EXHIBIT 4

THE CRIME TREND TURNS DOWN

We have been a little leery the past few weeks of hailing the announcements that the District of Columbia's crime rate was turning down. The crime rate always turns down in mid-winter. But now that there has been a reduction in the daily number of crimes reported to police in each of the last five months, perhaps a permanent trend downward has begun at long last.

The number of index crimes reported in April was 4,947, down more than 300 from March and down more than 1,100 from last November, the worst month in the District's history. The period since November has been the first period since 1956 in which crime dropped in each of five consecutive months.

Of course, the crime rate is still not acceptable. Despite this turndown, 17 per cent more serious crimes were committed this April than were committed last April. And last April's figures were substantially above those of any preceding April. But there is reason now to hope that the crime explosion is being snuffed out.

Chief Wilson credits this decline to the additional policemen who are on the streets and we tend to agree with him. He has had the funds this spring to work officers a sixth day on overtime and he has promised to keep this up until the force reaches its new authorized strength in July. This places a heavy physical strain on the city's policemen and each of them deserves applause for contributing to the improved situation.

Equally satisfying in the chief's report was his statement that the arrest rate is rising. In last November, police were able to report arrests in only 16 out of every 100 crimes. In April, arrests were made in 23 out of every 100 crimes. The chief says this is largely due to a reorganization of the detective force and if that is so he merits highest congratulations.

The District has no problems more serious than crime and the feeling we get is that the police are at last beginning to find some of the solutions to it.

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

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. HRUSKA. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order of Friday last, that the Senate adjourn until 10 a.m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 40 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, May 26, 1970, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 25, 1970:

FEDERAL HOME LOAN BANK BOARD

Preston Martin, of California, to be a member of the Federal Home Loan Bank Board for the term expiring June 30, 1974, reappointment.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 25, 1970:

U.N. TRUSTEESHIP COUNCIL

Sam Harry Wright, of the District of Columbia, who was confirmed by the Senate November 26, 1969, as the representative of the United States of America on the Trusteeship Council of the United Nations, to serve on the Council with the rank of Ambassador.

HOUSE OF REPRESENTATIVES—*Monday, May 25, 1970*

The House met at 12 o'clock noon.

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

He that handleth a matter wisely shall find good: and whoso trusteth in the Lord, happy is he.—Proverbs 16:20.

O Thou whose presence surrounds us, whose power supports us, and whose peace sustains us, our minds and hearts widen with wonder when we consider how mindful Thou art of us and how eager to lead us in right and just and good paths.

Inspire us, we pray, with a deeper concern for the welfare of mankind and instill in us a greater desire to walk with Thee and to work together that Thy kingdom of righteousness and peace may come and Thy will be done on earth.

Bless these Members of Congress as they endeavor to maintain a free society which respects the dignity of the individual and where understanding and justice are established. May they be united in spirit as they seek to solve the problems that beset this challenging day.

We pray for the family of our beloved Architect who has gone home to be with Thee. May the comfort of Thy spirit abide in their hearts now and forever.

In the Master's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, May 21, 1970, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 3920. An act for the relief of Beverly Medlock and Ruth Lee Medlock.

H.R. 5419. An act to provide relief for Cmdr. Edwin J. Sabec, U.S. Navy.

H.R. 6402. An act for the relief of the Sanborn Lumber Co., Inc.

H.R. 8694. An act for the relief of Capt. John T. Lawlor (retired).

H.R. 9910. An act for the relief of Hannibal B. Taylor.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4813. An act to extend the provisions of the U.S. Fishing Fleet Improvement Act, as amended, and for other purposes.

H.R. 11060. An act for the relief of Victor L. Ashley.

H.R. 14685. An act to amend the International Travel Act of 1961, as amended, in order to improve the balance of payments by further promoting travel to the United States, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 528. An act to provide that the reservoir formed by the lock and dam referred to as the "Millers Ferry lock and dam" on the Alabama River, Ala., shall hereafter be known as the William "Bill" Dannelly Reservoir.

S. 3176. An act to authorize a program for the development of a tuna fishery in the central and western Pacific Ocean.

S. 3215. An act to amend the National Foundation on the Arts and the Humanities Act of 1965, and for other purposes.

S. 3594. An act to authorize the acquisition of certain property in square 724 in the District of Columbia for the purpose of extension of the site of the additional office building for the U.S. Senate for the purpose of addition to the U.S. Capitol Grounds.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 952) entitled "An act to provide for the appointment of additional district judges, and for other purposes."

INSULT TO MRS. EISENHOWER

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

Mr. GOODLING. Mr. Speaker, an article in the May 25, 1970, issue of the Washington Post made my blood pressure rise far above normal when it reported that Mrs. Mamie Eisenhower, our beloved former First Lady, was subjected to an indignity upon the occasion of her receiving an honorary Doctor of Humane Letters degree at Wilson College, Chambersburg, Pa.

Although Wilson College, an all-girls college, is not in my congressional district, it is just across the line. Mrs. Mamie Eisenhower is my constituent, my most distinguished constituent, I might add.

According to the report, four students joined the proceedings dressed in black shrouds topped with paper skulls, carrying protest signs bearing the words Cambodia, Kent State, and Jackson State. The students went to the speaker's platform, removed the shrouds and skulls, and placed them in front of the platform.

Mrs. Eisenhower is reported to have said to a friend:

I refuse to go on the platform and receive my honorary degree as long as those things stay there. I absolutely refuse.

I commend Mrs. Eisenhower for this.

A few minutes later the rains came,

driving the proceedings indoors where Mrs. Eisenhower received her degree.

It shocks ones sensibilities to realize that such an indignity was permitted to confront Mrs. Mamie Eisenhower, herself a charming and peace-loving lady and the widow of one of this country's most loved men, a man dedicated to peace because he knew the futility of war.

Where were the college administrators when this deplorable demonstration was going on? Why were four students permitted to defy authority, disrupt an orderly academic proceeding, and insult a former First Lady?

The countenance of this kind of wrenched conduct suggests the absence of fortitude and the presence of lax standards of discipline, all of which has the unfortunate effect of having a shadow fall on an educational institution.

VICE PRESIDENT AGNEW MUST CONTINUE TO SPEAK OUT

(Mr. ECKHARDT asked and was given permission to address the House for 1 minute.)

Mr. ECKHARDT. Mr. Speaker, on last Friday the distinguished and articulate Vice President of the United States spoke in my hometown and said:

> Nothing would be more pleasing to some of the editors and columnists I have quoted tonight than to have me simply shut up and disappear.

He also said that some others, including those in Congress, would like for this to happen. I simply want to disassociate myself from any Members of the Congress who want the Vice President to simply shut up and disappear. I hope that he will not shut up, that he will not disappear, and that goes also for the charming and ebullient wife of the Attorney General.

THE LATE HONORABLE J. GEORGE STEWART, ARCHITECT OF THE CAPITOL

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

Mr. McCORMACK. Mr. Speaker, it becomes my sad duty to announce to the House the passing on yesterday, May 24, 1970, of the Honorable J. George Stewart, Architect of the Capitol.

I believe many Members of the House are aware that Mr. Stewart had been ill for several months, but he continued a keen interest in the operations of his office until near the end.

Mr. Stewart was born in Wilmington, Del., and received his education in the public schools of Wilmington and the University of Delaware. He was a civil engineer.

After leaving school, he was associated with his father's construction firm for some 30 years, where he began as waterboy and worked up finally to become president of the firm. His accomplishments with this firm were outstanding, especially those in Delaware involving new work, alterations, and additions for the Du Pont families. One of these homes, Winterthur, now is a museum housing some of the finest examples of early American architecture and furnishings.

I first knew Mr. Stewart when he was a Member of Congress from Delaware during the 74th Congress.

Effective October 1, 1954, President Eisenhower appointed Mr. Stewart as Architect of the Capitol. He was only the eighth man to hold that position since the days of George Washington.

His accomplishments as Architect of the Capitol are legend. I daresay that every Member of the House will use some time today something constructed or procured under the direction of Architect Stewart, whether it be a building, a room, a subway, an elevator, an escalator, a desk, or a chair. Even the cool air we breathe comes from the refrigeration plant which he expanded a few years ago.

