

file 5. 780
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prove collective bargaining and encourage price restraint;

(4) conduct public hearings necessary to provide for public scrutiny of inflationary problems in various sectors of the economy;

(5) focus attention on the need to increase productivity in both the public and private sectors of the economy;

(6) monitor the economy as a whole by acquiring as appropriate, reports on wages, costs, productivity, prices, sales, profits, imports, and exports; and

(7) review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purpose of determining the extent to which those programs and activities are contributing to inflation.

(b) Nothing in this Act, (1) authorizes the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, or any similar transfers, or (2) affects the authority conferred by the Emergency Petroleum Allocation Act of 1973.

Sec. 4. (a) Any department or agency of the United States which collects, generates, or otherwise prepares or maintains data or information pertaining to the economy or any sector of the economy shall, upon the request of the Chairman of the Council, make that data or information available to the Council.

(b) Disclosure of information obtained by the Council from sources other than Federal, State, or local government agencies and departments shall be in accordance with the provisions of section 552 of title 5, United States Code.

(c) Disclosure by the Council of information obtained from a Federal, State, or local agency or department must be in accordance with section 552 of title 5, United States Code, and all the applicable rules of practice and procedure of the agency or department from which the information was obtained.

(d) Disclosure by a member or any employee of the Council of the confidential information as defined in section 1905 of title 18, United States Code, shall be a violation of the criminal code as stated therein.

(e) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954, nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or make known to the Council the amount, source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit any income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, thereof, to be seen or examined by the Council.

Sec. 5. The Council shall report to the President, and through him to the Congress, from time to time, concerning its activities, findings, and recommendations with respect to the containment of inflation and the maintenance of a vigorous and prosperous peacetime economy.

Sec. 6. There is hereby authorized to be appropriated not to exceed \$1,000,000 for the fiscal year ending June 30, 1975, to carry out the purposes of this Act.

Sec. 7. The authority granted by this Act terminates on August 15, 1975.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its

reading clerks, announced that the House disagrees to the amendment to the Senate to the bill (H.R. 14883) to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-year period, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. BLATNIK, Mr. JOHNSON of California, Mr. ROBERTS, Mr. HARSHA, and Mr. HAMMER-SCHMIDT were appointed managers of the conference on the part of the House.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 13871) to amend chapter 81 of subpart G of title 5, United States Code, relating to compensation for work injuries, and for other purposes.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 3620) to establish the Great Dismal Swamp National Wildlife Refuge.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1927) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes; and that the House recedes from its disagreement to the amendments of the Senate numbered 18, 22, 23, 24, 26, 36, 37, 38, 40, 43, and 51 to the aforesaid bill; and recedes from its disagreement to the amendments of the Senate numbered 9, 16, 17, 20, 25, 27, 39, 34, and 50 to the aforesaid bill, and concurs therein with amendments, in which it requests the concurrence of the Senate.

The message further announced that the House has agreed to the following joint resolutions, without amendment:

S.J. Res. 66. A joint resolution to authorize the erection of a monument to the dead of the First Infantry Division, U.S. Forces in Vietnam;

S.J. Res. 20. A joint resolution to provide for the reappointment of Dr. William A. M. Burden as citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 221. A joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as citizen regent of the Board of Regents of the Smithsonian Institution; and

S.J. Res. 222. A joint resolution to provide for the appointment of Dr. Murray Gell-Mann as citizen regent of the Board of Regents of the Smithsonian Institution.

ORDER TO VACATE CONSIDERATION OF COPYRIGHT LAW REVISION, S. 1361

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order providing for the calling of S. 1361, Calendar Order No. 995, at this time be vacated.

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

FEDERAL OFFICE OF PROCUREMENT POLICY ACT—CONFERENCE REPORT

Mr. CHILES. Mr. President, I submit a report of the committee of conference on S. 2510, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. ALLEN). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2510) to create an Office of Federal Procurement within the Executive Office of the President, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of August 7, 1974 at pp. H7790-H7793.)

Mr. CHILES. Mr. President, the conference was held on August 6, 1974. All conferees signed the report. As chairman of the Procurement Subcommittee, I want to express my sincere appreciation to my colleagues—Senators NUNN, HUBLESTON, ROTH, and BROCK—who, as subcommittee members and conferees, gave unrelentingly of their time to mold this legislation over the last year.

The House has passed the conference report by a vote of 389 to 1.

The importance of this legislation cannot be over emphasized in these times of rapid inflation. President Ford has stated that we must work together to control Federal spending. The new Office we are creating with this legislation will have the necessary authority to clean up the maze of confictions and duplicative agency spending practices that have kept the taxpayer from getting his dollar's worth in the Government's \$60 billion annual purchasing bill.

This conference substitute reflects, in all major respects, the Office of Federal Procurement Policy, OFPP, bill passed by this body on March 4, 1974. While there have been changes, the substance of the Senate bill has been retained.

As originally passed by the Senate, we envisioned that an Office of Federal Procurement Policy would be created within the executive office of the President, which includes the Office of Management and Budget. The Senate bill did not specify where within the executive office, but the recommendation of the Commission on Government Procurement, as reflected in the House bill, specifically placed the Office within the Office of Management and Budget, OMB. As conferees, we accepted specifying the location of the Office. But this was done only after we had the necessary assurances that the stature of the Office would not be diminished by its organizational location.

These assurances took many forms. For example, the House agreed to establish at the head of the Office an Administrator to be subject to Senate confirmation. With the exception of the Director of OMB and his Deputy, this Administrator will be the only senior operating official in OMB subject to our confirmation.

As an Administrator, we have also insured his independence. He will, for ex-

ample, have his own appropriations expandable only for the purposes specified in this act. He, and not the Director, must keep the Congress informed as to his activities. Moreover, these activities must be limited to those specified in this act. Mr. President, I am convinced that this Office of Federal Procurement Policy is clearly at the level and with the independence we intended for it.

There should be no question raised in the future regarding the clear expectation that the authority, functions and responsibilities granted the Office in this act, shall be aggressively exercised by the Administrator. This act does not empower the Director of OMB; it empowers the Administrator of the OFPP.

S. 2510 contained a declaration of policy providing a conceptual framework for the conduct of Federal procurement. It intended to demonstrate that Congress now is, and will continue to be, an active watchdog of the procurement process. That declaration remains.

To assure congressional participation, the Senate bill further required of the Administrator that he provide Congress with advance notices of proposed policy changes and that major policies would be subject to a veto by either House on a majority vote. I am pleased to inform my colleagues that while modifications were made to remove the congressional veto provision, strong advance reporting requirements were retained in the conference substitute.

We are all too painfully aware of the public climate of Government distrust. It is because of this that I insisted upon the inclusion of a sunshine provision in this bill to require that meetings for the purpose of establishing procurement policies will be open to the public in order that the Office be conducted so as to give substantial visibility to its determinations. It gives me a great deal of pleasure to be able to report that the Senate sunshine provision has been agreed to by the House.

Mr. President, this effectively highlights our conference and the substitute bill agreed to by the conferees. It was, in my judgment, a successful conference. I believe that the conference substitute I am reporting on today accurately represents the intent of this body and clearly sets forth a congressional mandate to bring about long overdue and fundamental improvements in the procurement process—improvements that should result in an effective and viable Federal procurement system and ultimately benefit each and every one of us as Federal taxpayers.

Mr. President, I urge its enactment.

I ask unanimous consent that statements by Senator ROTH, Senator NUNN, Senator HUDDLESTON, and Senator BROCK in regard to the conference report be printed in the RECORD.

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

STATEMENT BY SENATOR ROTH

I would like to join Senator Chile, the chairman of our subcommittee on Federal procurement in expressing my agreement in the outcome of the conference on S. 2510, the bill to create an Office of Federal Procurement Policy. The conferees of both the House and Senate are to be commended for

coming forth with a conference bill which retains the character and purpose of the legislation that was sent to conference by the respective houses. I note that there was only one negative vote in the House on the conference bill when it was passed by that body on August 14.

S. 2510, the Office of Federal Procurement Policy Act, will put into operation the first recommendation of the commission on government procurement. It is the cornerstone of the 149 recommendations of the commission to bring increase efficiency, effectiveness and economy in the purchase of Federal agencies. Many of my colleagues will recall that this commission was established by public law in November 1969 to take a comprehensive, systematic look at the way in which the Federal Government expends almost \$30 billion annually to procure good and services. After 3 years of intensive study, the commission provided to the Congress a blueprint for correcting the root causes of many of the ills that plague the procurement process and have been of so much to Congress and the public.

The enactment of the Public Law establishing the Commission on Government Procurement, the development and passage of S. 2510, and the deliberations of the conferees have been characterized by a bipartisan determination to insure that a dollar's value is obtained for every dollar expended by the Federal Government in the acquisition of goods, services and facilities. As a member of the subcommittee on Federal Procurement, it has been a privilege to work with Senators Chile, Brock, Huddleston, and Nunn in this kind of joint effort.

The Office of Federal Procurement Policy Act is but the first major legislative effort of the subcommittee to update and restructure the procurement process of the Federal Government, to correct the abuses of the past, and to provide a system tailored to the demands of the future. But it is the step that will set the pace for the future. By acceptance of the conference report, the Senate will have put someone in charge of procurement policy in the executive branch for the first time.

Significantly, in providing an executive branch focal point for procurement policy, as prescribed in the conference report, the conferees have insured that this Office will be responsive to the needs of Congress. As the report states, this has been done by the following:

A requirement for Senate confirmation of the Administrator (the head of the Office of Federal Procurement Policy);

Vesting the functions of the Office in the Administrator;

Separate appropriations for the Office which can only be used for the purposes specified in the Act;

A requirement that the Administrator keep the Congress fully and currently informed of his activities;

A requirement that the Administrator give the Congress 30 days' advance notice before the effective date of any major policy;

A provision that the Administrator is not to be assigned any functions other than those specified in the act.

I join with Senator Chile in asking the Members support of the conference report. With the acceptance of this report, we will have made a good beginning on a long overdue return to greater fiscal responsibility in the process through which a fifth of the Federal budget is expended.

STATEMENT BY SENATOR NUNN

Today we are to vote on the bill to create a central Office of Federal Procurement Policy. I joined in cosponsorship of this important measure because it provides the sorely needed guidance and control over Federal agency procurement processes.

Over the years, we watched agency regulations, procedures and forms multiply and divide with little rhyme or reason, leaving a labyrinth of diverse procurement rules and regulations. Our tax dollars are buying paperwork and red tape as much as they are buying needed goods and services and, at the same time, making it more difficult for business to do business with the Government. Our Federal Government now spends over \$60 billion annually in procurement outlays. This coupled with over \$50 billion spent in grants, amounts to 40% of the Federal budget. We can no longer afford to overlook opportunities for improving economy and efficiency in such a vast area of Federal spendings.

