial Election	Volpe (R)	63	1,227	No election held			Sargent (R)	57	1,059
	McCormack(D)	37	753				White (D)	43	799
Presidential Election	No election held			Nixon	33	767	No election held		
				Humphrey	63	1,469			
				Wallace	4	87			

* figure in thousands

Sources: "1966 Elections", Congressional Quarterly Weekly Report, XXIV (November 11, 1966); "Complete Returns of the 1968 Elections by Congressional District", Congressional Quarterly Weekly Report, XVII (June 6, 1969); Politics in America, IV (Washington, D.C.: Congressional Quarterly, Inc., 1971); Richard M. Scammon, America Votes (Washington, D.C.: Congressional Quarterly, Inc., 1966, 1968, and 1970).

Some letters, with meaningless or preposterous requests, get little more than a "thank-you-for-writing" response, or none at all. The 10 or 15 serious threats that come in the mail each month are reportedly turned over to the FBI or Secret Service where they are run through a computer.[8]

Caseworkers. Much of the correspondence the office receives does get individual staff attention. Appeals from constituents for help with problems in dealing with the government are handled as individual cases by Kennedy's four full-time caseworkers. According to one caseworker, "we get letters from everywhere about everything." The bulk of the cases handled by the caseworkers fall into four categories: military difficulties, unemployment, immigration problems, and complications with veterans and Social Security benefits.[9]

Each caseworker is responsible for the cases involving specific government departments and agencies. For instance, a constituent request for help in obtaining a visa for a relative in a foreign country is referred to Jan Verrey, who takes care of Immigration. An Army draftee writing to Senator Kennedy to protest haircutting policies will be answered by Fran McElroy who is responsible for the Army and Navy.

Because there are more dealings with some agencies than others, each caseworker tends

to have a major assignment and numerous minor ones. Jan Verrey, for instance, spends most of her time on immigration cases, but also keeps an eye on the State Department, Department of Transportation, Civil Aeronautics Board, Federal Communications Commission, Interstate Commerce Commission, and others. She also claims to be the "hockey caseworker." "So if Bobby Orr ever needs anything...," she sighs.

Though caseworker assignments are pretty well defined, there is some overlap between the caseworkers and other members of the office staff. A letter from constituents in North Andover, Massachusetts, expressed strong opposition to an ABM site proposed for the area. Legislative aides became involved in the case, and when Kennedy introduced legislation on the ABM, the placement of the site in that area was effectively prevented.

Sometimes cases don't involve agencies of the federal government. One request came from a child who mailed $1.00 to a private company for a wall poster and never received the poster or an explanation. A phone call from Kennedy's office to the company quickly got the poster in the mail.[10]

Though much of the office's activity on behalf of constituents is done by correspondence, quite a bit is handled over the telephone. Press Secretary Dick Drayne found himself involved in casework when a man from Massachusetts called to ask his help after a local teenager had been arrested on drug charges out of state. Calls were made to determine the status of the case, and the constituent was kept up to date on the situation, though the office was unable to take any action. "You don't read about these things because they aren't in press releases or kept on record, but it's the way a lot of cases are handled," said Drayne.

Problems find their way into Kennedy's office from every part of the United States. Often troubled citizens will contact Kennedy instead of their own legislators. A couple from Cleveland, Ohio, recently encountered difficulty when their infant son, who has dual American and Turkish citizenship, was detained abroad. They appealed to Senator Kennedy, a caseworker contacted the State Department, and the child was released to return to the United States.[11]

Sometimes cases the office receives are hopeless. Last minute calls about expired visas are very difficult, and caseworkers usually have to notify distressed families that the office is simply unable to do anything. Kennedy's activity on behalf of minority groups both at home and abroad, plus his expressed intention to represent "the voiceless and powerless," have naturally resulted in many requests for help. When asked whether his Massachusetts constituents ever resent the amount of time he and his staff devote to other affairs, Kennedy replied that he is "enormously fortunate to have a constituency with as wide and varied interests as Massachusetts." Citing the diverse activities of former Massachusetts politicians, such as John Kennedy and the Lodges, and noting the large ethnic percentages in his home state, Kennedy claimed that his range of activities reflected a Massachusetts tradition as much as his own interests.

Caseworkers say that except for matters of extreme urgency, Massachusetts cases take precedence over others, though an attempt is made to help out on every case that comes into the office. Additionally, while the four caseworkers handle individual problems from Massachusetts along with the rest, two other staff members devote full attention to larger issues affecting the state.

Judy Mintz and Mary Murtagh, who handle Massachusetts affairs, occupy a hopelessly cramped half-room partitioned off from the main reception area. They share their space with a third staff member, and the combined total of desks, files and loose papers allows just enough space for a person to pass through walking sideways part of the time. One of Judy Mintz' tasks is to keep abreast of what is happening in Massachusetts by monitoring the flow of information that comes from Kennedy contacts across the state.

These contacts are for the most part community leaders, like the head of a Pittsfield, Massachusetts hospital laboratory. They participate in Kennedy campaigns during election years and serve in between by keeping the senator informed on local issues. Many of them serve as advance people when Kennedy makes trips to their part of the state.[13] During the year they

State Facts

	1960	1970	USA Avg.
Total population	5,148,578	5,689,170	
White	97.6%	96.3%	87.5%
Negro	2.2%	3.1%	11.1%
Other	0.2%	0.6%	1.4%
Urban	83.6%	84.6%	73.5%
Rural	16.4%	15.4%	26.5%
Median age	32.1	29.5	28.3
Median school years	11.6	11.6*	12.2
Per capita income	NA	$4,156*	$3688
Civilian unemployed	4.2%	44.1%*	4.9%
Total housing units/1000	328.3	332.2	335.0
% Unoccupied	9.2%	6.9%	8.8%
% With more than 1.01 persons/room	6.1%	5.5%	8.2%
Median value, owner occupied	$13,800	$20,600	$17,000
Median monthly rent	$75	$91	$90

Sources

U. S. Department of Commerce, Bureau of the Census, Congressional District Data Book: Districts of the 88th Congress (Washington, D. C.: Government Printing Office, 1963).

U. S. Department of Commerce, Bureau of the Census, Congressional District Data, Districts of the 92nd Congress, by state (Washington, D. C.: Government Printing Office, 1971).

*Morris Harth, ed., The New York Times Encyclopedia Almanac, 1972 (New York Times, 1971).

send clippings to the Washington office about local issues reported in local papers, as well as local information that doesn't appear in the press.

Judy Mintz sorts the clippings and puts all but the obviously unimportant ones in Senator Kennedy's legendary bag. The bag is the briefcase the senator takes home every evening, filled by staff members with materials to be read before going to bed.

Mary Murtagh has worked in the Washington office for two years. She began as a volunteer in the mailroom, and worked in Boston during the 1970 campaign. Presently, she seems to be a sort of hybrid legislative aide caseworker for the state of Massachusetts. She has recently been involved with Massachusetts distributors of Chesapeake Bay clams who were seriously affected by hurricane damage to the clam supply. After a Massachusetts fishing industry spokesman called Kennedy's office on behalf of the distributors, Murtagh began to make inquiries into the possibility of Federal Disaster Relief. After contacting the Department of Commerce, she learned that federal aid was not available to the on-shore distributors. She and the distributors then decided that a solution would best be pursued on the state level, and that Senator Kennedy might be able to help by "using his influence" once it was determined where a letter or call would best be placed.

An example of the use of a well-placed letter was the case of the RCA-affiliate formerly located in Marlborough, Massachusetts. When the company decided to relocate in the South, Kennedy's office became involved with the problems of the RCA employees who would become unemployed. A "Dear Bob" letter was dashed off to RCA President Robert Sarnoff, who then wrote a "Dear Ted" reply outlining the provisions to be made regarding severance pay, pension

benefits, and other worker compensations.[14]

Sometimes letters to company presidents or phone calls to government agencies are not enough to resolve an issue, and legislation is necessary. On a Congress Project questionnaire, Senator Kennedy indicated that the most important legislation introduced since 1970 in response to communications with constituents was the bill to establish the Nantucket Sound Islands Trust.

Nantucket Sound Islands Trust. According to Mary Murtagh, commercialization was beginning to have a conspicuous effect on the natural beauty of the islands. "The conditions of the beaches weren't the same, and hot dog stands and pizza places were going up all over." Studies conducted on the islands showed that the rate of development would alter the unique qualities of Martha's Vineyard and Nantucket Island within five years.

People who live on the islands, says Murtagh, have been opposed to rapid development, but uncertain about what to do about it. "People would look around and say 'the island doesn't look the same anymore,' but feel that there wasn't anything one person could do."

In 1970 the Department of the Interior completed a study of islands in the United States and one of the principal recommendations was to create a system of island trusts, in which the Nantucket Island Sound should be considered for inclusion.[15]

Still, there was not widespread agreement among the islanders about the best way to promote conservation of the islands. A proposal to include the islands in the Cape Cod National Seashore was not favored, because it was felt that belated entry would be a disadvantage and that the problems of Nantucket Sound were different anyway. The idea of an island trust was not very clear at all, and the prospect of extensive federal involvement in local affairs was not very appealing then.

Nevertheless, in April 1972 Senator Kennedy introduced the Nantucket Sound Island Trust bill in the Senate. He called it a "working document" and expected, he said, that "local groups with both expertise and interest will suggest constructive changes."

After three months, Kennedy introduced a second version of the "working document," claiming:

> this amendment is the product of hundreds and hundreds of hours of work by the people of those Islands, who have studied, met, discussed, consulted, listened, and--most importantly--have acted positively and responded to the bill as an opportunity to restore some measure of locally based control over the Islands' future.[16]

Mary Murtagh says that the bill will not be passed in this session of Congress. Comments on the second version will be reviewed, and the bill will be re-introduced in 1973. Though passage is not certain, she believes the bill has been an "effective catalyst." Towns unable before to pass zoning laws, started passing them, she says, and "it made a lot of people sit up and think."

Kennedy Letters. The staffer who shares space in the Massachusetts section of the office is Anne Strauss, who has worked for Kennedy for nine years. Her job is to write individual replies to letters dealing with legislation. Most of these inquiries are answered by form letters. About ten percent, she estimates, receive individual replies. She cites a letter on narcotics legislation from a parent whose daughter recently died of a drug overdose as one that obviously requires something more compassionate than a form letter.

Form letters are also inappropriate for answering inquiries which require detailed answers. An authority on nursing homes recently wrote to Kennedy to comment on a health-care bill. Writing that reply entailed the rebuttal of point by point criticisms by citing specific portions of the the bill. Occasional letters are so bizarre that neither a form letter nor a personal

reply is suitable, like the hand-scrawled demand that Kennedy do something to end the "sex war in Southeast Asia."

Depending upon the amount of time particular replies demand, Anne Strauss writes about 20-30 letters a day out of the estimated 300 that deal with legislation. Though numerous letters are received from out of state, and answered, letters from Massachusetts are given priority on individual replies.[17]

Kennedy staff members and their counterparts in other Senate offices regularly engage in a mild deception with constituents. They participate in a kind of charade in which letters enter the office addressed to Senator Kennedy personally and leave the office signed by Senator Kennedy as if he had personally dispatched each case. Although staff members do the legwork on constituent problems, and compose and type the necessary replies, the letters are always written in the first person as if by Senator Kennedy himself.

Staff members do not seem concerned about this custom, and in fact carry it over to discussions of past cases by routinely substituting the senator's name for their own when describing whatever action was taken. For instance, a caseworker might say that Senator Kennedy called the Department of Commerce to discuss a constituent problem, and only after specific questioning admit that she actually made the call "on behalf of the senator."

James Flug, chief counsel for a Kennedy subcommittee, was not pictured in a recent Esquire article on Kennedy advisors because he says that the Kennedy staff should remain anonymous.[18] Others seem to agree. They are remarkably loyal, and some are apt to become even syrupy in describing their affection for "the Boss." A kind of team spirit is evident in the office, and reflected in a general disregard for traditional office concerns like hours or work loads. "I guess you could say we work from 9:00 to 6:00," says one caseworker, "but we're usually here till 6:30 or after." Lines of authority within the office are apparently unimportant, and pressure seems to come from a sense of purpose and the sheer volume of work rather than any kind of prodding. Staff turnover is not high, and the average length of service presently is 5 years.

MASSACHUSETTS' UNEMPLOYMENT

Kennedy's Massachusetts origin is not lost on his visitors in Washington. Family memorabilia dominate his private office, but Massachusetts runs a strong second. Sailboats in water colors, in scale model, and even made out of boards and bottle caps are beached on his mantel and hung on the walls. Books entitled Cape Cod, Boston 1687-1776, and Massachusetts: A Guide to the Pilgrim State sit on his desk. He offers guests a choice of coffee or cranberry juice for refreshments--cranberry juice from Massachusetts, no doubt, grower of the nation's largest cranberry crop (975,000 bushels in 1970).[18]

But all is not sailing and cranberries in the Bay State. Like 49 other states, Massachusetts has some problems. Josiah Spaulding, Kennedy's opponent for the Senate in 1970, considers the economy the most serious statewide problem. He cites a "stagnant industrial situation, unemployment, and a deteriorating tax base" as three major difficulties. Spaulding believes that Kennedy "does not understand what is happening," and should focus on Massachusetts, represent the state, and serve as a catalyst for improving the citizens' lot.[20]

After a three day visit to Massachusetts in early 1972, Kennedy wrote in a constituent newsletter:

> On domestic matters, the state of our economy is uppermost. Inflation, the property tax, the high cost of fuel, unemployment, quality education--were among the concerns raised in community service clubs and college auditoriums.[21]

An industrial, primarily urban state, Massachusetts has especially felt the effects of rising unemployment. In a 1971 statement before the Senate, Kennedy noted that "the crisis in

Massachusetts is clear. Of the 150 major labor market areas in the nation, eight are located in Massachusetts, and all eight are now classified as areas of 'substantial' unemployment by the Department of Labor." At that time, 188,000 citizens of Massachusetts were out of work. In the industrial area of Lawrence-Haverhill, the rate of unemployment was 8.7 percent, and in Lowell, a staggering 12.3 percent.[22] Presently, well over 200,000 people in Massachusetts are out of work, and the unemployment rate still climbs.[23]

Unemployment in Massachusetts is not strictly a blue-collar problem. A 1970 article in the New York Times Magazine entitled "Down and Out Along Route 128" detailed the frustrations of the high-level jobless, the scientists and engineers hit by drastic cutbacks in the electronics industry.

Route 128 in Boston had become the center of the East Coast electronics industry, and by 1969 nearly 50,000 specialists formed one of the greatest pools of technical talent in the country. Companies like Raytheon, RCA, Avco, General Electric, and Sperry Rand, piled up lucrative defense and space contracts.

But the picture began to change as cutbacks in defense and space took their toll, and by mid-1970 nearly 10,000 scientists and engineers were laid off. As scores of new faces poured into a suddenly swollen job market, it became a matter of no surprise at all to see the names of 50-year-old nuclear physicists on the welfare rolls. Frustrated, irrational rumblings were reported in the defense plants along Route 128 to the effect that "if Kennedy had only kept his mouth shut about the war, we might still have our jobs."[24]

In mid-August 1972, a Kennedy-sponsored bill aimed at assisting the highly-skilled unemployed passed the Senate. The National Science Policy and Priorities Act (S 37), is designed to put jobless scientists and engineers to work solving civilian priority problems through federally-funded research and development programs. The bill in its present form authorizes 1.8 billion dollars over a three-year period, and according to Kennedy, will provide jobs for 41,000 engineers, scientiest and technical personnel in its peak year. By Kennedy's estimate (he says the government has not been able to provide precise figures), there are several hundred thousand scientists, engineers, and technicians either unemployed or underemployed. Though the bill's margin of passage in the Senate was impressive, its chance of approval by the House so late in the second session of the 92d Congress is uncertain at best.

Massachusetts workers in old, established industries like shoe manufacturing and fishing have also felt the crush of unemployment. In 1971, Kennedy quoted statistics on the decline of the American fishing industry: "In 1959, 61 percent of United States fish consumption was produced by the domestic industry; in 1969, the U.S. industry supplied only 39 percent of the seafood consumed by the American public." This decline, which has taken place in good part during Kennedy's tenure in the Senate, was attributed primarily to outdated fleets and costly new equipment, along with subsidized foreign competition and depleted species.[25]

Kennedy's relationship with the fishing industry seems to be good. In his first year in the Senate, he pushed heavily for fishing bills: fishing research, boat construction, and prohibitions on foreign vessels in U.S. territorial waters. One bill resulted in fish products being included in the Food for Peace program. In 1971 he introduced a Fisheries Development Act to provide an "eight point program to meet the immediate needs of this emergency situation." In June of 1972 he cosponsored a bill to compensate commercial fishing vessels for "damages incurred by them as a result of an action of a vessel operated by a foreign government or a citizen of a foreign government."

Kennedy has had some trouble with the unemployment issue in the shoe industry ever since he was the only Massachusetts politician to oppose an import quota on shoes.[26] He views the import question as one issue on which he is caught between his state and national constituencies. He considers his position a stand against "protectionists in favor of import limitation," though he concedes that it is a tough stand emotionally. "The people in the factories... they'll support you on just about everything... but just don't take their jobs away. 'Let me work,' they say.

It's really a tough one."[27]

Kennedy says that he has tried to deal with unemployment on the state level by visiting companies which are experiencing difficulty and helping to relieve the consequences of decisions to slow down or shut down. In the past he has visited main offices of plants with other Massachusetts legislators to try to forestall work cutbacks in Massachusetts. He noted that he had gone with Representative Edward Boland to the main office of U. S. Royal, and with Representative James Burke to Bethlehem Steel.

Kennedy lists as one of his accomplishments for the state the prevention of the closing of the Arnold Print Works in North Adams, Massachusetts. With a combination of federal aid in the form of a loan from the Economic Development Administration and local bank assistance, the Arnold plant was saved, along with 800 jobs.

Kennedy has sponsored in the past an annual Community-Federal Conference in Washington, D.C., for mayors, selectmen, county commissioners and other Massachusetts community leaders. The two-day program consisted of morning lectures by federal officials including the vice-president, attorney general, senate majority leader, and heads of federal agencies. In the afternoon, workshops were held in which the local leaders were free to move among federal officials from a variety of departments with questions on specific programs. Though Kennedy termed the conferences "very effective," none have been held since 1970.

Kennedy recently described a "radically new program" he would like to implement which would greatly facilitate applications for federal funds by small units of government. Kennedy feels that while the mayors of large cities have the "wherewithal" to make applications for funds, their counterparts in small towns do not. The senator would like to see the heads of federal agencies develop a program whereby small towns could make application by computer. "They could put a profile of their community into a computer in Washington and out would come a breakdown of all the federal programs the community would qualify for. Applications could be processed immediately, going into Washington and back to the town in the same day instead of waiting six months."

Kennedy said that he "discussed the idea with Tom Watson, head of IBM, and Watson said it would be as easy as breaking sticks to set up." The problem, says Kennedy, is that other members of Congress won't buy it. Computer-assisted federal funding would take away the member's identification with federal benefits in their constituencies and cut down on a traditional source of good publicity. "They say, 'That's fine for you, Kennedy, but the only way we get our picture in the paper is when we open up a new water works.' "[28]

THE BOSTON OFFICE

Until the computer system gets going, small Massachusetts town officials can direct their inquiries to Kennedy's district office in Boston. Unlike the Washington office, the one in Boston is strictly for constituent service. No legislative work is done there. In Washington, if a staffer is asked what Kennedy does for Massachusetts, he will talk about Economic Conversion bills or the Island Trust. A Boston staffer talks about the new police station in Fitchburg or the sewage plant in Wilbraham.

James King, who runs the Boston office, considers it "the busiest district office around." About 3,000 casework letters are delivered every week, and visiting school children number nearly 300 a day. A large front office with a 23rd floor view of Boston Harbor serves as a museum for the numerous visitors, while staff work goes on in other parts of the office.

As in the Washington office, most casework deals with the military (armed forces, selective service, veterans) and immigration. One staff member works full time on military cases and another three quarters of the time on immigration. An innovation that King claims for the Kennedy office is the elimination of a secretarial staff. "Each staffer is a specialist in a subject matter area and does the whole score--from typing and composing letters to pursuing help in the federal bureaucracy."[29]

King says that constituent views are determined through the enormous amount of mail on issues and through the information network of communities across the state. Fact finding trips and town meetings also provide insights, he says, as well as "systematic canvassing of non-organization people." Citizen groups most active in expressing opinions are "peace groups, ecology groups, and every organized Irish group." Kennedy offices do not use polls and questionnaires, said one staff member, because they do not want Senator Kennedy to be locked into any positions that would go against his conscience.[30] Constituents probably won't run into the Senator at the office. He spends 85 percent of his time in Washington, 15 percent in Massachusetts. Kennedy's state office address is Room 2400 A, Kennedy Federal Building, Boston, Massachusetts; dial (617) 223-7240.

PREVIOUS CAMPAIGNS

When Kennedy ran in 1962 to serve out the last 2 years of his brother's Senate term, experience was the issue. He had just turned 30, the minimum age for senators, and his total service in government consisted of a $1 a year job as assistant district attorney for Suffolk County in 1961. Kennedy's rival in the Democratic primary, Edward McCormack, blasted him several times on that subject:

> I ask my opponent "What are your qualifications?" You graduated from Law School three years ago. You never worked for a living. You have never run or held an elective office. You are not running on qualifications. You are running on a slogan: 'You Can Do More for Massachusetts...'[31]

But instead of hurting Kennedy, McCormack's harsh statements led to what some think was a sympathy backlash that helped him to a lop-sided victory in the primary. In the general election Kennedy faced George Lodge, Henry Cabot Lodge's son, and took 55.4 percent of the vote to win a seat in the U. S. Senate.

The 1964 election for a full six-year term took place while Kennedy was still in New England Baptist Hospital recovering from a near-fatal airplane crash. It was also slightly less than a year after the assassination of John Kennedy. The impact of these events and the strenuous campaigning of his wife Joan resulted in an overwhelming victory by a 74.3 percent majority.

In 1970 Kennedy went before the voters to try for a second full term in the Senate and to begin a political comeback after the disaster at Chappaquidick Island where a car he was driving went off a bridge after a party and a woman in the car was drowned. His opponent was a liberal Republican named Josiah Spaulding.

In Ted Kennedy: Portrait of a Survivor, William H. Honan wrote that "Kennedy was not threatened with defeat in the senatorial election of November 1970, but the size of his plurality.. was sure to be interpreted...as either a vote of confidence or a vote of little confidence."[32]

Kennedy launched a massive schedule of appearances across the state. His organization mounted a voter registration drive which eventually "had a local chairman in every ward and precinct throughout the state marshalling an army of thousands of doorbell ringers and telephone callers." Television advertising was reportedly the biggest item in his campaign budget.[33] The Boston Globe carried a story on both candidates' media spending, and reported that Kennedy had paid $60,000 for commercials by Charles Guggenheim, one of the nation's leading political film producers. The Globe also reported that Kennedy planned to spend $35,000 on radio spots.[3]

Kennedy made use of the advantage of incumbency by holding numerous public hearings in Massachusetts during 1970 on subjects of local concern. William Honan noted that hearings were held on dangerous drugs in Winchester and Lynn, on postwar economic conversion in the electronics-industry centers of Framingham and Lexington, on federal aid to the fishing industry in the port cities of Gloucester and New Bedford, on the problems of the aging in Fall River,

Voting Patterns

		90th Congress (1967-68)	91st Congress (1969-70)	92nd Congress (1971)
THE PRESIDENT	% MEMBER VOTED WITH	53	38	30
	% Average Democratic support	55	46	40
	% Highest Democratic support	76	67	68
	% MEMBER VOTED AGAINST	11	42	50
	% Average Democratic opposition	24	36	44
	% Highest Democratic opposition	39	58	66
MAJORITY OF DEMOCRATIC PARTY	% MEMBER VOTED WITH	49	75	78
	% Average Democratic support	57	58	64
	% Highest Democratic support	83	89	91
	% MEMBER VOTED AGAINST	10	4	10
	% Average Democratic opposition	21	22	22
	% Highest Democratic opposition	65	58	65
BIPARTISAN MAJORITY	% MEMBER VOTED WITH	48	54	54
	% Average Democratic support	62	63	65
	% Highest Democratic support	87	87	82
	% MEMBER VOTED AGAINST	18	18	25
	% Average Democratic opposition	15	15	17
	% Highest Democratic opposition	27	33	35
CONSERVATIVE COALITION	% MEMBER VOTED WITH	2	3	13
	% Average Southern Democratic support	62	67	70
	% Highest Southern Democratic support	96	93	94
	% Average Northern Democratic support	19	21	23
	% Highest Northern Democratic support	71	77	78
	% MEMBER VOTED AGAINST	59	78	76
	% Average Southern Democratic opposition	20	20	18
	% Highest Southern Democratic opposition	73	70	73
	% Average Northern Democratic opposition	61	65	61
	% Highest Northern Democratic opposition	89	94	95
SOUTHERN DEMOCRATS	% MEMBER VOTED WITH	3	3	11
NORTHERN DEMOCRATS	% MEMBER VOTED WITH	62	75	70
TOTAL FLOOR VOTES	% MEMBER VOTED	64	75	83
	% Democratic average	81	84	83
	% Highest	100	100	100
	% Lowest	49	47	51

Sources: Congressional Quarterly Almanac, 92d Cong., 1st Sess., 1971 (Washington, D.C.: Congressional Quarterly, Inc., 1972), p. 81 - 110; and Congressional Quarterly Almanac, 91st Cong., 1st Sess., 1969 (Washington, D.C.: Congressional Quarterly, Inc., 1970), p. 1037 - 1070. Bipartisan majority recorded votes are votes on which a majority of voting Democrats and a majority of voting Republicans agreed. Conservative coalition refers to a voting alliance of Republicans and Southern Democrats against the Northern Democrats in Congress.

on insurance for policemen in Worcester and Boston, and on federal aid to secondary schools in Somerville, Arlington, and Cambridge.[35]

Reported contributions to Kennedy's campaign totaled nearly $615,000. The major sources of campaign funds were fund-raising dinners and a concert held in Boston's Symphony Hall by Burt Bacharach. Figures reported by the Massachusetts Kennedy Dinner Committee totaled $253,185. The contributions came from a wide variety of persons and groups across the country and in Massachusetts.[36]

Massachusetts law places a $3,000 limit on contributions by individuals to political campaigns. Therefore, most of the individual donations in 1970 were of that amount or less, unless goven jointly by a husband and wife. Opponent Josiah Spaulding, during an interview with a Congress Project researcher, expressed the belief that Kennedy violated campaign expenditures and contributions laws by incomplete reporting of certain contributions received.[37]

Kennedy, along with many other members of Congress, employed a financial device called the "D. C. committee" in his 1970 campaign. By routing contributions through these committees in Washington, D. C. a member of Congress who did not have personal knowledge of the funds did not have to report the contributors or the contributions. Thus, "Friends of Ted Kennedy," a campaign finance committee located in Washington, D. C., was able to contribute $23,000 to his re-election campaign--with no mention of who these "friends" might be. Kennedy received $10,000 from the "Democratic Senatorial Campaign Committee," also located in Washington, D. C.[38] Kennedy also received $30,000 from a Citizens for Better Government organization, with names of contributors unspecified.

In 1970, Kennedy received the following contributions from labor groups and individuals representing labor groups: Communication Workers of America ($1.000); United Steel Workers of America ($1.000); Railway Clerks Political League ($1.000); International Union of United Mine Workers of America ($300); Machinists Non-partisan Political League ($1.000); International Ladies Garment Workers' Union Campaign Commission ($5,000); Transportation Political Education League ($1,000); International Brotherhood of Electrical Workers ($1,000); Transportation Workers Union of America ($500); Committee on Political Education (COPE) of the AFL-CIO ($7,500); Alexander Barkan, the powerful national director of COPE ($1,000); Heimoth Kern of the Amalgamated Meat Cutters and Butcher Workmen ($500); Eugene Gloves of the International Association of Machinists ($500); Francis Burke of the International Union of Electrical, Radio, and Machine Workers ($500); Walter Mason of the Building and Construction Trades Department of the AFL-CIO ($500); Jack Curran of the Laborers' Political League ($1,000); and William Pollock of the Textile Workers' Union of America ($500).