Some of his accomplishments, over and beyond his maintenance and operation duties, are:

The extension of the east front of the Capitol which had been left undone for a hundred years;

Construction of the New Senate Office Building, planned under direction of his predecessor, the late David Lynn;

Construction of the Rayburn House Office Building and the underground garages;

Remodeling of the Cannon House Office Building;

Remodeling portions of the Longworth House Office Building;

Renovating the Capitol dome;

Providing improved lighting in the Capitol Building;

Improvements and expansion of the Capitol Power Plant;

Preliminary plans for the extension of the west central front of the Capitol;

Preliminary plans for the James Madison Memorial Library of Congress Building; and

Purchase of eight squares of property on the House side for new facilities or additions to the Capitol Grounds and purchase of portions of two squares on the Senate side.

We all know, of course, that the project closest to Mr. Stewart's heart was the extension of the east central front of the Capitol. He loved the Capitol and everything it represents throughout this land of ours. He understood its construcion perhaps more thoroughly than any other man. His greatest purpose was to leave it beautiful, sound, and durable. And perhaps his greatest disappointment was that the plans for the west extension did no proceed during the last few years.

In my capacity as Speaker, as chairman of the House Office Building Commission, and as chairman of the Commission for Extension of the U.S. Capitol, I have worked closely for many years with Architect Stewart and his staff and had come to depend on him in so many ways.

He was a good friend, a man of great vision, and a dedicated public servant. His greatest desire was to serve the Congress and he did not hesitate to assume with a firm hand the responsibilities given him.

We will miss him. Of that you may be sure, but we shall rejoice in his great accomplishments.

On behalf of other Members of the House, Mrs. McCormack and myself, I express our deep condolences to Mr. Stewart's family and his staff at this time of stress and sorrow.

Mr. ROTH. Mr. Speaker, Washington and the Nation are saddened over the loss of the Honorable J. George Stewart, Architect of the Capitol for many years, and an outstanding member of the community. A native of Delaware and a former Congressman from Delaware, George Stewart was on all occasions a benefit to Government and a credit to his State. Colorful and even controversial, he was invariably aware of his responsibilities, and anxious to serve.

Appointed under the Eisenhower administration, he accomplished more in his 15 years of service than the average administrator might be expected to accomplish in twice the time. As you, Mr. Speaker, so eloquently pointed out, every Member of the House will use sometime today something constructed or procured under the direction of Mr. Stewart.

He will long be remembered as a man of the greatest vigor and integrity ever to serve in the capacity of Architect of the Capitol. His many friends both in Delaware and Washington will miss this warm, friendly personality.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, it was not until I came to the Capitol this morning that I learned of the passing of the distinguished Architect of the Capitol.

As the Speaker has just indicated in his tribute, in his remarks, the name of our Architect was from time to time linked with projects which somehow unleashed a certain amount of controversy, and yet there was never any question, I think, in the minds of any of us that our Architect was dedicated to the Capitol, that he loved this Capitol, and that he was dedicated to the job which he held with such distinction and for so many years.

Mr. Speaker, I join the distinguished Speaker of the House in the tribute he has just paid to the late Architect of the Capitol, and I join our Speaker in extending our sympathy to the members of Mr. Stewart's family.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Alabama (Mr. ANDREWS).

Mr. ANDREWS of Alabama. Mr. Speaker, as chairman of the Legislative Subcommittee of the Appropriations Committee, it was my privilege to have many contacts with George Stewart. I did not get to know him and love him until we had those meetings. He was ruggedly honest. If ever the Congress had a friend, it was George Stewart.

He was perfectly willing to take the "heat" off the Congress. The press at times were just cruel to him. They did not know him. They did not know what he was trying to do.

We will miss him. I knew him when he served in the House and always liked George Stewart.

I say again, he was a great friend of the Congress and he loved this Capitol.

I want to thank the Speaker for paying the beautiful tribute to George Stewart he has just done.

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

Mr. McCORMACK. I am glad to yield to the gentleman from Texas.

Mr. POAGE. I am one of those who has had no official connection with the Architect of the Capitol, but as one who considered him a good friend and a fine public servant I want to join with the Speaker in commendation of Mr. Stewart.

Mr. McCORMACK. I appreciate the remarks of the gentleman and of the other Members who have made remarks.

Mr. LANGEN. Mr. Speaker, I was saddened this morning to learn of the death of J. George Stewart, who has served as the Architect of the Capitol since 1954.

I had the opportunity to know George better than most of my colleagues because of his work with the Legislative Branch Appropriations Subcommittee on which I serve. Through the years, we had a close working relationship with Mr. Stewart and the members of his staff. In fact, one of the real privileges of serving on the subcommittee was my association with Mr. Stewart.

He was often criticized by Members of Congress and others for lacking a degree in architecture. However, one had to spend only a short time observing the job that he did and the responsibilities that he had, to realize that the fault lay not with him but with the title of his position. For his responsibilities ranged far beyond that of an architect. He was in charge of the physical operations of the Capitol Hill complex and his duties ranged from planning for the orderly expansion and improvement of the complex with the addition of new buildings to maintaining the beautiful lawns and gardens of the Capitol. To this immense task, he brought a great deal of energy, willingness to work hard, experience, and a conscientious sense of duty. His success can be measured by the many improvements that have been achieved throughout the Capitol area during his period of service to the Congress and the country.

Mrs. Langen joins me in extending to his family our deepest sympathy on this occasion of their, and our, loss. His shoes will not be easy to fill.

GENERAL LEAVE TO EXTEND

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who may desire to do so may have 5 legislative days to extend their remarks in the RECORD on the life, character, and service of the late Honorable George Stewart.

The SPEAKER pro tempore (Mr. ALBERT). Without objection, it is so ordered.

There was no objection.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT DURING GENERAL DEBATE TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be permitted to sit during general debate on tomorrow, May 26.

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

Mr. ANDERSON of Illinois. Mr. Speaker, reserving the right to object, do I correctly understand that the request has been cleared with the ranking minority member of the Committee on the Judiciary?

Mr. ALBERT. I have been so advised. The subject is Amendments to the Omnibus Crime and Safe Streets Act and other legislation.

Mr. ANDERSON of Illinois. Mr. Speaker, I withdraw my reservation.

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

There was no objection.

CALL OF THE HOUSE

Mr. PELLY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 138]

Anderson, Calif.	Galifianakis	Morse
Anderson, Tenn.	Gallagher	Nichols
Arends	Gaydos	Nix
Ashley	Gettys	O'Neal, Ga.
Baring	Giaimo	Ottinger
Belcher	Gilbert	Patten
Bell, Calif.	Goldwater	Pettis
Bevill	Green, Oreg.	Philbin
Biaggi	Gude	Podell
Biester	Halpern	Pollock
Blanton	Hanna	Powell
Boland	Hansen, Wash.	Preyer, N.C.
Bolling	Harsha	Railsback
Brasco	Hastings	Randall
Brown, Calif.	Heckler, Mass.	Reid, N.Y.
Burlison, Mo.	Helstoski	Reifel
Burton, Calif.	Hogan	Rhodes
Camp	Holifield	Riegle
Carey	Horton	Rodino
Carter	Hosmer	Roe
Celler	Howard	Rogers, Colo.
Chisholm	Hungate	Rooney, N.Y.
Clark	Jones, Ala.	Rooney, Pa.
Clausen, Don H.	Jones, Tenn.	Rosenthal
Clawson, Del	Kee	Roybal
Clay	Kirwan	Ruppe
Cohelan	Koch	St Germain
Conyers	Kyl	Scherle
Cowger	Kyros	Scheuer
Cramer	Landrum	Schwengel
Culver	Latta	Sebelius
Dawson	Leggett	Shipley
Denney	Lennon	Sikes
Diggs	Lowenstein	Snyder
Downing	Lukens	Stratton
Dulski	McCarthy	Stubblefield
Dwyer	McCloskey	Stuckey
Edwards, Ala.	McClure	Teague, Tex.
Edwards, Calif.	McEwen	Thompson, N.J.
Evins, Tenn.	McMillan	Tunney
Farbstein	Macdonald, Mass.	Watkins
Feighan	MacGregor	Watson
Fish	Mann	Watts
Foley	Mathias	Whalley
Ford, Gerald R.	Matsunaga	White
Fraser	May	Whitehurst
Frelinghuysen	Melcher	Whitten
	Miller, Calif.	Wiggins
	Minish	Wilson, Charles H.
	Mink	

The SPEAKER. On this rollcall 282 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LEGISLATION DEFINING THE POWERS OF THE PRESIDENT

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

Mr. FASCELL. Mr. Speaker, on May 13th I introduced H.R. 17598, a bill to sharply define the authority of the President to commit U.S. troops overseas without prior congressional consent. Today I am reintroducing this proposal with the bipartisan support of 15 of our colleagues in the House. Those who are today cosponsoring this proposal are: Mr. BUTTON, Mr. FRIEDEL, Mr. GIBBONS, Mr. HALPERN, Mr. HANNA, Mr. KYROS, Mr. MCKNEALLY, Mr. MILLER of California, Mr. NIX, Mr. OLSEN, Mr. PEPPER, Mr. ROSENTHAL, Mr. SISK, Mr. CHARLES WILSON, and Mr. WRIGHT.