The President of the United States has committed himself to the resolution of our Nation's economic difficulties as his top priority program. In the short run, we can receive beneficial results by reducing this year's Federal budget. It is a painful but necessary exercise and one in which we can not afford to play favorites.

Item by item cuts on a year to year basis alone, however, will not prove sufficient to bring about an ordered system of control over the Federal budget. By establishing the Office of Federal Procurement Policy we will have a central policymaking authority independent of any agency with the long-term task to be sure that every dollar spent on contracts is well spent. In our conference report we made certain that the OFPP will have directive rather than advisory authority, and that it will be directly responsive to Congress.

Mr. President, in my opinion, this legislation is desperately needed. We cannot in good conscience ask the American people to tighten their belts unless we tighten ours. We cannot expect them to put their house in order until we ourselves take action to clear out the bureaucratic cobwebs from the Federal Government's purchasing practices.

I join with the distinguished Senator from Florida and other members of the Procurement Subcommittee to urge the Senate to pass favorably on this conference report.

STATEMENT BY SENATOR HUDDLESTON

I support the conference report on S. 2510 and to commend the distinguished Chairman (Mr. Chile) of the Subcommittee on Federal Procurement and the ranking minority, the Senator from Delaware (Mr. Roth).

As one of the Senate conferees, I urge my colleagues to pass this legislation so that we can get on with the business of instituting real, meaningful reform in Federal spending practices.

The chairman has already emphasized the tax savings to be gained through this legislation and goodness knows that taxpayers need a break. Americans need to know that their tax dollar is being spent with the utmost care. But equally important, taxpayers need to have faith in the procurement system they support.

Mr. President, the subcommittee heard too much evidence of conflicting, confusing, complex regulations; we heard too much evidence of bureaucratic red tape strangling and stagnating a system which disburses over \$60 billion a year.

We heard too much evidence of the need for reform, not to do something, I think the "something" we did as embodied in S. 2510 is a hard, realistic first step toward restoring public trust and faith in the procurement process.

The Federal procurement process involves everything from purchasing pencils to missile systems, but the common denominator is that it's all being bought with hard-earned taxpayers money. We owe it to those taxpayers to provide a system that unifies the current fragmentation, standardizes the current haphazard maze of doing things, and offers a focal point for future leadership.

The need for honest reform in procurement goes beyond the much heralded cases of cost overruns, and cries out for simplicity and clarification of regulations and statutes.

I personally feel that the conference bill expresses the desire of Senate and deserves enactment. I urge acceptance of the conference report.

STATEMENT BY SENATOR BROCK

I want to associate myself with and support the remarks made by other members of the Subcommittee on Federal Procurement. I believe the conference bill is a good one and should be accepted by the Senate and sent to the President for his signature.

It is—and has been—extremely wasteful to have fragmented regulations issued by each agency governing the procurement system. The conference bill before the Senate will give us the opportunity to provide a uniform set of regulations and policies where none now exist, among other vital functions for the Office.

I, for one, personally support President Ford's call for curtailing government spending. The Federal Government must tighten its belt and establishing the Office of Federal Procurement Policy can help us do so by trimming the excess costs of paperwork and bureaucracy off the government's \$60 billion a year purchases. This Office has a mandate and the authority to promote efficiency within the government and promote positive spending practices, and I expect it to be aggressively implemented.

Mr. President, I believe the conference bill reflects all the major points passed by the Senate and recommended by the Commission on Government Procurement in its report.

I join the Chairman and commend the other Senate conferees in working to produce this bill.

Mr. President, I urge favorable Senate action on this legislation.

Mr. CHILES. Mr. President, I move the adoption of the conference report. The motion was agreed to.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar Order 1043, and after that Calendar Order 1055.

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

NATURAL GAS PIPELINE SAFETY ACT AMENDMENTS OF 1974

The Senate proceeded to consider the bill (S. 3620) to amend the Natural Gas Pipeline Safety Act of 1968, as amended, to authorize additional appropriations, and for other purposes which had been reported from the Committee on Commerce with amendments on page 2, in line 14, after the word "necessary" insert "not to exceed \$2,000,000 for the fiscal year ending June 30, 1975."

On page 2, in line 22, strike out the semicolon and the following language: "the sum of \$1,450,000 for the fiscal year ending June 30, 1976; the sum of \$1,700,000 for the fiscal year ending June 30, 1977; and the sum of \$1,950,000 for the fiscal year ending June 30, 1978."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Natural Gas Pipeline Safety Act Amendments of 1974".

Sec. 2. Subsection 5(c) of the Natural Gas Pipeline Safety Act of 1968, as amended (49 U.S.C. 1671), is amended by renumbering paragraphs (2) and (3) as (3) and (4), respectively, and by inserting a new paragraph (2) as follows:

"(2) Funds authorized to be appropriated by section 15(b) of this Act shall be allocated among the several States to aid in the conduct of pipeline safety programs approved in accordance with paragraph (c) (1) of this section."

SEC. 3. The text of section 15 of the Act is amended to read as follows:

"Sec. 15. (a) There are authorized to be appropriated such sums as are necessary not to exceed \$2,000,000 for the fiscal year ending June 30, 1975 for the purpose of carrying out the provisions of this Act, except that the funds appropriated pursuant to this subsection shall not be used for Federal grants-in-aid.

"(b) For the purpose of carrying out the provisions of subsection 5(c) of this Act, there is authorized to be appropriated for Federal grants-in-aid, the sum of \$1,200,000 for the fiscal year ending June 30, 1975."

Mr. BEALL. Mr. President, I ask unanimous consent that additional views I attached to the report from the Committee of Commerce in respect to this bill be included in the RECORD at this point.

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

ADDITIONAL VIEWS OF SENATOR J. GLEN BEALL, JR.

While I voted to report S. 3620, the Natural Gas Pipeline Safety Act Amendments of 1974, I did so with reservations.

Since the Act expires, we obviously must provide for its extension. I believe, however, that this Act needs more than a simple extension, without even a single day of hearings. In fact, the growing problem of natural gas explosions calls for a reexamination of both the Act and its administration.

My interest in natural gas problems grew out of the series of explosions which have rocked the Washington and Baltimore areas in recent years. In 1963 I offered an amendment to the Department of Transportation Appropriations bill authorizing a study of the growing problem of natural gas explosions in residential areas. This amendment passed and contracts, pursuant to this appropriation, have been let for studies of the safety of plastic pipes, odorants and their effectiveness, and the evaluation of the procedures and tools for assessing the safety of gas distribution systems.

Since then, I have continued my examination of this problem and have made a series of recommendations for administrative action, particularly with respect to the major cause of pipeline accidents—damage to pipelines during excavation. (See Congressional Record of May 2, 1974, pages S 8666-8668).

Damages to pipelines as a result of construction activities seem to be an area that cries out for immediate attention. These are steps that can and should be taken to dramatically reduce such accidents. The National Transportation Safety Board has stated, "Pipeline accidents caused by excavation and construction activities, including blasting, can be prevented. . . Although new technological advancements and new concepts should be developed, the hardware and knowledge currently available can be used to reduce the number of excavation-damage accidents." When we keep in mind that damage to pipeline during excavation is already the primary cause of pipeline accidents, and it is estimated by the Association of General Contractors that between now and the year 2000, the United States will match all the construction that has taken place in our Nation's history, the need for action, and action now, to prevent construction-related acci-

dents to pipelines and other underground utilities is apparent.

States, for example, should be required to establish statewide utility coordination councils and see to it that local councils are established in appropriate areas within the State. These are ongoing in a number of areas and they can and do work.

Similarly, at the state and local level, legislation should be enacted to require contractors to notify, via a one call or other similarly effective system, all utilities prior to commencing work. The utilities then should be required to respond with appropriate markings and assistance to contractors so as to avoid damage to buried lines.

Also, I believe that there is a critical need for examining the adequacy of existing inspection and staff. Earlier this year, I introduced S. 3245, the National Transportation Safety Board Independence and Improvement Act of 1974 which would broaden and expand the role of the National Transportation Safety Board in surface transportation safety, including pipeline safety. When I introduced the bill I pointed out that there are only two employees at the NTSB working on pipeline safety. Similarly, the Office of Pipeline Safety, in my judgment, is also understaffed with only eighteen professional employees. One might feel better if the staffing by the states in this field were adequate, but this is not the case.

For example, the Prince Georges County Task Force on Underground Utility Hazards, in my State of Maryland, concluded in a recent study that both the Office of Pipeline Safety and the Maryland Public Service Commission had minimal personnel in the field. Little or no on-site inspection was found to be conducted by State and Federal agencies to verify compliance with regulations. Maryland had only one pipeline safety inspector for the entire State and ours is a representative State in this regard. At the very minimum, I believe that the Federal grants to the State must be sufficient to pay for the cost of a full time safety engineer and not less than one full time inspector.

In voting to report this bill, I reserve my right to offer floor amendments or to offer amendments to subsequent bills which the Commerce Committee will be considering. I was pleased that the Committee, during our discussions of the reported measure, indicated its willingness to entertain such amendments to another measure at a later time. I will be discussing and working with my colleagues in determining the best course of action to pursue.

While it is true that pipelines, as compared to other modes of surface transportation, have a good safety record, nevertheless, the potential for catastrophe is overwhelming.

Because of the potential for catastrophe, the Washington Post in an editorial, urged "Federal and State officials, not to mention gas companies themselves, take the problem with more seriousness." I agree.

I hope the Commerce Committee will be able to conduct the needed and serious evaluation of this growing problem of natural gas explosions from which we have witnessed a tripling of fatalities since 1969.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF FARM CREDIT ACT OF 1971

The Senate proceeded to consider the bill (S. 3801) to authorize the Federal Farm Credit Board to fix the compensation of the Governor and the Deputy Governors of the Farm Credit Administration which had been reported from the Committee on Agriculture and For-

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estry with amendments on page 1, in line 8, strike out "V" and insert in lieu thereof "5".

On page 2, in line 5, strike out "V" and insert in lieu thereof "5".

On page 2, in line 7, strike out "V" and insert in lieu thereof "5".

So as to make the bill read:

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

SECTION 1. The Farm Credit Act of 1971 (85 Stat. 583; 12 U.S.C. 2001-2259) is amended as follows:

(a) The first sentence of section 8.11 amended by striking out "in the Executive Pay Schedule" and inserting in lieu thereof "by the Federal Farm Credit Board without regard to the provisions of title 5 of the United States Code relating to classification and pay".

(b) The second sentence of section 8.13 is amended by striking out "not exceed the maximum schedule rate of the general schedule of the Classification Act of 1949, as amended" and inserting in lieu thereof "be at the rate fixed by the Federal Farm Credit Board without regard to the provisions of title 5 of the United States Code relating to classification and pay".