Kennedy also received campaign contributions from the following individuals: Frank McCarthy of the National Auto Dealers' Association ($500); Daniel S. Collins ($5,000); Aaron Krock of Commerce Bank and Trust, Worcester, Massachusetts ($1,000); Mr. and Mrs. W. D. Vanderpool, Jr. ($3,000); Henry Kimelman, president of Overview Corporation and official in the McGovern presidential campaign ($1,000); An Nang ($1,000); Sargent Shriver, Democratic candidate for vice-president and Senator Kennedy's brother-in-law ($1,000); Saul Steinberg ($3,000); M. Riklis ($2,500); James A. Payne ($3,000); James Nederlander ($1,000); Mr. and Mrs. Glenn Turner, Koscot Interplanetary Corporation ($5,000); Joseph E. Levine, movie producer for Paramount Pictures ($2,000); Francis S. Levine ($2,000); Mrs. Louis S. Gimbels ($3,000); Larry Fisher ($3,000); Pierre Drogoul ($1,000); Charles W. Engelhard ($3,000); Mr. and Mrs. Miklos Sperling ($5,000); John Pierson ($1,000); Charles Spalding ($3,000); Francis Keyes ($3,000); Bernard Endelman ($3,000); Anthony DeLorenzo ($2,500); the Honorable E. M. Reggie, city judge in Crowley, Louisiana ($1,000); Samuel W. Sax, Exchange National Bank of Chicago ($1,000); Bernard Solomon ($1,000); Philip Jerome ($3,000); Mary Campbell ($2,000); William Wolbach, chairman of the board of Boston Safe Deposit and Trust ($1,000); George Condakes ($2,000); Lew Wasserman ($4,267.41); Laura P. Allen ($1,000); Herbert Allen, Jr. ($1,500); and Herbert A. Allen ($1,000).[39]

4 Interest Group Ratings

Interest Group	Member's Rating (%)	Year(s)
Americans for Constitutional Action	5	1971
	3	Cumulative*
Americans for Democratic Action	100	1971
	89	Cumulative*
League of Conservation Voters	71	1970
American Security Council	0	1969-70

	# Pro	# Con	
Friends Committee on National Legislation	11	1	1971
Chamber of Commerce	0	10	1969-70
National Associated Businessmen	2	9	1969-70
Committee on Political Education	10	2	1971
	44	0	Cumulative*
National Farmer's Union	26	1	1969-70
Consumer Federation of America	7	0	1971

Interest Groups

Americans for Constitutional Action (ACA). A political action organization dedicated to the principles of "constitutional conservatism" and opposed to socialism and regimentation. Based on 29 votes in the House and 24 votes in the Senate in 1971. 955 L'Enfant Plaza S.W., Suite 1000, Washington, D.C. 20024.

Americans for Democratic Action (ADA). A political action organization of "liberals and the politically aware" dedicated to international cooperation, economic security and freedom. Based on 37 votes in the House and 27 votes in the Senate in 1971. 1424 16th St. N.W., Washington, D.C. 20036.

League of Conservation Voters (LCV). An organization which compiles information about congressional votes in cooperation with the Friends of the Earth; both organizations are dedicated to the preservation of the earth's resources from exploitation and irreversible damage. Based on 10 votes in the House in 1970 and 17 votes in the Senate from 1955 to 1970. 324 C St., S.E., Washington, D.C. 20003.

American Security Council (ASC). A coalition of former military leaders, defense industry executives, and concerned citizens advocating a strong defense posture in order to deter war. Publishes the National Security Index (NSI). Based on 10 votes in the House and 10 votes in the Senate in 1969-70. 1101 17th St. N. W., Washington, D.C.

Friends Committee on National Legislation (FCNL). A Quaker pacifist group dedicated to the peaceful resolution of international conflicts. Based on 12 votes in the House and 13 votes in the Senate in 1971. 245 2nd St. N. W., Washington, D.C. 20002.

Chamber of Commerce (CC). A representative of the numerous Chambers of Commerce throughout the nation composed of oil, construction, retail trade and the entire spectrum of business and industry; an advocate of a strong economic system. Based on 10 votes in the House and 10 votes in the Senate in 1969-70. 1615 H St. N.W., Washington, D.C. 20006.

National Associated Businessmen, Inc. (NAB). A coalition of financiers, bankers and businessmen dedicated to fiscal responsibility and minimal federal spending in government. Based on 12 votes in the House and 12 votes in the Senate in 1969-70. 1000 Connecticut Ave. Bldg., Washington, D.C. 20005

Committee on Political Education (COPE). A political arm of the largest federation of labor unions in the nation, the AFL-CIO. Based on 12 votes in the House and 12 votes in the Senate in 1971. 815 16th St. N.W. Washington, D.C. 20006.

National Farmer's Union (NFU). A coalition of operators of small farms. Based on 30 votes in the House and 31 votes in the Senate in 1969-1970. Suite 1200, 1012 14th St., N.W., Washington, D.C. 20005.

Consumer Federation of America (CFA). A group of consumer organizations dedicated to protection of consumer rights and safety. Based on 8 votes in the House and 7 votes in the Senate in 1971. 1012 14th St. N.W., Washington, D.C. 20005.

*Cumulative votes cover at least fifteen years, up to or including 1971, depending on length of service in Congress.

And Burton Hersh reported that in 1962, "both a Boston Globe reporter and a Boston University political scientist, Murray Levin, suggested that the Kennedys had circumvented new Massachusetts fund-disclosure laws by funneling expenditures through the Dowd advertising agency."[40]

Kennedy and his liberal Republican opponent were in virtual agreement on the issues, with one notable exception in heavily Catholic Massachusetts being abortion. Spaulding supported abortion on demand, and Kennedy was against abortion. Spaulding's initial hopes apparently rested on the possibility that Chappaquidick might undermine Kennedy's position enough to enable someone with similar views on the issues to defeat him. As the campaign progressed, in fact, Spaulding was encouraged by polls that showed Kennedy's position deteriorating as the election drew closer.[41]

However, when the results were in Kennedy was re-elected by a 63 percent majority, a comfortable margin but nowhere near his 74 percent of 1964. Opinions differ on whether the 11 point difference was directly related to Chappaquidick. William Honan recalls that in 1964 in addition to the sympathy factor, Kennedy had "the coat-tail effect of the Johnson landslide victory over Goldwater, and the absence of stiff competition due to a lackluster and poorly financed Republican opposing him." On the other hand, political analyst Warren Weaver wrote in Esquire that Kennedy's total was "strong for an off year, but perhaps not all that remarkable for the last of the Kennedys, on his Massachusetts home ground, imploring the faithful to prove that he was not a political pariah."[42]

THE DEVELOPMENT OF A LEGISLATOR

In any case, Kennedy's election victory did not achieve for him immediate political redemption. This became clear in January of 1971 when Kennedy returned to the Senate and promptly lost his job as majority whip to Senator Robert Byrd of West Virginia.

Almost liturgically, Kennedy aides and the senator himself speak of that incident as a blessing in disguise. As assistant to the majority leader, or whip, Kennedy was required to spend a great deal of time in the Senate and in Washington concentrating on the tedious details of passing legislation. Free of these administrative responsibilities, and perhaps because of the manner in which he gained his freedom, Kennedy was able to become increasingly independent, outspoken, and issue-oriented.

In the beginning Kennedy's Senate career was the height of blandness. As Burton Hersh wrote in The Education of Edward Kennedy: "He took his seat in the back in 1963, made no major speech before his colleagues whatsoever for an unusual sixteen months, watched out for usages, studied the parliamentarian moves and strategies, acquainted himself with each of his colleagues--and waited."

He concentrated on relatively minor issues of primary concern to his home state, introducing bills to aid the fishing industry and working on federal loans, grants, and projects for Massachusetts. An effective fight on behalf of the Northeast Airlines after a Civil Aeronautics Board decision threatened financial disaster was one of his first real tests.

In 1965, Kennedy undertook broader and weightier assignments. In his belated maiden legislative effort he successfully floor managed a bill to amend the Immigration and Naturalization Act, an amendment that did away with many of the inequities of the old law and was good political fodder in ethnic Massachusetts. That year Kennedy made a rather bold move when he attached an amendment to eliminate the poll tax to President Johnson's pending Voting Rights bill. The amendment was defeated, but the fact that it even came to a vote was significant. Senate leaders on both the Republican and Democratic sides had tried to waylay the amendment, and the Johnson Administration was not very enthusiastic about adding another complication to the already sensitive Voting Rights bill. But Kennedy's skill in bringing the amendment out of committee and onto the Senate floor, and his well reasoned arguments in its favor were convincing demonstrations of his growing legislative prowess. (The Justice Department eventually took the poll tax issue to the Supreme Court, where a ruling in a test case declared the tax unconstitutional.)

Also during 1965, according to the New York Herald Tribune, "the first major mistake was Kennedy's attempt to ram through the Senate the appointment of Francis X. Morrissey to a federal judgeship. Morrissey had been a longtime friend and political ally of the Kennedy family, and was held in special regard by Joseph P. Kennedy. But informal investigation of Morrissey by the American Bar Association (at the request of Robert Kennedy) had determined that Morrissey was not qualified to sit on a federal court. A later in-depth examination concluded that Morrissey was "lacking in intellectual capacity to become an effective judge of the U. S. District Court...was lacking in scholarship and legal knowledge, and lacked legal experience, trial practice and general practice of law."[43] Nevertheless, Kennedy persisted with the nomination. Morriseey had to be approved by the Senate, and opposition emerged, led by the formidable Republican Everett Dirksen. Further evidence of Morrissey's lack of qualifications surfaced, and the issue became a major press event. Feature stories, news analyses and editorials proliferated, none very favorable to the Kennedy position. But Kennedy still worked for Senate approval. Then, in a sudden move just before a vote was to be taken, Kennedy abandoned the effort. He declared that although a majority of the Senators were prepared to support the nominee, he would move to send the nomination back to the Judiciary Committee for further study, a parliamentary move which effectively killed the nomination.

Meg Greenfield, writing for The Reporter in 1966, summed up the Morrissey affair in this way:

> Kennedy's single Senate adventure in catastrophe, the attempt to secure confirmation of Francis X. Morrissey to the federal bench, began as an effort to fulfill a family obligation and came to grief largely because the Republicans in the Senate and the press around the country saw the particular beauty of the issue--the

Kennedys' bringing out the full panoply of pressure for the appointment of a judge who was even less well qualified than other questionable nominees the Senate had confirmed.

The Subcommittee on Refugees. On the same afternoon that Kennedy concluded the Morrissey affair he left for Vietnam on an inspection tour of refugee camps. In 1965 Kennedy had been appointed chairman of the Subcommittee on Refugees and Escapees by James O. Eastland, chairman of the Senate Judiciary Committee. Kennedy was assigned to the Judiciary Committee when he first came to the Senate and had established an unusually good relationship with the crusty old Eastland, a southern conservative. When the chairmanship of the Refugees Subcommittee was vacant, Kennedy requested and was granted the position.

In the 1950s the subcommittee had been mostly concerned with the problems of refugees in Europe after World War II. Its full title at that time was Subcommittee on Refugees and Escapees from Communism. By 1965, though, the problem was no longer in Europe but in Southeast Asia. Making use of his rapport with Eastland, Kennedy was able to have the words "from Communism" dropped from the subcommittee title, and obtain consent to investigate the situation in Vietnam.[44]

The Refugee Subcommittee is an investigating, not a legislative, committee. Therefore its function is to gather information and make reports, not to study bills. According to a 1970 staff report, the subcommittee investigation of Vietnam is "a continuing effort to underscore the devastating impact of the Indochina war on the civilian population, and to make the case that the problems of war refugees and civilian casualties must be a matter of vital concern to the American people and their government."[45]

The subcommittee, with the help of the General Accounting Office, has compiled factual data on the refugee situation in Southeast Asia that has been unavailable through other channels. Present subcommittee estimates, for example, place the number of refugees in South Vietnam since 1965 at nearly eight million men, women, and children--nearly one-half of South Vietnam's population.

According to Jerry Tinker, staff consultant, one important function of the subcommittee is to serve as a "catalyst, a prodder, a watchdog to the Executive branch." The accuracy of official statistics has been a major area of concern. In 1970, Tinker reports, the subcommittee discovered that the number of new refugees had dropped considerably--because the Administration had simply changed their official name to "war victims." Similarly, a Kennedy press release in January 1971 told of movements of "hundreds of thousands" of refugees "from provinces that a few weeks ago were listed as having very few or 'zero refugees.'"[46]

Subcommittee studies have also taken place as a result of events in Biafra and Bangladesh, and in response to the plight of Soviet Jews and political prisoners. Kennedy visited India in August of 1971, for what Tinker called "seven days of slogging around refugee camps in monsoon rains." In February 1972 Kennedy went to Bangladesh, "to assess first hand the immediate relief and rehabilitation needs of the Bengali people."

The trips to India and Bangladesh were well-publicized, and considered by many to be political gimmicks. Tinker replies that "you don't have to spend days in the mud with refugees in India to be President of the United States." He also expressed displeasure with coverage of Kennedy's return from India. On the return flight, said Tinker, Kennedy was moved by what he had seen, and wanted to make a statement about the trip at a press conference on his arrival. "But he didn't get to talk about India. The first question they asked him was 'Are you a candidate for President?'"

Kennedy's chairmanship of the Refugees Subcommittee has served a dual purpose. Under his direction a good deal of information previously not compiled or purposely withheld has been made available. Resultant concrete benefits to refugees and civilians have included emergency relief funds, hospital construction, and Agency for International Development (AID) programs.

At the same time, subcommittee hearings, and remarks to the Senate on subcommittee findings, have not been apolitical. Kennedy has been provided with an ideal forum for expressing his views on foreign policy. A Senate statement on refugees in India began "the Administration's policy toward the crisis in South Asia defies understanding,"[47] and a press release on Vietnamese refugees started with "the illusion of progress and success in 'Vietnamization' has once again been exposed."[48] "As a political matter," wrote Warren Weaver, "his refugee activity has given Kennedy an almost unique opportunity to be anti-war in the most human, least revolutionary sense."

The "Wild-Card" Subcommittee. In addition to the Refugees and Escapees Subcommittee, Kennedy chairs another Judiciary subcommittee with broad investigative authority, the Subcommittee on Administrative Practice and Procedure. Sometimes referred to as the "wild-card" subcommittee, Administrative Practices is empowered to study operations of Executive departments and agencies.

James Flug, chief counsel for the subcommittee, was widely credited for his role in the successful blockage of both the Haynesworth and Carswell Supreme Court nominations. A former Justice Department lawyer under Ramsey Clark, Flug is one of Kennedy's top advisors. His presence in Miami at the Democratic Convention along with other Washington staff members led to speculation that Kennedy was keeping an option alive. (Aide Martin told us "Flug was in Miami as a member of the Judiciary Committee staff.")

Kennedy has used his subcommittee's "wild-card jurisdiction" in a number of ways. One inquiry was aimed at racial patterns in the hiring practices of government contractors. On another occasion the suggestion that hearings might be held on monopolistic practices in the oil industry persuaded Administration officials to liberalize import tariffs, and effectively lower fuel prices in New England.[49] When Kennedy wanted to hold hearings on draft reform, he fit them under the broad umbrella of Administrative Practices. President Nixon's administrative draft reforms were reportedly the same ones Kennedy had been pushing in the subcommittee.

Health Subcommittee. In addition to the Judiciary Committee, Kennedy serves on the Senate Labor and Public Welfare Committee. As chairman of the Subcommittee on Health, he has been quite active in submitting legislation aimed at improvements in health services, education, and research. His major effort in this field has been the Health Security Act, proposing a system of National Health Insurance.

According to Lee Goldman, counsel for the Health Subcommittee, the Kennedy plan calls for government administration of health insurance to stabilize costs that "are going out of the roof" and to provide higher quality, universal health care. Opposition to the bill has come from the Administration, which has its own bill, commercial insurance interests, and organized medicine. Goldman says that "Every industrialized nation--France, England, West Germany--has some form of national health care. Great debates always preceded the programs but now they are so successful that no one even attempts to oppose them."[50]

The Health Subcommittee held hearings on the health care crisis across the country, but because it involves raising new tax revenues, actual legislation must come out of House and Senate financial committees. Meanwhile, says Goldman, the Health Subcommittee is committed to improving the quality of health care as it now exists. A massive Health Maintenance Organization Act was introduced in March and passed the Senate in September 1972. Some of the features included federal incentives to physicians who want to enter group practice (to increase consultation and reduce the inconvenience of referrals) and building grants for area health centers. Funds for research into Sickle Cell Anemia, which affects primarily blacks, and Cooley's Anemia, which affects primarily Italians, are also provided. Health legislation enacted in 1971 included Kennedy-sponsored bills for aid to medical and dental schools, and a program for nursing education. A National Heart, Blood Vessel, Lung and Blood Act for research in those

areas was approved in 1972. (As a member of the Special Committee on Aging, Kennedy was able to pass legislation providing for nationwide meal programs for the aged.)

Like his Refugees and Escapees Subcommittee, Health has provided Kennedy with a national forum. With regard to his health insurance proposal, Warren Weaver made this parallel:

> The substance of Kennedy's health issue is inseparable from its politics. His cross-country tour of hearings had advance men, statements, news conferences, and a traveling press corps, just like a national campaign. Rising health costs present the kind of working-class issue that has reinforced Kennedy popularity among blue-collar Democrats as well as button-down liberals.[51]

FLOOR VOTES

Kennedy has matched his subcommittee activity with efforts to enact reforms in gun control, tax reform, and voter registration. His voting efforts were rewarded when a strategy devised by legislative aide Carey Parker brought about the 18-year-old vote by an act of Congress instead of a constitutional amendment. He has currently proposed a bill to allow voter registration by post card.

Kennedy's position on most issues that break along liberal and conservative lines is decidedly liberal. And in the past several years, he has become increasingly outspoken in his support of liberal causes. The war in Vietnam is a case in point.

Defense and Southeast Asia. In 1966 Kennedy, like most of his colleagues, was not exactly a dove.* "I support our fundamental commitment in Vietnam," he said, "I have no reservations."[52] That year he also declined to place his name on a letter sent by dovish senators to President Johnson, urging him not to resume bombing of the North. But two years later, returning from his second tour of South Vietnam, Kennedy was talking about the possibility of "alterations in the nature of the U. S. involvement." By 1972 his position was adamant: "let us end completely every aspect of our military involvement in Vietnam, once and for all. Let us abandon every one of the false dreams that led us into that swamp. Let us admit that as all men makes mistakes, so do nations..."[53] His pronouncements have become increasingly partisan and personal. Before the Washington Press Club in January of 1972, he said:

> Tens of thousands of innocent men, women and children will die in 1972, for the simple reason that President Nixon will not allow the Saigon Government to falter until he is secure at home for another term of office. I believe there is no more to the discussion of Vietnam than that.

He also said: "President Nixon holds the key to release of the prisoners in his hand, as surely as he holds the key that released James Hoffa last December, and the sooner he unlocks the door the better."

Kennedy's voting record on the war generally follows the pattern of his statements. In 1966 he voted in favor of $13 billion in supplemental appropriations primarily to support the war. In 1969 he voted against a measure to prohibit U. S. ground troops in Laos and Thailand.**

*Kennedy's staff claims in reply that as early as 1965 Kennedy had objected to the way the war was being conducted, particularly the indiscriminate firepower and treatment of refugees.

**Kennedy aide Martin explains that Kennedy's no vote was a protest against the defeat of a stronger prohibition he supported.

In 1970 he voted for an amendment to delete $155 million in military and economic aid to Cambodia, and voted for the Cooper-Church Amendment to cut off funds for troops in Cambodia. He has since supported numerous measures to cut funds for the war effort and set a deadline for troop withdrawal.

Foreign Relations. Kennedy's views on foreign affairs have not been limited to Vietnam. He bitterly denounced Administration support of Pakistan in the India-Pakistan war: "The failure of our Vietnam policy is matched only by the shame of our policy toward India and Pakistan." But he approved of Nixon's China policy: "The President deserves great credit for his new approach to China."[54]

He has opposed the shipment of arms to Greece, and introduced an amendment to terminate the sugar quota allotted to the Republic of South Africa. Going beyond American foreign policy, Kennedy has called for the immediate withdrawal of British troops from Northern Ireland and the establishment of a United Ireland. In 1970 he appealed for clemency for six Basque nationalists sentenced to death in Spain.

Domestic Issues. Kennedy generally supports federal funding for health, education, and welfare legislation, and against defense spending. He voted against funding the antiballistic missile system (ABM) deployment; against the supersonic transport plane (SST); in favor of using funds to force school districts to bus students if necessary to desegregate; against the "no-knock" provision giving D. C. police the right to obtain warrants enabling them to enter a dwelling in the District of Columbia without notice; in favor of the Philadelphia Plan to force the hiring of minority workers in federally-financed construction projects; in favor of cuts in the oil depletion allowance; and in favor of limiting farm subsidies to $20,000 per person instead of $55,000.

Congressional Reform. One domestic issue seldom comes to a vote in either the House or Senate--the question of congressional reform. Two interlocking customs, the seniority and committee systems, have traditionally been the targets of legislative reform movements. The committee system enables a handful of senators and representatives who are committee chairmen to control much of the legislative processes in the Senate and the House. The seniority system is the way in which the handful are chosen--according to years of service in Congress, not necessarily qualifications.

Kennedy has supported amendments aimed at ending the seniority system and changing the method of selecting chairmen. But he doesn't really consider either custom to be Congress' major problem. "The chief problem is the power of the interest groups," he says. Kennedy considers himself an active opponent of special interests such as the American Medical Association (AMA), the National Rifle Association (NRA), and the insurance industry. In addition to the AMA and NRA, Kennedy lists banks, the oil industry, and the AFL-CIO as the most effective and powerful groups.[55]

One of a legislator's larger ethical problems, says Kennedy, is "facing a vote which may be adverse to a chief campaign contributor or a group that gave substantial financial support." Another is "voting on an issue affecting personal financial interests, including outside employment."[56]

Kennedy claims that he has never had to face either situation, and is an advocate of campaign spending reform and full financial disclosure of personal holdings. Contributions from special interests should be prohibited, he says, and public financing of political campaigns instituted.[59] In 1971 he introduced a tax-credit plan for political contributions (up to a maximum credit of $25) which passed both the Senate and House.

A new campaign finance law, the Federal Election Campaign Finance Act of 1971, which became effective on April 7, 1972, closed a number of loopholes in the Federal Corrupt Practices Act of 1925, including stricter regulation of D. C. campaign contribution committees.

Under the new law, all committees list the names and contributions of any individual who contributes more than $100.

Kennedy has indicated that he favors full personal financial disclosure and noted that in 1967 and 1968 he supported full-disclosure legislation. If this type of legislation were successful, he says, "I would arrange to have my financial holdings separated from those of other members of my family so that they could be made public."[58] Of course, under a new law he would probably have to.

SPEECHES

Kennedy's views on the issues are well-publicized. News of his activities appears almost daily in newspapers, television, or radio. Dick Drayne, Kennedy's press secretary, handles contact with the news media. Drayne sees reporters every day, and handles requests for interviews and invitations for television appearances. "We get calls from all over the country," he says, "In fact, from all over the world."

Kennedy's office puts out about fifteen press releases per month, usually when the senator is introducing a bill, holding an important subcommittee hearing, or making a statement about a newsworthy issue or piece of legislation. Groups and individuals who have a particular interest in a legislative area, minority affairs, for instance, are kept on a mailing list so that they receive press releases dealing with their area of interest. Part of Drayne's job is to act as a "traffic cop" on press releases. He also helps out on speech writing.

"Nobody writes a speech himself," says Drayne, "He always works from something else." Except for major political addresses, Kennedy staff members collaborate on the senator's speeches. Normal procedure is for legislative aides to write whatever parts of the speech involve their areas of expertise. A draft of the speech is then passed around for alteration, usually between Drayne and Carey Parker, Kennedy's chief legislative aide. "We're fortunate in having lots of people who can write," Drayne added.

For a series of appearances in which he will be addressing many audiences in a short period of time, Kennedy uses one basic speech with which he becomes very familiar. If there are 30 appearances, for instance, he can deliver the substance of the speech almost automatically and revise or update parts to fit a particular audience. Major political speeches are handled differently. They are usually written by one of a number of top speech writers available to Kennedy. His speech before the Democratic Convention in Miami was written by Richard Goodwin, widely considered one of the best speech writers in the country.[59]

Kennedy's speeches are usually very effective, in part because they are well written but also because Kennedy is a gifted public speaker. In law school, though he was not an honor student, Kennedy and teammate John Tunney won the prestigious moot court competition, largely a test of oral skills. The political value in Kennedy's oratory lies in his ability to hold the attention of an audience without seeming remote. He is also deft with the kind of ad lib remark that can quickly win a crowd over. William Honan reported an example from an appearance by Kennedy at an Indian training center in North Dakota. Kennedy accepted "a peace pipe and tomahawk from an Indian named Dale Little Soldier, who then gave Joan a kiss, prompting Kennedy to make a quip that 'If he does that again I'm gonna have to use this hatchet.'"[60]

Kennedy is credited with widespread national support among such diverse groups as blue-collar workers, minorities, the young, the aged, the poor, and the liberal. One Massachusetts observer claims that he has brought together his home state's two largest voting blocs--Catholics and increasingly liberal "Yankees." Whatever these broad bases of support may eventually mean for Senator Kennedy, their meaning for the present is clear: more letters, more phone calls, and more fruitcakes for his overworked staff.

This profile was edited by Deanna Nash, researched in the state by Eric van Loon and Jim King, and typed by Cathy Lochner.