Briefly, this proposal would prohibit the President from sending U.S. forces abroad, for other than peaceful purposes, unless the Congress had declared war, or the United States itself were under attack, or imminent threat of attack, or a treaty, approved by the Senate, was invoked which specifically called for the sending of troops.

Further, the President would be required to give Congress an opportunity to act by notifying it within 24 hours of any action taken under these three exceptions.

The purpose of this proposal is to make certain that any future war will come only after a maximum amount of serious deliberation of the issue of war or peace by the Congress.

Mr. Speaker, to insure a proper congressional role it is imperative that the Congress itself undertake a thorough examination of our decisionmaking apparatus for the commitment of U.S. forces to combat overseas. It is my hope that this bill will serve as a catalyst to such a study.

The bill is now pending before the Subcommittee on National Security Policy and Scientific Developments of the Committee on Foreign Affairs.

The distinguished chairman of that subcommittee, the Honorable CLEMENT J. ZABLOCKI has assured us that he will hold early and full hearings on this important issue.

I urge my colleagues to participate in the hearings and to cosponsor the bill.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER pro tempore (Mr. ALBERT). This is District of Columbia day. The Chair recognizes the gentleman from Florida (Mr. FUQUA).

AMENDING DISTRICT OF COLUMBIA COOPERATIVE ASSOCIATION ACT

Mr. FUQUA. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 17711) to amend the District of Columbia Cooperative Association Act, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. PATMAN. Mr. Speaker, reserving the right to object, I would like to oppose this bill. It is practically the same bill that was up a year ago and some other Members will oppose it. At that time we had a record vote and there were 356 against it to 19 for it.

I feel that the Members, when they understand this bill, will not like to vote for it because it specifically repeals the usury laws in the District of Columbia for FHA-VA housing loans.

Therefore, I would like to have some assurance that there will be no effort made to cut off debate or in any way restrict the time to the point where those who are opposed to it will not have time to discuss it.

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

Mr. PATMAN. Yes; I yield to the gentleman from Florida .

Mr. FUQUA I can assure the gentleman that I have no—I never have had—any desire to restrict debate on any matter that comes before the House as long as we comply with the rules of the House.

Mr. BROYHILL of Virginia. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. The gentleman from Texas pointed out the fact that this matter was before the House last year but was voted down. I should like to point out to the gentleman from Texas that this is not the same bill that was before the House last year. The bill which was before the House last year was to exempt installment credit from the District of Columbia usury laws.

Mr. PATMAN. It was to repeal the usury laws and that is what we are talking about.

Mr. BROYHILL of Virginia. H.R. 17711 is an entirely different type bill than we considered a year ago.

Mr. PATMAN. Yes; that was a year ago. But this is the same principle. Of course it applies to different people but it would repeal the usury laws.

Mr. FUQUA. Mr. Speaker, will the gentleman yield further?

Mr. PATMAN. I yield to the gentleman from Florida.

Mr. FUQUA. I think the gentleman is mistaken about the bill we are talking about now. This pertains to the Rural Electric Cooperative Associations.

Mr. PATMAN. Well, that is the first time I heard about that, or just a few minutes ago. I did not know about it. However, I understand the Committee on Agriculture has discussed this type legislation over a long period of time but did not report a bill out. This is, in effect, the same as the one now pending before the Committee on Agriculture? Did any members of the Committee on Agriculture appear before your committee during your consideration of the bill?

Mr. FUQUA. Mr. Speaker, if the gentleman will yield further, no member of the Committee on Agriculture made a request to be heard. I do not think this is the bill that was pending before the Committee on Agriculture.

Mr. PATMAN. Well, I was mistaken about the bill repealing the usury laws relating to FHA and VA loans.

Mr. Speaker, I have always and will continue to support the rural electrification program. It has done as much for rural America as any program I know of.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

H.R. 17711

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 43 of the District of Columbia Cooperative Association Act (D.C. Code, sec. 29–843) is amended by adding at the end thereof the following new sentence: "The Act of February 4, 1913 (D.C. Code, secs 26–601—26–611) (relating to licenses for loaning of money), and chapter 33 of title 28 of the District of Columbia Code (relating to interest rates) shall not apply to—

"(A) any association formed under this Act (whose sole function is to arrange and provide financing for its members), and

"(B) any members of such association engaged in utility operations with respect to any contract or agreement between such association and any member relating to a loan of money in connection with such utility operations."

PURPOSE OF BILL

Mr. FUQUA. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the purpose of the bill, H.R. 17711, is to exempt from the District of Columbia laws regulating the loaning of money and interest rates, cooperative associations formed under the District of Columbia Cooperative Association Act and their financing transactions with members.

Very simply the bill adds a new sentence to the District of Columbia Cooperation Association Act (approved June 19, 1940, 54 Stat. 491; D.C. Code, title 29, sec. 801) as follows:

The Act of February 4, 1913 (D.C. Code, secs. 26–601—26–611) (relating to licenses for loaning of money), and chapter 33 of title 28 of the District of Columbia Code (relating to interest rates) shall not apply to—

(A) any association formed under this Act (whose sole function is to arrange and provide financing for its members), and

(B) any members of such association engaged in utility operations.

This is with respect to any contract or agreement between such association and any member relating to a loan of money in connection with such utility operations.

Although the bill deals with the Cooperative Association Act of the District of Columbia, it has national significance. It is designed to facilitate and advance a national program—the rural electrification program—which, through almost 1,000 rural electric systems financed by the Rural Electrification Administration, furnishes electric service through some 6 million meters to more than 24 million of our citizens who live in rural America.

The recently established National Rural Utilities Cooperative Finance Corporation—known as CFC—was organized in April 1969 by a group of distinguished leaders in the rural electrifications program, representing every section of the country. A total of 778 electric cooperatives, almost 80 percent of all the systems in the country, have applied for membership therein, indicating a very broad base of support.

The CFC mission is to supplement the basic REA financing provided for by the Congress in the Rural Electrification Act of 1936 and in annual loan authorizations included in the annual Department of Agriculture appropriation bills.

Enactment of the bill was requested by the National Rural Utilities Cooperative Finance Corporation—CFC, a nonprofit cooperative association organized under the District of Columbia Cooperative Association Act for the purpose of providing its rural electric system members with capital supplemental to that provided by the Federal Government under the Rural Electrification Act of 1936.

Also, the National Rural Electric Cooperative Association, the national service organization of the nation's rural electric systems, with national offices in the District of Columbia, requested its enactment.

HEARING

A hearing was held on the proposed legislation by subcommittee No. 4 of our committee, on May 13, 1970, at which Members of Congress, representatives of the National Rural Utilities Cooperative Finance Corporation, the National Rural Electric Cooperative Association, and of the District of Columbia Government testified in support thereof.

The bill was amended by your committee to conform to recommendations of the latter, so that as reported H.R. 17711 meets the point raised by the District of Columbia Government on this legislation No testimony or statement was submitted or has been received in opposition to the bill.

BACKGROUND OF COOPERATIVE FINANCE CORPORATION

CFC was organized under the District of Columbia Cooperative Association Act and is headquartered in Washington.

CFC's purpose, as stated in its Articles of Incorporation, is as follows:

To provide, secure and arrange financing for its members and patrons as required by them for the planning, initiation and execution of their programs, projects and undertakings conducted in accordance with, and in pursuance of their objectives, under the statutes of their respective places of organization and operation, in the United States of America, its territories and possessions, for the primary and mutual benefit of the patrons of the Association and their patrons, as ultimate consumers.