Sec. 2. Section 5314 of title 5 of the United States Code is amended by striking out paragraph (58).

The amendments were agreed to.

The bill was ordered to be engrossed for a third read, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the action by which both bills were passed.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECOGNITION OF SENATOR BIDEN ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, after the two leaders or their designees have been recognized under the standing order, that Senator BIDEN be recognized for not to exceed 15 minutes.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9 o'clock tomorrow morning.

After the two leaders or their designees have been recognized under the standing order, there will be a period for the transaction of routine morning business with statements limited therein to 3 minutes each, the period to extend to no later than 9:15 a.m.

At 9:15 a.m. the Senate will resume consideration of the unfinished business. S. 707 Debate will ensue thereon for 4 hours, from 9:15 to 1:15 p.m., with the time to be equally divided between Mr. ALLEN and Mr. RIBICOFF.

At the hour of 1:15 p.m., the 1 hour for debate on the motion to invoke cloture under rule XXII will begin running.

At the hour of 2:30 p.m. the automatic quorum call will occur, and upon the establishment of a quorum, or at about 2:30 p.m., the automatic rollcall vote will occur on the motion to invoke cloture on S. 707.

What happens after the vote on the motion to invoke cloture will depend upon the outcome of that vote. If cloture is invoked, then the Senate will proceed to the further consideration of S. 707 and the exclusion of all other business until final action is taken thereon.

If the vote to invoke cloture fails, the Senate will then proceed to the consideration of H.R. 16243, an act making appropriations for the Department of Defense for the fiscal year ending June 30, 1975.

So at least one rollcall vote will occur tomorrow at about 2:30 p.m. and other rollcall votes may follow.

ADJOURNMENT UNTIL 9 A.M.

Mr. ROBERT C. BYRD. If there be no further business to come before the Sen-

ate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9 a.m. tomorrow.

The motion was agreed to, and, at 6:48 p.m., the Senate adjourned until tomorrow, Tuesday, August 20, 1974, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate August 19, 1974:

IN THE AIR FORCE

The following officers for appointment in the Reserve of the Air Force under the provisions of Chapters 35 and 837, title 10 of the United States Code:

To be major general

Maj. Gen. John J. Pesch, 065-16-6597FG, Air National Guard.

To be brigadier general

Brig. Gen. John T. Guice, 427-64-7613FG, Air National Guard.

IN THE U.S. COAST GUARD

The following named officer to be a permanent commissioned officer in the Coast Guard in the grade of captain having been found fit for duty while on the temporary disability retired list.

Hugh C. McCaffrey

The following named officer to be a permanent commissioned officer in the Coast Guard in the grade of chief warrant officer, W4 having been found fit for duty while on the temporary disability retired list.

Russell A. Scruggs

The following named officer to be a permanent commissioned officer in the Coast Guard in the grade of chief warrant officer, W3 having been found fit for duty while on the temporary disability retired list.

Thomas L. Wofford

CONFIRMATION

Executive nomination confirmed by the Senate August 19, 1974:

COUNCIL OF ECONOMIC ADVISERS

Alan Greenspan, of New York, to be a member of the Council of Economic Advisers.

(The above nomination was approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

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"yea" vote in favor of the Federal Election Campaign Act of 1974.

APPOINTMENT OF CONFEREES ON H.R. 15842, INCREASING COMPENSATION FOR DISTRICT OF COLUMBIA POLICEMEN, FIREMEN, AND TEACHERS

Mr. DIGGS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 15842), to increase compensation for District of Columbia policemen, firemen, and teachers, to increase annuities payable to retired teachers in the District of Columbia, to establish an equitable tax on real property in the District of Columbia, to provide for additional revenue for the District of Columbia, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? The Chair hears none, and appoints the following conferees: Messrs. DIGGS, FRASER, STUCKEY, DELLUMS, REES, MAZZOLI, NELSEN, HARSHA, BROYHILL of Virginia, and GUDE.

CONFERENCE REPORT ON S. 2510, OFFICE OF FEDERAL PROCUREMENT POLICY

Mr. HOLIFIELD. Mr. Speaker, I call up the conference report on the Senate bill (S. 2510) to create an Office of Federal Procurement Policy within the Executive Office of the President, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 7, 1974.)

Mr. HOLIFIELD (during the reading). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

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

There was no objection.

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

Mr. HOLIFIELD. Mr. Speaker, I yield myself a very brief period of time.

Mr. Speaker, I am privileged to report to the House on the successful outcome of the conference with the other body on S. 2510, the bill to establish an Office of Federal Procurement Policy within the Executive Office of the President and for other purposes. The conference was held on August 6, 1974. All conferees signed the report and the statement.

I wish to express my appreciation to Representatives ST GERMAIN, FUQUA, HORTON, and ERLBORN for the time they gave as House conferees and their

dedicated work in helping to resolve the differences between the House and the Senate bills.

The substance of the House bill, I am pleased to report, is preserved in the conference substitute. All changes accepted by the conferees to resolve differences are consistent with the purposes of the House bill.

As the Members will recall, the Senate and House bills established an Office of Federal Procurement Policy to provide Government-wide direction of policy for procurement by the executive agencies and Government grantees. The Senate bill placed the Office of Federal Procurement Policy in the Executive Office of the President. The House bill placed it within the Office of Management and Budget, a component of the Executive Office. The conference substitute adopts the provision of the House bill in locating the Office of Federal Procurement Policy in the Office of Management and Budget. This accords with the strong preference of the administration and the Commission on Government Procurement and, in the judgment of the conferees, will give the new Office the prestige and leverage required to accomplish its mission.

The conference substitute designates the head of the new Office as Administrator for Federal Procurement Policy. The conferees accepted this provision from the Senate bill in lieu of a provision in the House bill making him an Associate Director for Procurement Policy of the Office of Management and Budget. The conferees agreed to authorize compensation for the Administrator at executive level IV, \$38,000, as provided in the House bill rather than executive level III as provided in the Senate bill.

Retained from both the Senate and House bills was the provision for appointment of the Administrator by the President with the advice and consent of the Senate. I may point out that the Administrator will be the only official in the Office of Management and Budget below the level of the Director and Deputy Director who will be subject to Senate confirmation.

The conference substitute incorporates a declaration of congressional policy to promote economy, efficiency and effectiveness in Government procurement. This is substantially the same as the declaration contained in the Senate bill and approved by the House in the 91st Congress as a part of Public Law 91-129, the act establishing the Commission on Government Procurement.

The Senate bill included a provision which required the Administrator to give advance notice of any proposed major policy change to the Senate and House Committees on Government Operations and made the proposed change subject to disapproval by resolution of either House. In place thereof the conferees agreed to accept a modified version providing simply for 30 days' advance notice to the congressional committees, eliminating the provision for congressional disapproval but allowing a waiver by the President of the notice requirement in emergency situations.

The House bill provided for continuing

authorization of appropriations without specifying a yearly sum or a time limit. The Senate bill authorized \$4 million for the first fiscal year and appropriations in unspecified sums for the 4 years thereafter. The conferees agreed to accept the Senate provision with a modification to reduce the authorization for the first fiscal year from \$4 million to \$2 million. In consequence, at the end of 5 years the Administrator will have to come before the appropriate committees of Congress for a new authorization of appropriations, at which time there can be a new evaluation by the Congress of the past accomplishments and continued justification and needs of the office.

The conference substitute includes other changes to accommodate a number of special provisions in the Senate bill. These include: First, a direction that the Administrator make a study of non-appropriated fund activities; second, a limitation on the authority of the Administrator to delegate to other agencies his basic policy-making responsibility under the act; third, a requirement that the Administrator keep the Congress and its committees fully and currently informed of the major activities of the office; and fourth, a provision that the Administrator make formal meetings to establish procurement policies "open to the public" on 10 days' advance notice. In all other respects, except as to minor matters of form and language, the conference substitute conforms to the House bill.

This was, in my judgment, a very successful conference. In resolving differences, we have kept in mind legitimate requests of the administration and arrived at a substitute which retains all important features of the House bill. If the House approves this report, I am confident that the bill can be sent to the President within a few days, and we will have given effect to a key recommendation of the Commission on Government Procurement, thereby providing the mechanism for carrying out other important recommendations of the Commission.

I ask the Members to support the conference report.

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

Mr. HOLIFIELD. Mr. Speaker, I now yield such time as he may consume to the gentleman from New York (Mr. HORTON).

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

Mr. HORTON. Mr. Speaker, I am pleased to agree with Chairman HOLIFIELD's statement that this conference bill reflects, in all major respects, the OFPP bill passed by the House on July 15, 1974. There are no significant additions or deletions from the House bill.

I would like to comment briefly on a few of the points in the conference bill:

The Senate conferees accepted the House position that the OFPP should be a part of the Office of Management and Budget. The only change we were asked to accept in this matter was a new title

for the head of the Office; he is to be known as the "Administrator for Federal Procurement Policy." The Administrator was made an executive level IV as in the House bill so he will be comparable to the associate directors of OMB, who are the principal line officers of that organization. We except the Administrator, working under the direction and supervision of the OMB Director, to bring the full resources of his Office and other appropriate resources of OMB to bear on reforming the Federal procurement system.

The conference bill includes a declaration of policy provision comparable to that found in the Senate bill. The declaration of policy provision in the Senate bill was the same as that contained in Public Law 91-129, which established the Commission on Government Procurement.

The Senate conferees receded from their provision authorizing congressional vetoes of major procurement policies and recommendations. Instead, the conference bill requires the Administrator to notify the Congress of major procurement policies and regulations 30 days before they would take effect, with an appropriate waiver provision for emergencies.

The conference bill includes modified Senate provisions emphasizing the desire of the Congress that major procurement policies be made openly and with as much public participation as is practicable. The Administrator will designate those formal meetings called to finalize major procurement policies and regulations which should be opened to the public and will provide appropriate procedures to be followed in the conduct of such meetings.

Finally, the conference bill has a modified authorization of appropriations section. The House bill authorized such funds as may be appropriated for an indefinite period of time. In our report, we estimated a cost of approximately \$1 billion a year. The Senate bill authorized \$4 million for the first fiscal year and such sums as may be appropriated for the next 4 fiscal years. The conference bill authorizes \$2 million for the first fiscal year and such sums as may be appropriated only for the next 4 years.

The conference bill deserves enactment. It meets the objectives of the Commission on Government Procurement. It will serve as the cornerstone of our efforts to create an effective and viable Federal procurement system. The Office will provide the necessary coherence and direction for future Federal procurement policy. The benefits to be gained from this legislation will redound to the efficiency and effectiveness of all Federal programs, to those who work under Federal contract or receive Federal assistance, and ultimately to all Federal taxpayers.