5 Key Floor Votes

Yes Vote Means	Vote	Outcome
WAR IN INDOCHINA		
1 1966 Vietnam war funds	Yes	Passed
2 No US troops in Laos or Thailand (1969)	No	Passed
3 No Cambodia war funds after 7/1/70	Yes	Passed
4 Ban defoliant chemical use	No	Failed
5 Policy to withdraw within 9 months pending POW release	Yes	Passed
6 Continue war spending	No	Passed
FOREIGN RELATIONS		
7 1963 nuclear test ban treaty	Yes	Passed
8 Non-proliferation treaty (1969)	Yes	Passed
9 No extra aircraft for Nationalist China (1969)	Yes	Passed
10 No military aid to Greece	Yes	Failed
11 No US aid to foreign police	Yes	Passed
12 Reduce technical foreign aid	No	Failed
DEFENSE		
13 No ABM deployment	Yes	Failed
14 Cut C-5A	Yes	Failed
15 Reduce DOD from $71 to $66 billion	Yes	Failed
16 Reduce DOD public relations fund 30%	Yes	Failed
17 Reduce US military in Europe	Yes	Failed
18 Military salary increase for volunteer army	No	Failed
19 Permit Presidential war even beyond 30 days	No	Failed
PUBLIC WORKS AND SPACE		
20 1963 Mass Transportation Act	Yes	Passed
21 $10 billion over 12 years for mass transit	Yes	Failed
22 No space shuttle	Yes	Failed
23 Restore SST	No	Failed
SUBSIDIES AND SPENDING		
24 Poverty program cut (reduced vocational training) (1963)	No	Failed
25 State veto of OEO (poverty program) (1964)	No	Failed
26 Hospital care benefits for the elderly (1964)	Yes	Passed
27 No model cities (1966)	No	Failed
28 Cut HEW spending (education, libraries, air pollution, mental health, handicapped, vocational training)	No	Passed
29 Child care and development, independent legal services for poor, two year poverty program extension	Yes	Failed
30 Unemployment compensation for migrant farm workers	Yes	Passed
31 Project Headstart increase	Yes	Passed
32 Manpower training increase	Yes	Passed

	Yes Vote Means	Vote	Outcome
33	Food stamp increase	Yes	Passed
34	End tobacco subsidies	No	Failed
35	No $20,000/person limit to farm subsidies (1969)	No	Passed
36	$250 million loan guarantee to Lockheed	No	Passed
	TAXATION		
37	Reduce oil depletion tax break (1964)	Yes	Failed
38	Do not reduce oil depletion tax break even slightly (1969)	No	Failed
39	Personal exemption increase ($600 to $800) (1969)	Yes	Passed
40	Stricter depreciation rules, lower tax credit for business	Yes	Failed
41	Revenue Act of 1971	Yes	Passed
	ECONOMIC REGULATION AND ANTITRUST		
42	Do not allow states to ban union shops (1965)	Yes	Failed
43	Kill Nixon plan for compulsory arbitration of transport strikes	Absent	Passed
44	Extend and expand Presidential power to manage the economy (wage and price controls)	Yes	Passed
45	Sell government strategic stockpiles to "highest responsible bidder"	Absent	Passed
46	Slaughter hens when egg prices drop to reduce supply and raise prices	No	Failed
47	Failing Newspaper Act (allowing exemption from antitrust laws for newspaper combinations)	No	Passed
48	Independent federal agency to regulate credit unions	Yes	Passed
49	Allow new independent consumer protection agency to conduct studies without prior White House approval	Yes	Failed
50	No consumer interest payments on portion of account already paid to merchant	Yes	Failed
51	No finance charges accrue for merchandise until delivered	Yes	Failed
	ENERGY AND ENVIRONMENT		
52	Permit mining and prospecting in Wilderness Areas until 1977 (1963)	No	Failed
53	No federal water quality standards (1965)	No	Failed
54	Delete $18 million in Corps of Engineers water projects not in President's budget (1967)	Absent	Failed
55	Reduce highway funds $230 million over 3 years (1969)	Absent	Failed
56	Increase HUD sewage funds from $200 to $500 million	Yes	Passed
57	One year extension of deadline to auto industry for 90% reduction in current auto pollution	Absent	Failed
58	DOD must file impact statements on effects of projects and weapons on environment	Yes	Failed
	MEDICAL CARE, HEALTH AND SAFETY		
59	Medicare (health insurance for aged, child-health care, assistance) (1965)	Yes	Passed
60	Mine Safety Act (federal standards and enforcement) (1966)	Yes	Passed
61	One year in prison and/or $50,000 fine for knowingly violating the Traffic Safety Act (1966)	No	Failed

	Yes Vote Means	Vote	Outcome
62	$16.5 billion for improvement and construction of hospitals	Yes	Passed
	JUSTICE		
63	Civil Rights Act of 1964	Yes	Passed
64	Voting Rights Act of 1965	Yes	Passed
65	Exempt houses from open housing (cover only apartments and condominiums) (1968)	No	Failed
66	Equal enforcement of integration requirements in North and South, whether segregation de jure or de facto	Absent	Passed
67	Remove cease and desist powers from Equal Employment Opportunities Commission	No	Failed
68	No federal court orders to bus for integration and no withholding of federal aid for not busing	No	Failed
69	No federal funds or pressure to bus	Yes	Passed
70	About $2 billion a year over next 13 years to integrate all metropolitan schools	Yes	Failed
71	Equal Rights Amendment	Yes	Passed
72	Keep laws protecting and exempting women	No	Failed
73	Prayer in public schools (1966)	No	Failed
74	$3.8 million increase for Bureau of Prisons	Absent	Failed
75	Delete "No-Knock" provision (police authority to enter homes without warning)	Yes	Failed
76	Reduce federal marijuana penalties for first offense from one year and $5,000 to six months and $2,500	Absent	Failed
77	Require court convictions before depriving students who allegedly are involved in campus "disorders" of federal aid	Yes	Failed
78	Confirmation of Carswell to Supreme Court	No	Failed
79	Confirmation of Haynsworth to Supreme Court (1969)	No	Failed
80	Confirmation of Rehnquist to Supreme Court	No	Passed
	GOVERNMENT OPERATIONS		
81	Delay 1-man-1-vote court ordered reapportionment for 6 months (1964)	No	Passed
82	Senate may not change its rules by majority vote (1967)	No	Passed
83	Do not restrict outside employment of Senate officers and employees (1967)	No	Passed
84	Senators and employees do not have to file financial statements with GAO (1967)	Yes	Passed
85	Senators and employees do not have to file financial statements with Secretary of Senate (or at all) (1967)	No	Passed
86	To permit joint ventures by Senators and lobbyists and Senator receipt of lobbyist gifts valued at over $100 (1967)	No	Passed
87	Extend ban on corporate/union political money to dummies and affiliates (1967)	No	Failed
88	Congressional members and candidates must disclose assets, liabilities, gifts, and other outside income (1967)	Yes	Failed
89	End seniority, elect chairmen by whole party	Yes	Failed
90	End seniority, elect chairmen by party in each committee	Yes	Failed
91	Limit federal campaign spending on electronic media to 7¢ vote	Yes	Passed
92	Friend of Court brief on congressional immunity for Senator Gravel (prosecuted for reading Pentagon Papers)	Yes	Passed
93	Do not repeal equal-time requirements for all federal candidates	Yes	Passed

All floor votes occurred after January 1, 1970, unless otherwise indicated on Table 5. Each vote may be found in the Congressional Record. The page numbers for unbound issues are referenced with the initial "S". All other footnotes refer to page numbers in hardbound editions.

1. HR 13546, 3/22/66, 6462
2. HR 15090, 12/15/69, 39172
3. HR 15628, 6/30/70, 22251
4. HR 17123, 8/25/70, 30079
5. HR 6531, 6/22/71, S9718
6. HR 9910, 10/28/71, S17075
7. Treaty, 9/24/63, 17832
8. Treaty, 3/13/69, 6330
9. HR 15149, 12/20/69, 40433
10. HR 15628, 6/30/70, 22261
11. HR 12067, 2/4/72, S1216
12. HR 12067, 2/4/72, S1217
13. HR 17123, 8/12/70, 28455
14. HR 17123, 8/25/70, 30079
15. HR 17123, 8/23/70, 30364
16. HR 19590, 10/3/70, 40439
17. HR 11731, 11/22/71, S19516
18. HR 17123, 8/25/70, 29979
19. S 2956, 4/6/72, S5593
20. S 6, 4/4/63, 5688f.
21. S 3154, 2/30/70, 2255
22. HR 16516, 5/6/70, 14407
23. HJ Res. 468, 3/24/71, S3869
24. HR 4955, 10/7/63, 18826
25. S 2642, 7/23/64, 16770
26. HR 11865, 9/2/64, 21318
27. S 3708, 8/19/66, 20051
28. HR 15931, 2/28/70, 5439
29. S 2007, 12/10/71, S21293
30. HR 14705, 4/7/70, S5267
31. HR 18515, 11/20/70, 38325f.
32. HR 18515, 11/20/70, 38327
33. HR 17923, 7/8/70, 23315
34. HR 17923, 7/8/70, 23321
35. HR 11612, 7/7/69, 18473
36. HR 8432, 8/2/71, S12863
37. HR 8363, 2/6/64, 2199
38. HR 13270, 12/1/69, 36229
39. HR 13270, 12/3/69, 36676
40. HR 10947, 11/15/71, S18618
41. HR 10947, 11/22/71, S19309
42. HR 77, 10/11/65, 26581
43. SJ Res. 197, 2/8/72, S1451
44. S 2891, 12/1/71, 19991
45. HR 16292, 4/2/70, 10114f.
46. S 2895, 3/24/72, S4811
47. S 1520, 1/30/70, 2018
48. HR 2, 2/4/70, 2433
49. S 4459, 12/1/70, 39305
50. S 652, 4/27/72, S6909
51. S 652, 4/27/72, S6918
52. S 4, 4/9/63, 5928
53. S 4, 1/28/65, 1519
54. HR 11641, 10/9/67, 28274
55. S 3418, 7/1/68, 19548
56. HR 17123, 8/26/70, 30054f.
57. HR 17255, 9/22/70, 33088
58. HR 17123, 8/13/70, 28674
59. HR 6675, 7/9/65, 16157
60. HR 8939, 6/23/66, 14174f.
61. S 3005, 6/24/66, 14252
62. HR 11102, 6/30/70, 22278
63. HR 7152, 6/19/64, 14511
64. S 1564, 5/26/65, 11752.
65. HR 2516, 3/4/69, 4977
66. HR 514, 2/18/70, 3800
67. S 2515, 1/26/72, S562
68. S 659, 2/29/72, S2874
69. S 659, 2/29/72, S2874
70. S 659, 2/29/72, S2893
71. HJ Res. 208, 3/22/72, S4612
72. HJ Res. 208, 3/21/72, S4428
73. SJ Res. 144, 9/21/66, 23556
74. HR 17575, 8/24/70, 29882
75. S 3246, 1/27/70, 1320
76. S 3246, 1/28/70, 1662
77. HR 15931, 2/28/70, 5432
78. Confirmation, 4/8/70, 10769
79. Confirmation, 10/7/70, 35396
80. Confirmation, 10/10/71, S21268
81. HR 11380, 9/24/64, 22758
82. S Res. 6, 1/18/67, 940
83. S 355, 2/2/67, 2380
84. S 355, 2/8/67, 2984
85. S 355, 2/8/67, 2984
86. S 355, 2/9/67, 3212
87. S 1880, 9/11/67, 25095
88. S 1880, 9/12/67, 25152
89. HR 17654, 10/6/70, 35026
90. HR 17654, 10/6/70, 35027
91. S 3637, 4/14/70, 11598
92. S Res. 280, 3/23/72, S4734
93. S 3178, 3/23/72, S4750

6 Key Committee Votes

RECORDED IN SENATE JUDICIARY COMMITTEE

Yes Vote Means	Vote	Outcome
1 To confirm William Rehnquist as Justice of the United States Supreme Court	No	Yes: 12 No: 4
2 To continue hearings on the nomination of Richard Kleindienst as Attorney General following the testimony of Peter Flanigan (1972)	Yes	Yes: 6 No: 8
3 To change Bayh bill, which prohibited the manufacture and sale of hand guns except for sporting or law enforcement purposes, so as to permit the sale of military surplus hand guns and of those hand guns meeting safety and reliability tests (1972)	No	Yes: 5 No: 8

Source: Review of committee reports. Votes are for 1971 unless otherwise indicated. Votes cited above occurred in response to the following motions or proposals: 1 Rehnquist confirmation; 2 Motion to continue hearings on Kleindienst nomination; 3 Hruska substitute to S 2507, to amend the Gun Control Act of 1968.

6 Key Committee Votes

RECORDED IN SENATE LABOR AND PUBLIC WELFARE COMMITTEE

Yes Vote Means	Vote	Outcome
1 To amend the Public Health Service Act and establish an independent agency within the National Institutes of Health to conduct a national program for the conquest of cancer	Yes	Yes: 17 No: 0
2 To establish a Special Action Office for Drug Abuse Prevention to coordinate the federal government's efforts to curb drug abuse	Yes	Yes: 17 No: 0
3 To amend the Higher Education Act of 1965 and certain other education acts, in order that the 1965 Act be a single federal law including all higher education financial assistance programs	Yes	Yes: 17 No: 0
4 To amend provisions of the Federal Coal Mine Health and Safety Act of 1969 to extend black lung benefits to orphans whose fathers die of pneumoconiosis	Yes	Yes: 17 No: 0
5 Substitute less potent and quick court enforcement for cease and desist powers for the Equal Employment Opportunities Commission	No	Yes: 2 No: 14
6 To further equal employment opportunities by giving the Equal Employment Opportunities Commission power to issue cease and desist orders (subject to court review), authority to deal with large scale patterns of discrimination and the jurisdiction over labor and corporate organizations of 8 or more members rather than the present 25 or more	Yes	Yes: 17 No: 0

Source: Review of committee reports. Votes are for 1971 unless otherwise indicated. Votes cited above occurred in response to the following motions or proposals: 1 S 1828; 2 S 2097; 3 S 659; 4 HR 9212; 5 Dominick amendment to S 2515; S 2515.

RECORDED IN SENATE GOVERNMENT OPERATIONS COMMITTEE

Yes Vote Means	Vote	Outcome
1 To report strong consumer protection agency bill	Yes	Yes: 13 No: 0
2 To disapprove the President's Reorganization Plan No. 1	No	Yes: 3 No: 10

Source: Review of committee reports. Votes are for 1971 unless otherwise indicated. Votes cited above occurred in response to the following motions or proposals: 1 S 4459 (Consumer Agency bill); 2 S 108.

7 Federal Spending

STATE OF MASSACHUSETTS
POPULATION 5,689,170

Agency*	Fiscal 1971 Am't/person	USA 1971 Am't/person	Agency	Fiscal 1971 Am't/person	USA 1971 Am't/person
Agriculture	$ 8.06	$ 67.00	CSC	$ 17.45	$ 23.00
Commerce	2.06	6.00	EPA	5.76	6.00
Defense	313.88	285.00	Home Loan Bd.	.48	0.60
HEW	352.77	302.00	GSA	7.34	10.00
HUD	18.71	10.00	NASA	13.11	15.00
DOI	2.23	10.00	NSF	5.56	2.00
Justice	2.90	3.00	OEO	5.01	4.00
Labor	16.03	14.00	OEP	.06	0.70
Post Office	50.89	40.00	Rail Ret. Bd.	5.19	10.00
State Dept.	.07	2.00	SBA	2.10	3.00
Transportation	21.66	38.00	TVA	.16	5.00
Treasury	46.41	80.00	USIA	.31	-0.60
AID	3.16	7.00	VA	60.88	53.00
AEC	3.29	13.00			
			TOTAL	$966.84	1,019.00

Sources: Amounts computed from census data and fiscal 1971 computer tapes obtained from the OEO which approximately allocate federal outlays by agency by county. Note that the figures are not a precise indication of total benefits because of secondary expenditures made by recipients elsewhere. And totals do not include outlays to nearby areas which may provide employment or other benefits and vice versa. Note also that geography, district needs or other factors may account for variations from the national average and that the Member may have little influence on many agency expenditures. The abbreviated agencies are as follows: HEW Health Education and Welfare, HUD Housing and Urban Development, DOI Department of Interior, AID Agency for International Development, AEC Atomic Energy Commission. CSC Civil Service Commission, EPA Environmental Protection Agency, GSA General Services Administration, NASA National Aeronautics and Space Administration, NSF National Science Foundation, OEO Office of Economic Opportunity, OEP Office of Emergency Preparedness, SBA Small Business Administration, TVA Tennessee Valley Authority, USIA United States Information Agency, VA Veteran's Administration.

*All agencies with a total fiscal 1971 outlay in excess of $115 million ($.56/person) were included.

EDWARD M. "TED" KENNEDY - U.S. SENATOR FROM MASSACHUSETTS

He is charismatic, good-looking, hard-working and intelligent. No one is more written about or talked about.

In 1962, when he was 30 and an unpaid assistant county Attorney General in Boston, Ted Kennedy, at the urging of his father and his brother, the President, ran to fill out the last two years of JFK's Senate term. His Republican opponent was George Lodge, son of Henry Cabot Lodge. Kennedy was elected with 55.4 percent of the vote. In 1964 he won with 75 percent of the vote, and in 1970, one year after Chappaquiddick, he won another term with 63 percent. In his first two years, he impressed his seniors with his good-humored way of eagerly handling the chores given to junior Senators. He was also careful to take care of his constituents, and he did his homework.

After JFK's death, he began to devote himself to more substantive issues.

Kennedy is adept at becoming an expert on certain subjects in a very short time. This "quick study" facility is enhanced by the fact that he, by use of both his charisma, money and his name, has been able to attract expert and well-qualified members to his staff. At times, when Kennedy felt it was required, he has dug into his own deep pocket to pay for extra staff.

By the late 1960's, he was the leading Senate expert on the problems of Vietnamese refugees and on America's system of health care. On the subject of federally-financed comprehensive heath care, he has also been the driving legislative force. In 1972, he wrote a book, In Critical Condition: The Crisis in America's Health Care, in which he extensively

reviews the problems of heath care delivery, and outlines his program for universal health care. Essential to Kennedy's conception of public health care is a public-financing arrangement, and he proposes that the Social Security system be used for this purpose.

After the death of RFK in 1968, Ted Kennedy became heir to the Kennedy legacy: the dreams of Camelot and the restoration of the "New Frontier". The possibility of a Ted Kennedy candidacy for President has haunted almost every aspirant for that office from either party.

In early 1969, Kennedy mounted a surprise campaign and won the post of Majority Whip away from Senator Russell Long of Louisiana. Then, in July, 1969, the roof fell in. Depending on which theory you listen to, these common elements stand out: Mary Jo Kopechne, 28, a former aide to RFK, was drowned when Kennedy's car went off a bridge on Chappaquiddick Island, Massachusetts. Kennedy did not report the accident until the next morning, having spent a fitful night in bed in the Shiretown Inn in Edgartown after a number of attempt to rescue her by diving.

Whatever the true story is, Kennedy never came out with it. The inquest held on the matter did not result in indictment. Kennedy later issued a carefully worded 240 word "apology" to the people of Massachusetts (after consultation with top aides) in which he denied the inuendo that he was having sexual relations with Ms. Kopechne (rumors of his being a sexual libertine have been around for some time) and denied that he was drunk when the accident happened. There is little doubt that this unsatisfactory explanation cost Kennedy votes in his 1970 Senate race.

There have been any number of books on the subject of the Chappaquiddick incident. In The Bridge at Chappaquiddick, Jack Olsen, a former Time writer, theorizes that Kennedy wasn't even in the car when it went off Dike Bridge. Olsen says that Kennedy, drunk, had spotted a police car, and hoping to avoid getting caught in that condition by the police, had gotten out of the car and given the wheel over to Ms. Kopechne and told her he would meet her later. According to Olsen, Ms. Kopechne then took a wrong turn and drove the car off the bridge, and that Kennedy did not know about it until a member of his party told him later, upon which he ran to the spot and jumped in the water after her.

Zad Rust, the author of Teddy Bare, is a pseudonym for a man who was the last head of the fascist secret police in Bulgaria during World War II, while Bulgaria was a member of the Axis. It comes close to accusing Kennedy of the murder of Mary Jo Kopechne, and is full of invented "facts" about all the Kennedys' sex lives and their presumed susceptibility to the Communist line. If it were not for the case of Sullivan v. New York Times, this scurrilous trash would be regarded as libel, and both "Rust" and the publisher, Island Press, which is closely allied with the John Birch Society, would be in hot water.

Probably the most damaging but responsible book on the subject is Robert Sherrill's The Last Kennedy. The book is an expansion of an article by Sherrill in the New York Times Magazine in July, 1974, titled "Chappaquiddick Plus 5" (herewith attached). Sherrill is a vicious journalist, but he is a competent one. In The Accidental President, he virtually accused

Lyndon Johnson of complicity in John Kennedy's death. His slim book on Hubert Humphrey, The Drugstore Liberal, has been called "the journalistic equivalent of assault with a deadly weapon."

Sherill's view of Kennedy is not all one-sided. He claims to admire Kennedy's intelligence and his courage to stand up for what he believes. He speaks of "Kennedy's guts . . enough to stand up in front of a mob of egg-throwing shanty Irish and tell them to go home and obey the school busing laws."

Brushing aside the more assinine rumors (ex.: Mary Jo Kopechne was pregnant with Kennedy's baby and was murdered), Sherrill asks some probing questions: How much had Kennedy drunk? Why did he make a wrong turn? What did he really do to try to rescue Ms. Kopechne (and, conversely, would she have been saved if Kennedy had called for professional rescue teams?) What accounts for Kennedy's strange behavior after the rescue attempts? Why was the inquest closed, and the testimony kept under wraps? And finally, why won't Kennedy talk about the incident? If Kennedy were to run for President or Vice-President, he might be obligated to answer some of these questions.

Polls often accurately or not show that Kennedy could have the nomination if he wanted it. His appeal is across the board, concentrated in the young and in minority voters. Every time his name is mentioned, the Republicans print up more "Nobody Drowned at Watergate" bumper strips.

In 1971, Senator Robert Byrd of West Virginia turned the tables on Kennedy, taking away his Majority Whip's post. Byrd's plan caught Kennedy flatfooted, but he had not been reacting well since Chappaquiddick.

Kennedy took his medicine and buckled down to work, again becoming a more-than-valuable member of the Senate. However, his grief was not to subside. His wife, Joan, a shy, former fashion model, had become an alleged alcoholic, and it was bandied about that she had taken to drinking because of the rumors of Ted's infidelity. (He has been linked with socialite Amanda Burden, former wife of New York City Councilman Carter Burden and at least one other woman*). In 1973, his son, Ted Jr., developed a juvenile bone cancer and his leg was amputated. The boy, now 14, is still undergoing treatment, in spite of a courageous adjustment. Then, too, he must serve as a substitute father for the eleven children of his late brother, Bobby.

In spite of his personal burdens, Kennedy does a good job in the Senate. His legislation is well-drawn and he floor-manages a large number of bills. Depsite a grueling personal appearance schedule, his attendance record is one of the Senate's best. His ADA and COPE ratings are consistently high.

He has one of the most competent staffs on the Hill. To many, he still appears bigger-than-life. His carefully maintained appearance and his speeches, which are fine-tailored to his audiences (but are not always what they want to hear), along with his excellent voice and quick mind, make him an unexcelled campaigner. He is a true star, but those

* ONE POSSIBILITY = WASHINGTON SOCIALITE PAGE LEE HUFTY.

who feel that their concerns are more important that the other items on Kennedy's daily agenda think that his "star quality" enables him to give their affairs only cursory investigation (as well as the staff), using time and workload as an excuse. Because of this, the Jewish community tends to view him with some disfavor, and this is compounded by their memories of his father's pro-Nazi statements just before World War II. Older Jews are especially resentful of this. In short, Kennedy is probably as valuable as possible in the Senate.

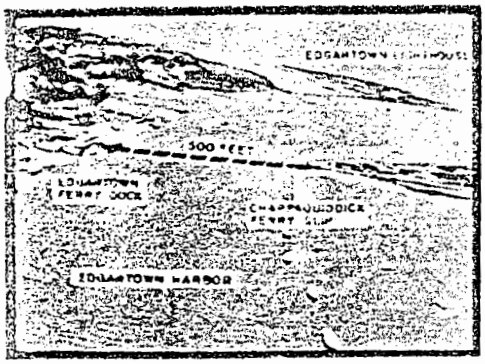
Kennedy has written two books: In Critical Condition and Decisions for a Decade: Policies and Programs for the 1970's. Decisions is an "aspiration piece", published about the time of RFK's death.

Books about Kennedy include (in addition to those on Chappaquiddick already summarized and The Inspector's Opinion: The Chappaquiddick Incident, an acknowledged fiction work by Malcolm Reybold): Ted Kennedy: Triumphs and Tragedies, by David Lester, a modest biography; Senator Ted Kennedy, by Theo Lippman (a former Atlanta Journal reporter), a dull, if honest appraisal of Kennedy's life; Edward Kennedy and the Camelot Legacy, by James McGregor Burns, an estimate of Kennedy's past life, including sins and successes, and the author's hopes for the future, by an unre-constructed New Frontiersman and biographer of FDR and JFK; A People of Compassion: The Concerns of Edward Kennedy, edited by Thomas P. Collins, a collection of Kennedy quotes; Joan: The Reluctant Kennedy, a sensational "biography"; the most interesting, The Education of Edward Kennedy: A Family Biography, by Burton Hersh, which explains that Kennedy's

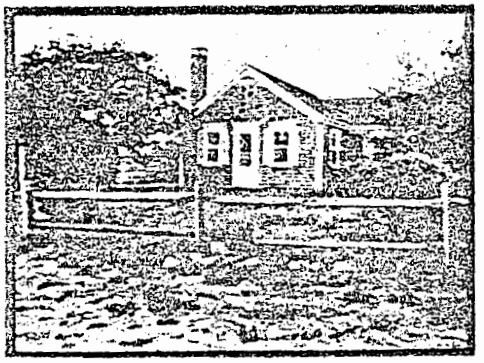
upbringing is largely responsible for what he became, and how the transition took place; and finally, Ted Kennedy: Portrait of a Survivor, by William Honan, a sharp, but journalistically sound examination of Kennedy's modus operandi.

These can be provided to you and/or summarized, if you wish.

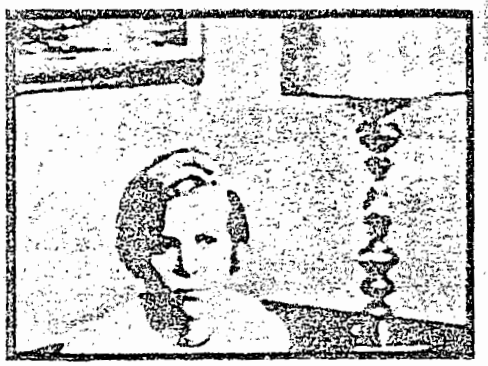
EDWARD M. KENNEDY



1. The ferry channel.



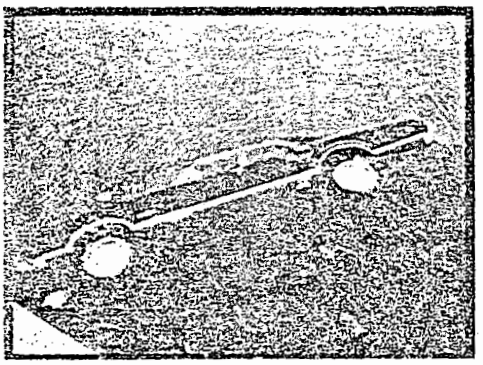
2. The party cottage.



3. Mary Jo Kopechne.



4. The Dike Bridge.



5. Retrieving the car.



6. Facing charges in Edgartown.

A tragedy, an enigma, a political Achilles heel.

Chappaquiddick+5

By Robert Sherrill

Five years ago, around midnight of July 18, 1969, a black four-door Oldsmobile 88 owned by Senator Edward Kennedy was driven off a bridge on Chappaquiddick Island, Mass., and it landed upside down in eight feet of water. About 9 o'clock the next morning a scuba diver entered the car and recovered the body of Mary Jo Kopechne, 28, one of the dozens of young women who in those days looked upon themselves as followers of the Kennedy clan.

Shortly after 10 o'clock Senator Kennedy was confessing to Police Chief Dominick Arena in Edgartown, a small village on the eastern shore of Martha's Vineyard, just across the channel from Chappaquiddick, that he had been driving the Oldsmobile at the time of its plunge.

That confession was the first in a series of statements by Kennedy and by others that turned what at first seemed a simple automobile accident into a multilayered complex mystery that remains just as baffling today as it was five years ago.

If there is any one aspect more mysterious than others, it is that despite the enormous and permanent damage the unexplained portions of the incident have done to his reputation (and to Miss Kopechne's), Kennedy has from the beginning refused to clear the air. His reputation as a wild driver and his reputation as a ladies' man provided a marvelous culture for growing virulent rumors. There were whispers that Miss Kopechne was pregnant and that her death was no accident. When her parents later moved into a much more expensive home, it was hinted that Kennedy had paid them for silence. (Shortly after the accident, the Kopechnes were complaining about the way they had been treated. But recently they said that if Kennedy were to run for President he would have their support.) The most common assumption, registering rather high on an opinion poll commissioned after the accident, was that he was inebriated when he drove off the bridge and that he had been speeding Miss Kopechne to an outing on the deserted beach at the end of the road.

Rumors of this kind ate great holes through his image and chipped away at his following. Whereas five years before Chappaquiddick Kennedy had won re-election to the Senate with an awesome 75 per cent of the vote, 15 months after Chappaquiddick he was re-elected with only 64 per cent of the total vote—still a cushy margin, to be sure, but when a Kennedy drops 11 percentage points in Massachusetts, something dramatic has happened. Before Chappaquiddick, Kennedy's national popularity seemed to offer him the Presidency for the asking. Today he still could undoubtedly have the Democratic Presidential nomination for the asking, but beyond that Kennedy may now be vulnerable; this is an assumption that surfaced when Republicans, preparing for the possibility of Kennedy's nomination in 1972, dispatched one of the White House "plumbers" to Chappaquiddick to start digging for dirt on the very day Miss Kopechne's body was pulled from the car's wreckage and, according to staff members of the Senate Watergate Committee, put a telephone tap on the women who had shared a house with Miss Kopechne in Washington.

If nothing came of the partisan snooping, Kennedy was still left to contend with snickers and nudges. At the 1973 Gridiron dinner, the famous annual affair at which a group of Washington journalists twit the powerful of government and business, one newsman posing as Kennedy sang to the tune of "As Time Goes By":

It's still the same old story,
A lust for fame and glory,
A taste for flying high.
But still the nagging question comes—
Can I get by?

Robert Sherrill is the Washington correspondent of The Nation.



Senator Edward M. Kennedy in 1974.

Painful as the slippage in popularity and the raw jokes must have been for him, he apparently preferred them to making a full disclosure. The "Kennedy story"—that is, the account supplied by Kennedy and his companions of the evening—did not come out immediately or smoothly or voluntarily. It came out in jerks, in bits and pieces, always incomplete, grudgingly, loaded with contradictions and inconsistencies.

Kennedy's first explanation, the morning after the accident, was a 240-word written statement to police that omitted any mention of half the activities he listed a week later in his television "talk to the people of Massachusetts," when once again he gave only the barest sketch of what had happened.

To many observers, the television appearance came across not so much as an explanation as a public-relations pitch, aimed at turning the public's mind from curiosity to sympathy—a pitch made with all the craftsmanship that half a dozen top Democratic advisers and speechwriters (the likes of Robert McNamara, Ted Sorensen, Richard Goodwin, Kenneth O'Donnell) could muster, employing the rhetoric of candor ("Tonight I am free to tell you what happened") without actually giving away many details of the accident.