The CFC program is national in scope. It is designed to support the national objective of the Rural Electrification Act of 1936—legislation which has made possible the remarkable advance in rural electrification since its enactment. CFC financing operations must be closely coordinated with those of REA, as a substantial part of CFC loans will consist of participation in loans made jointly with REA. However, the Budget situation in recent years has made it necessary for the rural electric systems to explore sources of financing with which to supplement direct REA loans from Treasury appropriations.

Testimony was presented to our committee that it is estimated that the rural electric systems, in order to meet the demands for electric energy in their service areas, will in the next 15 years need almost twice as much capital as was injected into the program during its first 35 years. Much of this requirement must still be met by direct low-cost, long-term Government financing. This financing will continue to be needed by many systems serving low density, economically disadvantaged areas. CFC offers those systems which are able to bear higher capital costs for all or part of their future capital requirements a means of progressively freeing themselves from their present complete dependence on Government financing.

MONEY DEMAND TO MEET POWER DEMAND

Rural electric systems are now operating in an area where there is a lot of growth that is going to take place, where there is a boom in population. CFC and its members testified they occupy about 65 percent of the geographic area of the country, and the areas it serves are where these populations are developing and industry is moving in. This creates power demands, and as power demands are created money is needed to supply them.

When the cooperative association goes to the money market it has to pay the going rate—9 percent or thereabouts—to attract investment, and it will have to charge the system a rate to be commensurate with what it has to pay the money market.

CFC further testified that it is strictly interested in using this money as an instrument to provide supplemental funding to the rural electric systems so that they can provide wires, transformer service to the members.

This legislation then is aimed at financing rural electric systems to enable them to invest in the facilities to private power to the user. Thus generating plants and utilities are involved in this legislation, and supplemental funding is necessary to the rural electric systems so that CFC members can secure necessary wires, transformer services, and the like.

CFC testified it does not propose nor contemplate in any way engaging in the sales of electrical appliances, such as refrigerators and stoves.

EFFECT OF BILL

H.R. 17711 exempts cooperative associations organized under the District of Columbia Cooperative Association Act from certain provisions of the District Code with respect to loans to members. The provisions which would be made inapplicable to an organization such as CFC—organized under this act—are those which require money lenders to obtain a license, under limitations and restrictions spelled out therein, before loaning money at an interest rate greater than 6 percent, and which prohibit charging more than 8 percent interest. These laws are commonly known as the "loan shark" and "usury" laws.

LOAN SHARK LAW

The provisions of the "loan shark" law of the District of Columbia clearly indicate that it was designed to apply to persons making small loans on personal security and to discourage exploitation of their borrowers. However, it is so broadly worded as to be capable of interpretation to apply to the type of lending transaction which CFC and similar cooperative organizations will engage in. Its purpose is completely foreign to CFC's objectives and operations. The requirements of the act and the regulations implementing it clearly indicate a design to protect persons borrowing small sums on personal security from exploitation by lenders who, deservedly or otherwise, are labeled "loan sharks". It should not be applied to financial transactions between a cooperative and its members in which there is no reason or opportunity for such exploitation. The District's Cooperative Association Act contains provisions which fully protect cooperative members against the evils which the "loan shark" law seeks to protect against.

There have already been provided numerous exceptions (D.C. Code, title 26, sec. 610) from the "loan shark" law, including the legitimate business of building and loan associations. CFC has already been exempted by the Securities and Exchange Commission from the registration requirements of the Securities Act of 1933 under a provision exempting "any security issued by a building and loan association or similar institution substantially all of the business of which is confined to the making of loans to members." This action recognizes the similarity between the operations of a building and loan association and a cooperative organization such as CFC.

If section 26–610 of the District of Columbia Code which lists the exemptions from the "loan shark" law had incorporated the phrase "and any similar institution", CFC would have qualified thereunder for exemption. The bill supplies the needed authority for such exemption. It is the opinion of our committee that the exemption is warranted and is consistent with the public interest.

USURY LAW

The "usury"—interest rate—law of the District of Columbia, unlike such laws in most other jurisdictions, expressly applies to loans to corporations as well as to individuals. However, a 1963 amendment of the 1954 District of Columbia Business Corporation Act precludes corporations organized thereunder from pleading the usury laws as a defense. (29 D.C. Code 904(h)). The District Code (title 15, sec. 110) also permits interest to be recovered at a rate higher than is lawful in the District if the contract therefor is to be performed in another jurisdiction where the contract rate is lawful.

In the judgment of your committee, the defense of usury should be denied to members of cooperatives, such as CFC, in connection with their loans from cooperatives, and that recovery of interest should be permitted at the rate prescribed by contract between a cooperative and its members regardless of where the contract is to be performed. The District of Columbia Cooperative Association Act furnishes adequate safeguards against the exploitation of members and patrons by cooperatives formed thereunder. It makes stringent provision for nonprofit operation and for allocation and distribution of the net savings of a cooperative among its members and patrons.

I hope that the House will see fit to provide the approval that this organization feels is necessary to enable them to make the necessary loans to the various REA associations throughout the country.

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

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

Mr. PATMAN. Will this allow them to charge higher rates of interest than now? Will this repeal the usury laws as far as interest rates for housing is concerned, as it would relate to them if they were not repealed?

Mr. FUQUA. No, sir. Let me read to the gentleman that this only exempts those associations—"any associations formed under this Act (whose sole function is to arrange and provide financing for its members)," and secondly, "any members of such association engaged in utility operations."

We drafted it so that it could not be abused by somebody trying to set up some method of trying to evade the usury laws.

Mr. PATMAN. But as I read it, as it was called to my attention, a few minutes ago, this would take the usury law off. In other words, it would be exempted from the usury law. Am I correct in that?

Mr. FUQUA. That is true with respect to any contract or agreement between the association and any member relating to the loaning of money in connection with such utility operation, and it would only be limited to REA cooperatives—and they support this.

Mr. PATMAN. But they could charge any rate of interest—they are not restricted under this the way they presently are?

Mr. FUQUA. That is correct.

Mr. PATMAN. The gentleman says that the REA here in Washington is supporting this?

Mr. FUQUA. That is correct.

Mr. PATMAN. If that is true, and of course I do not doubt the gentleman, I think he is repeating it like it was told to him, and he is correct, and I will assume that they are, therefore I will not move any objection on it.

Mr. FUQUA. I might say to the gentleman that there will not be any involvements in the District which would abuse the basic intent of the law. And again I repeat to the gentleman that the REA associations are in favor of this, and I have a number of them in my district, and they have so advised me of their support.

Mr. Speaker, I will be happy at this time to yield to the distinguished ranking minority member of the committee, a cosponsor of this bill, and also a former administrator of the REA Administration.

Mr. NELSEN. Mr. Speaker, I move to strike the necessary number of words.

Mr. Speaker, for many years those interested in the Rural Electrification Administration have been of the opinion that somewhere, some time a program ought to be started where the REA co-

operatives would be able to set up a financing plan of their own, feeling that the Government could not forever continue with the plan that they presently have of providing 2 percent financing for expansion, et cetera, and we find it becomes more and more expensive each time the REA program is discussed because investments are necessary to meet demands.

In the District of Columbia where the national office is located and where this organization has been incorporated and set up their plans and procedures, we find that the usury laws here in the District of Columbia would make it impossible for them to borrow money for their bank which they hope to set up so that they can make loans to cooperatives, nationwide.

Hopefully, the interest rates in the future would go down, but presently they cannot operate because of the high cost of money. They could move across, of course, into Maryland or Virginia, and not be hampered by the laws of those States, but it so happens their national office is here in the District of Columbia, they are incorporated here, and therefore they must look at the statutes that cover their operations here in the District.

Under the bill we have here, it would permit them to start in with the plan of providing private financing to help with capital expansion providing, of course, that we enact into law a bill that sets up the bank. But a first step certainly must be to make it possible for them to sell their bonds at a rate that the market will absorb.

This bill has been drawn with that in mind, and I do feel that this is a good piece of legislation. I do think we should give them a chance to set up a plan so that REA may start financing some of their operations on the open money market.