Mr. Speaker, I urge acceptance of the conference report.

Mr. HOLLIFIELD. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 389, nays 1, answered "present" 2, not voting 42, as follows:

[Roll No. 485]

YEA—389

Abdnor	Crane	Henderson
Abzug	Cronin	Hicks
Adams	Culver	Hillis
Addabbo	Daniel, Dan	Hinsshaw
Anderson,	Daniel, Robert	Hollifield
Calif.	W. Jr.	Holt
Anderson, Ill.	Daniels,	Holtzman
Andrews, N.C.	Dominick V.	Horton
Andrews,	Danielson	Hosmer
N. Dak.	Davis, S.C.	Howard
Annunzio	Davis, Wis.	Hudnut
Archer	de la Garza	Hungate
Ashbrook	DeLaurey	Hunt
Ashley	Dellenback	Hutchinson
Aspin	Denholm	Ichord
Badillo	Denris	Jarman
Bafalis	Dent	Johnson, Calif.
Baker	Derwinski	Johnson, Colo.
Barrett	Devine	Johnson, Pa.
Bauman	Dickinson	Jones, Ala.
Beard	Diggs	Jones, N.C.
Bell	Donohue	Jones, Okla.
Bennett	Dorn	Jordan
Bergland	Downing	Karth
Bevill	Drinan	Kastenmeier
Biaggi	Duncan	Kazen
Bieber	du Pont	Kemp
Bingham	Eckhardt	Ketchum
Blackburn	Edwards, Ala.	Kluczynski
Blatnik	Edwards, Calif.	Koch
Boggs	Ellberg	Kyros
Boland	Erler born	Lagamarsino
Bolling	Esch	Latta
Bowen	Eshleman	Leggett
Brademas	Evans, Colo.	Lehman
Bray	Evins, Tenn.	Lent
Breaux	Fascell	Litton
Breckinridge	Fish	Long, La.
Brinkley	Fisher	Long, Md.
Brooks	Flood	Lott
Broomfield	Flowers	Lujan
Brotzman	Flynn	Luken
Brown, Calif.	Foley	McClory
Brown, Mich.	Ford	McCloskey
Brown, Ohio	Forsythe	McCollister
Broyhill, N.C.	Fourtaint	McCormack
Broyhill, Va.	Fraser	McDade
Buchanan	Frelighuysen	McEwen
Burgener	Frey	McFall
Burke, Calif.	Froehlich	McKay
Burke, Fla.	Fulton	McKinney
Burke, Mass.	Fuqua	Madden
Burleson, Tex.	Gaydos	Madigan
Burlison, Mo.	Gettys	Mahon
Burton, John	Ghairao	Mallory
Burton, Phillip	Gibbons	Mann
Butler	Gilman	Maraziti
Byron	Ginn	Martin, Nebr.
Camp	Goldwater	Martin, N.C.
Carney, Ohio	Gonzalez	Mathias, Calif.
Carter	Goodling	Mathis, Ga.
Casey, Tex.	Greeley, Oreg.	Matsunaga
Cederberg	Greeley, Pa.	Mayne
Chamberlain	Griffiths	Mazzoli
Chappell	Gross	Meeds
Chisholm	Gude	Melcher
Clancy	Guyer	Metcalfe
Clark	Haley	Mezvinsky
Clausen,	Hamilton	Michel
Don H.	Hammer-	Millford
Clawson, Del.	schmidt	Miller
Clay	Hanley	Mills
Cleveland	Hanrahan	Minish
Cochran	Hansen, Wash.	Mink
Cohen	Harrington	Minshall, Ohio
Collins, Ill.	Harsha	Mitchell, N.Y.
Collins, Tex.	Hastings	Mizell
Conable	Hays	Moakley
Conlan	Hechler, W. Va.	Mollohan
Conyers	Hecker, Mass.	Montgomery
Corman	Hein,	Moorhead,
Cotter	Calif.	Calif.
Coughlin	Helstoski	Moorhead, Pa.

Morgan	Rose	Thompson, N.J.
Mosher	Rosenthal	Thomson, Wis.
Moss	Rostenkowski	Thone
Murphy, Ill.	Roush	Thornton
Murphy, N.Y.	Roy	Tiernan
Murtha	Roybal	Towell, Nev.
Myers	Runnels	Traxler
Natcher	Ruppe	Treen
Nedzi	Ruth	Udall
Nelsen	St Germain	Ullman
Nichols	Sandman	Van Deelen
Nix	Sarasin	Vander Jagt
Obey	Sarbanes	Vander Veet
O'Brien	Satterfield	Vanik
O'Hara	Scherle	Veysey
O'Neill	Schneebell	Vigorito
Owens	Schroeder	Waggonner
Parris	Sebelius	Waldie
Patman	Seiberling	Walsh
Patten	Shoup	Wampler
Pepper	Shriver	Ware
Perkins	Shuster	Whalen
Pettis	Sikes	White
Peyser	Sisk	Whitehurst
Pickle	Skubitz	Whitfin
Pike	Slack	Widnall
Peage	Smith, N.Y.	Wiggins
Pedell	Snyder	Wilson, Bob
Powell, Ohio	Spence	Wilson,
Preyer	Stagers	Charles H.,
Price, Ill.	Stanton,	Calif.
Price, Tex.	J. William	Wilson,
Pritchard	Stanton,	Charles, Tex.
Quie	James V.	Winn
Quillen	Stark	Wolf
Railsback	Steed	Wright
Randall	Steele	Wyatt
Rangel	Steelman	Wyder
Rees	Steiger, Ariz.	Wylie
Regula	Steiger, Wis.	Wyman
Reuss	Stephens	Yates
Rhodes	Stokes	Yatron
Rinaldo	Stratton	Young, Alaska
Roberts	Stubblefield	Young, Fla.
Robinson, Va.	Studds	Young, Ill.
Rodino	Symington	Young, S.C.
Roe	Symms	Young, Tex.
Rogers	Talcott	Zablocki
Roncalio, Wyo.	Taylor, Mo.	Zion
Roncalio, N.Y.	Taylor, N.C.	Zwach
Rconey, Pa.	Teague	

NAYS—1

Landgrebe

ANSWERED "PRESENT"—2

Findley

Ryan

NOT VOTING—42

Alexander	Grover	Mitchell, Md.
Arends	Gubser	Passman
Armstrong	Gunter	Rarick
Brasco	Hansen, Idaho	Raid
Carey, N.Y.	Hawkins	Riegle
Collier	Hébert	Robison, N.Y.
Conte	Hogan	Rooney, N.Y.
Davis, Ga.	Huber	Rousselot
Dellums	Jones, Tenn.	Shipley
Dingell	King	Smith, Iowa
Dulski	Kuykendall	Stuckey
Frenzel	Landrum	Sullivan
Grasso	McSpadden	Williams
Gray	Macdonald	Young, Ga.

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Arends.
 Mr. Rooney of New York with Mr. Grover.
 Mr. Shipley with Mr. Passman.
 Mr. Jones of Tennessee with Mr. Rarick.
 Mr. Dingell with Mr. Reid.
 Mrs. Grasso with Mr. Gubser.
 Mr. Hawkins with Mr. Hogan.
 Mr. Carey of New York with Mr. King.
 Mr. Dellums with Mr. Gray.
 Mr. Gunter with Mr. Collier.
 Mr. Mitchell of Maryland with Mr. Dulski.
 Mr. Landrum with Mr. Conte.
 Mr. Macdonald with Mr. Davis of Georgia.
 Mrs. Sullivan with Mr. Frenzel.
 Mr. Smith of Iowa with Mr. Hansen of Idaho.
 Mr. Young of Georgia with Mr. Robison of New York.
 Mr. Alexander with Mr. Williams.
 Mr. McSpadden with Mr. Huber.
 Mr. Riegle with Mr. Kuykendall.
 Mr. Stuckey with Mr. Rousselot.

March 27, 1974

CONGRESSIONAL RECORD — SENATE

dollars and this year may reach the fantastic total of 20 billion dollars. The 10 billion dollar surplus in agricultural exports over agricultural imports this year is expected to put our trade balance in the black for the first time since 1970. By the way, this surplus will be enough to pay for all of our imported energy this year.

U.S. agricultural exports are the primary reason that the American dollar is gaining strength. This is important if we are going to be able to meet the higher prices for oil and other energy materials that we must have to keep our system working. It is also significant to note that the international role of agriculture has changed from one primarily of aid to one of commercial trade.

THE BENEFITS OF FULL PRODUCTION

All farmers in the United States would much rather produce from fence to fence than to operate with acreage restrictions provided, of course, that they received a fair return for their efforts. Expanding agricultural exports have resulted in tremendous savings to the United States taxpayer. Land retirement and subsidy costs were running about 4 billion dollars annually for 40 million acres. For wheat alone, 20 million acres were annually withdrawn from production at a cost of about one million dollars.

I must point out, however, that farmers are worried over the potential effect of overproduction. We do not want to build up price depressing surpluses again. Frankly, we are quite concerned as to the extent that the predicted 2 billion bushel wheat crop this year will affect price levels in the face of rapidly escalating costs.

The cost of producing wheat has risen dramatically during the past year. Last June, a farmer in Western Nebraska paid \$55 per ton for anhydrous ammonia—today he may have to pay as much as \$400 per ton, if he can find it. Farm machinery is impossible to purchase off from the lot. It often takes a waiting period of 6 to 9 months to obtain a new farm truck, tractor or combine. A medium size combine, equipped to also harvest corn, now costs \$37,000. Three years ago a farmer had to pay \$12,000 along with a trade in of a good used combine. This year his cash cost for the same trade has risen to \$17,500.

Fuel costs have more than doubled. Last spring the farmer could buy diesel fuel for 16¢ per gallon; now it costs 37¢. Last year he could buy gas for 27¢; this year 48¢ per gallon. Furthermore, there are no discounts for volume tank purchases.

These are a few examples of the many increased costs of farm inputs that require much higher prices for wheat and other commodities than 12 or 18 months ago. The continued expansion of agricultural exports is the only way the farmer will obtain adequate prices under a free marketing system.

PRODUCTION FAR EXCEEDS DOMESTIC USE

A more practical and obvious reason that we must continue to export wheat and other agricultural commodities is that our production far exceeds our domestic use. During this marketing year, the total domestic and export wheat usage is estimated at 1 billion 972 million bushels. Domestic requirements are estimated at 772 million bushels for food, feed and seed which is less than 40% of the total use. Domestic use will only utilize 38% of our estimated 1974 wheat production. The export market today is far bigger than our domestic market.