After that, virtually nothing was added to the Kennedy story for another six months. Then he and his friends appeared for testimony behind locked doors at an inconclusive inquest. This hearing was so loaded with trivial and irrelevant testimony that, according to one of his aides, Kennedy would later, privately, laugh about some of it.

Never has Kennedy, or any of those who were with him on the night of the accident, been put to the rigors of cross-examination in court; never have they submitted to hard questioning by the press. Newsmen are virtually never allowed to interview him on the topic of Chappaquiddick except as an auxiliary line of questioning and in some featherbed situation like "Face the Nation," the television show, when a panelist has time only to lob a few soft generalized questions at him about whether Chappaquiddick shows a defect in his character, and he can easily turn the questions aside with equally generalized answers about how "it's all in the record," and "the public will have to decide." But sitting down with newsmen for a couple of hours of mean, relentless grilling on nothing but the shadowy details of the accident—that's something Kennedy has never done. "And it's something I wouldn't recommend his doing," says one of his top aides, "unless he wants to have it interpreted that he is running for President. I think there are better ways to make the announcement."

He has a point, of sorts. If Kennedy, who is now obviously making tentative runs at the Democratic Presidential nomination for 1976, should officially announce his candidacy, then the post-Watergate press would be obliged to subject him to the same demands for a clean breast that it has subjected Nixon to. But the press may not get what it wants. If Kennedy can get by on charisma, will he be any more willing to play by the rules of candor?

Walter Pincus, executive editor of The New Republic, who has worked for and mingled with the Kennedy crowd for years, recently reported that because of the enthusiasm with which Kennedy is greeted these days in "selected" public appearances, his closest aides and supporters are convinced that Watergate has obscured the public's memory of Chappaquiddick and that the ghost of Miss Kopechne will not again be raised in a serious way. "They seem to see Chappaquiddick as a public-relations obstacle," says Pincus, "but not as barring the way to the Presidency. The Senator, apparently, sees it the same way."

Which means, if that is an accurate appraisal of thinking within the Kennedy court, that the public will have to continue coping indefinitely with the old Kennedy story, which goes like this:

Senator Kennedy invited six women who had worked for his late brother Robert to attend, as a sort of reunion, the Edgartown Yacht Club Regatta on July 18-19. The six, all veterans of Robert Kennedy's 1968 campaign "boiler room," were Rosemary Keough, 23, Susan Tannenbaum, 24, Esther Newberg, 26, sisters Maryellen, 27, and Nance, 26, Lyons, and the oldest of the group, Miss Kopechne, one week short of her 29th birthday. They were put up at the Katama Shores Motor Inn near Edgartown. Kennedy and his men were at Edgartown's Shiretown Inn. That evening about 8:30, the Kennedy crowd gathered for a cook-out at a rented cottage on Chappaquiddick, which is usually reached by riding from Edgartown on a two-car ferry across a channel about 500 feet wide.

With the six women were Kennedy and five other men. Charles Tretter, a Boston attorney; Ray LaRosa, a Massachusetts civil defense official; Jack Crimmins, a legal aide and investigator serving as Kennedy's chauffeur; Paul Markham, a former United States Attorney turned bank president; Joseph Gargan, Kennedy's cousin and factotum. Gargan and Markham, long-time intimate friends of Kennedy, would be called upon that evening to play a role almost as baffling as Kennedy's own.

At first blush, it might not have seemed the best grouping for social purposes. All of the women were under 30, most of them well under. All of the men were over 30, most of them well over; one was 63. None of the women were married. All but one of the men were married.

But drinks were poured and steaks were served, and the evening seemed to be going pretty well. Old campaign stories were told and retold, songs were sung, a radio was borrowed from a motel on the mainland and for a while there was dancing.

Then, at 11:15 P.M., Kennedy decided he would like to go back to the Shiretown Inn and turn in to get a good rest for the next day's races. Mary Jo Kopechne told Kennedy

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Chappaquiddick

she was feeling ill and asked if she could ride along to Edgartown with him.

There is only one paved road on Chappaquiddick Island. It goes past the cook-out cottage and continues for about half a mile before turning left, toward the ferry, at a 90-degree angle. This is a "T" intersection. Going off to the right is a dirt lane called Dike Road. When Kennedy came to the intersection, he turned right by mistake, drove on down Dike Road for about seven-tenths of a mile, and that's where he went off the bridge. He did not see in time that the bridge was set obliquely to the road.

After Kennedy escaped from the car, he made seven or eight dives in an attempt to rescue Miss Kopechne (this, by Kennedy's reckoning, took about 15 or 20 minutes). Exhausted, he rested on the bank of the pond (he says another 15 or 20 minutes), then struck out to get help at the cottage, "walking, trotting, jogging, stumbling" 1.2 miles through the inky blackness (Kennedy estimates this trip took 15 minutes, but reporters who later made the trek by daylight needed between 20 and 25 minutes). Spotting LaRosa outside the cottage, Kennedy told him to summon Markham and Gargan; while he waited for them, Kennedy sprawled in the back seat of the group's other car, a rented Valiant, and rested.

Back at the accident site, Gargan and Markham undressed and spent 45 minutes (their estimate) diving. They were unable to get in a position to see Miss Kopechne, much less rescue her or recover her body. Giving up, they drove Kennedy to the ferry landing, where they sat and talked with him for 10 minutes (their estimate). Suddenly Kennedy bolted from the car and jumped into the channel before they could stop him. They watched him until he had swum about half way across (or, according to another version, jumped in and swam a little way with him) and then they returned to the cottage.

The women met them with questions — what had they been doing? where was Kennedy? where was Miss Kopechne? — that Gargan and Markham brushed aside with easy assurances: They had hunting for a boat, Kenand Kopechne were at their respective motels, everything was O.K., go to sleep.

Meanwhile, Kennedy, struggling against the tide, had almost drowned in the channel. En route back to his motel, staggering up dark streets, he paused once to lean against a tree and rest before going on, arriving at the Shiretown Inn about 2 A.M. He shed his wet clothing, lay down on the bed, contemplated his troubles for a while, fell asleep, was awakened by noises from the motel next door, got up and dressed (including a jacket) and went downstairs where he had a conversation with the innkeeper. In the course of their brief exchange, Kennedy said that he had misplaced his watch and asked the innkeeper the time. It was exactly 2:25.

Kennedy spent the rest of the night alternately sleeping fitfully and pacing the floor. His head ached, his neck throbbed. Sometime between 7:30 and 8 o'clock the next morning Kennedy, out for a stroll, ran into Ross W. Richards, who had won the yacht race the day before. Richards was going back to the Shiretown Inn and Kennedy walked along with him. Their conversation, about the weather and sailboat racing, was interrupted by the appearance of Gargan and Markham.

Kennedy, Gargan and Markham went off to Kennedy's room to confer. About a half hour later Kennedy turned up in the lobby to place an order for The New York Times and The Boston Globe. He also borrowed a dime from the receptionist to try to make a long distance phone call at a pay booth. When Gargan and Markham discovered Kennedy hadn't notified the police about the accident, as he had assured them he would when he left them at the ferry landing the night before, they once again told him he must do it. Kennedy said he wanted to call his friend and sometime attorney, Burke Marshall, for advice, and he wanted to make the call from a booth that assured privacy. Gargan suggested a phone on the Chappaquiddick side of the ferry passage, and they went there sometime between 9 and 9:30, remaining 20 minutes or so. Then they were told by the ferryman that the wrecked auto had been spotted and Miss Kopechne's body recovered. Now that the word was out, Kennedy rode the ferry back to Edgartown and trotted off to turn himself in to Chief Arena.

The Kennedy account of the evening is not a pretty one—it portrays the Senator, after the accident, as either slightly crazy or calloused in the extreme, spending the next 10 hours, as he says he spent them, while a young friend's body washed around inside a crushed auto. But before settling for Kennedy's own harsh judgment of his actions — "indefensible" — a number of questions would have to be answered.

Q.: Where was Kennedy heading, and in what condition?

A disproportionate amount of the questioning at the inquest was aimed at two targets, sex and booze, which, put in question form, come to this: Was Kennedy drunk when he drove away with Miss Kopechne? Was he lying when he said he aimed for the ferry and got on the beach road by mistake?

In a way, as they apply to the generic friskiness of politicians on the loose, these are the most trivial questions of the whole tragedy. But they also happen to offer the most convenient measure of the credibility of Kennedy and his friends.

The cook-out crowd describes the evening as one of comparative abstinence. If you go through the testimony at the inquest carefully, you will find the 11 survivors admitting to the consumption of only 16 drinks, total, during a party that stretched over at least four hours. This, however, is difficult to balance with other testimony about the liquor supply and usage.

Crimmins says he stocked the cottage with 3 half-gallons of vodka, 4 fifths of Scotch, 2 bottles of rum (unspecified size), and a couple of cases of beer. After the party, says Crimmins, he took away 2 bottles of vodka, 3 bottles of Scotch, and the beer. That leaves 1 half-gallon of vodka, 1 fifth of Scotch, and the 2 bottles of rum to be accounted for. Crimmins claims there was "very little" drinking at the party and others who were there made the same claim; but the liquor went somewhere.

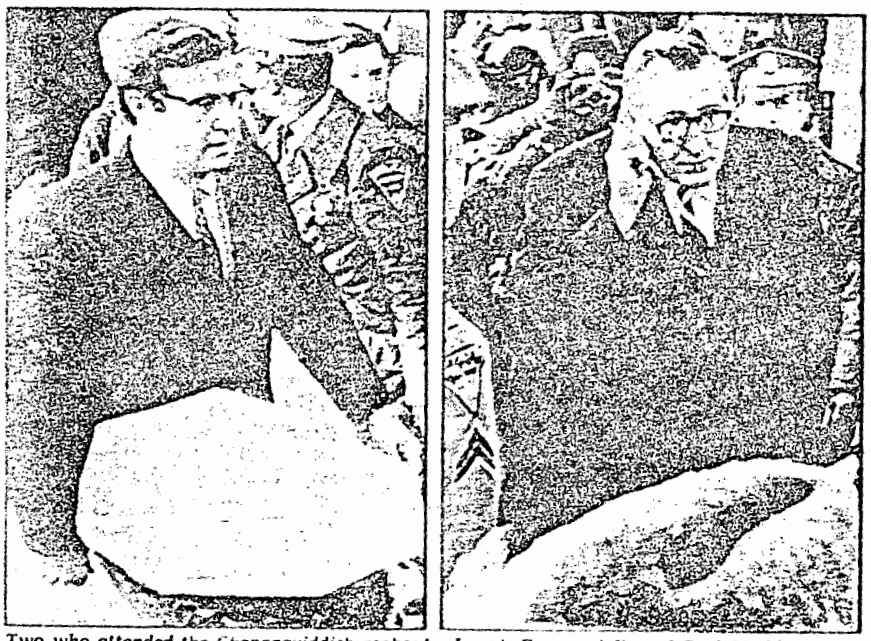
Kennedy says he drank only two rum and Cokes on the evening of the tragedy. Crimmins was the only other person at the party who drank rum. He says he had "a couple" that evening and that he had been drinking from the rum supply the night before, but not much. He said his usual quota was three drinks for an evening. But perhaps Crimmins polished off more the night before than he remembered; Markham recalls that when Kennedy was getting his first drink of the evening he said to Crimmins, in a kidding way, "Who has been drinking all the rum, there is hardly any left?... Gee, you didn't leave me any rum, you didn't get any rum for me." In any event, at the conclusion of the cook-out, the two bottles of rum were gone and the only members of the party who said they had drunk from the supply were Kennedy and Crimmins.

One fifth of Scotch disappeared; but only two of the survivors said they drank Scotch (LaRosa, one drink; Rosemary Keough, two drinks).

One half-gallon of vodka was used up in some way, but the survivors said they consumed only nine vodka drinks (Newberg, two; Maryellen Lyons, one; Nance Lyons, two or three; Tannenbaum, two; Markham, one). Even if they had dealt generously with themselves and had put in two ounces per drink, this would have left 46 ounces of the used half-gallon unaccounted for.

Gargan said he drank only Cokes, four. Tretter did not specify how much he drank except that it was just a "social" amount.

That leaves only Miss Kopechne. Massachusetts State Police claim that an analysis of her blood showed the alcoholic content at nine-tenths of 1 per cent, which is the equivalent of 3½ to 5 ounces of 80- to 90-proof liquor consumed by a person of 110 pounds within an hour—or more liquor than that if the drinking was stretched over a longer period. At that rate Miss Kopechne would appear to be perhaps the heaviest drinker at the party—assuming that the others were telling the truth about their own alcoholic consumption. And



Two who attended the Chappaquiddick cookout—Joseph Gargan, left, and Paul Markham—arrive at the inquest into Mary Jo Kopechne's death at Edgartown in January, 1970.

yet all who knew her well said that she was not anything remotely resembling a two-fisted drinker, and all who had seen Miss Kopechne just before she left the party said that she gave every appearance of being sober.

Were they telling the truth about Kennedy's and Miss Kopechne's apparent sobriety on that occasion? Were they telling the truth about their own moderation? If so, where did the liquor go?

As for Kennedy's claim to have been on Dike Road by mistake, almost nobody—certainly not the judge at the inquest, nor reporters who scouted the area — believes that. Where the asphalt road, marked with a center line, turns left toward the ferry, it is banked slightly to help swing a car in that direction. There is a left-turn sign with an arrow made of reflecting glass. To make the mistake Kennedy says he made, he would have had to ignore all those helps and drive past the curve before he could find, hidden by bushes, the narrow dirt road to the beach. Later he said that he had become aware he was driving on dirt "sometime" after he turned to the right. Actually, the washboard surface grips a car and begins shaking it immediately. And the dirt looks like any other dirt, even under a car's lights. Markham says that Kennedy explained to him that after he discovered he had taken a wrong turn "he couldn't turn around." There are at least half a dozen driveways leading off Dike Road that are available for turning around, and they are easily seen.

If Kennedy left the cottage at 11:15, as he said he did, and was going to the ferry, why hadn't he asked the other women if they wanted to go along? The last scheduled ferry was at midnight and the women all say it was clearly understood that they wanted to return to their motel. By pulling out with only Miss Kopechne, Kennedy left five women and five men stranded with only a small Valiant. And if Miss Kopechne was ill, as Kennedy informed Crimmins she was, why hadn't she mentioned it to some of her close friends? More to the point, if she was going back to her motel, why did she leave her purse in the cottage?

Q.: Did Kennedy lie about the time he left the party?

Sylvia Malm, home from college, was in Dyke House, about 150 yards from the bridge. Until midnight, when she turned out the light and went to sleep, she was reading. Her window, which faces the bridge, was open. The night was so still that fishermen, they say, could hear fish jumping half a mile down the lagoon. When Kennedy's car left the bridge, its momentum carried it 36 feet through the air and it fell several feet before hitting the surface of the water with such impact as to cave in the roof, blow out both windows on the passenger side, and splinter the windshield. Though Miss Malm, and her mother, thought they heard a car pass by shortly before midnight, wouldn't they have heard the splash of the Kennedy car?

The most fascinating contradiction of Kennedy's claimed schedule comes from Deputy Sheriff Christopher Look Jr., who says he was driving home from work that night and, about 12:45 A.M., saw a large black auto pause at the ferry road-Dike Road intersection. The uniformed deputy stopped and stepped out, meaning to ask if the driver needed help or directions. The other car whished off down Dike Road. Look noticed that the license plate numbers started with L7 and ended with another 7. It was the sort of thing he would remember, he said, because seven was the number he had worn on his high school jersey and it had always been his favorite number He was on hand the next morning when the Kennedy car (license L78207) was fished from the lagoon. Look immediately identified it as the car he had seen the night before. He was positive of the time because within five minutes he was home and, as he shucked his shoes and leaned back to watch television, he noticed that the time was 12:58.

Look has not budged from that story (he has since become sheriff). Most police officials and newsmen who know Look, or who met him during the Chappaquiddick investigation, are convinced his memory is accurate and that he is completely honest. That's his reputation in the community, too.

If Deputy Sheriff Look did spot Kennedy's car at 12:45, 45 minutes beyond the last scheduled ferry departure, it does much more than throw doubt upon the purity of the Senator's intentions. It also casts doubt on the entire schedule that he claimed for the rest of the night. If you add up all the things that Kennedy says he and Gargan and Markham did, the elapsed time comes to two hours at least and more reasonably two and a half hours. That's using their own time estimates. Two and a half hours would nearly fill the time between his claimed departure from the cottage (11:15) and his claimed arrival at his motel (about 2 o'clock).

But if Look is correct, an hour and a half would be lopped from the clock, and there simply would be no way Kennedy, or Gargan and Markham, would have had time to make the rescue efforts they claimed to have made.

But having twice claimed 11:15 as his hour of departure (once in his police statement, once in his television address), Kennedy was stuck with it, accurate or not. Thus, it was of paramount importance for Kennedy to hammer 11:15 (or thereabouts) into the record, and to get support from others at the party on this point when they testified at the inquest.

It is interesting to see, therefore, what the five surviving women had to say. (The men at the party, except for Crimmins—who claims he looked at his watch—were all very vague about it.)

Between the time of the accident and the inquest six months later, only Esther Newberg allowed herself to be openly interviewed by the press. Her most notable interview was on July 23, five days after the accident and before Kennedy finished working up his television speech in which he for the first time told about the long rescue search by Gargan and Markham, which he said he had encouraged.

In that interview, Miss Newberg was asked what time Kennedy and Miss Kopechne left the cottage. Warren Weaver Jr., who reported the interview for The New York Times, wrote: "Miss Newberg described it as an informal group, with no one keeping particular track of who was there or who wasn't there at any given time. Thus, she said, no one specifically missed either the Senator or Miss Kopechne or noticed what time they had left." Chicago Tribune reporters gave other details of her response: "Miss Newberg said she was very vague about time during the evening partly because her watch was a psychedelic one and 'you couldn't read it' and because no one was sitting around watching the clock. . . . 'At no time were we aware of time,' she explained. . . ." The reporter for The Worcester (Mass.) Evening Gazette, wrote: "Miss Newberg said she did not notice when Senator Kennedy and Miss Kopechne left the party. . . . She said she did not know the time accurately because her Mickey Mouse watch—which had been a topic of joking conversation—was not working properly."

Except for some variations in the description of her watch, all reporters seem to have heard Miss Newberg the same way: Nobody was paying any attention to time, and she had a special reason for not checking the time of the Kennedy-Kopechne departure because her watch was not working right.

By the time of the inquest, however, Miss Newberg had radically changed her story. Now, when the assistant district attorney asked her if "prior to his leaving did you become aware that Mr. Kennedy left at a certain time," she answered yes, it was about 11:30, and she was certain of it because "I have a rather large watch that I wear all the time and I looked at it." At some time and for some reason between the interview and the inquest Miss Newberg was transformed from an easy-going partygoer to a clock-watcher. Moreover, the six months between interview and inquest also incubated not only an "awareness" that Kennedy and Miss Kopechne had left but an actual remembrance of the act—"I saw them walk out of the cottage. . . . I saw him walk out . . . Miss Kopechne was directly behind him."

In her newfound certainty of the time, Miss Newberg was in total harmony with the other four women. Although Maryellen Lyons had to acknowledge that the party was not exactly a timekeeping situation—"I mean, people were going into the cottage and out of the cottage all night. I didn't know at any particular time that anybody was leaving"—yet she was somehow aware with strange precision, "about 11:15 or 11:20," that Kennedy and Miss Kopechne were no longer around. Likewise her sister, Nance Lyons—amidst all the coming and going, the singing, the drinking, the storytelling—happened to turn at exactly the right moment and her eyes fell upon Kennedy and Miss Kopechne just as they walked out the door; and, looking back at it, she would place the time at "11, 11:15." Miss Keough was another who, despite the confusion of the party, noticed her friend Mary Jo leaving the house at "approximately 11:20" and Miss Keough furthermore distinctly remembers "she was followed by Senator Kennedy." (A slight variation there; Miss Newberg had seen Mary Jo go last through the door.) Miss Tannenbaum's memory gave just the needed piquancy of a few minutes' difference, though she was another who conveniently fixed her departure with a timepiece: "I just turned around and saw the door slam and Mary Jo leave. . . . I remember looking at my watch at 25 to 12 and Mary Jo, Miss Kopechne had left," and she hadn't been gone long.

> 'A simple auto accident became a multilayered mystery that remains as baffling today as it was five years ago.'

Considering the profound vagueness that seized their memories on most of the other episodes of the evening, it is indeed remarkable that among the 10 who remained in and around the cottage, six could substantiate Kennedy's general time of departure (though he told only one of the group that he was leaving) and three of them could pinpoint it with the aid of watches. And what makes it even odder, though these six were apparently very interested in the movements of Kennedy and Miss Kopechne, not one of the observers—except Crimmins—heard the car start up or saw them drive away. Their support of the Kennedy departure ends at the doorway.

A possible challenge to Kennedy's claimed schedule comes from another source. Shortly after the accident, Time magazine quoted Dr. Donald R. Mills, the county's associate medical examiner, as saying that Miss Kopechne could have died anywhere from five to eight hours—and at the very outside, nine hours—before he looked at her body, around 9:30 A.M. Even using his maximum count, that would put her death—and Kennedy's departure from the cottage — at no earlier than 12:30. However, at the

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inquest Dr. Mills testified that she had been dead "six or more hours," giving no outside time limit for the moment of her death.

Q.: How come Gargan and Markham didn't show signs of their ordeal?

They say that, while Kennedy stood on the bank encouraging them, they spent 45 minutes thrashing around in an impossibly strong tidal current trying to rescue Miss Kopechne. Gargan adds specific details to the claim, saying that at one point he pushed partway through a window of the submerged car and got momentarily stuck, bruising and "badly" (his word) scraping his chest, arm and back. Kennedy goes farther, saying that Gargan "was scraped all the way from his elbow, underneath his arm was all bruised and bloodied." Markham claims that he, too, suffered in a dive, banging a knee against the submerged car so hard that it throbbed for hours.

Following that exhausting exertion, Gargan and Markham (they say) drove Kennedy to the ferry landing and discussed for 10 minutes what he should do to save his reputation. Then when Kennedy dived into the channel, Gargan and Markham dived after him (at least this is what they told some of the women, but they didn't mention it at the inquest) with the intention of swimming along with Kennedy, but changed their minds.

So here were two men who had allegedly spent the previous hour or so fighting swift currents, risking their lives poking around a submerged car, their nerves strung out with the knowledge that somewhere under there was an unwelcome corpse; or jumping into another swift current in pursuit of a friend and potential President who was obviously beside himself and in danger of drowning; or plotting with him what course to follow to save his political career. They had not toweled themselves off before putting on their clothes at the accident site; they had presumably jumped into the ferry channel fully clothed, as they say Kennedy had done. And yet they turned up at the cottage a few minutes later without appearing so wet and bedraggled and frantic and exhausted as to arouse curiosity or special notice, or to prompt questions. Was that [illegible]e?

one person in the cottage claims to have noticed anything odd about either man. Esther Newberg, the young lady with the rejuvenated memory, told officials at the inquest (she had apparently forgotten to tell reporters six months earlier) that Gargan appeared "red in the face and exhausted"; she said she didn't remember anything about Markham's appearance. She quotes Gargan as asking her to move off the couch and let him lie down because "I am exhausted. . . . If you knew what I have been through you would let me lie there." (Markham says *he's* the one who made that remark to Miss Newberg.) Susan Tannenbaum says she "overheard" Markham say he was tired but that he did not seem excited; she says she paid no special attention to Gargan. Tretter says he saw nothing unusual about Gargan's appearance (he didn't recall seeing Markham). The red face Miss Newberg interpreted as a sign of exhaustion was seen by Tretter as nothing but sunburn. Four others who talked to Gargan after his return to the cottage (Crimmins, Miss Keough and the two Lyons sisters) saw nothing strange in Gargan's apparel or demeanor. In fact, Nance Lyons says that, in retrospect, comparing Gargan's attitude at 2 A.M. to his appearance the next morning around 10 o'clock when he broke the news of Miss Kopechne's death, "it appeared when he returned [at 2 A.M.] that he had no knowledge of what had actually transpired," that is, no knowledge of her death.

Q.: Why did Kennedy wait so long to report the accident?

Kennedy blamed it on head injuries and shock. Shock, no doubt, there was. But his head injuries were not enough to greatly impress even his own doctor, who diagnosed the damage as a "slight" concussion. Kennedy showed up at Miss Kopechne's funeral, his first public appearance after the accident, wearing a neck brace, but he was not seen wearing it very often thereafter.

While Kennedy and his doctors claim he suffered enough to impair his judgment, the suffering apparently did not interfere with other mental operations. He observed clearly at the time, and his observations were made so coolly that he remembered them later. Just before being engulfed in water, says Kennedy, he remembers getting "half a gulp of air." He says he immediately realized he was upside down in the water; he says he remembers distinctly his futile efforts to reach the handle and open the door; he says he remembers Miss Kopechne's movements; he says he remembers the feel of the water as it rushed in, the feel of his lungs "partially filling with water." He can recall virtually every moment from the time the car left the bridge until he popped to the surface, except, regrettably, the very moment that raises the big question of the crash: How did he get out? He doesn't remember, which is a pity, for it would be marvelous to know exactly how it occurred.

There he was, his big-boned, 6-foot, 2-inch frame, his 220 pounds of muscle and fat (he lost 20 pounds shortly after the accident) squeezed under the steering wheel, his movements partially restricted by the plastic brace that he has worn around his middle since an almost-fatal air crash in 1964; there he was, stunned, upside down, water pounding in from both sides, wrestling with the door, groping around to find an open window—all this on that precious "half a gulp" of air—then inhaling water, being overcome by a sense of defeat — "Then I gave up, I thought that was it and I gave up, I just gave up, and the next thing I knew I was out." Somehow he had slipped right through the window: a miracle denied Miss Kopechne, although she was a slender woman, half Kennedy's corpulence and she was unhampered by the steering wheel; she was a good swimmer; she was still conscious (according to Kennedy's story), struggling beside him, seeming almost to be fighting to be free of him —"perhaps hitting or kicking me," is the way Kennedy says he remembers her exertions. But somehow, out of their mutual struggle for room to twist and turn and feel one's way out of the car, he miraculously emerged and she did not, though the crash had left two open windows on her side of the car and only one on his.

If Kennedy's awareness of details deserted him just at the wrong moment, it apparently came back almost immediately and stayed with him for the rest of the night. When he and Gargan and Markham returned to the accident scene later that night, for example, Kennedy says he recalls the clock on the Valiant's dashboard reading 12:20.

So his mind was obviously not fogged by panic. Nor, for that matter, did outsiders who saw him later in the morning (before the accident came to light) observe anything unusual about him. When he sat and chatted about boating and the weather with Richards, he seemed in a pleasant mood; he did not seem distracted by inner turmoil. If "overcome," as he later claimed to have been at the time, with "grief, fear, doubt, exhaustion, panic, confusion and shock," it did not show through to the receptionist when he ordered the morning papers with the same easy air of any man arising for an ordinary day. These things were occurring eight hours or so after the alleged time of the accident. Could such "irrational" (Kennedy's word) callousness be accounted for simply by a bump on the head and a bad night's sleep? Could the bump and the shock of the accident result, as Kennedy claimed, in hallucinations that the accident had never happened at all or, at the very least, that the accident had happened but that Miss Kopechne had survived it and was still alive "somewhere"? None who talked to him the next morning, several hours before he turned himself in to the police, spotted these signs of temporary madness.



Senator Kennedy and his wife, Joan, at the Kopechne funeral in Plymouth, Pa., four days after her death at Chappaquiddick.



Mary Joe Kopechne's parents visit her grave a year later.

The discrepancies between what Kennedy and Gargan and Markham say they went through, and their appearance, are so startling as to have prompted several fascinating theories. Columnist Jack Anderson, citing sources close to Kennedy, says the Senator did not report the accident until mid-morning and appeared calm and natural to those who saw him at the breakfast hour because he had arranged for his cousin Gargan to take the rap and admit driving the car. At the last minute, according to Anderson, Kennedy decided to put aside this sleazy plot.

Time-Life Inc. editor Jack Olsen, in his book "The Bridge at Chappaquiddick," theorizes that the reason Kennedy, Gargan and Markham didn't show signs of strain was that they didn't know Miss Kopechne was dead and they hadn't been diving to hunt for her. Olsen speculates that when Deputy Sheriff Look hailed them, Kennedy, fearing scandal, panicked and got out of the car and hid in the bushes, sending Miss Kopechne down the road with instructions to double back in a little while and pick him up. Flustered, unfamiliar with the car (she normally drove a Volkswagen), and too short to see over the dashboard sufficiently, she didn't spot the angle of the upcoming bridge and drove off it without even slowing down. It would take all these handicaps and more to explain why this was the first time in 20 years that anybody had managed to drive off Dike Bridge. Not until the next morning, along with everyone else, Olsen argues, did Kennedy find out what had happened to the woman he had sent away to distract the law.