Mr. Speaker, I have these further comments to make. During the years I was Administrator of REA it was long my hope that some day REA could set up a financing plan of its own, independent of reliance on Congress. I also want to say that the REA program generally is one of the greatest programs we have ever had enacted for rural America.

Reference has been made in the previous discussion as to the interest rate charged. This is not the basis of the usual high interest rate claim. The rate the Rural Cooperative Finance Corporation charges its member cooperatives would always be based on the interest one must pay for the money one borrows in the marketplace. The rate the Corporation or the bank will charge on the funds reloaned to its cooperative will vary from time to time. It will not have anything to do with any 2-percent money that REA obtains from the Federal Government.

Mr. Speaker, I take this opportunity to insert into the RECORD at this point my statement supporting the endorsement of H.R. 17711, to amend the District of Columbia Cooperative Association Act, a bill which I believe will benefit the residents of the rural areas of this country which rely for their electrical power upon the Rural Electric Cooperative Associations in the localities in which they live. Neither the Commissioner nor the District of Columbia City Council has any objection to this legislation, as amended.

It was my pleasure to serve as the Administrator of the Rural Electrification Administration under President Eisenhower. During that period of time, I became convinced that the REA program was one of the finest programs ever instituted by the Federal Government for rural America. The productive capacity of our farms would be far, far less today if many of the rural areas did not have the opportunity to electrify many of their operations. In addition, there is great concern for the exodus from the farms to the cities. I believe that the exodus would be even greater today were it not for the fact that many of the conveniences of the city which are made available through the REA cooperatives have kept many people residing in the rural areas of this country.

I might also point out that during my years with the REA, there was considerable effort to establish plans whereby REA cooperatives would be able to strike out on their own and set up a procedure whereby they could finance their own operations with very limited financial aid from the Government. I think progress has been made in this direction and that the bill which we are considering today—H.R. 17711—is a step further toward this objective.

I am happy to support this bill and I insert in the RECORD my statement with attachments in support thereof:

STATEMENT SUPPORTING ENACTMENT OF A BILL TO AMEND THE DISTRICT OF COLUMBIA COOPERATIVE ASSOCIATION ACT

Purpose of Bill.—To exempt from the D.C. "loan shark" and usury laws cooperative associations formed under the D.C. Cooperative Association Act and their financing transactions with members.

Its Sponsors.—The bill is sponsored by National Rural Utilities Cooperative Finance Corporation (CFC), a nonprofit cooperative association organized under the D.C. Cooperative Association Act for the purpose of providing its rural electric system members with capital supplemental to that provided by the Federal Government under the Rural Electrification Act of 1936. (See Attachment #1 "Some Facts About CFC—February, 1970.") The National Rural Electric Cooperative Association, the national service organization of the nation's rural electric systems, headquartered in the District of Columbia, also requests its enactment.

Why the Bill is Needed.—CFC, in preparing to commence its financing operations for its members, is confronted with two obstacles in the District of Columbia Code: (1) the "loan shark" law which requires the licensing of all organizations (except those expressly exempted) engaged in the business of loaning money at more than six percent interest and imposes onerous regulatory requirements which, however appropriate for organizations engaged in making small loans on personal security, serve no public purpose or interest when applied to financing transactions between a nonprofit cooperative and its members; and (2) the usury law which imposes an interest ceiling of eight percent on all written financing instruments even where the borrower is a corporation.

Reasons for Exempting Cooperative Associations and their Financing Transactions with Members.—The lending operations of nonprofit cooperative associations such as CFC whose loans are restricted to members are not within the regulatory intent of the "loan shark" and usury laws and should be expressly exempted therefrom for the following reasons:

1. Cooperative associations incorporated under D.C. law must be operated for the primary and mutual benefit of their patrons.

Since the "loan shark" and usury laws are designed to protect borrowers against exploitation, this element is absent in the case of cooperative associations whose borrowers in fact own and control the lending institution. By virtue of member-borrower ownership and control, they are self-regulated and have no motivation to exploit their borrower-members.

2. Cooperative associations are required to operate on a nonprofit basis.

Without a profit motivation, cooperative associations such as CFC fix their interest charges on loans at the lowest possible rates designed to return the cost of money to them, operating expenses and reasonable reserves for losses.

The District Cooperative Association Act contains express limitations upon the rate of return which may be paid upon share or membership capital and requires the annual allocation of the net savings of cooperative associations at a uniform rate to all patrons of the association in proportion to their individual patronage.

CFC, as is usual in the case of membership associations, provides no return on its membership certificates. CFC by-laws, conforming to the District Code requirements, make complete provision for the annual allocation of net margins on a patronage basis. CFC's nonprofit status was expressly recognized in the recent action of the Internal Revenue Service in approving its application for exemption from Federal income tax.

3. The business of cooperative finance associations merits the same exemption from the "loan shark" law as is now accorded the "legitimate business" of such institutions as building and loan associations, small business investment companies, and real estate brokers by the D.C. Code.

The same considerations of public policy which support the exemptions now provided by statute pertain to cooperative finance associations transactions with their members. Indeed a stronger case is made for exempting organizations operating on a nonprofit cooperative basis. Since they are owned and controlled by their member-borrowers, they are self-regulating and have no incentive to engage in "loan shark" and usurious activity.

4. CFC loans will be made in the District of Columbia to cooperative and public corporations in as many as 46 states. In the interest of uniformity and establishing the highest degree of acceptance in the money market for CFC paper supported by its borrowers' loan instruments, these instruments will state the intent of the parties that the laws of the District of Columbia will govern.

The satutory interest ceiling of eight percent on contracts calling for the payment of interest even where the parties are corporations is, in view of present money market conditions, unrealistic and can seriously interfer with CFC's operations.

The current prime interest rate is 8½ percent and is available only to concerns with the highest credit ratings. While CFC will set interest rates on its loans at the lowest possible levels consistent with prudent management, it must recognize the facts of financial life. It faces the necessity for paying more than eight percent for the funds it will borrow in the private money markets for reloaning to its members. Under current conditions it will have to pass these costs on to its members.

Under these circumstances, CFC is compelled to ask that the "loan shark" and usury laws of the District of Columbia be made in-

applicable to cooperatives and their financing transactions with members. The District of Columbia is one of very few jurisdictions where such laws are made applicable to loans to corporations. Their major thrust and purpose is to afford protection to individuals who do not have the means or capacity for protecting themselves against unwarrantedly high interest exaction. This motive is absent in cooperative money transactions.

5. Since the CFC supplemental financing program appears to have Administration endorsement (see Attachment #2), the removal of unnecessary obstacles to its successful operation is in the public interest.

6. There is attached hereto a summary of the "loan shark" law, Title 26, District of Columbia Code, Chapter 6, and a summary of the usury law, Title 26, District of Columbia Code, Chapter 23.

SOME FACTS ABOUT THE COOPERATIVE FINANCE CORPORATION

A little less than one year ago delegates to the NRECA Annual Meeting in Atlantic City, N.J., voted to establish the National Rural Utilities Cooperative Finance Corporation, or CFC. This new cooperative corporation was created to enable rural electrics to supplement with their own funds and private money market resources the annual appropriation for REA loans at 2 per cent interest. CFC thus will provide some of the additional loan funds required to meet the systems' growing capital needs.

Outlined below is a brief report on the progress made by CFC during the past year, and what is expected for 1970.

1. *Organization.*—CFC is a cooperative owned by its participating rural electric systems. It is governed by a 22-member board of directors who were named by the NRECA Board. The next board will be elected by geographic region by the member systems.

2. Capitalization.—Initially, CFC will raise money through membership fees and member subscriptions to capital term certificates. Later, CFC will raise additional money through the sale of long-term obligations to private investors.

3. *Loans and Interest Rates.*—CFC will make loans to its members for purposes related to rural electric system objectives within their statutory authority. The interest rate on such loans will be determined by the cost of money in the open money market.

4. *Membership Applications.*—As of the end of January, 1970, 764 rural electric organizations (individual rural electric cooperatives, power supply cooperatives, statewide associations and NRECA) had sent in their membership applications and fees. Slightly more than 75 per cent of the NRECA membership has thus indicated its intention to join the new institution.

5. *REA and CFC.*—In the words of REA Administrator David A. Hamil, "CFC right now is our best hope to bring urgently needed capital into our electric program." In line with this statement, REA has accepted the general principle of "accommodation" of REA liens on the property of rural electrics. An REA Study Group and the CFC's REA Coordinating Committee have been meeting to work out the details of this accord. This CFC Committee also is developing the new institution's loan policies and related procedure.