CONTINUING MARKET DEVELOPMENT IN A SELLER'S MARKET

Let me come back again to a point made as I began these remarks. Great Plains Wheat and Western Wheat Associates must continue a market development program even though we have been in a seller's market. We

are concentrating our efforts in a wide range of "trade-servicing" activities. Trade servicing is aimed at resolving trade problems, developing and exchanging market information, providing technical assistance and generally improving the climate of trade. Because of the uncertainty and anxiety that characterizes the international commodity markets today, there is an unusual need to strengthen communication links between the buyers and sellers, whether government or industry. The market development cooperators are uniquely well suited to fill this role.

Market development under today's conditions could be called a "bridge to trade expansion." There are compelling reasons to believe that market development efforts will always be essential to many commodities and that expansion of agricultural exports will continue to be a national goal. This is not a time that the market development cooperator should lock the front door. This is the time that he should install an extra phone and keep his suitcase packed.

WHERE DO WE GO FROM HERE?

While concluding my remarks, may I ask this question of everyone in this room, "Where Do We Go From Here?" Are we still in a seller's market? Or are we in the transition to a buyers' market. The price of wheat has fallen sharply during the past three weeks—over \$1.00 per bushel. During this past year, we have been on a jet plane ride in the market, soaring to new highs in prices and exports. The flight has not always been smooth and has often been characterized by violent accelerations and breath-taking drops. The ride is not over. We are still roaring along at 30,000 feet but occasionally an engine falters and, as we nervously grip the armrests, we wonder "Where Do We Go From Here?"

We are still rocketing along in space, subject to sharp climbs and abrupt frightening falls. We cannot predict for sure what will happen during the next few years, or even the next few months. Too many factors that are uncontrollable and cannot be foreseen affect our situation; but we do know that we must continue to carefully plot our course and that we must use every modern facility to scan ahead for storm clouds as well as sunshine. We can do much to pilot our own ship. We have customers to service—a crop is planted and must be sold following harvest.

With your cooperation and support, we will continue to climb to new heights, along a smooth path and to a smooth landing onward toward our next objective.

Thank you.

SENATOR CHILES ON PROCUREMENT REFORM

Mr. CHILES. Mr. President, on March 1 of this year, the Senate passed S. 2510, a bill to create an Office of Federal Procurement Policy (OFPP). The bill has been referred to the House Government Operations Committee and, with Chairman HOLIFIELD's dedicated leadership, we will probably see action on the bill by the House before the end of May.

By its prompt action, the Senate has shown a unique response to a documented need and has taken steps to fill a void in procurement direction and guidance.

Mr. Arthur F. Sampson, the Administrator of General Services Administration, who served with Chairman HOLIFIELD and myself on the Procurement Commission, is an articulate spokesman for procurement reform. He spoke to

the Federal Bar Association briefing on Government Contracts on March 5, 1974 and addressed himself to the issues involved in trying to promote changes in this vital area.

The two basic goals that Mr. Sampson emphasized deal with problems that S. 2510 seeks to eliminate: Modernizing the mammoth Federal procurement system and, thereby, making it easier for the private sector to do business with the Government.

Mr. President, I ask unanimous consent that Mr. Sampson's remarks be printed in the RECORD.

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

REMARKS BY ARTHUR F. SAMPSON

The Procurement Commission report is over a year old. And it isn't getting any younger. Or more exciting. Or more full of potential.

Over the past year the report has generated a lot of interest. A lot of guessing, and more speeches than any of us would care to hear. I, myself, have gone out around the country—and I know some of the other commissioners have, too—much like a missionary. Selling the need for change in Federal procurement and offering the Procurement Commission report as the basis for that change.

What I've been saying is really very simple. I've been saying that all the changes needed in Federal procurement and all the changes recommended by the commission are focused on two fundamental goals:

GOAL NO. 1

We've got to modernize the mammoth Federal Procurement System. And

GOAL NO. 2

We've got to make it easier for the private sector to do business with the Federal government. All our efforts, I've said, should be devoted to these two goals.

The first goal—modernization—is really directed to the workings of the Federal procurement establishment. And it's a massive establishment—thousands of specialized employees, a \$57 billion annual "output" of procurement actions, and every citizen of this country as a direct or indirect client.

In so large a system, there is bound to be some waste, some inefficiency, some conflict. We must seek them out and eliminate them. And we must search out the logic in the system. The economies we can make. That's a fundamental aim of all the procurement commission recommendations and all our work to implement them.

The second goal—making it easier to deal with the Government—is equally important. It deals not with the inner workings of the system so much as the outward face of it. It's a concern not so much for operating efficiency as for quality of product.

It's as simple as this: The easier we are to deal with, the more attractive Federal business becomes to private businessmen. The more attractive the market, the more competition. And more competition means better products and better services for the taxpayer's dollars.

These two goals are what the procurement commission is about. That's what I've been saying for the past year and I still believe it. And the responses to this view are very encouraging. There is a lot of interest and a lot of attention and a lot of concern with the Federal procurement system shared by groups such as yours and by private citizens around the country.

But what's really happening? To someone not familiar with the ins and outs of Federal procurement there wouldn't seem to be much change or much current action.

Well, that's a pretty good guess.

Sure; a lot of backscratching. A lot of pushing and pulling. A lot of coordinating. But, to date, not one single major procurement reform has come out of the process. Sound and fury. . . .

Right now GSA and the other procurement agencies are involved in a process of developing positions on all of the procurement commission's recommendations.

By Executive Order 11717 dated May 9, 1973, the President transferred to GSA certain management policy functions from OMB. In a subsequent statement on May 22, 1973, the President called on GSA to take the lead in the development of Government-wide management policy in four highly sensitive areas including procurement. This is in a partnership with OMB.

In response to the President's order, we have established an office of Federal management policy at GSA.

The office has a broad charter to formulate, prescribe and assure compliance with Government-wide policies relative to the functions of procurement, financial management, property management and automated data processing. The most important procurement mission presently is the coordination of executive branch effort relative to the procurement commission report.

GSA is leading the efforts of: 14 lead agencies chairing, 74 task groups involving, more than 300 people all working to develop an executive branch position and, where appropriate, implementation for every one of the recommendations.

And a panel of recognized government procurement experts has been formed to assist in planning this effort.

Based on present schedules, we will have task group proposals for executive branch positions or position implementations on nearly 100 percent of the recommendations by the end of fiscal 1974.

And a special unit has been formed by GAO to review and report to Congress on executive branch efforts regarding the reports. So, while GSA is watching the task groups, the GAO is watching GSA.

This process of discussion and coordination can be useful.

Some commission recommendations need close study before developing a position and a strategy to implement them. Recommendations, for example, concerning the selection of architects and engineers, Government profit policies and independent research and development. We have the mechanism now for discussing these and other difficult issues.

There are other recommendations which require legislation and so require a careful and complete approach. In that way, when legislation is introduced, it will be fully supported and speedily enacted.

For example, we will be supporting, in the near future, legislation for a common Government-wide procurement statute, proposing bills to increase the small purchase negotiation authority from \$2,500 to \$10,000 and to extend the truth in negotiations act to all federal agencies.

Our coordinating procedure can be useful also in implementing those commission recommendations that do not require legislation. That do not require deep debate.

Many recommendations are subject to managerial action without legislation and without that much discussion.

Recommendations such as: A reasonably uniform approach to debriefing unsuccessful offerors, the placement of procurement in agencies, the role and authority of contracting officers, re-evaluation of ADPE equipment acquisition procedures in light of total economic cost, are but a few of perhaps 30 or 40 recommendations which are amenable to administrative action.

The interagency coordination going on now promotes consistency in decisionmaking on these recommendations.

Finally, a thorough and complete debate of issues is an educational process. The Commission report exposed some elements of the Federal procurement community to brand new issues. Thus the task groups and their position development support the goal of building a sophisticated and professional procurement workforce.

But for all its value, this interagency coordination will not result in the dramatic changes necessary—not one single major procurement reform—without the establishment of an Office of Federal Procurement Policy.

I've done a lot of talking about the OFPP issue and I'm going to continue—it's so vitally important.

Establishing an OFPP is the single most important procurement commission recommendation. And its the philosophical basis for most of the others.

Let's face it, we're running a sixty billion dollar purchasing program like a garage sale! No one at the front of the store. No one in charge. If Proctor and Gamble or General Motors or IBM ran their purchasing like that it would certainly put their stockholders out of sorts—if it didn't put them out of business altogether.

We might agree on the need for an OFPP, but how to structure it? How would it work?

First, I believe, it has to have a statutory base. That's the only way it will have permanence enough to grapple with an evolving Federal procurement system.

Senator Chiles' bill to establish an OFPP has now passed the Senate and Representative Holtfield has introduced one. In substance, I support both. I do disagree, however, with the provision in the Senate bill which, in effect, gives the Congress 90 days in which to veto major policy changes proposed by the Administrator of the OFPP. To my mind, this provision is too rigid a means of coordination between the executive branch and the Congress. And it would impair the ability of the OFPP to make the major reforms we need.

But, whatever the details, the Office of Federal Procurement Policy must be established by law to make it last.

A second characteristic of an OFPP. It has to have clout.

Our Office of Federal Management Policy is directing interagency work on the Procurement Commission report. It is working and it is the only game in town. But, it works on consensus and turns to OMB as the tie-breaker.

It will never have the clout of an OFPP as the Commissioners saw it. And it shouldn't have the title.

The Office of Federal Procurement Policy has to be set up in the Executive Office of the President. To give it true directive authority in the executive branch. To give it the strength to withstand the tremendous pressures that will surround it.

Finally, the Office of Federal Procurement Policy has to be an expert group—but a small one to avoid duplication. And to avoid the tendency to get involved in procurement operations.

That's the OFPP the commissioners proposed—small, strong and set up in law.

All the interagency cooperation and coordination is fine. And we are pushing to keep the process moving ahead more quickly. But no major issues can be settled and no major reforms made until some overall procurement authority is established.

Of course, that's just the problem. Nearly everyone is "for" an OFPP. They're for it as long as they can structure it and as long as it leaves them alone.

The OFPP is a "motherhood" issue. But even motherhood can be a bad thing under some circumstances.

Compounding that problem, there are opponents to central procurement policy authority. In spite of the success of Senator

Chiles' bill in the Senate on Friday there may be a lot of lobbying in the House against an Office of Federal Procurement Policy.

A third problem. I think we've lost momentum. That's the most dangerous problem of all.

Let's look at what's at stake. We have in our hands a tremendously powerful tool. The procurement commission report. Months and months of research went into it and volumes of testimony. It proposes improvements that are realistic. Changes that can be made.

It's the most comprehensive study of Federal procurement ever done. If we let it fade out or get filed away, it's unlikely that the climate of change and the cooperation it has fostered can be reproduced for years.

If we don't act on the commission recommendations now, we'll be postponing procurement reform for five years at least.