Q.: Could Miss Kopechne have been saved?

If Kennedy and his friends hadn't wasted time with amateur heroics and if Kennedy, instead, had gone directly to the Dyke House and called for professional help, what would have been the result?

Police and firemen with rescue equipment would have been on hand within half an hour, as they were the next morning, and Miss Kopechne would have been out of the car within another half hour. John N. Farrar, captain of the Edgartown Fire Department's Scuba Search and Rescue Division, says he found Miss Kopechne's "head cocked back, face pressed into the foot well, hand holding onto the front edge of the back seat. By holding herself in a position such as this, she could avail herself of the last remaining air in the car." Farrar believes "she died of suffocation in her own air void. But it took her at least three or four hours to die."

Dr. Mills, the local medical examiner who gave her body a 10-minute examination on the spot, disagrees. He insists that not only did Miss Kopechne drown but that she was "the most drowned person I've ever seen." He says her lungs must have been full of water because when he made "just light pressure on the chest wall . . . water would simply pour out of the nose and mouth."

But a pouring forth is not what Eugene Frieh, the undertaker, saw, and he was right there looking over Dr. Mills's shoulder. Frieh says that when Dr. Mills manipulated the thoracic region, it produced some water; asked if it produced "a flow of water," he replied with a more moderate description: "It produced some water flow, water and foam, mostly foam." On another occasion Frieh said, "Very little water was expelled from the lungs. I raised my eyebrows because I expected much more water."

There would be no question about how Miss Kopechne died if Dr. Mills had ordered an autopsy; he didn't, because he was satisfied that it was a death by drowning, and also perhaps because he got no encouragement from the district attorney's office.

A Massachusetts police lab analysis discovered evidence of blood on Miss Kopechne's white blouse. Dr. Mills tried to explain this as "consistent" with drowning; people who struggle desperately for air, he said, often are found with some show of blood in the mouth and nose. But if the blood came from Miss Kopechne's nose and mouth, why did most traces of it wind up on the *back* of her blouse and the *back* of her collar and the *back* of both sleeves?

What was Miss Keough's purse doing in Kennedy's car when it was recovered from the lagoon? Was it physically possible for Kennedy to swim the ferry channel? How did Gargan and Markham get to Edgartown the next morning? (The ferryman was reported as saying he didn't remember taking them.) Why did Kennedy recruit Gargan and Markham for the rescue effort when he could have used LaRosa, a professional fireman who was well trained in rescue work? Was Kennedy trying to establish an alibi when he asked the innkeeper for the time?

The questions are endless, and most of them seem not at all to have stirred the curiosity of officialdom, which from the very beginning was much more interested in protecting Senator Kennedy.

Police Chief Arena allowed Kennedy and all other cookout witnesses to leave the island without being questioned and—at Kennedy's request—he withheld the Senator's statement from the press for three hours, a statement which, when it was released, did not even include the dead woman's name. No judicial decision was given on the request for an autopsy until three months after she was embalmed and in her Pennsylvania grave. The inquest, which was supposed to be open to the public and press, was delayed six months and then held in secret, at Kennedy's request. The questioning of witnesses at the inquest was singularly gentle, though presiding Judge James A. Boyle did finally conclude that Kennedy was not telling the truth on two key points: "I infer . . . that Kennedy and Kopechne did *not* intend to return to Edgartown at that time; that Kennedy did *not* intend to drive to the ferry slip, and his turn onto Dike Road was intentional. [Emphasis from the judge's report]." No effort was made to resolve the numerous contradictions in testimony. The record of the inquest testimony was withheld from public inspection for nine months. A grand jury that cranked up to re-open the investigation was cranked down again after only three hours of testimony.

Nevertheless, Senator Kennedy feels enough has been told. "The facts of this incident," Kennedy said five years ago, "are now fully public and eventual judgment and understanding rests where it belongs. For myself, I plan no further statement on this tragic matter." ◻

July 14, 1974

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from the office of

Foreign Policy

Senator Edward M. Kennedy

of Massachusetts

STATEMENT BY SENATOR EDWARD M. KENNEDY WELCOMING $20 MILLION IN AID FOR PORTUGUESE RETURNEES

FOR IMMEDIATE RELEASE

MAY 25, 1976

I welcome the release today of $20 million in grant aid for Portuguese returnees from Africa, through legislation I supported in the Senate. This amount is in addition to $15 million provided by the United States government last February, and $7.4 million spent on the Angola airlift last year. It will help thousands of people, including many from Cape Verde, who are now in Portugal without homes, without jobs, without hope for the future.

I believe the money released today is tangible evidence of the deep concern of the American people for the economic problems of Portugal, made even worse by the return of several hundred thousand Portuguese citizens from Africa in recent months.

Following the legislative elections in Portugal on April 25th, that country is well on the way to restoring free and democratic institutions, and to resuming its rightful place in the mainstream of European political life.

But the success of that democratic experiment --- which has fired the imagination of free peoples around the world,--- will depend in part on Portugal's solving its staggering economic problems. We in the United States should continue our efforts to demonstrate to the people of Portugal that we are with them; and that we will respond to their urgent need for assistance to help them make democracy a reality, both now and for the future.

This week the Senate is considering legislation providing for $107.5 million in economic aid for Portugal, for fiscal years 1976 and 1977. The aid agreement announced today is an important part of that effort, which merits the support of all Americans.

Those of us in the Senate who have supported efforts to restore democracy in Portugal since the overthrow of the Caetano regime in April 1974 will continue to support the Portuguese democratic experiment, and our friends in Cape Verde, in the Azores, and in Portugal itself.

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Kennedy Moves Into Lead While Denying Race

Gallup Poll

By GEORGE GALLUP

PRINCETON, N.J. — Sen. Edward Kennedy's renewed disavowal that he is a presidential candidate comes at a time when he has moved into a clear lead over President Ford in the latest nationwide trial heat.

Kennedy's margin over Ford is 50 to 43 per cent. In the previous survey (May 30-June 2), the two were deadlocked, with Kennedy winning the support of 45 per cent of registered voters to 44 per cent for Ford. In a still earlier survey, conducted soon after Ford took office last August, the new President held a wide 57 to 33 per cent lead over Kennedy.

Kennedy, far and away the number one choice of Democratic voters for their party's nomination, is the only Democrat tested during Ford's year in office who is able to defeat the President in these trial heats.

Many political observers feel that Kennedy will definitely not be a candidate for President in 1976, yet speculation persists regarding attempts to draft him.

Here are the questions asked in the survey:

"Suppose the presidential election were being held today. If President Gerald Ford were the Republican candidate and Sen. Edward Kennedy were the Democratic candidate, which would you like to see win?"

All those who indicated another preference or had no opinion were then asked:

"As of today, do you lean more to Ford, the Republican, or to Kennedy, the Democrat?"

Here are the latest national findings and trend, based on the choices of registered voters:

KENNEDY-FORD TRIAL HEAT
(Choices of Registered Voters)

	KENNEDY	FORD	OTHER-UNDECIDED	
Latest	50	43	7	per cent
May 30-June 2	45	44	11	
August 1974	33	57	10	

When Gov. George Wallace of Alabama is added to the test as a possible third party candidate, Kennedy widens his lead over Ford. The three-way results show Kennedy with 42 per cent, Ford with 33 per cent and Wallace with 17 per cent.

Following are the questions asked:

"If Sen. Edward Kennedy were the Democratic candidate and President Gerald Ford were the Republican candidate and Gov. George Wallace of Alabama were the candidate of a third party, which would you like to see win?" (If undecided, this question was then asked: "As of today, do you lean more to Kennedy, the Democrat, Ford, the Republican, or Wallace, the third-party candidate?")

Following are the latest results and trend:

KENNEDY-FORD-WALLACE
(Choices of Registered Voters)

	KENNE-	FORD	WALLACE	OTHER-UNDECIDED	
Latest	42	33	17	8	per cent
May 30-June 2	39	34	19	8	

The trial heat results reported today are based on the choices of registered voters among the 1,561 adults, 18 and older, interviewed in person in more than 300 scientifically selected localities during the period July 18-21.

Kennedy, O'Neill Trip On Language Barrier

By David S. Broder
Washington Post Staff Writer

Sen. Edward M. Kennedy (D-Mass.) and Rep. Thomas P. (Tip) O'Neill (D-Mass.) have this communication problem.

It's not easy to see why. They're both Irish Catholic Boston Democrats, of the liberal faith. O'Neill, the House majority leader, has the House seat John F. Kennedy used to hold, and Ted Kennedy is one of his constituents.

Both have a bit of a Boston brogue, but not so bad you can't understand them.

But oddly enough, every time Kennedy says, "No," it sounds to Tip O'Neill like he's saying "Yes."

Kennedy announced last autumn that under no circumstances would he be a candidate for the 1976 Democratic presidential nomination and there was no point in coaxing him.

Tip O'Neill promptly told anyone who would listen that he was sure Kennedy was running.

Kennedy lined up O'Neill as host of a fundpraising event for his campaign for re-election to the Senate in 1976. O'Neill said he was even surer that Kennedy would be a presidential candidate.

Sunday, on the CBS interview program "Face the Nation," O'Neill was asked by another Boston Irishman, Martin F. Nolan of The Boston Globe, in that polite way they have up there, if "Kennedy is lying to you or to everybody else."

O'Neill said to cool off the perjury talk, Nolan, and listen for a bit. Then, with homey references to the senator's mother and the senator's bride, he explained the way it is.

Kennedy, said O'Neill, is aching to be President. In fact, said O'Neill, "as I'm talking to you, I believe that Ted Kennedy is a candidate for the presidency." But the family is dead-set against it, and, of course, like any good son, Teddy does not want to go about upsetting his aged mother.

But, said O'Neill with a knowing look, "About a week or 10 days ago, as I was leaving him, I said, 'Ted, do you want me to say that you're not a candidate for the presidency?'"

"And he says, 'You know, keep me alive, Tip.'"

That would seem to cinch it. But hold on. Yesterday, Kennedy told The Washington Post there must have been a misunderstanding. He might have said something like that in banter with O'Neill, but of course, Tip should have known that he meant "keep me alive" as a candidate for re-election in Massachusetts.

A Boston source says that Kennedy's asking O'Neill's help in Massachusetts is about as plausible as Boston Red Sox centerfielder Fred Lynn asking Mayor Kevin White for batting tips.)

Kennedy said, "I wouldn't tell Sargent Shriver (his brother-in-law, who is running for the nomination himself) one thing and Tip O'Neill something else. I wouldn't send my sister (Eunice Shriver) around the country (for her husband) if I were going to run myself."

Kennedy was asked what he had said to O'Neill yesterday. "Nothing," he said.

Further bulletins are awaited.

CAMPAIGN

Election '76

Chicago Tribune, Friday, July 11, 1975

Teddy still best Democrat bet: Daley

By Michael Coakley and Fred Orehek

MAYOR DALEY indicated Thursday that Sen. Edward M. Kennedy [D., Mass.] would have his support should Kennedy reverse his position and seek the Democratic nomination for President next year.

Asked if he would like to see Kennedy run, the mayor replied, "He'd be the next President if he ran."

He went on to say that any Democrat nominated would be the next President, giving as reason for his optimism that 10 to 12 million persons are unemployed.

DALEY DECLINED to say if he thinks Kennedy might run, commenting, "You'd have to ask Kennedy."

Responding to questions, Daley said he still thinks it would be an excellent idea to have a mayor as Vice Presidential candidate and that nomination of a woman should be considered.

"It is important that we have a woman Vice President one of these days," he said. Asked if he thought next year would be an appropriate time, he said, "Maybe."

HE DECLINED to make specific suggestions, however, saying "there are many fine women." When a reporter noted that someone had commented a woman's brain is smaller than a man's, Daley observed: "It's not the quantity—it's the quality."

As to his own Vice Presidential availability, Daley said: "I wouldn't be in the race myself. I'm too modest for that."

Some possibilities, he said, are Mayors Joseph Alioto of San Francisco, Henry Maier of Milwaukee, and Kevin White of Boston.

THE MAYOR said he had no plans to meet with President Ford when he visits Chicago Friday and Saturday.

That is not to snub the President because of Ford's proposals for changes in the highway trust fund that would make less federal money available for the proposed Crosstown Expressway, he said. Daley said he didn't think Congress would go along with Ford's proposals anyway.

"Unfortunately, I have other commitments Friday," he said.

Daley contended it is not unusual for him not to greet a President visiting Chicago. But he noted he did greet former President Nixon at O'Hare in the later stages of his embattled Presidency.

"I KNEW I'd be the only one there," Daley said. "I was the reception committee. You won't be able to get near Ford."

The mayor's press conference was delayed 30 minutes while he met with Robert Strauss, Democratic Party national chairman, in Chicago for a meeting of Democratic state chairmen. He said they discussed Presidential politics.

His reaction was milder than some had anticipated to Gov. Walker's reductions of money available for schools in Chicago and elsewhere.

HE SAID school funding is the responsibility of the state, that Chicago school children have been discriminated against in funding for a long time, and that it is "a sad thing to have to cut back on city schools at this time."

CAMPAIGN

Harris Survey

Slight shift in public's view of Ted Kennedy

Chicago Tribune, Monday, July 7, 1975

By Louis Harris

BY A NARROW, 43 to 38 per cent margin, a plurality of Americans believes Sen. Edward M. Kennedy [D., Mass.] "would inspire confidence in the White House," and a 52 to 30 per cent majority believes the Chappaquiddick incident should not disqualify him from becoming President.

These are some of the results of the latest Harris Survey, conducted in June among a cross-section of 1,448 adults nationwide.

	Would %	Would not %	Not sure %
Nationwide	43	38	19
Boy region			
East	43	32	15
Midwest	37	40	23
South	40	40	20
West	43	38	19
By size of place			
Cities	51	29	20
Suburbs	39	42	19
Towns	39	33	24
Rural	39	45	16
By education			
8th grade or less	47	43	27
High school	47	36	17
College	38	43	19
By occupation			
Professional	34	52	14
Executive	31	42	27
Skilled labor	48	34	18
White collar	40	40	20
By race			
Black	72	6	22
White	39	43	18
By age			
18 to 29	53	25	22
30 to 49	41	42	17
50 and over	38	42	20

These results are essentially the same as those of a year ago when a 46 to 40 per cent plurality of those surveyed believed Kennedy could generate public faith in the Presidency. In 1974, only a small plurality, 45 to 42 per cent did not agree that Chappaquiddick was covered up and should disqualify him for the Presidency.

Kennedy has improved his standing with Americans on a number of other issues. The survey results show that.

● Public opinion of Kennedy's leadership abilities has changed from negative to positive. A 44 to 38 per cent plurality believes Kennedy "could give the country the inspired leadership we need," compared to the 45 to 90 per cent who did not think so in 1974.

● For the first time since 1972, Americans trust Kennedy's integrity. A 43 to 40 per cent plurality disagrees with the charge that Kennedy's integrity "cannot fully be trusted," compared to the 46 to 44 per cent plurality who agreed with it in 1974.



Kennedy: A new uniform?

● A 72 to 11 per cent majority believes that Kennedy "works hard at his job and is a good senator," which represents no change of public opinion during the last year.

● A 51 to 28 per cent majority believes Kennedy "wants to help those who are weak and less privileged, and the country can use such leadership." These results represent a slight loss for Kennedy since 1974, when a 56 to 27 per cent majority believed in Kennedy's concern for the underprivileged.

One of Kennedy's greatest obstacles is the belief [49 to 41 per cent] that "he has gone as far as he has because of his name." Yet the percentage who now believe that Kennedy owes his career to his family name is considerably less than it was in 1974, when 59 to 35 per cent thought so.

The Harris Survey asked its cross-section: "If Sen. Kennedy became President, do you feel he would or would not inspire confidence in the White House?"

KENNEDY'S greatest support comes from Easterners, those from big cities and small towns, those with a high school education, skilled laborers, and people under 30. Altho almost three-fourths of all blacks support him, he cannot generate confidence in more than 39 per cent of all white potential voters.

Still, since Kennedy's reputation has improved since 1974 and he has gained support on almost all issues, he appears to be a strong candidate for the Democratic Presidential nomination in 1976.

Rowland Evans and Robert Novak

A Kennedy Scenario for '76

A private consensus has developed spontaneously among a remarkably wide range of Democrats that Sen. Edward M. Kennedy will be drafted next year for the presidential nomination, a belief that may well contain seeds of disaster for the party.

That Kennedy should now be the front-runner after having irrevocably withdrawn last September reflects the inability of any active candidate to fill the vacuum. Since politics abhors a vacuum, Democrat leaders—pro-Kennedy and anti-Kennedy alike—have filled it with this scenario for 1976:

The primaries, excluding non-candidate Kennedy, will be inconclusive. Since nobody will have enough delegates to be nominated, party leaders will turn to Kennedy. Having rejected the scepter at Chicago in 1968 and at Miami Beach in 1972, can he spurn it a third time? No, says almost everybody. He will accept and be elected against a demoralized Republican Party.

The scenario poses two opposite menaces for the Democrats, one merely serious but the other catastrophic. The serious menace: for all his charisma, Kennedy could be the least electable Democrat in the post-Watergate era. The catastrophic menace: his closest friends honestly believe he would reject the scepter again. Meanwhile, Kennedy as an unannounced front-runner would have inadvertently inhibited the development of new Democratic talent and left the party in confusion.

When Kennedy withdrew last September, most Democrats felt more relief than dismay. Nobody asked him to reconsider. Any Democrat not burdened by Chappaquiddick, it was believed, would run better than Kennedy amid post-Watergate morality.

But nobody won over the party's dominant liberal wing. Sen. Walter Mondale of Minnesota stumbled. While alienating many moderate supporters by moving left, Sen. Henry M. Jackson has enticed few liberals.

Thus, an inactive Kennedy has reemerged as front-runner. The conventional wisdom is that Kennedy planned it that way, to turn a two-year distance race into a four-month sprint. Indeed, since September, journalistic interest in Chappaquiddick, has receded. If Kennedy wanted to run, would he act in the least differently?

This scenario is enthusiastically endorsed by Democratic politicians whose future wholly depends on a Kennedy restoration. There is also one tiny piece of evidence: Paul Kirk, Kennedy's top aide, was saying after the withdrawal that he probably would be leaving the senator; he is now staying.

But Kennedy's most intimate advisers argue, with apparent sincerity, that he would say no at the 1976 convention. Why? "For the same reasons he pulled out last year," says one Kennedy insider. "Nothing has changed since then." The most important reason is his continuing family problems: his son's illness and his wife's difficulties. Less significantly, the danger of assassination remains a factor against running. Although Kennedy has always underestimated the residual stamina of Chappaquiddick, his advisers realize it would be a major issue—perhaps the major issue in a four-month campaign.

Nor does Paul Kirk's change of mind reveal that much. "Paul felt somebody ought to stay on board for the '76 Senate campaign," says one intimate. Richard Drayne, Kennedy's longtime press secretary, hopes to find a new job before that 1976 campaign. David Burke, Kennedy's closest political confidant who left his staff for a private business in 1971, has become top assistant to newly elected Gov. Hugh Carey of New York as a long-term commitment.

Except for a quick trip to a California charity dinner honoring a friend, Kennedy's travels are now limited to Massachusetts. His political activity is geared entirely to 1976 Senate re-election campaign preparation.

Nor has Kennedy been out front on the issues. Although his influence in the Senate has grown, he is far from a dominant figure there. Unlike Scoop Jackson, he does not attempt formulating positions on all issues.

In sum, Kennedy's resurgence as Democratic front-runner has nothing to do with what he does or says. Lacking effective candidates, Democrats have gravitated to that familiar name, face and voice with evocations of a better past. But that gravitation means new voices may go unheard.

If this is what Kennedy really wants, he should say nothing and await the nomination without fighting his way through the primaries. But if he intends to reject the nomination a third time, as his closest advisers predict, perhaps he should say precisely that and open up the competition again as he did last September. Without a new statement, the Kennedy scenario is bound to harden from possibility to probability to absolute certainty in the minds of Democratic politicians.

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WASHINGTON POST Tues. March 19, '74

George F. Will

Sen. Kennedy: A Time For Waiting

He has just finished lunch at his desk in his dimly lit office. Coat off, a thin cigar lit, Edward Kennedy is feeling boomps-a-daisy. He is not running for anything right now. Judging from his ample girth, he is not jogging. But there is no pressing need for him to do either. At 42 he still looks the part of Younger Brother.

And after 11 years in the Senate he claims not to be bored, and he says he can face with equanimity the prospect of, say, 20 more years in that durance vile. Whether his equanimity does him credit is debatable.

I strongly suspect that those who like him least--who compare him to a creature out of the Book of Revelations—do not know much about him. Nor do those who sing his praises most lustily. His fans burn with a hard and gemlike flame. He does not. He does not seem to be as ardent about anything as they are about him.

He has a genuine interest in what he calls, with teethgrating ingenuousness, "people issues," like medical care. In this regard he resembles President Johnson more than President Kennedy: his principle interest is domestic policy. This suits the current temper of Democratic liberals who, this week at least, believe that American governmental power can do little good abroad and little harm at home.

He resembles brother John more than brother Robert. Robert was a coiled spring of barely controlled energy. Edward has more of the lassitude of the comfortably born. It might seem odd to attribute lassitude to any member of the family that wore out the word "vigor" in praising vigor as a cardinal virtue. But I do not mean laziness. He is an energetic senator but he brings a becoming *relaxedness* to public life.

Remember that Edward did not have to shatter all his fingernails clawing his way up to the Senate, his first elective office. And unlike Robert, he lacks the prophet's impulse of a George McGovern.

Nevertheless, if he decides to seek the Democratic nomination for President in 1976, he probably will leave his rivals gasping in his slipstream. It is some measure of his composure that he can keep a straight face while insisting that, even if he runs, the fight for the nomination will be "hotly contested." He talks about some Democratic governors who might run, and he suggests that he would be in the position of a very small Christian going out to do hand-to-paw combat with a lot of large and famished lions. Of course this is preposterous.

Lassitude could keep him from running. Running is a chore, and the Senate is not a bad place to retire in: ask a few of the more torpid members. On the other hand, a strong nomination drive by George Wallace might pull Kennedy into the fray. Kennedy agrees that the Democratic Party's greatest contribution to the nation in modern times has been in race relations, the nation's great enduring problem.

He knows his brother was there at the two great beginnings—the beginning of the Vietnam war and the beginning of the federal government's legislative response to racial problems. Robert Kennedy's greatest public service was as Attorney General dealing with civil rights. Edward Kennedy, the survivor, could not rest easy if George Wallace seemed likely to pull the party away from the best legacy of the Kennedy years.

But first there are family responsibilities. It is Friday afternoon and in a few hours he will fly to Boston with Ted Jr., who will receive another drug treatment to help prevent recurrence of the bone cancer that required the amputation of his right leg above the knee. As the senator heads for the Senate floor, a secretary reports that Teddy wants to go to the Celtics basketball game after he leaves the hospital on Sunday. The father says fine, get the tickets, we'll go.

He is believable when he says he is determined not to slight his family responsibilities. But, really, why should that interfere with being President? As senator he has the worst of all worlds. It has been a long time since he could go to a basketball game as a reasonably anonymous citizen. As a senator he is less than 2 per cent of a majority in one half of one branch of the government. He has little spare time, no privacy, and not much power to influence the course of the nation.

There are 24 hours in the day of a senator and a President, and both jobs can easily fill the waking hours. (Calvin Coolidge, the last President from Massachusetts before John Kennedy, solved the problem by sleeping a lot, but the republic is not apt to be that fortunate again.) A man who wants to spend time with his family might better toil in the White House than in the Capitol. As President Kennedy said of his job, "The pay is pretty good and you can walk home to lunch."

Seattle Post-Intelligencer
Tues., June 4, 1974 S* A 3

Kennedy Shows Prowess as Politician

BY SHELBY SCATES
P-I Political Writer

Sen. Edward Kennedy shook hands, signed autographs, heard cheers and looked to all the world yesterday like the hottest candidate for the U.S. presidency this side of the Snohomish County line.

"Anybody can put any kind of a political interpretation on my visit — and probably will," shrugged Kennedy before wading into a mob scene at King County Democratic headquarters with the poise and aplomb of a superstar.

"I'm glad to be in the home state of Sen. Warren Magnuson," said Kennedy, urging re-election of his Senate friend, but never once mentioning Sen. Henry Jackson, the presidential contender from Snohomish County.

Kennedy came to talk with the governors about his national health insurance legislation, as he put it, "an extraordinary opportunity to get their input."

But it was at least an unusual opportunity to fire a warning shot across the bow of Jackson, right now his most formidable rival for the Democratic presidential nomination.

The crowd at Democratic headquarters, many of them hostile to the more conservative Jackson candidacy, loved it. Kennedy is a consummate politician, maybe the best at stroking egos of a crowd.

Jackson wasn't invited to the National Governors' Conference by the conference staffers who may have had more than Kennedy's ideas on health insurance in mind when they issued the invitation.

They were properly flattered at Kennedy's acceptance. It's his only major trip outside Washington, D.C. scheduled until late summer. By contrast, Jackson is making one or two major speeches each week.

Regardless of the motivations. Kennedy made the political most of his invitation, charming several hundred people at Democratic headquarters, delighting a score of campaign workers at Magnuson's re-election headquarters in an attractively refurbished building near Pioneer Square.

"There stands the next President of the United States," said State Rep. William Chatalas, Seattle, chairman of the House Democratic Caucus. "If he doesn't run, it will be Scoop (Jackson)."

Kennedy won't give a verbal clue about his presidential plans.. His actions, however, suggest that if he decides to make the race, he'll be nicely positioned for the nominating convention.

During a breakfast interview he was asked if perhaps there might not be excellent candidates for president outside Washington, D.C.

"Very definitely," he answered rather quickly. "In the Democratic Party and I think in the Republican Party there's an extraordinary wealth of talent in government administration and executive ability. They're in the North and in the south."

Pressed for names, Kennedy mentioned Democratic Govs. Reubin Askew, Florida; Jimmy Carter, Georgia; William Guy, North Dakota; John Gilligan Ohio; and Dan Walker, Illinois.

He claimed the economy would be the major issue in the fall elections and took issue with a charge by Rep. John Anderson, the highly respected GOP caucus chairman from Illinois, that Democrats were letting the impeachment issue "twist slowly, slowly in the wind."

"The President controls this timetable," said Kennedy. "The House Judiciary Committee is doing just what should be done, moving as best as it can.

"Frankly, it is alien to our system for a defendant to control the evidence in the case against him."

Nixon has refused to turn over White House materials subpoenaed by the Judiciary committee, which may itself be grounds for impeachment.



—P-I Photo by Tom Barlet

SEN. EDWARD KENNEDY: POISE OF A SUPER-STAR
He didn't mention Sen. Henry Jackson once

Kennedy Disowns Unit To Draft Him in 1976

By Jules Witcover
Washington Post Staff Writer

The first "Draft Ted Kennedy" committee of the early blooming 1976 presidential campaign season has been formed—and immediately disowned by its would-be beneficiary.

The organizers are Burton G. Wilkins, a Lynn, Mass., accountant; his wife, Ellen; and Wilkins' brother-in-law, Charles W. Evans.

Wilkins acknowledged yesterday he does not know Sen. Edward M. Kennedy (D-Mass.) personnally and has not talked to him about the committee, but said he had discussed it with a Kennedy aide he declined to identify.

Richard Drayne, Kennedy's press secretary, said the senator knew nothing about the committee. He said Kennedy still stood by his statement of last September declaring he would not be a candidate in 1976 for the Democratic presidential nomination and would discourage any attempts to make him one. Last night, Kennedy sent Wilkins a letter asking him to dissolve the committee and instead channel his efforts into Ken[illegible] campaign for re-election [illegible] Senate next year.

Wilkins announced [illegible] tion of the committee in a [illegible] ter appealing for funds [illegible] place Kennedy cde[illegible] slates on the Democratic [illegible] dential primary in Mas[illegible] setts and other states.

He was taking the act[illegible] said, "because it will be [illegible] for the country," and was [illegible] ing forward whether Ken[illegible] approved or not.

Wilkins said he was [illegible] Kennedy at his word [illegible] would not be an active [illegible] datt, and in fact agree[illegible] he should not be in the [illegible] ries because "he might [illegible] jured."