6. *Loan Operations.*—As in the past, all rural electric system loan applications will go first to REA for determination of eligibility for available funds under the REA 2 per cent loan program. Loan applications considered eligible for supplemental financing will be forwarded by REA to CFC with appropriate information, including an indication of REA willingness to accommodate its liens to provide equal loan security for CFC. It is anticipated that for most loan applications REA will make part of a loan and CFC the balance.

1. *Internal Revenue Service (IRS) and CFC.*—In October of last year the IRS ruled favorably upon the CFC application for exemption from Federal income tax as a nonprofit social welfare organization. This action will enable CFC to proceed with the plan of member participation in subscribing to the new institution's capital term certificates.

8. *Securities and Exchange Commission (SEC) and CFC.*—The SEC is now in the process of determining whether registration of CFC capital term certificates is required.

9. *In 1970.*—During the coming year the CFC Board of Directors will choose a chief executive officer, to be known as the Governor, of CFC. He will be responsible for day-to-day operations of the new institution. In 1970 the Board also will issue a call for member subscription to capital term certificates. With the present number of members that call will raise, during the initial three-year subscription period, approximately $115 million in "seed" capital for the new institution.

CFC expects to make its first loan to a member system during the coming year.

ADMINISTRATION ENDORSEMENT OF NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION (CFC)

President Richard Nixon: "This is a year of special significance in the rural electrification program as you strive to set up a supplemental financing plan and to become an integral part of the Nation's power industry. We are aware of the heavy backlog of loan application on file with REA, and we know these demands will grow as America grows and as you continue your good efforts to develop rural communities. We commend you for seeking to bring additional credit into the rural electrification program, and wish you success in this undertaking." (Excerpt from message to the Fall 1969 regional meetings of the membership of the National Rural Electric Cooperative Association whose Long Range Study Committee developed the CFC supplemental financing plan.)

"I also commend your efforts to develop additional financing for needed expansion throughout the rural electrification program. This will assist the Administration in bringing the Federal Budget in balance, and it will prove again that Government-sponsored loan programs can move away from total Treasury support when given the encouragement and opportunity to do so." (Excerpt from message to the 28th Annual Meeting of the National Rural Electric Cooperative Association, February, 1970.)

REA Administrator David A. Hamil: "Rural electric cooperatives have established the National Rural Utilities Cooperative Finance Corporation (CFC) as a means of developing supplemental credit for their increasing financing needs. REA supports this effort and has created a study group to plan for REA's relationship with CFC." (Excerpt from Report of the Administrator—1969, received in the Congress January 22, 1970.)

SUMMARY OF "LOAN SHARK" LAW—TITLE 26 D.C. CODE, CHAPTER 6

Prohibits engaging without a license in the District of Columbia in the business of loaning money upon which a rate of interest greater than six per centum per annum is charged upon any security of any kind.

Requires licensee to keep a register showing the amount loaned, the date when loaned and when due, the person to whom loaned, the property or thing named as security for the loan, where the same is located and in whose possession, the amount of interest, all fees, commissions, charges and renewals charged, under whatever name. Further requires that such registry shall be open to public inspection on every day except Sundays and holidays between the hours of 9 A.M and 5 P.M., and that the licensee report annually its assets and liabilities.

Prohibits charging or receiving a greater rate of interest than one per centum per month on the actual amount of the loan, and such charge shall cover all fees and charges made except upon foreclosure of the security. Also prohibits such loan greater than two hundred dollars to any one person, and requires detailed accounting to borrower. Provides for forfeiture of interest and one-fourth of the principal sum of the loan if a greater rate of interest than that fixed in this chapter is received or contracted for.

Provides revocation of license and fine and imprisonment for any violation of the chapter.

Exempts the "legitimate business" of national banks, licensed bankers, trust companies, savings banks, building and loan associations, small business investment companies, real estate brokers, and life insurance companies.

SUMMARY OF USURY LAW—TITLE 28, D.C. CODE, CHAPTER 33

Prescribes a ceiling of 8 percent interest per annum on written instruments calling for the payment of money at a future time.

Provides that if a person or corporation contracts in the District verbally to pay more than 6 percent interest or in writing to pay more than 8 percent, the creditor shall forfeit all the interest contracted for; that such interest shall be deducted in full from the principal amount of the debt; and that the debtor may sue for and recover the amount of the unlawful interest paid.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO EXEMPT FHA AND VA MORTGAGES AND LOANS FROM INTEREST AND USURY LAWS OF THE DISTRICT OF COLUMBIA

Mr. FUQUA. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 17601) to exempt Federal Housing Administration and Veterans' Administration mortgages and loans from the interest and usury laws of the District of Columbia, and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentlemen from Florida?

Mr. PATMAN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman if he is going to make an effort to expedite the bill to the extent that some of us who are opposed to it will not have a fair amount of time to discuss it, or will he allow flexibility as to the extension of time.

Mr. FUQUA. Mr. Speaker, if the gentleman will yield, we will be discussing the bill under the 5-minute rule and I would hope we could expedite it. I have no intention of trying to deny any Member his rights under the rules of the House.

Mr. PATMAN. Mr Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there

objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

H.R. 17601

A bill to exempt Federal Housing Administration and Veterans' Administration mortgages and loans from the interest and usury laws of the District of Columbia, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 33 of title 28 of the District of Columbia Code is amended by adding thereto the following new section:

"§ 28–3307. Federal Housing Administration and Veterans' Administration exemption

"Any mortgage or loan insured or guaranteed under the National Housing Act or chapter 37 of title 38, United States Code, the interest rate of which is subject to regulation by an officer or agency of the Federal Government, is exempt from the provisions of this chapter."

SEC. 2. Effective on March 31, 1972, section 28–3307 of the District of Columbia Code, as added by section 1 of this Act, is repealed.

With the following committee amendments:

1. Page 1, line 3, immediately after "That" insert "(a)".

2. Page 2, immediately below line 2, insert the following:

"(b) The chapter analysis of chapter 33 of title 28 is amended by inserting immediately below the item relating to section 28–3306 the following new item:

"28–3307. Federal Housing Administration and Veterans' Administration exemption."

The committee amendments were agreed to.

PURPOSE OF THE BILL

Mr. FUQUA. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, H.R. 17601 is a temporary measure, the purpose of which is to permit mortgages insured by the Federal Housing Administration and the Veterans' Administration to be made in the District of Columbia even when the effective rate of interest thereon exceeds the 8 percent ceiling presently provided in the District of Columbia interest and usury laws. This temporary exemption will terminate on March 31, 1972.

This legislation was requested of the Congress by the Government of the District of Columbia.

NEED FOR THE LEGISLATION

On September 22, 1969, the Federal National Mortgage Association announced that from that date, it would no longer purchase FHA-insured and VA-guaranteed mortgages covering single family to four-family properties located in the District of Columbia, unless it could be established that such mortgages would not be held usurious. In taking this action, FNMA stated its belief that the courts might well rule that the prevailing FHA and VA interest rates of 7½ percent, in combination with discount points paid by the seller which would bring the total interest level to some 8.43 percent, exceeds the legal rate of interest specified in the District of Columbia usury law (D.C. Code, sec. 28–3301) which provides a ceiling of 8 percent on such loans.

This decision on the part of FNMA meant, in effect, that FHA-insured and VA-guaranteed mortgages will no longer be available in the District of Columbia until and unless this impasse can be resolved.

This situation has created a desperate mortgage crisis in the Nation's Capital. With Government-supported financing virtually no longer available, there exists today only a small fraction of the money needed to maintain a healthy real estate economy, as conventional loans are in extremely short supply.

The people who suffer most in this crisis are the families with small to moderate incomes, who can neither pay all cash for a home nor the large down payment which would be necessary in most instances to assume existing financing. FHA-insured and VA-guaranteed loans have traditionally provided the means by which the person of modest means can purchase a home. At this time, therefore, homeownership, which is perhaps the most important single factor in stabilizing the inner city, has been virtually brought to a halt.

An additional problem is that the development of housing under the section 235 program for low-income ownership also is severely restricted, and the District of Columbia Redevelopment Land Agency consequently is facing a far more difficult task in finding single-family housing for persons displaced by urban renewal activities.