There's never been a true constituency to push for procurement reform—it's a technical and complex subject.

We can't look to government contractors, to business in general or to the public to push for change. It's up to us in the executive branch—from contracting officers to top managers. And it's up to Congress. Passage of S. 2510 is a strong step towards reform.

We must give up our parochial views, adjust our special needs to a larger system, and see Federal procurement—for the first time—as the single, major Federal function it truly is.

We should devote all our attention to the establishment of central procurement authority to direct the policies of that system. Then we should work on the system to modernize it and make it easier to deal with.

The recommendations of the Commission on Government Procurement hold the promise of millions of dollars of savings and improved quality of service to the people.

And beyond the savings, beyond the quality of service, procurement reform offers us all who are involved in it the confirmation of our belief in good government.

GENOCIDE CONVENTION

Mr. HUGH SCOTT, Mr. President, the matter of genocide continues to be a matter of concern to many of my constituents. Past presidents of the American Bar Association just today made known to me by telegram their sentiments on this continuing controversy. I ask unanimous consent that their telegram be printed in the RECORD.

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

(Telegram)

WASHINGTON, D.C.

Senator HUGH SCOTT,
U.S. Senate,
Washington, D.C.:

We support the report of the Senate Foreign Relations Committee dated March 6, 1973 concerning the genocide convention and urge that the Senate advise and consent to ratification thereof.

William P. Gossett, Orson S. Marden,
Robert W. Meserve, Earl F. Morris,
Bernard G. Segal, and Whitney North
Seymour.

NUCLEAR INDUSTRY STILL UNRESPONSIVE TO SAFETY EXHORTATIONS

Mr. GRAVEL, Mr. President, in a story entitled "AEC Warns of Shortcomings in the Nuclear Industry" by Lee Dye, the Los Angeles Times of December 26, 1973, reported as follows:

Features	World War II	Korea	Berlin 1961	Vietnam 1968				
Personnel:								
Number mobilized	136,000	297,754	241,500	138,500	68,883 (30,056 in units)	44,371	7933 (includes fillers)	12,234
Percent of TOE strength at induction	41-56 ^d	Most—individuals	34-55 ^d	67	67	62-69 ^d	82	89
Percent MOS qualified at induction	na	Most—experienced veterans	27-46 ^d	67	67	85	85	85
Unit training completed at induction	None	None	None	None	None	None	None	None
Facilities	Inadequate initially	Inadequate initially	Inadequate initially	Adequate	Adequate	Adequate	Adequate	Adequate
Material	Totally inadequate	Limited	35 percent of TOE	Major shortages	50 percent of TOE ^d	REDCON C-4	REDCON C-4	REDCON C-4
Postmobilization situation ¹ :								
Personnel:								
Fill requirement	197,533 (for divs)	96,100 (for divs)	15,234 (for units)	9830 (for divs)	698 (for units)	1512		
Time to fill	7 mos ^d	2 mos ^d	2 mos	3 mos ^d	Up to 5 mos	Up to 5 mos		
Training (divisional):								
Requirement, weeks	44 (later 32)	28	Varied ^e	27 compressed to 13 ^d	7-8 ^e	15 ^e		
Completion, weeks	Average 120	32-35	Required full unit ATP	13 ^d	7-15 ^e	15-17 ^e		
Material	Adequate by 1942	Improvement during unit training	Continued shortages	60 percent within 3 mos ^d	REDCON C-1 within 60 days	REDCON C-1 within 60 days		

^a Units include 13 training divisions in 1961 and 1968, and 3 separate inf bdes in 1968.
^b Units include 18 separate inf bdes.
^c Paid drills 2 hr weekly; after Vietnam buildup increased to 4 hr and MUTAs.

^d Applied to divisions but is representative of all other units.
^e Not available.
^f Period from arrival at mobilization station to completion of training cycle.
^g Army Reserve nondivisional units and/or National Guard inf bdes.

FERTILIZER SHORTAGE

Mr. HASKELL. Mr. President, a recent Senate Agriculture Committee report indicated that about 30 percent of the total production of food and fiber in this country is a direct product of the application of fertilizer, and U.S. grain stocks are currently at near-record lows. These two facts underlie an approaching supply-and-demand imbalance which has potentially enormous consequences for U.S. consumers and citizens in countries overseas that depend on our food exports.

Over the past few years the amount of acreage kept idle or set aside has been drastically reduced, and in 1974 agricultural production goals call for maximum production. Approximately 20 million more acres of land will be in production this year than last.

The American farmer is ready to meet these goals, but he is hampered by his inability to acquire needed agricultural supplies, particularly nitrogen and phosphate fertilizer, at prices he can afford.

According to Agriculture Department figures, retail prices of fertilizers have increased over October 1973 prices from a range of 26 percent more for potassium chloride to 71 percent more for anhydrous ammonia. There are no assurances that the situation will improve for farmers in coming months.

The fertilizer industry in the United States has expressed its willingness to meet these challenges, but for a variety of reasons, including past price control policies, inadequate fuel supplies, transportation problems, and a virtual halt in new plant construction, it appears it will be unable to do so.

The Department of Agriculture estimates shortfalls of 1 million tons of nitrogen and about 700,000 tons of phosphate material. The Fertilizer Institute reports that while they expect to supply about 5 to 8 percent more total fertilizer tonnage during the current year than last year the industry will still fall short of demand by 3 million tons of nitrogen material and 1.5 million tons of phosphate material.

I have talked with knowledgeable spokesmen in southeastern Colorado who are very concerned about this situation and who are afraid that it will

result in a substantial shortage of fertilizer for the coming growing season.

I want to go on record in strong support of the resolution adopted by the Senate urging that those agencies of the Federal Government responsible for the allocation of materials used in the production and distribution of fertilizer give the highest possible priority to fertilizer in the allocation programs. I would urge these agencies to act promptly on the Senate's request. I agree with my colleagues who have already spoken out on this issue that if there is indeed a serious fertilizer shortage in the United States there will be a food shortage not only in this country but elsewhere in the world such as we have not seen before. I think we must take every precaution to insure against the possibility of hunger both at home and abroad.

ISSUES IN PROCUREMENT REFORM LEGISLATION

Mr. CHILES. Mr. President, there now seems to be little doubt that legislation to create an Office of Federal Procurement Policy (S. 2510) may generate controversy when it is considered by the Senate. But before the debate begins, I would like to share with my colleagues a very perceptive and objective evaluation of the situation done by Mr. James Phillips of the National Journal, and particularly the announced opposition of the Defense Department.

I have to say that I wholeheartedly agree with the Administrator of the General Services Administration, Art Sampson, who served along with me on the Procurement Commission when he says:

Defense thinks someone wants to interfere with their specialized procurements like fighter airplanes. Nobody wants to do that. So the Pentagon is afraid of a bogeyman that doesn't exist. It's the old thing about change. The Pentagon's position—that the status quo is good enough—is just hogwash, pure hogwash. We need an awful lot of reform in procurement policy.

I think we need to look back over the long and thorough legislative history of S. 2510—back to initial hearings in 1966; back to the creation of the Procurement Commission in 1969; back through the 2½-year study; back through the Com-

mission report; back through the hearings of the Senate Committee on Governmental Organization and the House Committee on Government Operations; back through the 5 days of hearings held by my Procurement Subcommittee, and the unanimous support of all but some executive agencies. This is not exactly a shaky record to stand on.

The facts remain that procurement reform is sorely needed; the problems are there wasting money every day and they are not just Defense Department problems, they are Government-wide problems that Defense could not solve if they wanted to. A central procurement authority, with statutory backing is what is needed, and nothing less will do more than massage the status quo. As I said when we opened our hearings:

The vagaries of time and the variability of executive orders are too great to trust so important a function as the expenditure of a quarter of the Federal budget to the good intentions of bureaucrats.

To update the National Journal article, I should note that S. 2510 passed the full committee on February 6 by a unanimous vote and that 12 Senators have joined me in cosponsoring the bill.

Mr. President, I believe that procurement reform is of vital importance to Congress, small and large businesses and to the taxpayers of this country. Legislative action is of the utmost importance if procurement reform is to be of a lasting nature.

I ask unanimous consent that there be printed in the Record a copy of the article by Mr. Phillips.

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

OVER PROCUREMENT OFFICE (By James G. Phillips)

Battle lines are taking shape in the Senate over legislation to create a centralized office to oversee federal purchases of goods and services worth almost \$60 billion a year.

The Defense Department and its supporters in Congress are dead set against the new procurement office, which they view as a threat to the Pentagon's own extensive procurement bureaucracy. Defense purchases account for more than two-thirds of all federal procurement.

But the General Services Administration (GSA), which does much of the buying for other federal agencies, and the Small Business Administration (SBA) are supporting the proposed office. A showdown could come by the end of February.

Now ready to report the legislation is the Senate Government Operations Committee, which has been studying procurement reform proposals since October.

On Dec. 4, a Senate Government Operations Subcommittee on Federal Procurement, chaired by Sen. Lawton Chiles, D-Fla., approved a bill (S 2510) to establish the procurement office in the White House—either in the Office of Management and Budget (OMB) or as a separate agency. "I don't expect any problems in getting this bill past the full committee," Chiles said in an interview.

But a senior Pentagon official, who asked not to be identified, said the Defense Department is confident that Pentagon supporters will stop the bill from passing if it reaches the Senate floor.

"The Defense Department's opposition to this legislation extends to Congress," the official said. "I don't think there is any assurance that this bill will pass."

S 2510, co-sponsored by Chiles and Sen. William V. Roth Jr., R-Del., the ranking minority member of the procurement subcommittee, would implement the major recommendation of the Commission on Government Procurement, which early last year produced 149 suggestions for changing the way the government buys products and services. (For reports on the commission's recommendations, see Vol. 5, No. 21, p. 744, and No. 25, p. 897.)

DICHOTOMY

The differences between the Pentagon and the GSA on the issue of a procurement office flared into the open during November hearings of the Chiles subcommittee on S 2510.

Arthur I. Mendolia, assistant Defense secretary for installations and logistics, told the subcommittee that the proposed office merely would create unnecessary red tape for the Pentagon.

Mendolia said that Defense contractors view the Pentagon's procurement regulations as "fairly unchanging (rules) they can understand."

Mendolia endorsed an OMB proposal to defer legislation pending a tryout period for an OMB procurement coordination office to be established by executive action. The coordinator had not been appointed as of late January. (For background on the OMB proposal, see Vol. 5, No. 30, p. 1110, and No. 42, p. 1572.)

Said Mendolia: "I think we should apply the 'fly-before-buy' philosophy here to the evolution of improvements in procurement in much the same way that we in DOD apply it to weapons system acquisition."