He was proceeding wi[illegible] Kennedy's blessing, he [illegible] ecause "there will be a [illegible] people in Massachuse[illegible] across the country writin[illegible] ward Kennedy's name [illegible] primary. Though the [illegible] certainly has the right [illegible] run," he said, "we hav[illegible] right to vote for him, an[illegible] delegates representing [illegible] views at the convention.

Candidate file

NEW YORK TIMES, SUNDAY, MAY 25, 1975

KENNEDY IS FIRST IN GALLUP SURVEY

Gets 36% to Wallace's 15% Among Democratic Voters

Senator Edward M. Kennedy of Massachusetts, despite his noncandidate status, is easily the top choice of Democrats for the 1976 Presidential nomination, according to a Gallup Poll made public yesterday.

Mr. Kennedy received the vote of 36 per cent of Democrats who were asked to choose from a list of 34 persons who have figured in speculation over the 1976 Democratic nomination.

His support was more than twice that of Gov. George C. Wallace of Alabama, who was named next most often. Mr. Wallace was the first choice of 15 per cent of the Democratic voters.

Other top choices were Senator Hubert H. Humphrey of Minnesota, with 9 per cent of the vote; Senator Henry M. Jackson of Washington, 6 per cent; Senator Edmund S. Muskie of Maine, 4 per cent, and Senator George McGovern of South Dakota, 2 per cent.

Poll Assays Chappaquiddick

Newsweek, the weekly news magazine, in a nationwide telephone poll, reported that a majority of Americans have indicated little or no concern in connection with senator Kennedy's Chappaquiddick experience.

The respondents were asked: "Some people think Kennedy may not be qualified to be President; these people particularly question his behavior at the time of Mary Jo Kopechne's death at Chappaquiddick. How much do you share this concern?"

The results were: Very much—24 per cent; some—18 per cent; a little—19 per cent; not at all—33 per cent; don't know—6 per cent. The poll was conducted for the magazine by the Gallup Organization. It included 520 respondents of voting age.

In a separate question, 41 per cent said they believed Mr. Kennedy would make a good President while 42 per cent said he would not.

The questions asked the voters were:

"Here is a list of people who have been mentioned as possible Presidential candidates for the Democratic party in 1976. (Respondents were handed a card with 34 names.) Which one would you like to see nominated as the Democratic candidate for President in 1976? And who would be your second choice?"

The results were based on interviews with 675 Democrats out of a total of 1,594 persons, 18 years old and older, who were interviewed in more than 300 localities from May 2 to May 5.

WASHINGTON POST
Sunday, May 25, 1975

The Gallup Poll

Kennedy First Choice of Democrats for '76

By George Gallup

PRINCETON, N.J.—Despite his announcement last fall that he will not run, Sen. Edward M. Kennedy (D-Mass.) is easily the top choice of Democrats for the 1976 nomination.

Kennedy wins the vote of 36 per cent of Democrats asked to choose from a list of 34 persons who have figured in speculation over the 1976 Democratic nomination.

Kennedy's support is more than twice that given the man named next most often, Gov. George C. Wallace of Alabama. Wallace is the first choice of 15 per cent of Democrats interviewed.

Rounding out, the top choices are Sen. Hubert H. Humphrey of Minnesota, 9 per cent; Sen. Henry M. Jackson of Washington, 6 per cent, Sen. Edmund S. Muskie of Maine, 4 per cent, and Sen. George McGovern of South Dakota, 2 per cent.

Here is the question asked 675 adult Democrats interviewed nationwide between May 2 and May 5:

Here is a list of people who have been mentioned as possible presidential candidates for the Democratic Party in 1976. (Respondents were handed a card with 34 names.) Which one would you like to see nominated as the Democratic candidate for President in 1976?

Sen. Edward Kennedy	36*
Gov. George Wallace	15
Sen. Hubert Humphrey	9
Sen. Henry Jackson	6
Sen. Edmund Muskie	4
Sen. George McGovern	2
All others *	17
No opinion/No preference	11

* All other candidates on the list received 1 per cent or less of the vote of Democrats.

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JAN 27 1975

State Demos Still Love Ted Kennedy

By GAYLE MONTGOMERY

SACRAMENTO—California's Democratic State Central Committee convention gave presidential hopefuls their first real opportunity to show their wares to state party regulars, but the man still first in the minds of delegates was Sen. Edward Kennedy.

An informal poll of delegates showed that 45.6 per cent of those questioned prefer the Massachusetts senator as the party nominee—an amazing figure for a man who has said he will not take the nomination, and far more than any of the declared or undeclared candidates.

The poll, admittedly not a scientifically weighted one, was conducted by The Tribune, San Francisco television station KQED and The Political Animal, a highly respected Los Angeles political newsletter.

Of more than 20 per cent of the delegates who were asked simply if they prefer Kennedy as the party nominee, 103 said "yes" and 113 said "no." About half of those who rejected Kennedy said they were doing so only because they fear he would be assassinated.

The candidates who attended the convention—Georgia Gov. Jimmy Carter, Arizona Congressman Morris Udall, Texas Sen. Lloyd Bentsen, Pennsylvania Gov. Milton Shapp and former Oklahoma Sen. Fred Harris—all attracted some followers at the three-day convention, but most delegates reserved judgment on them.

Sen. Henry Jackson of Washington, the man considered the front-runner at this time, did not attend the convention, although he was in California yesterday for a fund-raising dinner in Los Angeles. Aides said he attended a dinner in Washington Saturday night honoring Minesota Sen. Hubert H. Humphrey and could not make a schedule change.

The convention was an interesting contrast to one held

Continued Back Page, Col. 4

State Dem Still Love Ted Kenned

Continued from Page 1

four years ago when Democrats were building up to the 1972 campaign. At that time Maine Sen. Edmund Muskie plainly the front-runner, began his downhill slide by losing his temper with newsmen and denying remarks included in the prepared text of his speech. Sen. George McGovern of South Dakota, who eventually won the nomination, became so discouraged with the reception that he wandered down to the University of Pacific in Stockton to talk with students. Indiana Sen. Birch Bayh was plainly the convention favorite that year, but he later dropped out of the race.

State Chairman Charles Manatt said after the convention he does not consider the two conventions comparable. "I don't consider Jackson's position comparable to Muskie's at that time. I don't think Jackson is a national front runner," Manatt said.

Perhaps this is the reason

T. Kennedy

Montgomery Advertiser 8/10/75

The Leading Non-Candidate

THE NEW YORK TIMES has got itself in an editorial lather over the pollsters and others who persist in mentioning Ted Kennedy as a possible presidential candidate.

Not since General Sherman's famous repudiation has a politician renounced a presidential candidacy in such flat, forthright, unequivocal terms as Kennedy did nearly a year ago, the Times fumes. Kennedy said then:

"I will not accept the nomination. I will not accept a draft. I will oppose any effort to place my name in nomination. . . . And I will oppose any effort to promote my candidacy in any other way."

That statement seems clear enough to have won the acceptance of the most cynical, the Times said, yet it has not — and pollsters are major offenders:

". . . Hardly a month goes by that some public opinion poll is not published measuring Senator Kennedy's appeal against that of a half-dozen other figures who are either openly after the nomination or undeclared.

"His showing in a possible contest with President Ford is regularly compared with that of other possible nominees or his popularity is directly pitted against that of his fellow Democrats — by geographical region, age group, race, income level and other categories."

The result of all this is that the candidacy of a man who appears to be adamant against running is being promoted more effectively than if he were a willing entry in the field, the Times maintains.

One result of this, the Times complains, is that movers and shakers are withholding their political and financial support from the statistical also-rans because they are far out-distanced in the polls by Kennedy.

Then the Times makes a remarkable statement:

"In effect, the polls are building up pressures that could compel the nomination of a man who for strongly felt reasons has taken himself out of the running."

In other words, Kennedy might yield and accept the nomination he had renounced. If this is true, his unequivocal disavowal is not so unequivocal after all, is it?

Should those pressures prevail, the Times concludes, the polls will have "intervened in the electoral process to an even greater degree than they have been charged with doing in the past. What does Senator Kennedy have to do for the pollsters to take him at his word?"

The question answers itself. Kennedy is a politician and almost no one believes a politician who insists, however strongly, that he is not a candidate for the highest office in the land.

The Times as much as said this when it complained that the polls may force the nomination on Kennedy — who couldn't refuse it as he said he would.

In any case, we believe Kennedy is rightly put down as a candidate, whatever he has said to the contrary.

Rowland Evans and Robert Novak

Presidential Hopes and Games

Late Wednesday night, Sen. Edward M. Kennedy placed a telephone call that more than any public announcement extinguished hope for his presidential candidacy for 1976 and thereby removed one highly disruptive element from national Democratic politics.

Kennedy's call to House Majority Leader Thomas P. (Tip) O'Neill declaring flatly he would not be a candidate ended the little game the two Massachusetts politicians had played for months but had gotten out of hand the last week.

For reasons not clear to anybody else and perhaps murky to himself, Kennedy had used O'Neill to keep alive his presidential prospects and, consequently, discourage ardent Kennedyites from embracing other candidates. But the game had gone too far with O'Neill's appearance on CBS's "Face the Nation" July 27, forcing Kennedy to stop it entirely.

In urging everybody all year not to take seriously Kennedy's profession of non-candidacy, O'Neill felt with good reason he was following the Senator's wishes. In a telephone conversation three months ago, O'Neill asked Kennedy whether he should stop such talk. "Keep me alive," Kennedy replied. When Kennedy aides urgd O'Neill to stop boosting Kennedy for President, he replied Kennedy would have to make that request himself—a request that did not come until last Wednesday night.

O'Neill's insistence that Kennedy would run, however, was taken less and less seriously until a series of events beginning July 17, when Kennedy, O'Neill and five other House members flew from Washington to Boston for a fund-raiser.

As they left their private plane, O'Neill informed Kennedy he would be on "Face the Nation" and asked the Senator whether he wanted to be taken out of the presidential picture. The reply, as revealed by O'Neill on the program, was "Keep me alive, Tip."

That account was corroborated to us by two of the House members present, Reps. Bella Abzug of New York and Joseph D. Early of Massachusetts, neither of whom felt Kennedy was obviously joking. "Sure, they were joshing around," Early told us, "but there is no doubt the senator was serious."

Although O'Neill taped "Face the Nation" Friday morning, July 25, news events forced the program to be rebroadcast live on Sunday. O'Neill telephoned Kennedy Saturday night to reveal he had repeated the "keep me alive" quote on the discarded taped version, adding the program would be rebroadcast live Sunday. Kennedy did not ask him to lay off.

It was now that the Teddy-and-Tip show began to run wild. O'Neill's prediction of Kennedy's candidacy was featured on network news shows and commented on by David Broder of The Washington Post and Roger Mudd of CBS. Coincidentally, we reported from Chicago that Mayor Richard J. Daley had not abandoned Kennedy-for-President hopes.

When we informed Kennedy's office Wednesday that two other congressmen had corroborated O'Neill's version of the July 17 conversation, the senator's aides told us the incident was dangerously mushrooming. More important than staff advice, however, was pressure from Kennedy's family.

So, beginning Wednesday afternoon, Kennedy tried to call O'Neill, finally reaching him that night. The senator told him his mother, wife and family wanted presidential talk stopped. Hearing this new signal for the first time, O'Neill called in wire service reporters Thursday afternoon.

That Kennedy had used O'Neill to keep his presidential hopes alive is obvious. But why?

One answer is Kennedy's own ambivalence. A respected nonpolitical figure who visited him a few days ago came away believing Kennedy wants to be President and would like to run in 1976 but feels frustrated by personal problems and liabilities.

Moreover, Kennedy in past years encouraged public speculation even after deciding not to run. While adamant against a presidential draft at Chicago in 1968, Kennedy scolded an aide for too flatly declaring his unavailability. Just before Miami Beach in 1972, Kennedy misdirected reporters to consider him a vice presidential possibility.

Whatever its motive, Kennedy's game with O'Neill added instability to a Democratic presidential picture chaotic enough without his contribution. O'Neill's "keep me alive" quote built Kennedy talk to such an intensity that Kennedy had to place his Wednesday night call. In so doing, he has more emphatically than ever removed himself from the presidential picture.

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Please don't mention Presidential bid: Teddy

BOSTON [UPI]—Sen. Edward Kennedy [D., Mass.] says constant speculation he will change his mind and run for President could hurt his Senate reelection campaign.

Kennedy, in an interview in the Boston Sunday Globe, said Republicans might be encouraged by the Presidential talk to launch a strong challenge against him in the Senate race next year.

"The speculation [about the Presidency] is counterproductive. It is not illogical to think that all the speculation about a candidacy or Presidential draft would indicate to Republicans that their primary nomination in the state is very much worth fighting for and pursuing," Kennedy said.

He said last year he would not run for President and has consistently repeated that statement.

HE HAS BEEN campaigning openly for the Senate. This year, he has made seven tours, speaking at Chamber of Commerce luncheons, meeting with local leaders, and becoming increasingly visible in the local media.

Kennedy has been hounded by anti-busing groups urging him to oppose court-ordered school integration in Boston.

Also, political observers say he may lose votes because of the 1969 Chappaquiddick accident.

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Also, political observers say he may lose votes because of the 1969 Chappaquiddick accident.

The Christian Science Monitor - Tues. Sept. 2 '75

Sampling shows...

Democrats lag even though Ford vulnerable

By Godrey Sperling Jr.
Staff correspondent of
The Christian Science Monitor

Washington

Although President Ford may be vulnerable to defeat next year, no Democratic challenger appears currently to be taking advantage of the opportunity.

The cheer being given to Democratic hopefuls in Illinois, Wisconsin, Michigan, Indiana, and Ohio is scarcely audible.

This includes Hubert Humphrey, Edmund Muskie, Henry Jackson, George Wallace, Lloyd Bentsen, Jimmy Carter, Fred Harris, Morris Udall, Terry Sanford, and others.

Support for Sen. Edward M. Kennedy among the cross section of Democrats whose opinions were sampled was surprisingly tepid.

Mr. Kennedy does have backing, as the polls show. And particularly among the blacks and young people. But the kind of shout that is going up for Senator Kennedy is nothing that is remotely close to the almost-spontaneous enthusiasm that John F. Kennedy was evoking in the hinterlands a year before he ran for president.

These findings together with Monitor checks with Democratic leaders nationwide, show that although the election is more than a year away:

— The very early stirrings and reachings out of Democratic hopefuls is not paying off yet.

— Mr. Ford could win by something that at least looks like default.

However, Democratic prospects could improve dramatically if the economy worsens.

Again and Again, Democratic voters are commenting this way:

"I'm not wild about Ford. He's too conservative for me, but I don't see anyone who can beat him." Or, "Humphrey: Muskie? Jackson? They're worn out as candidates. You don't beat Ford with worn-out candidates."

"There's no one among the Democrats who excites me. Maybe Kennedy. But I take him at his word that he will not be available."

'Two cheers for Teddy'

The best one hears for Senator Kennedy has to be described as "two cheers for Teddy," as one observer put it. And among some who were saying that only the Massachusetts Senator could have a chance against President Ford next year, it really sounded very much like "one cheer for Teddy."

One veteran observer in Wisconsin, a John Kennedy partisan, said of Senator Kennedy: "I've listened to Teddy speak. He speaks very well, better than any of the other potential candidates. But I've listen to him closely and he has nothing for me."

Two college students at the University of Illinois said they "liked" Kennedy. Why? "Because he seems to like us," said one. The other was not certain.

Both admitted they were for Senator Kennedy simply because no other Democrat had excited them much.

And Governor Wallace? There is strong support for Mr. Wallace among blue-collar workers. And a lot of Democrats think he is saying the right things — about taxes and federal spending. In fact, it seems as if Mr. Wallace just might catch fire and become unstoppable, in terms of the nomination.

But the kind of "Wallace talk" one hears in the Midwest these days does not suggest to observers that should he become the Democratic nominee he would stand much of chance against President Ford.

Chicago Tribune, Friday, July 11, 1975

Teddy still best Democrat bet: Daley

By Michael Coakley and Fred Orehek

MAYOR DALEY indicated Thursday that Sen. Edward M. Kennedy [D., Mass.] would have his support should Kennedy reverse his position and seek the Democratic nomination for President next year.

Asked if he would like to see Kennedy run, the mayor replied, "He'd be the next President if he ran."

He went on to say that any Democrat nominated would be the next President, giving as reason for his optimism that 10 to 12 million persons are unemployed.

DALEY DECLINED to say if he thinks Kennedy might run, commenting, "You'd have to ask Kennedy."

Responding to questions, Daley said he still thinks it would be an excellent idea to have a mayor as Vice Presidential candidate and that nomination of a woman should be considered.

"It is important that we have a woman Vice President one of these days," he said. Asked if he thought next year would be an appropriate time, he said, "Maybe."

HE DECLINED to make specific suggestions, however, saying "there are many fine women." When a reporter noted that someone had commented a woman's brain is smaller than a man's, Daley observed: "It's not the quantity—it's the quality."

As to his own Vice Presidential availability, Daley said: "I wouldn't be in the race myself. I'm too modest for that."

Some possibilities, he said, are Mayors Joseph Alioto of San Francisco, Henry Maier of Milwaukee, and Kevin White of Boston.

THE MAYOR said he had no plans to meet with President Ford when he visits Chicago Friday and Saturday.

That is not to snub the President because of Ford's proposals for changes in the highway trust fund that would make less federal money available for the proposed Crosstown Expressway, he said. Daley said he didn't think Congress would go along with Ford's proposals anyway.

"Unfortunately, I have other commitments Friday," he said.

Daley contended it is not unusual for him not to greet a President visiting Chicago. But he noted he did greet former President Nixon at O'Hare in the later stages of his embattled Presidency.

"I KNEW I'd be the only one there," Daley said. "I was the reception committee. You won't be able to get near Ford."

The mayor's press conference was delayed 30 minutes while he met with Robert Strauss, Democratic Party national chairman, in Chicago for a meeting of Democratic state chairmen. He said they discussed Presidential politics.

His reaction was milder than some had anticipated to Gov. Walker's reductions of money available for schools in Chicago and elsewhere.

HE SAID school funding is the responsibility of the state, that Chicago school children have been discriminated against in funding for a long time, and that it is "a sad thing to have to cut back on city schools at this time."

Kennedy

The Montgomery advertiser
August 21.

CAMPAIGN

Glimmering In The Rust

Russell Baker

This is Sen. Edward M. Kennedy. He is not a candidate for president.

Can you believe it?

Of course not.

Sen. Edward M. Kennedy is a member of the Democratic party, is he not? Is not every member of the Democratic party — man and woman, in office and out, at home and abroad — a candidate for president? Of course.

What is the definition of a Democrat now that the Democratic party has turned into a hangover? To be a Democrat is to be a candidate for president. Nothing more.

Sen. Edward M. Kennedy defies the definition. So he says.

He is the only Democrat on earth who is not a candidate for president. So he says.

If true, this makes him a rarity as great as the giant American panda.

Is it any wonder that people come from miles around to stare at him and that Democrats can think of little else when they contemplate their coming trial against the earnest Ford?

IMAGINE THE Democratic mind at work. What a mind it is! A junk pile of old memories gone to rust. It once had identifiable ideas which gave it personality, but that has been a long time ago now. Now it stands for everything because, under the erosion of time, circumstance and spinal fatigue, it has come to stand for nothing.

Well, not precisely nothing. The desire to win elections burns as fiercely as ever. It is what distinguishes the Democratic mind from the Republican.

In the Democratic mind, the purpose of existence is victory. After it wins, it will try to think of something to stand for.

In the Republican mind, the purpose of existence is to prevent the victory of any Republican who stands for something any other Republican doesn't like.

In the Democratic mind, a hideous suspicion has recently begmn to spread its tentacles through the rust.

It is the suspicion that it is no longer a party at all. What if it is nothing more than a junkyard full of 1937 ideas and their 1964 retreads?

It is a natural time for this suspicion to root. If the Democratic presidential candidate may be a white racist, an aging hawk, an old labor buff, an agent of the oil cartel, a new isolationist, a prairie populist, a consumer activist, an urban liberal, a spokesman for Mayor Daley, and unreconstructed cold warrior, or someone whose only strength is telegenic teeth, it is not unreasonable to suspect that the party is no longer a party, but only a memory in search of a new suit.

Such organizations do not easily win victories, even against Republicans.

If you do not have a party, the next best thing is to have a Kennedy. This is not only because Kennedys do win victories, but also because Kennedys can create the illusion of a party even though none exists.

With Sen. Edward M. Kennedy running for president, the Democrats would again be able to persuade themselves that they were part of a party instead of a junkyard.

And so, naturally, Sen. Edward M. Kennedy is not a candidate.

Why should he be?

By being the only living Democratic noncandidate in the world, by withholding himself like pork chops from a hungry man, he creates the salivary effect among the faithful which leads to nomination by stampede.

HE DOES not want that, of course. He wishes only to withdraw like Achilles from the battle and, like the aging Adams, toil quietly for the good of the Republic.

And even if he did want the nomination — which he does not — would it not be fatal to become a candidate just now?

Would it not merely tarnish him to be confessed just another of the multitudes in search of a better job?

Would it not expose him to a terrible year of damaging attacks from competing Democrats and destroy his chances of beating the earnest Ford?

Would it not be wiser to wait for them all to perceive that the multitudinous candidacies around them threaten to expose the fact that there is no party left, and send delegations to his tent?

It most certainly would, if he wanted the nomination — which he does not, of course.

Can any amount of pleading that he is absolutely essential to the survival of the Democratic party persuade him to relent and take up the heavy burden for the nation?

Never. Never.

He is not a candidate.

He wants only to toil quietly now for the good of the Republic. Democrats may come and marvel. It will do them no good.

He is not a candidate.



Jeffrey Hart

Ted Kennedy's Candidacy: An Illusion

Is Teddy coming? The guess here is that he is not, and for several pretty solid reasons.

True enough, the White House expects to be running against Teddy Kennedy, in 1976, but it will be recalled that Richard Nixon was also constantly preoccupied with Teddy only to find himself running against the papier-mache liberal, George McGovern.

It is also true that the nomination of Teddy might solve at least temporarily some of the major intramural problems of the Democratic party. To some degree, Teddy would paper over the chasm that separates the lunch pail Democratic constituency from the New Politics granny-glasses and Lenin-beard types.

Finally, it has to be admitted that the current field of Democratic candidates to the left of George Wallace endows Teddy with a certain luster.

Six months ago, Sen. Henry Jackson appeared to be the most electable Democrat, though he faced a hard fight for the nomination. Jackson possessed a certain specific gravity, he seemed competent, and he stood within shouting distance at least of the middle of the political spectrum.

But in the last six months, Jackson has undergone "Stassen-ization" — that is, he has undergone a lesion of seriousness, perhaps an irreversible one. In order to propitiate the Left, he turned dove-ish on the war, he sounded McGovernish on the refugees, and he attacked Ford's handling of the Mayaguez rescue only to reverse himself when it appeared to have been successful. Jackson looks panicky, lacking major league political instinct.

The other Democratic contenders so far do not even seem to be plausible vice presidential candidates.

Fred Harris is a radical chic candidate masquerading as a populist. He could not even get re-elected in Oklahoma, which has a long tradition of genuine populism.

So-called "new southerners" like Jimmy Carter and Terry Sanford come across like New York Times editorials with a drawl. To establish a valid "new southern" candidacy, either Carter or Sanford would have to take on "old southerner" George Wallace and defeat him in a primary. Do not hold your breath waiting for that.

Morris Udall? Birch Bayh? As Sen. Hugh Scott remarked, a parade of pigmies.

And so, despite his emphatic statement of non-candidacy, the Democratic gaze turns back to Teddy.

But, conceding that Teddy could be nominated by acclamation, is there really much doubt about what would happen in the election, or what kind of a campaign it would turn out to be?

In the first place, recent polls showing a decline of concern over Chappaquiddick are surely misleading. What killed off interest in Chappaquiddick was precisely Teddy's statement of non-candidacy. Last year, growing speculation about a Teddy candidacy produced a rash of articles reopening all the old unanswered questions. In a revival of his candidacy the scrutiny again would intensify.

In the campaign itself, things would get very rough. Gore Vidal has foreseen one kind of campaign TV spot. First, you would see a finger on a nuclear button. Then you would see videotapes of Teddy trying to explain what happened at Chappaquiddick. Republican partisans would certainly begin to call for Teddy to "clear himself" by taking a lie detector test.

There would be a savage informal campaign: bumper stickers reading "After the Crooks, the Bum, Vote Teddy" and "Would You Let Teddy Drive Your Used Car?" and "Nobody Drowned at Watergate."

In the second place, Teddy is completely out of tune with the national mood on the issues. He is a buser, and the nation is overwhelmingly against busing. He is a welfarist, and the majority has had it with high welfare taxation. He is an arms-cutter at a time when the perception is beginning to sink in that the world is a pretty chilly place.

Moreover, though we are now hearing a great deal about Teddy's charisma, and it is true that many respond favorably to him, it is also true that just as many people loathe and detest him, including a fair number of near-violent citizens in his own Massachusetts.

No, the Teddy solution to the Democrats' 1976 problem is probably an illusion. In the event of a deadlock at the convention, this could really be the year of the dark horse, and, rather than Teddy, something on the order of Hugh Carey-John Glenn might well emerge.

Kennedy file

Kennedy File

Kennedy: speculation persists

By Godfrey Sperling Jr.
Staff correspondent of
The Christian Science Monitor

Washington

Sen. Edward M. Kennedy's latest underscoring of his decision not to run for president has tended to raise speculation in high Democratic circles that the Senator in the end will indeed be subject to a convention draft.

Moreover, there is increasing anxiety among Democratic leaders from coast to coast that Senator Kennedy's continuing presence on the sidelines is doing much to undercut the efforts of other candidates to be viewed as serious contenders.

Said one Midwest Democratic chieftain: "Teddy is always there. There is nothing he can say that can take him completely out of the race. He never will be able to find the words that will keep many delegates from thinking that he will take the nomination if it is thrust upon him."

★Please turn to Page 6

Monday, August 4, 1975

★Speculation persists on Kennedy candidacy

Continued from Page 1

Said another Democratic leader, this one from the East:

"No matter what Teddy says about not intending to run, we all know that at times he would like the nomination because he would like to be President. We know what restrains him: the family considerations and other factors.

"So he really cannot say anything publicly that will persuade us that, just maybe, he can be talked into taking the nomination."

President Ford helped to keep Senator Kennedy in the forefront of the Democratic possibilities by indicating in an interview recently that he regarded the Massachusetts Senator as the most "formidable" opponent that could be put up against him next year.

It is known that in the early months of the Ford administration the President was less certain of this Kennedy strength. He tended to feel that Sen. Hubert H. Humphrey of Minnesota would be the most difficult Democrat to beat next year. But in recent months, guided by the polls, the President has come to believe that Mr. Kennedy would be his toughest opponent.

Meanwhile the continued shadow of Senator Kennedy is doing much to dilute the candidacies and potential candidacies of a score of Democrats.

One high-up Democrat in the Senate puts it this way: ". . . bona fide candidates . . . are all saying they don't think Kennedy is a candidate. But they aren't sure, and neither are their backers. This all tends to take the steam out of their efforts.

"So Kennedy is hurting the Democratic Party, simply because he is diluting the campaign efforts of serious contenders. He obviously doesn't intend to be doing this. But he can't help it. He's a Kennedy. And there are literally millions and millions of Democrats who are just waiting for a Kennedy to get back into the presidency."

In the last several weeks an array of Democratic hopefuls — among them Morris Udall, Henry Jackson, Lloyd Bentsen, Hubert Humphrey, Edmund Muskie, George McGovern, Terry Sanford, Fred Harris, and Jimmy Carter — have all said that they took Senator Kennedy at his word — that he would under no circumstances be a candidate.

Some, under questioning, revealed their gnawing anxiety — that Mr. Kennedy just might yield to a convention draft, despite his present intentions.

Now Senator Kennedy evidently has made it clear to his old friend, House Majority Leader Thomas P. (Tip) O'Neill that he is not a candidate and that Mr. O'Neill should desist from saying otherwise in public.

But, no matter what he does, the "Kennedy-still-might-be-drafted" song plays on.

s Survey

rd lead over Teddy ows in '76 sweeps

uis Harris

ENT FORD, who in April n. Edward M. Kennedy as the hoice for President, now holds tial 50 to 43 per cent lead over ocratic senator from Massachu- a survey of the voters' prefer- gain the White House in 1976. month, Ford reversed Kennedy's ad of 50 to 43 per cent and ran ly ahead of him by 48 to 46 per his latest Harris Survey was con- among a cross-section of 1,303 voters in 1976.

President's continued climb in arity is attributable to the over- ning public approval of his actions capturing the U. S. merchant ship aguez after the ship's seizure by munist Cambodia.