This critical problem is by no means a local one, as the present inflationary rise in the cost of loans has created the same situation on a nationwide scale. As a result, your committee is informed, the following 19 States have enacted legislation exempting FHA and VA mortgages from the provisions of their usury laws:

Alabama, Delaware, Georgia, Illinois, Iowa, Louisiana, Maryland, Michigan, Minnesota, Mississippi, New Jersey, New York, North Carolina, North Dakota, Pennsylvania, South Carolina, Vermont, Virginia, and West Virginia.

It should be noted that both Maryland and Virginia are among the States which have taken this realistic step. In December of 1969, Maryland exempted FHA and VA loans from the usury laws of that State with no limitation as to a terminal date for such exemption; and in March of 1970, the Virginia legislature exempted all first mortgage loans—FHA, VA, and conventional—from their usury laws, until July 1, 1972. These two actions are having a profound effect on the mortgage market in the District of Columbia, as the out-of-State funds which might normally be available to meet the financing needs of the citizens of the District are being diverted to Maryland and Virginia, where the prevailing interest rates are legal.

It is the opinion of our committee that in the face of this situation, it is extremely unlikely that the District of Columbia will be able to generate a sufficient amount of money from local financial institutions to meet the normal requirements of its citizens or the wishes and obligations of the District of Columbia government. For this reason, we feel strongly that the temporary exemption of FHA-insured and VA-guaranteed loans from the interest and usury laws of the District, as provided in this proposed legislation, is essential at this time.

It should be noted also that H.R. 13369, which was reported by the Committee on Veterans' Affairs and approved by the House on September 29, 1969, included a provision which would exempt VA-guaranteed loans from the interest and usury laws of the District of Columbia for a period of 2 years. This measure, however, is still pending in the other body.

PROVISIONS OF THE BILL

H.R. 17601 would permit a rate of interest to be charged on FHA and VA mortgages in the District of Columbia as prescribed for those loans by the Secretary of the Department of Housing and Urban Development. This currently allowable rate is 8½ percent per annum.

Under this provision, of course, lenders would not be permitted to charge exorbitant rates of interest.

The bill provides further that this exemption of such interest rates from the D.C. interest and usury law shall terminate on March 31, 1972.

S. 3313, which was approved by the Senate on April 1, 1970, is identical to H.R. 17601 except that the terminal date for the exemption provided in the bill was fixed at March 31, 1971.

It is the opinion of your committee that in view of the passage of time since this proposed legislation was first considered, the expiration date set by the other body—and which was included also in an earlier House bill, H.R. 15380—would no longer provide a sufficient period of time for the purpose of this bill to be adequately realized. As a practical measure, therefore, we have extended the period for 1 year, to March 31, 1972.

HEARING

A public hearing on this proposed legislation was conducted on May 5, 1970. At that time, testimony in favor of its enactment was presented by spokesmen for the District of Columbia government, the Washington Board of Realtors, the D.C. Chamber of Commerce, the Mortgage Bankers Association of Metropolitan Washington, and the Washington Real Estate Brokers Association. Letters expressing approval of the bill were received also from the Secretary of Housing and Urban Development and from the Administrator of Veterans' Affairs in the Veterans' Administration. No opposition to the enactment of the legislation was presented.

CONCLUSIONS

Your Committee believes this proposed legislation to be vitally necessary in order to attract long term mortgage funds into the District of Columbia. The development, and redevelopment, of housing in the Nation's Capital can be accomplished, in our opinion, only within the scope of the several federally sponsored and insured loan programs. These are the only programs that make it possible for prospective homeowners to purchase residences with minimum amounts of cash and with the lowest possible monthly payments.

There has actually been a downward real estate trend in the District of Columbia for the past 5 years. In 1965, some $562 million was loaned in this city secured by deeds of trust. By the end of 1969, this figure had declined to $311 million, a loss of almost 45 percent. And for the first 3 months of 1970, while no figures are yet available to your Committee, we are advised that the situation has become even more ominous.

Your Committee feels strongly, therefore, that steps must be taken at this time to reverse this potentially disastrous trend. The provisions of H.R. 17601, we are convinced, will accomplish this purpose. And at the same time, adequate safeguards are provided, by limiting the interest rates to those approved by the Secretary of Housing and Urban Development and by terminating the exemptions within a period of 2 years, to assure protection against abuses.

For these reasons, your Committee urges the passage of this proposed legislation, in the public interest.

The SPEAKER pro tempore. The time of the gentleman from Florida has expired.

(On request of Mrs. SULLIVAN, and by unanimous consent, Mr. FUQUA was allowed to proceed for 5 additional minutes.)

Mrs. SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. FUQUA. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Speaker, how many residential transactions would the gentleman say this might affect in the District of Columbia? Does the gentleman have any idea?

Mr. FUQUA. The statement was made before the committee that 100,000 District families live in inadequate housing, and 102,000 units must be constructed over a 10-year period. Today, no construction starts of FHA or VA construction are going on in the District of Columbia at the present time because of inability to secure money.

Mrs. SULLIVAN. So the gentleman has no idea how many homes it might affect?

Mr. FUQUA. I think we have this information in the committee. I will be happy to get it and provide it for the gentlewoman.

Mr. BROYHILL of Virginia. Mr. Speaker, if the gentleman will yield, I will try to give the gentlewoman some additional information.

Mr. FUQUA. I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. Mr. Speaker, as the gentleman pointed out, there has been a drastic reduction in the residential construction in the District of Columbia. While we do not have figures for this year, we know the minimum interest rate for conventional loans is in excess of 8 percent, so any residential construction in the District of Columbia that requires a mortgage cannot be constructed, so the answer is zero.

Mrs. SULLIVAN. Mr. Speaker, I do not think that answers the question, as to how many homes might be built or sold under this bill. Would the gentleman be at all surprised to know that under normal circumstances—not in the tight money period which exists now, but normally—only about two FHA or VA transactions are entered into daily in the District of Columbia?

Mr. FUQUA. What period of time is the gentlewoman referring to?

Mrs. SULLIVAN. That is for 1967, 1968, and 1969.

Is the gentleman aware of any bank or any savings and loan institution in the District which has been active in the field of FHA or VA housing in the last 15 years?

Mr. FUQUA. I think all of them have been somewhat active, and particularly the insurance companies included, in trying to provide funds for the housing needs in the District of Columbia.

Mrs. SULLIVAN. Mr. Speaker, will the gentleman continue to yield?

Mr. FUQUA. I yield to the gentlewoman.

Mrs. SULLIVAN. Mr. Speaker, is the gentleman aware that the interest rate increase which this bill would authorize is not in the neighborhood of one-half percent but more in the neighborhood of one and one-half percent, because under present District of Columbia usury laws, no points can be charged which would raise the yield above 8 percent, while under this bill we can have an 8.5 percent rate plus whatever points the market will bear?

Mr. Speaker, were there any hearings conducted on this bill?

Mr. FUQUA. Yes. I have listed a number of people who appeared before the committee, including the vice chairman of the District of Columbia Council, Sterling Tucker, and chairman of the House Subcommittee on the Council, and James Banks, the Mayor's assistant on housing programs.

Mrs. SULLIVAN. The hearings have not been printed, have they?

Mr. FUQUA. We have copies of them which will be available to the gentlewoman.

Mrs. SULLIVAN. I see you have an unprinted transcript. The reason I ask is that an ad hoc subcommittee of the Committee on Banking and Currency devoted many months to a study of some of the problems presumably covered in this bill, and so far as I know, we have never been consulted or asked for an opinion. I just do not know whether or not the gentleman from Florida had the opportunity to read the report of the ad hoc committee and our findings on the status of VA and FHA loans in the District, or rather the fact that the banks and savings and loans here have generally declined to write such loans over a period of many years.

Mr. FUQUA. I have looked at excerpts of the study and conclusions reached by the gentlewoman's study, and I was most interested in some of the findings made. I believe it is a legitimate area we should look into, and we should see that if these abuses do exist they try to eliminate them.

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

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

Mr. PUCINSKI. The gentleman lists in his report 19 States which have passed similar legislation and urges that this legislation be adopted because these States have enacted legislation exempting FHA and VA mortgages from the provisions of usury laws.