But in GSA's view, a procurement policy office would be ineffectual without a statutory base to give it prestige and permanence. "I am convinced now," testified GSA Administrator Arthur F. Sampson, "that at some point we are going to have to have legislation to support an Office of Federal Procurement Policy." Similar testimony was presented by the Small Business Administration.

"I do not think we are going to get the major reforms that are required by maintaining the status quo, no matter how you change it," Sampson said.

Agencies had "great fears" about the procurement office, some of which were "unfounded," Sampson said.

Expounding on this topic in a subsequent interview, the GSA chief said, "Membership of the office has got to be constituted so that Defense, for instance, feels they're represented. They've got to feel that they're not just having policy instituted by people who don't understand their business.

"Defense thinks someone wants to interfere with their specialized procurements like fighter airplanes. Nobody wants to do that. So the Pentagon is afraid of a bogeyman that doesn't exist. It's the old thing about

change." Sampson said, "The Pentagon's position—that the status quo is good enough—is just hogwash, pure hogwash. We need an awful lot of reform in procurement policy."

Congressional aides said that before the Chiles hearings, Sampson urged the Administration go into the hearings with its own bill to set up the procurement office—as a ploy to get a share of the credit for procurement reform, which otherwise might go solely to Congress.

But Sampson's proposal was shot down by Deputy Defense Secretary William P. Clements Jr., who persuaded OMB Director Roy L. Ash to stick with the proposal for a procurement coordinator set up by executive action.

"I see no useful purpose this legislation could serve as far as DOD is concerned," Clements said in an interview.

INDUSTRY STANCE

Industry and professional associations testifying before the Chiles subcommittee unanimously favored the immediate passage of legislation to establish the procurement office.

Leading groups favoring the legislation included the Aerospace Industries Association of America, the National Security Industrial Association and the Electronic Industries Association.

SUBCOMMITTEE ACTION

"The commission report is getting older every day," Chiles said in concluding the hearings. "Fly-before-buy" has already taken place as far as DoD's experience."

The subcommittee rejected OMB's proposal to defer action and unanimously approved S. 2510. (Members of the subcommittee, other than Chiles and Roth, are Democrats Walter Huddleston of Kentucky and Sam Nunn of Georgia, and Republican Bill Brock of Tennessee.)

To assuage Pentagon fears that the procurement office would mushroom into a giant bureaucracy, the subcommittee amended the bill to limit the office's size and duration. The office would have a five-year authorization, after which Congress would decide whether to continue it. Its first-year budget would be limited to \$4 million. The office would be prohibited from doing any actual procurement.

Its purpose, the bill says, would be "to provide over-all leadership and direction, through a small but highly qualified and competent staff, for the development of procurement policies and regulations for executive agencies in accordance with applicable laws."

EXECUTIVE ACTIONS

The executive branch is moving to implement many of the procurement commission reforms that do not require legislation.

Systems purchases

An interagency task force recently endorsed the basic concept of the commission's proposals for changes in the purchasing process for major weapons and civilian systems (such as mass transit and ocean navigation systems).

The interagency task force on system acquisition, in a Dec. 31 report to OMB, endorsed most of the commission's suggestions in that area, even though it said there are "valid differences" in systems purchasing policies of different agencies.

The task force's only serious reservation concerned the extent of implementation of a commission recommendation for alternative systems concepts, which the task force said could produce "a potpourri of systems . . . which would present more options than might economically be pursued."

The commission recommended strengthening the acquisition process for weapons and other major systems by emphasizing competition for alternative approaches at the outset of the developmental process to minimize

occurrence of cost and performance problems downstream. (Under today's process in the Pentagon, for instance, service systems commands (developmental offices) develop a weapons concept, such as a plane of given speed or range capability, and then open the program for competition. Under the commission's proposal, companies would be asked to design their own concepts of what type of weapon—a plane, helicopter or artillery piece—would be best for the job at hand.)

The task force said that to avoid excessive expense under this approach, the competitions should be held only when clearly feasible.

Among other major recommendations in this area, the commission called on agency heads to frame "mission needs," such as close air support, prior to a decision on what type of weapon to seek and to bring Congress into the picture at this point—much earlier than is now the case—to review the mission statement in terms of the nation's needs, goals and available resources. And it called for heightening competition for major systems awards by encouraging small firms to propose alternative systems concepts.

The task force report, which must be reviewed by individual agency heads, including the Defense Department, Atomic Energy Commission, Transportation Department and National Science Foundation before final approval, fully endorsed the earlier involvement by Congress in the acquisition process. It adopted the recommendation on mission statements, subject to the "recognition that there are limitations in making long-range projections of mission capabilities, deficiencies, total mission costs, etc.," and the recommendation on soliciting increased competition on the part of smaller firms, provided the solicitations were limited to "qualified" companies.

GSA move

The GSA has adopted—subject to congressional approval—a commission recommendation that it charge its governmental customers the full costs of items they buy from GSA. The aim is to force agencies to shop around to determine if they can buy items cheaper on the private economy than they can from GSA.

Under existing procedures, GSA does not pass on its own overhead costs, such as warehousing, but bills agencies only for the cost of the merchandise and its transportation expense.

The new system, which has a target date of July 1, 1975, is known as "total economic cost" or "industrial funding." Under it, GSA's Federal Supply Service (FSS), instead of getting annual appropriations from Congress, would be financed out of the proceeds of goods and services it sells to agencies. These range from pencils and light bulbs to highly sophisticated civilian aircraft.

"Industrial funding would make the Federal Supply Service work a hell of a lot harder to keep costs down," FSS Commissioner Michael J. Timbers said in an interview.

"We'll be charging the full costs to the agencies and they'll turn to the private market if our costs get out of hand. Secondly, Congress will get a better picture of other agencies' budgets since GSA appropriations will no longer cover FSS overhead costs."

Timbers said the change also will force FSS to look hard at its central warehouse system to determine if it is more economical to procure items for agencies locally—at the point of use—than to stock them in regional warehouses. "The trend will be to less warehousing," Timbers said.

Implementation of the proposal will require amendment of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377) which governs GSA procurement. Timbers said he expects the Administration to submit the bill by spring and that he does

not contemplate any problems for it on Capitol Hill.

GAO report

The General Accounting Office (GAO) on Jan. 31 told the House Government Operations Committee that executive branch task forces made "considerable progress in recent months" in proposing policy positions on procurement commission recommendations. By the end of 1973, the GAO found, executive task forces had presented position papers for agency review on 79 of the 149 commission proposals, as opposed to three as of mid-August 1973.

To speed congressional action, the GAO recommended that the House Government Operations Committee consider establishment of a separate subcommittee—such as the Chile subcommittee in the Senate—to handle procurement matters.

After holding extensive hearings on procurement reform last summer, the House Government Operations panel deferred further action because of the press of other business such as government reorganization plans. According to committee aides, the panel will again take up procurement reform as soon as the Senate acts on it. The committee chairman, Rep. Chet Holifield, D-Calif., who served as vice chairman of the procurement commission, pledged last summer that "I will do everything in my power to see that the public gets a dividend on the commission report."

LITHUANIA

Mr. DOMINICK. Mr. President, February 16 marked the 723d anniversary of the founding of the Lithuanian State and the 56th anniversary of the establishment of the Republic of Lithuania. Americans of Lithuanian origin and descent will commemorate this event through the Nation.

At this time when the word "détente" appears so often and the reality so rarely, Lithuania continues to present a dramatic example of the constant thrust of Soviet expansionism and Russian imperialism.

Lest we forget, Mr. President, on June 15, 1940, the Soviet Union formally annexed Lithuania and started mass deportations to Siberian slave and labor camps. During June 1941, the Lithuanian people succeeded in getting rid of the Communist regime in the country; freedom and independence were restored and a free government reestablished. This free government remained in existence for more than 6 weeks, until Lithuania was overrun by Nazi Germany, who suppressed all the activities of the free government and the government itself. Nazi Germany held it until 1944, when the Soviets expelled the Germans and reimposed their rule.

Lithuanians have never since been free or independent.

Through direct control of foreign affairs, economic planning, defense, currency, and foreign trade, the Soviet Union has endeavored to wipe out not only Lithuanian independence and freedom, but also their very heritage. More than one-fourth of Lithuania's population has been exterminated or relocated and its culture continues to be stifled by the imposition of Russian customs and dictates. Solzhenitsyn's "The Gulag Archipelago" is telling testimony to life under the Soviet system.

Nonetheless, the indomitable spirit and the spiritual and ethnic strength of the Lithuanian people stands today as an example to all people who are striving for self-determination and their national heritage. The Lithuanian World Congress, meeting in August 1958, declared unanimously that "Lithuanians continue fiercely resisting the alien rule" of the Soviet Union, and that Lithuanians "have not and never will accept Soviet slavery."

The United States has never recognized the forcible annexation of Lithuania by the Soviet Union and continues to accord diplomatic representatives of the free government of Lithuania. Since June of 1940, when the Soviet Union first took over Lithuania, all the Presidents of the United States have stated, restated, and confirmed this nonrecognition policy.

Unfortunately, Mr. President, no actions have followed our fine words.

In our attempts to give some meaning to "détente," we should negotiate to obtain for the people of Lithuania—and for the people of all captive nations—the basic freedoms we enjoy. An enduring peace—or détente—cannot be attained until the people of Lithuania and of all the captive nations are free to determine their own destinies to accord with the United Nations Declaration of Human Rights.

MONTHLY LIST OF GAO REPORTS

Mr. METCALF. Mr. President, each month the Comptroller General issues many reports and decisions concerning the operation of the Government, legislative recommendations, and election law compliance. These reports are often prepared at the request of Members of Congress. Fortunately, the General Accounting Office summarizes the reports and decisions issued during the preceding month. The monthly list is very useful, particularly as a reference to current GAO activity. Therefore, as I have done in the past, I again ask unanimous consent that the last three "Monthly Lists of GAO Reports" be printed in the Record. There being no objection, the lists were ordered to be printed in the Record, as follows:

MONTHLY LIST OF GAO REPORTS: COMPTROLLER GENERAL OF THE UNITED STATES—VOL. 7, No. 11, DECEMBER 1973

COMMERCE AND TRANSPORTATION

Limited Success of Federally Financed Minority Businesses in Three Cities. Small Business Administration, Office of Minority Business Enterprise, Department of Commerce. B-149685 of November 8.

Neither SBA nor OMBE had ever examined the factors contributing to success or failure of minority businesses assisted by SBA loan programs. Minorities make up about 17 percent of the Nation's population and about 4 percent of the Nation's businesses.

Of 845 minority-owned businesses receiving SBA loans from its Chicago, Los Angeles, and Washington district offices during FY 1969 and 1970, GAO classified 27 percent as failures, 25 percent as probable successes, and 17 percent as undeterminable.