HE HARRIS Survey asked its nation- cross-section: "Suppose the 1976 sidential contest were between Re- olican President Gerald Ford and mocratic Sen. Edward Kennedy. If u now had to choose, would you vote Ford or Kennedy?"

	Ford %	Kennedy %	Not sure %
une, 1975	50	43	7
lay	48	46	6
pril	43	50	7
uly, 1973	46	47	7
lay	47	44	9
larch	45	49	6
ov., 1973	48	44	8

Altho in previous contests, Ford and ennedy each have held the lead, this test Harris Survey gives Ford the eatest margin he has ever had over ennedy since his appointment as Vice esident.

Regionally, Ford has made his great- t gains in the Midwest, where one in ven voters supports him:

	Ford %	Kennedy %	Not sure %
st—			
une	48	48	4
pril	40	53	7
Change	+ 8	— 5	— 3
dwest—			
une	54	40	6
pril	50	54	6
Change	+14	—14	..
uth—			
une	48	40	12
Change	+ 4	— 6	+ 2
st—			
une	48	45	7
pril	49	49	2
Change	+ 1	— 4	+ 5

In the East and West, Ford and Ken- dy receive nearly equal support, and tho Ford has gained points in the outh, the G. O. P. does not receive the rong support there it did in 1972 and 48.

Nevertheless, Ford has gained the acking of a substantial number of emocrats since April, but his most sur- rising victory is the support he has mong independents, who favor him ver Kennedy:

	Ford %	Kennedy %	Not sure %
Republicans—			
June	86	14	..
April	85	14	1
Change	+ 1	..	— 1

In this latest survey, Ford has passed the critical 30 per cent level of support among the nation's Democrats, which a Republican must have to win the Presidency. But Ford's strongest and most impressive showing is among independents, who now number 27 per cent of the electorate, with whom he holds a 17-



The leaders: Ford and Kennedy.

point lead over Kennedy.

The pattern of voting according to educational levels of the public also shows that Ford has a definite advantage:

	Ford %	Kennedy %	Not sure %
8th grade or less—			
June	40	53	7
April	34	56	10
Change	+ 6	— 3	— 3
High school—			
June	46	45	9
April	39	54	7
Change	+ 7	— 9	+ 2
College—			
June	59	37	4
April	52	44	4
Change	+ 7	— 7	..

FORD'S GREATEST support comes from those with some college education, representing 38 per cent of the electorate.

Altho these latest results are not substantial enough to insure a Ford victory in 1976, they do show that the popularity he enjoyed after the Mayaguez incident was not temporary and has definitely helped his campaign to regain the White House.

Chicago Tribune, Monday, July 14, 1975

Special Candidate

File:

Kennedy

Kennedy

Rowland Evans and Robert Novak

Mayor Daley, Kennedy-Backer

CHICAGO—Mayor Richard J. Daley, plotting a triumphant re-entry as a major power broker in national politics after his humiliation by the McGovernite-controlled convention in 1972, still centers his plans around Sen. Edward M. Kennedy as Democratic presidential nominee next year.

The sphinx-like Daley, now in an unprecedented fifth term as mayor, reveals his political intentions only guardedly within his tightly knit political organization and not at all to outsiders. Nevertheless, based on conversations with key figures in the Daley machine who have direct and indirect access to the mayor's thinking, we can report he is writing a tentative script with this conclusion: A Kennedy-Stevenson national ticket for next year.

Under this script, the convention would draft Teddy Kennedy for President, and possibly select Sen. Adlai Stevenson III of Illinois for Vice President—with the 73-year-old Chicago boss as godfather. Daley tells close political associates that only Kennedy could unite the Democratic Party nationally (a view greeted skeptically by some Daley lieutenants).

The mayor's winter book flies in the face of Kennedy's 1974 pledge not to run and not to accept a draft. It is Daley's political hunch, however, that a deadlocked convention followed by a Daley-led appeal to Kennedy would quickly change his mind. Indeed, Daley does not for a moment believe Teddy Kennedy would reject a draft at the convention.

To assure control of Illinois's 169 delegates, Daley contemplates running Sen. Stevenson as favorite son in the state's presidential primary. That would block serious candidates from entering the primary (now scheduled for March 16) and lock up at least 75 per cent of the delegation for Daley.

No other prospective candidate is taken seriously by Daley. His lieutenants laugh of reports inspired by Sargent Shriver. Kennedy brother-in-law and onetime Chicagoan, that Daley might support Shriver's contemplated candidacy. Whatever early interest the mayor showed in Sen. Henry M. Jackson has long since cooled. Enthusiasm among some organization leaders here in a comeback by Sen. Hubert Humphrey is not shared by Daley himself, who remembers old grievances of 1968.

That leaves the surviving brother of Daley's beloved John F. Kennedy as the candidate of the mayor's heart and mind.

But to lay the groundwork for brokering the national convention, Daley has a more pressing matter to decide: Whether to run his own candidate against Gov. Dan Walker, an anti-Daley Maverick, in next Spring's Democratic primary for governor.

The mayor's problem: Much as Daley loathes Walker, the only Daley Democrat with a chance to defeat Walker, Secretary of State Michael J. Howlett, will not run. A Daley endorsement of State Treasurer Alan J. Dixon, who wants to run against Walker, or Lt. Gov. Neil Hartigan, who is thinking of running, would expose Daley to possible defeat within his own party in his own state.

That would undermine the major just before the national convention, putting Walker in position to challenge Daley's control over the Illinois delegation or possibly even to enter late spring presidential primaries. It would, in short, wreck Daley's triumphant return as backroom arbiter of national Democratic politics.

Beyond that, Walker's Republican opponent will be the dynamic former U.S. attorney here, James Thompson, who crusaded as federal prosecutor against corruption in the Daley organization.

So, Daley today leans against opposing Walker in the primary, but a Democrat close to the mayor hints at less than all-out organization support in the general election for Walker, which could insure Thompson's election.

Reports that the mayor still shows signs of disability from his mild stroke last year are discounted by insiders. Although subject to more frequent rambling monologues and even more secretive about his always guarded plans, the last of the big city bosses seems to be on top of his job.

Indeed, his pugnacity against those who opposed him in his onesided primary battle for this year's mayoral nomination has become sharper than ever. One such opponent, Chicago Publisher Marshall Field (Sun-Times and Daily News), discovered this when he sent Daley a warm letter of congratulations on his "stunning victory" in the general election. Field's peace-pipe: Let's forget the past and work together for a greater Chicago.

Daley's reaction: A short form letter of the type received by thousands of Chicago voters "gratefully acknowledging" Field's "expression of support."

Such treatment for this city's most powerful press lord reveals Daley's supreme confidence and intent to reassert himself nationally. As one anti-Daley Democrat told us, "the mayor feels his muscle every morning and no one in the city dares talk back to him anymore"—not even those lieutenants who strongly disapprove of Daley's sticking with Kennedy as his last hurrah in national politics.

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5/1/75

Gen. Subj. file

Busing Foes Jostle, Heckle Sen. Kennedy

QUINCY, Mass., April 6 (AP)—Sen. Edward M. Kennedy (D-Mass.) was jostled and poked by a crowd of antibusing demonstrators today as he tried to elbow his way to his car outside a junior high school where he had given a speech.

The crowd would not let him get to his automobile, and aides and police had to encircle Kennedy and link arms as they walked several blocks to a subway station.

The crowd of about 300 angry adults followed him, shouting and waving pickets ripped from fences.

Police said no arrests were made.

Kennedy was not injured, though a woman jabbed at him repeatedly with the point of a small American flag.

The senator has been a target of white parents in Boston since school busing to achieve racial integration began under a federal court order last September. Antibusing leaders say they are upset with Kennedy because he declines to condemn the busing.

"These groups have been following him around over the weeks and the months since last September," said Richard Drayne, a Kennedy aide. "They are very predictable. They do the same thing every time."

As Kennedy emerged from Atlantic Junior High School after addressing about 300 people at a Knights of Columbus breakfast, he was immediately caught in the crowd, which clawed and grabbed at him. People surrounded his

Monday, April 7, 1975 THE WASHINGTON POST

Busing Foes Jostle, Heckle Sen. Kennedy

KENNEDY, From A1

car and climbed on top of it.

He tried to get to another car waiting about a block away, but the crowd followed, and the same thing happened again.

Then police and aides formed a protective circle as Kennedy walked toward the North Quincy Station of the Massachusetts Bay Transportation Authority.

At one point, Kennedy passed a bus, and the crowd chanted, "Why don't you take the bus, Ted?"

Just before he got into the station, a man grabbed him by the leg and had to be pulled away by police.

The senator boarded a Boston-bound train that was pulling into the station. Some of the demonstrators threw rocks as it rolled away.

Drayne said most of the demonstrators in Quincy, a suburb south of the city, were from East Boston, a predominently Italian neighborhood unaffected by the current school busing program.

Boston schools have been disrupted by sporadic violence since the integration program began. A boycott continues in South Boston, a working class predominantly Irish neighborhood.

8 of 8

PRESSURE ON KENNEDY CASE

Continued from 20th Page

"I've talked to some of the people who were involved in that sad night and I'll be discussing the situation with the district attorney's office to get their views on how some of these questions might be cleared up."

At this time there are no definite plans for legislative hearings, but Lowenstein says:

"This issue just isn't going to go away and I'm confident that it will be taken up in Congress or the state Legislature if the Los Angeles authorities do not reopen the case."

Acting Dist. Atty. John Howard, who was one of the three prosecutors in the Sirhan trial, said his office would oppose any move to make the Sirhan case the subject of legislative hearings.

But Howard did not close the door to pursuing some other avenue that would lead to a resolution of the matter. In a formal policy statement prepared for The Times, he said:

"It always has been the position of the district attorney that if the Sirhan case is to be reviewed it should be done in a court of law.

"We would oppose putting the matter before a legislative body, but we are discussing the feasibility of seeking a judicial forum, where the rules of evidence would strictly apply and where sworn testimony could be taken on the integrity of the exhibits."

Howard is aware that Busch, shortly before his death, had decided to take some steps on his own initiative to put the matter back before a court.

"What we are discussing now are the mechanics of just how to accomplish that, should we decide to make that move," Howard said.

Howard also is aware that the decision may not be his since he is simply acting district attorney and may be replaced within a matter of weeks.

That factor has injected a new aspect of uncertainty because the selection of Busch's successor will undoubtedly have a bearing on future policy where the Sirhan case is concerned.

Virtually everyone involved in the controversy agrees that the most substantial question centers on the Sirhan gun and the bullets. When and if the case is reopened, the refiring of the gun will have top priority.

Why have authorities resisted refiring the weapon? Why not just do it and put an end to all the speculation about the bullet evidence?

The attitude of the district attorney's office and the Police Department and the courts to date is summed up by this statement from acting Dist. Atty. Howard:

". . . If you take a step like refiring the gun, you would have to have some doubt that Sirhan is guilty. It has been our feeling that the evidence is so overwhelming that there is no doubt."

The resistance to refiring the weapon is based, at least in part, on the concern that the District Attorney's office has about the "integrity" of the ballistics exhibits.

When the district attorney's staff conducted its 1971 investigation, refiring of the Sirhan pistol was considered.

Dep. Dist. Atty. Dinko Bozanich, who now handles inquiries on the Sirhan case, said that thoughts about firing the gun were "set aside when it was discovered that serious questions surrounded the handling of the Sirhan trial exhibits by the clerk's office."

This position was bolstered by the following finding by the 1971 Los Angeles County Grand Jury:

"Because the exhibits under the custody of the county clerk's officer were handled, examined and photographed by unauthorized persons, and mishandled by county clerk's personnel, there exists a reservation on the part of the grand jury relating to the present integrity of the ballistic exhibits . . ."

Critics of the investigation claim that this is a false issue used by the district attorney's office to divert attention from key questions.

There was no evidence developed during the 1971 grand jury investigation that any tampering with exhibits actually occurred, but investigators remain gravely concerned about it.

"What if someone put a pencil in the barrel of the gun, just for instance?" Howard asks. "That could affect the result of the bullet comparisons."

Howard also worries that the bullets may have "deteriorated" in the seven years interim since the assassination, because of handling and air-oxidation.

But Lowell Bradford, retired director of the Santa Clara County Laboratory of Criminalistics, does not think deterioration is a factor.

He has viewed the Balliscan photos of the bullets taken by Harper five years ago and the coroner's office in conjunction with Supervisor Baxter Ward's hearing on the Sirhan case last year.



GUNSHOT VICTIM—Paul Schrade, one of several persons hurt in attack on Sen. Robert F. Kennedy, discusses evidence from assassination.

Times photo

Bradford described the bullets as having "beautiful identification marks with no apparent change" between the time the photos were taken in 1970 and 1974.

And so the debate goes on. It seems certain that it will not be stilled until the gun is refired and perhaps not even then.

The critics say the refiring will reveal the truth, but Howard isn't so sure, as is obvious from his comment, "God help us if all the bullet comparisons are inconclusive after refiring the gun. Then someone will probably come up with a third gun theory."

But, he said, he was a registered Democrat and did not think of himself as a right-wing radical.

"As a man," Cesar said, "I thought he (Kennedy) was all right. As to politics, I didn't particularly like him. I would have told him to his face."

Cesar was asked whether he would be willing to take a polygraph test. He agreed to the DA's proposal, but one was never given.

IS THERE A SOLUTION?

Seven years after the assassination, the questions and the demands for answers persist. Can the questions ever be conclusively answered? Will someone in official capacity take steps to erase the doubts?

The pressure on authorities to deal with the dilemma began slowly mounting last December when Lowenstein held a press conference here.

Essentially, Lowenstein posed the same questions that Charach has been tenaciously pursuing for five years. But one powerful added ingredient at the press conference was the release of a statement by four of the five persons who were wounded in the pantry that night when the senator was shot.

Paul Schrade, Ira Goldstein, William Weisel and Irwin Stroll made this joint statement:

"Four of us who were wounded in the assassination of Robert Kennedy have become convinced of the need for a new investigation of this case. Until now, we have strongly resisted all efforts to question the obvious and official version that Kennedy's death and our being wounded involved only one gunman."

The four shooting victims said Lowenstein had raised serious questions "about the substantial discrepancies and gaps in evidence which have created grave doubts in our minds about the official version."

Lowenstein has escalated the pressures by supplementing his public statement with extensive private lobbying in both Washington and Sacramento.

"My intent all along was to get the authorities to reopen the case, and I still fervently feel that the best route would be for the district attorney's office to take steps that would bring about an official reexamination," Lowenstein said.

"But if the DA continues to refuse to take a completely new look at this thing, we have some alternatives, and one of them would be to have the whole matter taken before a legislative hearing."

One possible forum, according to Lowenstein, would be congressional hearings he feels will result from the resolution introduced Feb. 18 by Rep. Gonzalez.

"The resolution has 39 cosponsors, and I think that hearings will be held sometime in the fall," Lowenstein said. "But maybe if the authorities in L.A. do what they should, there won't be the need for Congress to go into it."

Lowenstein's lobbying efforts have also had their impact in Sacramento where Alan Sieroty, chairman of the Assembly Criminal Justice Committee, is giving the Robert Kennedy assassination considerable thought.

"There are several of us in the Assembly taking a hard look at the Bob Kennedy assassination investigation," Sieroty told The Times.

Los Angeles Times Sun., July 13, 1975

THE GUARD

Question: You drew your revolver?

Answer: After I get (sic) up off the floor,

Question: Did you fire a shot?

Answer: No.

Thane Eugene Cesar, now 33, gave those answers to the district attorney's office July 14, 1971, in an interview about the Kennedy assassination.

Cesar was a moonlighting guard for Ace Guard Service in Sepulveda the night Kennedy was shot. He had escorted the senator into the Ambassador pantry.

When Kennedy stopped to shake hands near the first steam table, Cesar said he was "maybe two or three feet, maybe a little farther" away, to the senator's right rear.

"I seen the flash," he said. "I didn't see the actual gun. I just seen a red flash. And at the time, in my mind, I feel I seen an arm sticking out between the cameramen . . ."

When the shots were fired, Cesar said, he ducked and was knocked to the floor.

"And when I finally got up to my feet, I pulled my gun and I seen whoever done the shooting. There were a lot of guys on him, had him subdued.

"I put my gun back and went through the swinging doors to get help from some of the guys working there with me. About three of us came back in."

Because of his position in relation to Kennedy, the 5-foot, 11½-inch, 210-pound Cesar was named as a "suspect" in a lawsuit filed on Sirhan's behalf with the California Supreme Court last Jan. 10 by Beverly Hills attorney Godfrey Isaac.

Witness 'not 100% sure' he saw a security guard pull and fire gun.

Isaac's action for a writ of habeas corpus and writ of error coram vobis was rejected without comment by the court last Feb. 13.

The suit charged that authorities had "systematically and deliberately ignored" Cesar as a suspect. It said:

"For reasons known only to the Police Department, Cesar's gun was never examined to determine if it had been fired, nor did the prosecution call Cesar to testify before the grand jury or at the time of trial of Sirhan Bishara Sirhan.

"Furthermore, Cesar had owned a nine-shot .22-caliber Cadet revolver, serial number Y13332, which he sold on Sept. 6, 1968, to Jim Yoder in Arkansas."

Cesar told the district attorney's office in 1971 that on the night of the assassination he was armed with a .38-caliber revolver. The LAPD has agreed that was so, but, so far as is known, police never have said publicly how that was determined.

Cesar said at one time he owned an H&R nine-shot, .22-caliber revolver with a two-inch barrel, but that he had sold it to Jim Yoder of Blue Mountain, Ark., sometime in February, 1968, he thought.

Q. Did you own that .22 on the night of the Kennedy assassination?

A. No.

Q. And the only gun you were carrying on you that night was a .38-revolver that you carried on your possession on moonlight jobs.

A. Yes.

When The Times tried to contact Yoder by telephone in Arkansas, his wife said the retired Lockheed employe had suffered a second stroke and said: "Besides, he has been pestered enough about that gun."

"What else could he tell you anyway? I even took the receipt down myself to make photostats of it and sent it out to the police in Los Angeles and that fellow Charach," she said.

"The receipt speaks for itself. It has the date and everything right on it."

The date on the receipt received by Charach, producer of the documentary "The Second Gun," was Sept. 6, 1968, the same as used by Isaac in the Sirhan suit.

The district attorney's position expressed last week was that regardless of the date Cesar sold his .22 revolver it does not detract from the conclusion that Sirhan was the lone gunman.

"Mere failure to recollect by Cesar on this point does not translate into a conclusion that he killed Kennedy and deliberately lied about the caliber of the gun he had in the pantry . . ." the DA's statement said.

After the assassination, Donald Schulman said he had seen a security guard pull a gun and fire in the pantry.

But, when questioned by the district attorney's office on July 23, 1971, Schulman, a former film runner for KNXT, said he was "not 100% sure" he saw a guard shooting a gun that night.

Cesar has not been available to The Times for comment. Attorney Garland J. Weber, who once represented Cesar, said his former client had recently moved. He promised to pass a message to Cesar.

On one occasion, however, Cesar defended himself against allegations that he was a right-wing radical who hated the Kennedys.

Cesar told the district attorney's office in 1971 that he had voted for George C. Wallace, didn't "have a lot of love for blacks," and would have handled the Watts riot "a little different."

Questions about apparent anomalies in the bullet evidence were studied by a special committee of criminalists appointed by Dr. Robert J. Joling, president of the American Academy of Forensic Sciences.

That three-member group was to report possible recommendations this weekend in St. Louis at a meeting of the academy's executive committee.

THE EYEWITNESSES

The experts are certain. Sen. Kennedy was shot from a distance of one to three inches behind the right ear and one to six inches beneath the right arm.

The greater numbers are the outside limits, according to LAPD's Wolfer and Coroner Noguchi. Actually, they estimated the muzzle distances were nearly contact.

Nearly contact. In a room crowded with 90 to 100 potential witnesses, about 30 of them in Kennedy's immediate vicinity. You might imagine those circumstances offer poor material for controversy.

Actually, to those who question the official version, eyewitness accounts of the shooting are cited as persuasive evidence that the full story has never been told.

Some of those near Kennedy have said the muzzle of Sirhan's gun never came close enough to inflict nearly contact wounds.

If they are correct, then who fired the shots that struck Kennedy at point-blank range—as the autopsy shows0 A second gunman?

Police Chief Ed Davis recently refused to answer questions about the case on grounds that it had been settled at Sirhan's trial and in subsequent legal actions, including an appeal.

In 1971, however, the LAPD's Board of Inquiry relied on the absence of eyewitnesses to maintain:

"It is unrealistic at this time to theorize that a second gun was fired during the assassination. Many people witnessed this crime, but not one of those persons observed a second gunman firing a weapon."

To the doubters, that police assurance settled nothing. They point to statements by witnesses Frank Burns Jr., Richard Lubic, Karl Uecker and others to make their point.

Burns, a Los Angeles attorney and a friend of the late senator, testified that he was standing off Kennedy's right shoulder in the pantry when he heard the "firecracker" sound of the first shot.

He said Kennedy was facing "almost due north" in the east-to-west pantry shaking hands with hotel employes in white jackets.

Burns told The Times he was facing in the same direction as Kennedy and looking at the senator when the first shot was fired. He stated unequivocally that Sirhan's gun never came within three inches of the senator's head.

Richard Lubic, now an independent television producer living in the Los Angeles area, recalled that Kennedy had stepped ahead of him to shake hands.

"I saw Sirhan just pop up like a jack-in-the-box and yell, 'Kennedy, you son of a bitch,' and start firing," Lubic told The Times.

"I dropped down, and the senator fell right next to me. I asked him if he was hurt. He said, 'How is Ethel?' and he asked me, 'Are you OK?'

"I know the gun was no closer than four feet, maybe three. After the senator fell, I looked up and saw an Ace security guard with his gun drawn, not pointed at Sirhan but pointing downward."

Karl Uecker was the first to grapple with Sirhan.

The assistant maitre d' had been escorting Kennedy west to east in the pantry toward the Colonial Room when the senator stopped, turned to the north and shook hands near the end of a steam table.

"I felt something moving in between the steam table and my stomach," Uecker testified at Sirhan's trial. "Then, I heard a shot which was something like a firecracker, a second shot and then I turned my head back again and I lost the senator.

"I looked, I saw what happened and was right in front of the man who had a gun in his hand."

Uecker said he grabbed for Sirhan's gun hand, seized the gunman in a headlock and bent him over the steam table while trying to push the weapon away from Kennedy.

In an interview with the district attorney's office July 15, 1971, Uecker recalled that when the shooting started Kennedy was facing him and he had grasped the senator's right hand to lead him from the pantry.

"I was pretty nervous at the trial, but I recollect that I grabbed the gun after the second shot—grabbed the gun and I just pushed it over there and pushed the gun down," Uecker said.

He estimated that the first shot was fired at least a foot and a half from Kennedy and said it might have been two feet away.

After living 15 years in Los Angeles, Uecker returned to his native Germany and now lives in Dusseldorf. Reached there last week by The Times, he still said that Sirhan's gun was "1½ or two feet away" from Kennedy.

Boris Yaro, a photographer for The Times, said he was standing about three feet to the right of Kennedy. He estimated that at the closest point the muzzle of Sirhan's gun was "less than a foot."

Yaro recalls that Sirhan lunged at the senator.

"Boom! Boom! Boom! It was like he was stabbing at Kennedy each time he pulled the trigger," Yaro said. "He was stabbing at the senator and pulling the trigger.

"The senator was backing up. He cringed. He turned. He put his hands over his face. As he backed up, he twisted and he turned, both ways.

"Later on, when you'd hear people say, 'Well, the angle of the bullet was this.' Well, for crying out loud, if anybody had seen how the senator was backing up they'd understand how there could be a bullet in the right side or a bullet in the left side just because of the way in which he turned."

The district attorney's office insisted last week that both physical evidence and eyewitness accounts at Sirhan's trial showed that Sirhan was in a position to shoot Kennedy at "virtually point-blank range."

In fact, the statement said, close scrutiny of Uecker's testimony discloses "the only reasonable interpretation" is that Sirhan must have been virtually at point-blank range when he started firing.

The DA suggested eyewitness accounts do not coincide in every detail because:

Not all witnesses have the same vantage point; no witness is necessarily more or less reliable than another; not all witnesses who testified at trial were asked about muzzle distance; not all witnesses were in a position to observe each and every detail.

"It must be understood that the context in which the investigation and trial were conducted did not emphasize reconciling purported eyewitness accounts as to muzzle distance," the statement said.

"Rather, the forensic opinions of Noguchi and Wolfer were accepted as definitively establishing the conclusion that Sirhan shot Kennedy at point-blank range.

"Questions posed today regarding purported discrepancies between various eyewitnesses assume that those eyewitnesses selected for illustrating the discrepancy are accurate as to every detail, including muzzle distance."

HOW MANY SHOTS?

Five plus four equals nine.

It is just such arithmetic that led critics to question the official version that Sirhan was the lone assassin of Sen. Kennedy.

Sirhan fired eight shots. How is it that bullets were recovered from five victims other than Kennedy and four bullets either wounded the senator or passed through his clothing? That's nine.

The problem was complicated by disclosure that there were three bullet holes in soundproofing ceiling panels hung in the pantry.

Nine plus three equals twelve.

Then, there was that Associated Press photograph taken June 5, 1968. It showed two policemen looking at what the caption said was a bullet found in a door frame at the scene.

Twelve plus one equals 13.

None of the equations or answers greater than eight is correct, according to authorities. What happened was that some bullets made more than one hole, they say.

The LAPD's criminalistics section offered its explanation in a "Trajectory Study," dated July 8, 1968, and later produced a schematic drawing supporting these conclusions:

Bullet No. 1—Entered Kennedy's head behind the right ear and was later recovered from his head.

Bullet No. 2—Passed through the right shoulder pad of RFK's coat, traveled upward and struck Paul Schrade in the forehead.

Bullet No. 3—Entered the senator's right rear shoulder about seven inches from the top of the shoulder and came to rest at the sixth cervical vertebra.

Bullet No. 4—Entered Kennedy's right rear back about one inch to the right of Bullet No. 3. Then, it traveled upward and forward, exited in the right front chest area, pierced a ceiling tile and was "lost somewhere in the ceiling innerspace."

Bullet No. 5—Struck Ira Goldstein in the left rear buttock.

Bullet No. 6—Passed through Goldstein's left pants leg, struck the cement floor and entered Irwin Stroll's leg.

Bullet No. 7—Struck William Weisel in the left abdomen.

Bullet No. 8—Struck the plaster ceiling, ricocheted and hit Elizabeth Evans in the forehead.

As for the AP picture, Wolfer once made a statement in a deposition that a door frame had been booked as evidence and examined but the hole in it was not made by a bullet.

Neither the pantry arithmetic nor Wolfer's explanation have satisfied skeptics, however. They will question how eight bullets could have made "all those holes."

William W. Harper was one of the first to formalize his doubts about the number of bullets fired and the paths they took.

The Pasadena criminalist propounded a theory in an affidavit, dated Dec. 28, 1970, that Kennedy had been fired upon from two positions.

Firing Position A, he said, was located directly in front of the senator—to the east—with Sirhan face-to-face with Kennedy.

"This position is well established by more than a dozen eyewitnesses," Harper said.

Firing Position B, according to his affidavit, was in close proximity to Kennedy, immediately to the senator's right and rear.

Harper concluded that the nature of the three wounds suffered by Kennedy—right to left, back to front and upward—and a fourth shot through the right shoulder-pad area were fired virtually point-blank from Position B.

Since Sirhan could not have been at once in front of Kennedy and also to his right rear it is manifest that two guns were being fired in the pantry, Harper maintained.

If the "two-position" theory was right and Kennedy was face-to-face, Harper pointed out, something was wrong with the LAPD's account of Bullet No. 2—the Schrade-shoulder pad bullet.

Schrade was standing behind Kennedy in the pantry and could not have been struck in the forehead by a bul-

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let traveling from back to front, in the opposite direction, he reasoned.

If then Schrade was not struck by the shoulder-pad bullet, but by another, Harper observed, at least nine shots were fired in the pantry, not eight—barring split bullets.

It followed that since Sirhan fired only eight shots, there must have been another gun.

Both the district attorney's office and the LAPD said in their 1971 investigation that Harper was in error because his theory was based on a false premise.

They quoted eyewitness testimony that when Sirhan started firing rapidly from the east of Kennedy the senator was not face-to-face with him.

Rather, they said, Kennedy had turned 90 degrees away from Sirhan and was shaking hands with hotel employes on the north side of the pantry. Therefore, they said, Sirhan was in a position to inflict the back-to-front wounds suffered by the senator.

Noguchi told The Times recently he thought Kennedy's wounds were consistent with the position in which the senator and Sirhan were placed by authorities, provided the muzzle distance was point-blank.

Critics disagree. They contend Kennedy's wounds could not have been inflicted from Sirhan's position or that a bullet could have passed through the shoulder-pad area and hit Schrade.

Schrade himself says he does not understand how he could have been shot in the way authorities said.

Responding to questions last week, the district attorney's office supported the LAPD's version of the path of the shoulder pad or Schrade bullet.

The DA also said prosecutors had relied upon a summary of the bullet paths and a later schematic in prosecuting Sirhan.

"It must be remembered that there never was any indication of any other person firing in the pantry," the statement said.

The left sleeve of Kennedy's coat is missing, and skeptics question that, too. They ask how many bullet holes might be in the sleeve if it were found.

When Wolfer was asked that question once in a deposition, he reasoned that there would be no holes in the sleeve because the bullets would have had to go somewhere in the pantry and none was found.

THE BULLETS

Sen. Kennedy died in Good Samaritan Hospital at 1:44 a.m. June 6, 1968. Within two hours, County Coroner Thomas T. Noguchi began an autopsy.

Noguchi found that a bullet had entered behind Kennedy's right ear and shattered in the brain. Two others struck in the right armpit. One exited the right chest. The other stopped at the base of the neck. A fourth bullet passed through the shoulder-pad area of the coat.

It was the bullet taken from the area of the sixth cervical vertebra that Wolfer identified as coming from Sirhan's gun. It was designated Exhibit 47 at the trial.

Five others in the pantry besides Kennedy were shot. Bullets or fragments were recovered from them all. The bullet in the best condition was removed from William Weisel's abdomen.

At Sirhan's trial, Wolfer also identified the Weisel bullet, designated Exhibit 54, as having been fired from Sirhan's gun.

The LAPD expert said he based his conclusions about Exhibit 47 and 54 on examinations under a comparison microscope of individual identifying marks common to them and test bullets fired from Sirhan's gun.

Wolfer's testimony about the evidence bullets was not challenged then. Sirhan's attorneys stipulated that bullet fragments from Kennedy's brain had come from their client's gun.

It was not until Harper's affidavit on Dec. 28, 1970, that anyone questioned Wolfer's identification.

Harper, a consulting criminalist for 35 years, photographed the Kennedy and Weisel bullets with the assistance of an engineer for a company which developed the Hycon Balliscan Camera.

The camera produces photographs of the entire circumferences of bullets by rotating them in phases in front of a lens. The photos then can be placed side by side for comparison.

In his affidavit, Harper declared that his examination had failed to disclose any individual characteristics establishing that the Kennedy and Weisel bullets had been fired from the same gun.

Furthermore, the criminalist said, his study disclosed that the Kennedy bullet has a rifling angle about 23 minutes or 14% greater than the rifling angle of the Weisel bullet.

Critics' findings on bullets riddled with 'unknown factors,' DA says.

Bullets are marked when they are spun by spiral rifling grooves built into a gun's barrel to stabilize a missile in flight. Harper measured these marks.

He went on to conclude, "It is, therefore, my opinion that bullets 47 and 54 could not have been fired from the same gun."

The LAPD's Board of Inquiry appointed to investigate the challenge to Wolfer's competence reported in October, 1971, that—when analyzed —the importance of Harper's 23-minute difference is "questionable."

Pointing out that a circle is divided into 360 degrees and a degree is composed of 60 minutes, the board noted the difference reported by Harper amounts to about one-third of a degree.

"When the difficulty of exactly aligning the two bullets is realized, the minute difference of 23 minutes loses its importance," the board concluded.

"The impossibility of the bullets being fired from the same gun must be established by a more reliable method if Mr. Harper's theory is correct."

At that time, the district attorney's office seemed content with the position that Harper simply could not positively identify bullets through photographs, a job for a comparison microscope.

So much for Harper's startling affidavit. Right?

Wrong! In November, 1973, another criminalist arrived at the same conclusion: that the Kennedy and Weisel bullets were not fired from the same weapon.

Herbert Leon MacDonell, a private expert and director of the Laboratory of Forensic Science in Corning, N.Y., signed an affidavit based on his study of the Harper photographs of the evidence bullets.

Prefacing his conclusions on conditions that the photographs are free of optical distortion and represent what they purport to, MacDonell introduced to the controversy a new element: cannelures.

Cannelures are knurled rings running around a bullet's circumference. They are placed there in the manufacture.

MacDonell noted the Kennedy bullet has one cannelure while the Weisel bullet has two, yet shell casings in Sirhan's gun identified the ammunition as long-rifle, mini-mags made by Omark-C.C.I. of Lewiston, Ida.

MacDonald discovered the importance of that fact in October last year when Omark reported to him that it had never manufactured long-rifle mini-mag ammunition with less than two cannelures.

Also, MacDonell said he had found a difference in rifling angles of "nearly one-half of a degree" between the Kennedy and Weisel bullets and had failed to find matching individual characteristics on the two missiles.

"Overall sharpness of the Kennedy bullet suggests that it was fired from a barrel whose rifling was in far better condition than the one from which the Weisel bullet was fired," he said.

If the Kennedy bullet has a single cannelure then, how did it get that way? Was a cannelure left out in the manufacture? Was one of the two cannelures wiped out in the firing? MacDonell considers both possibilities unlikely.

In response to questions posed by The Times, the district attorney's office last week challenged the findings of both MacDonell and Harper.

Positive identification of bullets as coming from a particular weapon rests upon microscopic study of the evidence by an expert using a microscope, not photographs, the statement said.

Furthermore, the DA maintained, both rifling angles and cannelures are not "significant" in the positive identification of evidence bullets.

"Clearly, the allegations of MacDonell are riddled with unknown factors and potentially unwarranted assumptions," the statement went on. "Thus his allegations do not even constitute a genuine question.

"The mere fact that newspaper and magazine articles characterize his allegations as posing a question does not alter this reality . . .

"The district attorney does not believe that the Sirhan gun should be fired or the bullets microscopically reexamined because the claims or demands of Harper, (Lowell) Bradford (a third criminalist) and MacDonell are totally devoid of substance and evidentiary merit."

Los Angeles Times Sun., July 13, 1975

said he saw a guard fire a weapon, but he has since backtracked.

At the trial, Sirhan admitted he shot Kennedy, and his attorneys focused attempts to save his life on grounds of diminished mental capacity.

So what—authorities may well ask now—are media types, conspiracy buffs and publicity seekers talking about? It's simply ridiculous to say anyone but Sirhan was firing in that pantry.

Skeptics say, on the other hand, that it is precisely because everyone was so certain that Sirhan was the lone assassin that the present situation was created.

They say evidence introduced in the trial was not subjected to rigorous cross-examination and eyewitness testimony which appeared to conflict with the prosecution's case was discounted or ignored.

To understand what the doubters are questioning and authorities are answering, it is perhaps best to consider the complicated circumstances in sections.

THE GUNS

Sirhan's gun was an Iver-Johnson .22 caliber 8-shot Cadet Model with a short barrel. Number H53725. Sirhan paid a few dollars for it second hand. The wiry, 5-foot, 3-inch Jordanian refugee fought fiercely to keep it.

To cries of "Get him!" "Get the gun!" some of those near Kennedy grappled with Sirhan. Karl Uecker, a hefty, 190-pound assistant maitre d', wrestled Sirhan to a table top and hit his gun hand against it.

Bill Barry, the senator's bodyguard who had been escorting Kennedy's wife, Ethel, fought through the crowd and twisted the revolver from Sirhan's hand.

Criminalist Wolfer testified about the gun two days later at a grand jury hearing.

His expert testimony was that a bullet removed from the area of Kennedy's sixth cervical vertebra and another taken from William Weisel's abdomen had been fired by the Iver-Johnson revolver.

Four of seven test bullets which Wolfer indicated were fired from Sirhan's gun and reclaimed were introduced as Exhibit 5B.

At Sirhan's trial—months later—Wolfer again said that Sirhan's gun had fired the Kennedy and Weisel evidence bullets. Three test bullets used for comparison were introduced as Exhibit 55.

The envelope holding the bullets was marked with the gun serial number—H18602. That's correct—H18602, not H53725, the number of Sirhan's gun. The wrong number was not discovered until nearly two years later.

Pasadena criminalist William W. Harper, a sometime critic of Wolfer's work, noted it in November, 1970, while checking physical evidence in the case at the county clerk's office.

Over several months, Harper visited the office more than a dozen times to examine and photograph the evidence bullets. His photographs represent possibly the most serious current challenge to the "lone gunman" theory. But more about that later.

In an affidavit dated Dec. 28, 1970, Harper, now 72, concluded that two .22-caliber guns were involved in the Kennedy assassination.

He surmised further that the senator was killed by a shot fired from a position other than Sirhan's, and he considered it "extremely unlikely" that Sirhan even shot Kennedy.

Harper's conclusions, and attorney Barbara Warner Blehr's challenge to Wolfer's competence, filed with the City Civil Service Commission in May, 1971, prompted new inquiries by authorities in mid-1971.

Five months later, Busch declared in a press conference that Mrs. Blehr's charges were untrue and supported Wolfer. Next day, the LAPD did the same and Wolfer subsequently became head of the police crime lab.

Both the district attorney's office and a three-member board appointed by Police Chief Ed Davis said investigations of Harper's contentions showed the criminalist was wrong about a second gunman.

Harper had been mistaken, both insisted, in assuming that Kennedy was facing Sirhan when he was shot when, in fact, the senator was turned away, shaking hands and with his right side exposed to the gunman.

Both the DA and the LAPD explained the wrong serial number on Exhibit 55 as a "clerical error" made by Wolfer in confusing the number of a second .22 caliber revolver used for other tests.

Because Sirhan's gun had been introduced as evidence at the grand jury on June 7, 1968, authorities said, it was not available for muzzle-distance tests made by Wolfer on June 11.

Therefore, they said, Wolfer checked out another Iver-Johnson Cadet Model .22 revolver—Number H18602—from the LAPD's Property Division on June 10, and used it next day to check the range at which Kennedy had been shot.

When he later made out Exhibit 55 for the trial, Wolfer wrote H18602 on the envelope containing three test bullets instead of the number of Sirhan's gun, officials said.

Neither the DA nor the LAPD ever said publicly exactly how Wolfer made the clerical error. Did he copy it from a report? Did someone give him a wrong number as he once indicated in a deposition? If so, who was it?

To authorities, such questions are academic. Their point is that Wolfer compared the bullets in the case, testified as an expert about the results before a judge, prosecutors and defense attorneys and that his testimony stands, despite the error.

The doubters point out, however, that when Wolfer testified that the bullet from Kennedy's neck and Weisel's abdomen came from Sirhan's gun his opinion was based—as far as trial evidence is concerned—on test bullets bearing the serial number of another weapon (H18602), which the police routinely destroyed in 1969.

To skeptics the wrong number raises the possibility that proper bullet comparisons were never made. They suggest Sirhan's gun may have been so badly damaged in the gunman's capture it could not be used to test-fire bullets for comparison.

The Times obtained a Superior Court order last week to view physical evidence in the case, including Sirhan's revolver. The weapon (H53725) appeared from superficial examination to be operable.

Newsmen representing The Times also found a notation on Exhibit 5B which tends to support the official contention that a clerical error is responsible for the wrong serial number on three test bullets introduced as Exhibit 55 at Sirhan's trial.

The serial number on 5B introduced at the grand jury—four of seven test bullets Wolfer said were fired from Sirhan's revolver—was H53725, the serial number of Sirhan's gun.

-Sun., July 13, 1975 Los Angeles Times

Robert Kennedy Case Still Stirs Questions

Pressure to Reopen Assassination Inquiry Includes Gun, Bullet Holes

BY WILLIAM FARR and JOHN KENDALL
Times Staff Writers

Pressure is growing to reopen the Robert F. Kennedy assassination case and address again the question, "Was Sirhan Bishara Sirhan the lone gunman?"



KENNEDY COAT—Skeptics ask what became of the sleeve and wonder how many bullet holes might be in it if it were found.



SIRHAN'S GUN—This is .22-caliber 8-shot revolver fired by Sirhan B. Sirhan at Sen. Robert F. Kennedy. Dispute arose over serial number on the weapon. Times photos

To most Americans, it must seem as if that question has been answered: that Sirhan acted alone at 12:15 a.m. June 5, 1968, when he emptied a revolver at Kennedy in the pantry of the Ambassador Hotel.

The 42-year-old senator, shot down in triumph after winning California's Democratic presidential primary, died about 25 hours later. Sirhan was convicted, sentenced to death, then given life in prison.

Not everyone is satisfied, however, with the answer provided early in 1969 at Sirhan's three-month trial. To a few conspiracy buffs, the answer that Sirhan acted alone was never satisfactory.

Now, there is a growing chorus of those who do not talk about conspiracy, but rather call for reexamination of apparent anomalies in the physical evidence collected in the case.

Just before his death on June 27, Dist. Atty. Joseph P. Busch had considered ways to reopen aspects of the case, possibly through a special master appointed by the California Supreme Court.

Busch had not changed his opinion. He still firmly belived Sirhan was the lone gunman. But, associates said, he recognized a possible need to restore public faith that nothing about the case remained untold or undiscovered.

In recent weeks and months, some of the nation's best-known newspapers have published stories examining doubts raised about the assassination.

Ted Charach, a Los Angeles-based, Canadian-born journalist who early questioned the official version of the Kennedy assassination, has produced and toured the nation with a film documentary called "The Second Gun."

Germany's Stern Magazine recently offered its answer to whether there was a second gunman in an RFK assassination article entitled "The Real Murderer is Still Free."

Rep. Henry B. Gonzalez (D-Tex.) introduced a measure in Congress last February to establish a select committee for a broad investigation of the assassinations of John and Robert Kennedy, the Rev. Martin Luther King and the attempted assassination of Gov. George C. Wallace. He has 39 cosponsors for the bill.

Allard K. Lowenstein, a former congressman from New York, who is now working as an aide, on a temporary basis, to Gov. Brown, demands that a panel of impartial experts be permitted to:

—Refire Sirhan's gun to check challenged evidence offered by DeWayne Wolfer, head of the Los Angeles Police Department's Scientific Investigation Division.

—Examine bullet holes in soundproofing ceiling panels from the pantry and in the right shoulder-pad area of Kennedy's coat to determine the number and the direction of bullets which struck them.

—Analyze evidence bullets through a neutron activation process to determine whether all the bullets were fired from Sirhan's gun.

—Read the illustrated, 10-volume summary of the LAPD's investigation of the Kennedy assassination.

To some, perhaps many, Lowenstein's demands may seem startling—if not excessive—when considered in juxtaposition with the LAPD's most intensive investigation ever and Sirhan's three-month trial.

Certainly, to prosecutors who helped convict Sirhan, to police officers who investigated the case, it is ludicrous to question whether Sirhan was the only gunman.

Was there ever a plainer case?

Perhaps 90 to 100 persons were jammed in the Ambassador's pantry when Sen. Kennedy was shot. Close friends and associates were in nearly physical contact with him.

Suddenly, Sirhan rushed across the room, screamed an oath, reached past an assistant maitre d' escorting Kennedy and fired at the senator.

Sirhan was captured. His gun was seized and his captors protected him from enraged members of the crowd.

Not a single person who was in that crowded pantry now says anyone beside Sirhan was seen firing a gun. A television film runner once

Kennedy

Kennedy: speculation persists

C.S. Monitor 8/4/75

By Godfrey Sperling Jr.
Staff correspondent of
The Christian Science Monitor

Washington

Sen. Edward M. Kennedy's latest underscoring of his decision not to run for president has tended to raise speculation in high Democratic circles that the Senator in the end will indeed be subject to a convention draft.

Moreover, there is increasing anxiety among Democratic leaders from coast to coast that Senator Kennedy's continuing presence on the sidelines is doing much to undercut the efforts of other candidates to be viewed as serious contenders.

Said one Midwest Democratic chieftain: "Teddy is always there. There is nothing he can say that can take him completely out of the race. He never will be able to find the words that will keep many delegates from thinking that he will take the nomination if it is thrust upon him."

★Please turn to Page 6

shortages.

Monday, August 4,

★Speculation persists on Kennedy candidacy

Continued from Page 1

Said another Democratic leader, this one from the East:

"No matter what Teddy says about not intending to run, we all know that at times he would like the nomination because he would like to be President. We know what restrains him: the family considerations and other factors.

"So he really cannot say anything publicly that will persuade us that, just maybe, he can be talked into taking the nomination."

President Ford helped to keep Senator Kennedy in the forefront of the Democratic possibilities by indicating in an interview recently that he regarded the Massachusetts Senator as the most "formidable" opponent that could be put up against him next year.

It is known that in the early months of the Ford administration the President was less certain of this Kennedy strength. He tended to feel that Sen. Hubert H. Humphrey of Minnesota would be the most difficult Democrat to beat next year. But in recent months, guided by the polls, the President has come to believe that Mr. Kennedy would be his toughest opponent.

Meanwhile the continued shadow of Senator Kennedy is doing much to dilute the candidacies and potential candidacies of a score of Democrats.

One high-up Democrat in the Senate puts it this way: "... . bona fide candidates . . . are all saying they don't think Kennedy is a candidate. But they aren't sure, and neither are their backers. This all tends to take the steam out of their efforts.

"So Kennedy is hurting the Democratic Party, simply because he is diluting the campaign efforts of serious contenders. He obviously doesn't intend to be doing this. But he can't help it. He's a Kennedy. And there are literally millions and millions of Democrats who are just waiting for a Kennedy to get back into the presidency."

In the last several weeks an array of Democratic hopefuls — among them Morris Udall, Henry Jackson, Lloyd Bentsen, Hubert Humphrey, Edmund Muskie, George McGovern, Terry Sanford, Fred Harris, and Jimmy Carter — have all said that they took Senator Kennedy at his word — that he would under no circumstances be a candidate.

Some, under questioning, revealed their gnawing anxiety — that Mr. Kennedy just might yield to a convention draft, despite his present intentions.

Now Senator Kennedy evidently has made it clear to his old friend, House Majority Leader Thomas P. (Tip) O'Neill that he is not a candidate and that Mr. O'Neill should desist from saying otherwise in public.

But, no matter what he does, the "Kennedy-still-might-be-drafted" song plays on.

Kennedy

presidential nomina- system.

S.J. Mercury 8/11/75

alifornia's New Alternative

A year ago 1976 was seen as a fresh-start year in American presidential politics.

Yet here is the Gallup Poll reporting that with Ted Kennedy out of the race, the Demoratic party looks over its shoulder for presidential candidates. All the names have been heard before: Hubert Humphrey, George McGovern, Henry Jackson, Edmund Muskie—and George Wallace.

"All Others"—the likes of Birch Bayh, Lloyd Bentsen, Jimmy Carter, Frank Church, Fred Harris, Terry Sanford, Milton Shapp, Sargent Shriver and Rep. Morris Udall—hardly show on the charts.

This is yet another example of how the American political system that is supposed to be so free and open actually emerges as a narrowly competitive one unreceptive to the the new face, the challenger, the alternative voice.

There have been exceptions—the charistmatic or "good image" candidates who suddenly burst on the scene. The actual success of such candidates has been limited. But given a political vacuum—the dearth of established candidates with truly broad appeal, the situation that now exists—and the outcome could be different.

Thus the California that gave the Republican party Ronald Reagan now appears about to give the Democratic party Edmund G. Brown Jr. When Gov. Brown begins to talk of his desire to "serve the party in whatever capacity I feel I can," that's more than idle chatter—it's a trial balloon.

The Gallup Poll documenting the failure of other Democratic candidates, old or new, to catch the electorate's fancy may well herald the birth of Gov. Brown as a fullscale Democratic presidential candidate.

from the office of

Senator Edward M. Kennedy

of Massachusetts

SENATOR EDWARD M. KENNEDY CRITICIZES CRIME
SPEECH OF PRESIDENT FORD

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I read with great interest President Ford's address delivered to the Conference of the International Association of the Chiefs of Police in Miami on Monday. The speech provided a great deal of heat--but not much light. It offers a good example of the standard Republican Administration prescription for reducing crime--a prescription first filled back in 1968--talk tough instead of doing things that count!

Now we are viewing the same old game: politics as usual, with the President trying to rally everyone around the flag by drumbeating the threat of crime and calling for "new," tough policies. Well, it won't work this year; it won't play in Peoria or Boston or anywhere else. The Administration roadshow on crime is closing after an unsuccessful eight year run.

All would agree with the President that the problem of crime must be a top priority in the next Administration. I certainly do. But where are the Administration's specific crime-fighting proposals? Where is the law enforcement blueprint for tomorrow? There is plenty of hard-hitting rhetoric in the President's prepared text, plenty of "law and order" phrasemaking. But the American people have been hearing cries of "law and order," or the President's own more subtle euphemism "domestic tranquility," for the past eight years.

And what has been the result--a soaring rise in violent crime, a steady growth in white collar crime, and increased government corruption. Crime is up some sixty per cent since 1968 yet the President praises his Administration for its performance. Rural and suburban crime is soaring, yet this Administration dares pat itself on the back. A person born in urban America today stands a greater risk of being murdered than he would have faced in combat in World War II--yet what the American people hear from this Administration are pious phrases of self-congratulation.

Let us analyze the President's speech, and look at the record to see whether this Administration has been effective and forthright in combating crime:

1. The President heaped praise on our local police departments and has signed the Public Safety Officers' Benefits Act of 1976, which provides $50,000 to the survivors of public safety officers killed in the line of duty. This he did "on behalf of every grateful American." Fine. The bill was bipartisan in nature, Congress enacted it, and I am grateful that the President signed it.

But where is President Ford when it comes to supporting public safety officer low cost life insurance? Where is his Administration when it comes to providing meaningful benefits to those public safety officers who, because of their high risk profession, are often unable to secure life insurance at reasonable cost? It has consistently opposed legislation which would establish low-cost life and disability insurance for those officers who are our front line of defense in the war on crime. The bill is modest--$30,000 dollars in maximum insurance, with the federal government helping to defray the cost of premiums. And it is a purely voluntary program. Yet Republican Administrations--allegedly the friend of the policeman walking the beat--have opposed this bill, supported by all of the major police organizations in this country, for the past five years even though it has passed the Senate by overwhelming votes on three separate occasions.

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2. The President says that special efforts must be made to rid our streets of the career criminals and repeat offenders who are the primary sources of violent crime in our nation. Fine. But what is the federal vehicle he would use to do this--the federal Law Enforcement Assistance Administration (LEAA). The Republican Administration has had eight long years to make LEAA more effective; over four and one-half billion dollars have been spent. And what has been the result? Failure after failure, leading to increased criticism of LEAA management, priorities, and goals. Why did the Republicans wait until 1974 to concentrate on the career criminal? Where were the Republican Administrations in 1970, 1972 and 1974 when the same facts were available? The President talks at length about the need for "swift" justice. Why has this Administration held to a minimum--a disgraceful six per cent--LEAA funds for the local courts of our nation, to be used to eliminate court congestion and backlog. Just talking about "swift" justice cannot unclog the nation's criminal justice system. What is needed is greater direction, stronger leadership from Washington. And the nation has not been getting it.

Until this year congressional efforts to reform LEAA were largely opposed by the Administration and were unsuccessful. This year a strong congressional effort to alter the structure and implementation of the LEAA program was undertaken and many suggested changes--long overdue--were literally forced on a reluctant Administration. More financial and technical assistance to local criminal courts, priority funding to both urban and rural areas suffering from high crime increases, increased aid to combat juvenile delinquency, new LEAA oversight and evaluation requirements--the Administration balked at all of these changes. But as a result of this year's congressional initiatives LEAA should have a brighter future.

Federal aid to state and local governments to fight crime must of course continue. LEAA cannot alone solve the crime problem in our country. The war on crime is primarily a local battle. But LEAA can be a more effective crime-fighting agency than it has been under this Administration.

3. The President advocates the use of mandatory minimum sentences as a way to insure "certainty of punishment." But the Administration's bill calls for the imposition of such sentences only in the limited cases of kidnapping, aircraft hijacking, trafficking in hard drugs, and crimes involving the use of dangerous weapons. The real fact is that offenders convicted of the crimes of kidnapping and aircraft hijacking already receive sentences of imprisonment in excess of the minimum provided in the legislation! Yet the President talks tough about his bill because he thinks it will pay off at the polls in November.

What about the violent crimes that really plague our local communities--what about imposing mandatory minimum sentencing in cases involving rape, burglary, assault and robbery? The President says that the federal government has no jurisdiction over such crimes. This is not always the case. Federal statutes encompassing most of these crimes do exist. More importantly, an effective federal mandatory minimum sentencing scheme-encompassing those violent street crimes that most trouble the American people--can be used as a model for those states enacting local mandatory sentencing plans of their own.

4. The President calls for comprehensive criminal code reform and criticizes the Congress for failing to act. But S. 1, "the Criminal Justice Reform Act of 1975", as originally introduced, was hardly an acceptable vehicle to realize such badly needed reform. Original S. 1 provisions supported by the Administration would have shackled the press, undercut civil liberties, and stifled lawful political dissent--all in the name of law enforcement. Instead of attacking the Congress for failing to enact that bill, the President should be encouraging the Congress to continue its ongoing effort to develop a workable, fair, and just federal criminal code.

5. The President promises to wage a new war on crime during the first one hundred days of his new Administration and to establish a new "interagency council" to wage a coordinated effort against crime. This new agency will "recommend changes to lower the crime rate." But where has this Administration been for the last 100 days, and the 100 days before that? Why wait until next year for a new, concerted effort against crime? Why didn't the President set up his "interagency council" two years ago? The answer is simple--talk about "one hundred day" plans and new "councils" are mere political ploys designed to garner votes.

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Such promises are reminiscent of Mr. Nixon's promise in 1968 of a "secret plan" to end the Vietnam War. The Republican Administration has had eight years to coordinate, concentrate, and commiserate on ways to reduce crime. They have failed. I am not saying that the federal government can eliminate crime from our streets. It cannot. But the President should level with the American people, and admit it. Why doesn't he tell the nation that although there are no panaceas, no magic cures for the crime problem, the federal crime-fighting effort can be much more effective than its has been. Instead he makes empty promises and berates the Congress.

And what about other congressional efforts to deal with crime, efforts sabotaged or ignored by the Administration. The President vocally opposes hand gun control despite the fact that a clear majority of the American people (and many law enforcement officers) favor rigid restrictions, and despite the fact that he even sent up one modest gun control bill to the Congress himself. The Congress, not the Administration, has taken the initiative in seeing to it that the white collar criminal does not avoid punishment. Legislation has been introduced which would eliminate arbitrary sentencing practices and end the sentencing disparity which threatens to undermine the very fabric of our criminal justice system. Moreover, Administration efforts to combat the soaring growth of drug trafficking have been seriously hampered by allegations of corruption and the inability of the Drug Enforcement Administration to get its own house in order.

Finally, the President speaks about "politicians. . . underestimating the public concern about crime." He states that "American voters will examine their vallots in November and identify those candidates who have demonstrated indifference or permissiveness toward crime, and they should." This is language reminiscent of the elections of 1968 and 1970, when the previous candidates and incumbents sopke about "coddling criminals" and " a wave of permissiveness." Such talk does nothing to combat the growth of crime in America. Politicizing the crime issue can only result in a growth of public cynicism and indifference.

In the past eight years, the most important missing ingredient in the war on crime has been responsive public leadership. The problem of crime would be far less serious today, the rate would be far lower, if the many studies and recommendations of the past had been translated into vigorous programs of public policy by those in a position of leadership to implement them and see that they are administered effectively.

To make crime unrewarding our institutions must be capable of controlling crime where it occurs, but this must be accomplished within the law and Bill of Rights. There is nothing new or novel here. This twin approach to crime is as old as our American nation. It is actually enshrined in the Preamble of the Constitution, which speaks not only of establishing domestic tranquility but also of insuring justice. And that is what this Administration is in danger of forgetting. The President's law enforcement policy emphasizes "domestic tranquility" in the Preamble to the Constitution, but it does not reflect the companion constitutional goal of insuring justice. And for those who are strict constructionists, I would point out that in the hierarchy of the Preamble, justice comes first and domestic tranquility second. That is the way the Founding Fathers wrote it, and that must be our task today.

We cannot pledge our allegiance to half the Preamble of the Constitution. No amount of police firepower or mandatory prison sentences or presidential messages on crime can insure domestic tranquility, unless we are also prepared to devote a reasonable balance of our effort to establishing justice. And if that total effort is to succeed, the President must set an example and lead the fight. It is most unfortunate, therefore, that the President has, instead, succumbed to the passions of the moment in his quest for votes.