Lack of managerial capability of the owner was the sole reason for failure of about 30 percent of businesses classified as failures or probable failures and a contributing reason

for failure or probable failure of an additional 39 percent.

Foreign Visitor Travel to the United States Can Be Increased. United States Travel/Service, Department of Commerce. B-151399 of November 12.

In 1972 travel receipts from foreign visitors to the United States reached \$3.2 billion, while travel expenditures by Americans abroad climbed to \$6.3 billion.

Although the U.S. travel receipts have increased steadily, since 1969 the U.S. share of international travel has deteriorated gradually in both number of visitors and travel receipts.

GAO suggested USTS consider developing and promoting competitive package tours and other travel programs in the U.S.

COMMUNITY DEVELOPMENT AND HOUSING

Administrative Problems Experienced in Providing Federal Disaster Assistance to Disaster Victims. Department of Housing Urban Development, Department of Transportation B-167790 of November 5, released November 5 by the Chairman, Subcommittee on Investigations and Review, House Committee on Public Works.

This report indicates that Federal disaster assistance has helped disaster-ravaged communities recover from the physical and economic losses caused by large-scale natural disasters.

While this assistance generally has been timely, the manner in which it is provided by the Federal Disaster Assistance Administration can be improved through—

Providing definitive and timely guidance on the eligibility of cost; and

Reducing the detail and documentation required to support a community's application for assistance and its subsequent claim for reimbursement.

Information of Federal Disaster Relief Programs. Multiagency. B-178415 of November 5.

Greater uniformity is needed in Federal disaster assistance programs. Because of differences between SBA and FHA disaster loan programs, victims sustaining similar damages from the same disaster received different amounts of assistance depending on whether they applied to SBA or FHA.

Although the Office of Emergency Preparedness was responsible for coordinating overall Federal disaster relief, there was little coordination of programs involving large Federal expenditures. This precluded any assurance that applicants were not receiving financial assistance from each program for the same losses.

Examination of Financial Statements of the Federal Home Loan Mortgage Corporation for the Years Ended December 31, 1971 and 1972. B-179312 of November 13.

In GAO's opinion, the Corporation's financial statements present fairly its financial position at December 31, 1971 and 1972, and the results of its operations and the changes in its financial position for the years then ended.

This is GAO's first examination of the financial statements of the Corporation, a private corporation created in 1970, to strengthen and further develop the secondary market in residential mortgages.

At December 31, 1972, the Corporation had invested in \$1.7 billion worth of mortgage loans, an increase of \$0.8 billion over the December 31, 1971, balance.

EDUCATION AND MANPOWER

Educational Laboratory and Research and Development Center Programs Need to be Strengthened. National Institute of Education, Department of Health, Education, and Welfare. B-164031(1) of November 16.

Since 1963, Federal appropriations for the educational laboratory and center research programs totaled about \$211 million. As of December 1972, 11 laboratories and 9 centers

(called contractors) were engaged in educational research and development.

There was little evidence that products created by these contractors—such as books and audio-visual materials—have had a significant impact in classrooms.

Consultants employed to evaluate contractor products independently and objectively have criticized the products generally as not having been proved effective.

OE intended that contractors' products be disseminated to the educational community by commercial publishers. It did not require its contractors to assess market needs or to contact publishers before product development to determine a product's marketability.

GAO reviewed products in 17 programs costing \$48.8 million and found that most had generated little publisher interest.

GENERAL GOVERNMENT

Improving the Effectiveness of the Government Employees' Incentive Awards Program. U.S. Civil Service Commission. B-163802 of November 1.

During FY 1972, Government agencies granted \$16 million for 91,161 achievement awards and about \$4.6 million for 86,806 employee suggestions. CSC reported measurable benefits of \$316 million related to special achievements and adopted suggestions.

Of more than 1,900 randomly selected employees, 56 percent indicated the Program had not motivated them to do a better job and 67 percent believed favoritism was shown in granting cash performance awards.

In FY 1972, special achievement awards by all Federal agencies ranged from 1 to 146 for each 1,000 employees and quality increases ranged from 2 to 85 for each 1,000 employees.

Inconsistent use of cash performance awards is attributable in part to the varying attitudes of management toward the awards and in part to the subjective nature of most performance awards.

Rehabilitating Inmates of Federal Prisons: Special Programs Help, But Not Enough. Bureau of Prisons, Department of Justice. B-133223 of November 6.

Progress has been made in developing educational and vocational programs for rehabilitating inmates of Federal prisons. In relation to the total problem, however, this progress has been limited because

Many inmates needing rehabilitative services did not participate in available programs, lacking motivation;

Prison industries have not been fully effective in training inmates in marketable skills; Little progress had been made in implementing formal on-the-job training in maintenance and operation of institutions; and Prisons did not have sufficient vocational courses.

Studies have indicated that jobs offering self-respect and financial support will deter many former inmates from returning to criminal activity. Many inmates, however, are released without jobs, unaware that placement assistance is available.

Need for a Faster Way to Pay Compensation Claims to Disabled Federal Employees. Department of Labor. B-1757593 of November 21.

GAO looked into the causes for delays in a disabled employee's receiving his first compensation payment and how the delays could be reduced.

GAO recommended that the Congress favorably consider pending legislation that would reduce the lag in compensation payments.

The legislative proposal would permit each agency to pay its employees' claims rather than the Office of Federal Employee Compensation.

Proposed Elimination of the Apportionment Requirement for Appointments in the Departmental Service in the District of Columbia. U.S. Civil Service Commission. B-84938 of November 30.

The Civil Service Act requires appointments to competitive civil service positions in the Federal service in the District of Columbia to be apportioned on the basis of population among the States, territories, and the District.

This review found that the effect of apportionment has been minimal. Only 15 percent of civilian Federal employees in the Washington area in May 1973 were counted against the requirement.

The Civil Service Commission, saying this report provides support to the conclusion that apportionment has "outlived its usefulness," shares GAO's recommendation that the Congress act favorably upon proposed legislation to repeal the apportionment requirement.

HEALTH

Consumer Protection Would be Increased by Improving the Administration of Intrastate Meat Plant Inspection Programs. Animal and Plant Health Inspection Service, Department of Agriculture. B-163450 of November 2.

After reviewing intrastate meat inspection at 269 plants in seven States, GAO reported that Agriculture's inspection criteria should continue to be improved—notwithstanding improvements since 1967 when the Wholesale Meat Act to protect consumers from adulterated or misbranded meat was enacted.

The report lists names and locations of meat plants visited by GAO auditors and APHIS inspectors. Of the 269 plants, 202 were rated acceptable and 67 as unacceptable because of sanitation deficiencies, pest control, control over inedible and condemned products and other reasons.

The plants were selected at random from 2,143 plants in California, Iowa, Maryland, Missouri, Kentucky, Minnesota, and Nebraska.

Need for Improvement in Certain Hospital Laboratory Service Activities. Veterans Administration. (To the Administrator, VA) B-133044 of November 13.

In most cases, VA laboratories provided effective services in support of health care to veterans; users generally were satisfied with test results. In some areas, however, program planning and management needed improvement.

In its report, GAO recommended that VA should increase effectiveness of laboratory activities to include:

Coordinating blood bank activities with the military to take advantage of available volunteer blood when needed;

Determining present electron microscope requirements on the basis of the program objectives for diagnostic and training applications; and

Developing a method for informing hospitals of tests available throughout the VA system.

INTERNATIONAL AFFAIRS AND FINANCE

Examination of Financial Statements of the Export-Import Bank of the United States Fiscal Year 1973. E-114823 of November 13.

Except for omitted assets and liabilities totaling about \$18 million, the financial statements present fairly the financial position of the Eximbank at June 30, 1973, and the results of its operations and the changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year and with applicable Federal laws.

Ways to Improve U.S. Foreign Trade Strategies. Departments of State, Commerce, and Agriculture; Office of Management and Budget. B-172255 of November 23.

This report focuses on agencies involved in planning and carrying out commercial activities abroad.

These agencies have not developed clearly stated objectives for foreign markets which reflect coordinated consideration of U.S. trade

objectives and the activities needed to attain them.

Result: foreign markets are not analyzed systematically to identify areas of prime commercial importance. Nor are export strategies adapted to the peculiarities and special opportunities of individual markets.

NATIONAL DEFENSE

Financial Status of Selected Major Weapon Systems. B-163058 of November 13.

This is GAO's second semiannual report on the financial status of selected major weapon systems being acquired by DOD. Data was extracted from the selected acquisition reports (SAR) released by DOD.

This report details the cost increases of \$2.7 billion reported on 45 major weapon systems between December 31, 1972, and June 30, 1973.

Review of Selected Subcontracts Awarded by Ingalls Shipbuilding Division of Litton Industries, Inc./Department of the Navy. B-177748 of October 23, released November 14.

At the request of the Chairman, Subcommittee on Priorities and Economy in Government, Joint Economic Committee, GAO inquired into allegations that certain officials and employees of Ingalls Shipbuilding Division, Litton Industries, Inc., engaged in illegal or improper activities, including taking fees or kickbacks from subcontractors.

GAO's examination did not reveal payments of fees or kickbacks to Ingalls' officials or employees but did show that sound procurement practices were not followed in four instances as specified in its report.

Opportunities for Increased Interservice Use of Training Programs and Resources. Department of Defense. (To the Secretary of Defense). B-175773 of November 27.

With DOD spending more than \$6 billion annually to train personnel in a variety of occupational specialties, GAO focused on economies and efficiencies obtainable through consolidating common DOD training requirements.

Although there were some interservice training arrangements, the amount represented only about 6 percent of the total training in DOD. Before GAO's review, DOD had not aggressively promoted it.

Interservice training has not been extensive up to now because each military service has decided how its training requirements could best be met within its resources.

Improving Outreach and Effectiveness of DOD Reviews of Discharges Given Service Members Because of Drug Involvement. B-173688 of November 30.

Veterans with under other-than-honorable discharges because of drug involvement are experiencing problems in obtaining employment and vocational training or education and in discontinuing their drug dependence.

This report contains suggestions for improvement of DOD's program for upgrading other-than-honorable discharges for service members who were involved with drugs.

Information in this report should assist committees of the Congress and individual Members with their legislative responsibilities relating to DOD programs, particularly as these apply to S. 1716 and H.R. 6923, which were introduced in the 1st session, 93d Congress.

NATURAL RESOURCES AND ENVIRONMENT

Improvements Needed in the Program for the Protection of Special Nuclear Material. Atomic Energy Commission. B-164104 of November 7.

Potentially dangerous consequences could result from a single theft from, or loss by, authorized possessors of fissionable uranium or plutonium, GAO reported in a study on AEC's program for the protection of this material in hands of licensees.

At two of three plants operated by licensee/contractors, GAO found conditions which limited their capability "for preventing, de-