Does the gentleman have any figures here on any of these States since that action has been taken to show there has been an improvement in housing?

I my own State, which is listed, housing starts are down by a substantial percent. Today in the city of Chicago one cannot buy a house unless he makes $15,000 a year.

The SPEAKER pro tempore. The time of the gentleman from Florida has again expired.

(On request of Mr. PUCINSKI, and by unanimous consent, Mr. FUQUA was allowed to proceed for 1 additional minute.)

Mr. FUQUA. I might say to the gentleman, I believe housing starts are off throughout the country because of high interest, but they would be even less in his home State than they are now had they not exempted themselves from this type of thing.

What we are doing is denying the low-income and middle-income people an opportunity to buy a house if they can, if they cannot finance through FHA or VA.

Mr. PUCINSKI. This is a fallacious argument, and I wish the gentleman would comment on it. In the city of Chicago now one cannot buy or build a house unless he is earning at least $15,000 a year. No bank, no mortgage house, no savings and loan association will talk to him unless he has a substantial down payment.

For someone to urge that removal of FHA and VA loans from the usury laws is somehow going to make housing available to the poor is a fallacious argument, and the best proof is what happened in Chicago.

Mr. PATMAN. Mr. Speaker, I move to strike the requisite number of words.

(By unanimous consent, Mr. PATMAN was allowed to proceed for 5 additional minutes.)

Mr. PATMAN. Mr. Speaker, the gentleman from Florida, the distinguished chairman of this subcommittee of the Committee on the District of Columbia, seems to accept the statement as true that if we raise interest rates, a home buyer must pay, we get more money. That is absolutely a fallacious argument. It is not true.

I have been on these committees over a long period of time. The gentlewoman from Missouri (Mrs. SULLIVAN) has taken a special interest in this matter. We discovered it does not provide additional money.

I would ask the gentleman from Florida now if he has any documentation to show that if we raise interest rates more money will be forthcoming for housing? I should like for him to present it here. But I know what the answer is. I have been following this for years.

The homeowner cannot compete with other people in the market where the first marketplace rate prevails, because when the homeowner goes there to com-

pete he finds the gamblers, the speculators, and the people who are in a position to pay much higher interest rates than he can pay. Therefore, there is no money available. It is just not available for homebuyers.

As interest rates have gone up the housing starts have gone down. No one denies that. Therefore, that alone proves the point that higher interest rates will not provide more money for housing.

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

Mr. PATMAN. I yield to the gentleman from Florida.

Mr. FUQUA. Will the gentleman not admit it was his committee which passed the enabling legislation and made this bill necessary, by raising FHA and VA rates to this high rate?

Mr. PATMAN. Well, we reluctantly gave the Secretary of Housing Urban Development temporary authority on FHA and VA interest rates. We hoped he would use the authority in the public interest. You simply cannot get more housing money by raising interest rates. You cannot compete with the 12 or 14 percent that corporations can pay. Corporations are not bound by usury laws, my dear friend. It is only individuals who are bound. You cannot compete with the gamblers, the speculators, and the high-interest loan shark poeple who can pay much more than anyone else can for money. Today the vote on how mortgages has gone up to where the poor person cannot afford housing. Many families have saved their money hoping to buy a home and find they have a little nest egg with which to make a down payment. But now they find that they cannot buy it because of high interest rates. At the time they make a contract to buy a home the interest rates go up and all of the contracts are thrown in the waste basket. They cannot get a home under the new rates. This has been going on for months and years. We have been robbing these people. That is it. We have not done it ourselves personally, but we have stood by and watched it and have permitted it to be done without raising too much sand about it. We should have raised some sand. Today the person who buys a $20,000 home must sign a note that he will pay that $20,000 back in 30 years at so much a month and so much a year, but he must also sign up to pay $38,000 interest on that $20,000 home. That is nearly two to one. That is terribly bad. The word "robbery" would not be inappropriate in a case like that. I assure you that a person buying a $20,000 home today has to pay $58,000 for that home. Just imagine that. We are trying to correct that by stoppin this great increase in the interest rates. This legislation here today is going in the opposite direction. This is one bill that I do not see how any Member of Congress can vote for. They are not misleading us. They are telling us the truth. They come out here boldly and say that if you vote for this bill, they will exempt these FHA-VA transactions from the usury laws. In other words, if you vote for this bill, you vote to repeal the usury laws.

On July 28, 1969, we had a bill similar to this before the House, and a motion was made to send it back to the committee without instructions, in other words, just to kill it. That passed 356 to 19. 356 to 19. I place in the RECORD a copy of this vote:

ROLL NO. 125

YEAS—356

Abernethy, Adair, Adams, Addabbo, Albert, Alexander, Anderson of California, Anderson of Illinois, Anderson of Tennessee, Andrews of Alabama, Annunzio, Arends, Ashley, Ayres, Baring, Barrett, Beall of Maryland, Belcher, Bell of California.

Bennett, Betts, Bevill, Biaggi, Biester, Bingham, Blackburn, Boggs, Boland, Bolling, Brademas, Brasco, Bray, Brooks, Brotzman, Brown of California, Brown of Ohio, Broyhill of North Carolina, Buchanan, Burke of Florida, Burke of Massachusetts.

Burleson of Texas, Burlison of Missouri, Burton of California, Bush, Button, Byrne of Pennsylvania, Byrnes of Wisconsin, Caffery, Cahill, Camp, Carter, Casey, Cederberg, Chamberlain, Chappell, Clancy, Clark, Del Clawson, Clay, Cohelan, Collier.

Conable, Conte, Corbett, Corman, Coughlin, Cowger, Cramer, Culver, Cunningham, Daddario, Daniel of Virginia, Daniels of New Jersey, de la Garza, Delaney, Dellenback, Denney, Dennis, Dent, Derwinski, Devine, Diggs.

Dingell, Donohue, Dowdy, Downing, Dulski, Duncan, Dwyer, Eckardt, Edmondson, Edwards of Alabama, Edwards of California, Edwards of Louisiana, Eilberg, Erlenborn, Fallon, Farbstein, Fascell, Feighan.

Findley, Fish, Fisher, Flood, Flowers, Foley, Gerald R. Ford, Foreman, Fountain, Fraser, Frey, Friedel, Fulton of Pennsylvania, Fulton of Tennessee, Galifianakis, Gaydos, Giaimo, Gibbons, Gilbert.

Goldwater, Gonzalez, Goodling, Gray, Green of Oregon, Green of Pennsylvania, Griffin, Griffiths, Gross, Grover, Gubser, Hall, Hamilton, Hammerschmidt.

Hanley, Hanna, Hansen of Idaho, Hansen of Washington, Harsha, Harvey, Hathaway, Hays, Hébert, Hechler of West Virginia, Heckler of Massachusetts, Helstoski, Henderson, Hicks, Hogan, Horton, Hull.

Hungate, Hunt, Hutchinson, Ichord, Jacobs, Jarman, Joelson, Johnson of California, Jonas, Jones of Alabama, Jones of North Carolina, Jones of Tennessee, Karth, Kastenmeier, Kazen, Kee, Keith.

King, Kleppe, Kluczynski, Koch, Kuykendall, Kyl, Kyros, Landrum, Langen, Latta, Leggett, Lennon, Long of Maryland, Lowenstein, Lukens, McCarthy, McClory.

McCloskey, McClure, McCulloch, McDade, McDonald of Michigan, McEwen, McFall, McKneally, Macdonald of Massachusetts, Madden, Mahon, Mailliard, Mann, Marsh, Martin, Matsunaga.

May, Mayne, Meeds, Melcher, Meskill, Michel, Mikva, Miller of California, Miller of Ohio, Mills, Minish, Mink, Mize, Mizell, Mollohan, Monagan, Montgomery, Moorhead, Morgan, Morse, Morton.

Mosher, Moss, Murphy of Illinois, Murphy of New York, Myers, Natcher, Nedzi, Nichols, Nix, Obey, O'Hara, O'Konski, Olsen, O'Neill of Massachusetts, Ottinger, Passman, Patman, Pelly, Pepper, Perkins, Philbin.

Pickle, Pike, Poage, Podell, Poff, Pollock, Preyer of North Carolina, Price of Illinois, Price of Texas, Pryor of Arkansas, Pucinski, Purcell, Quie, Quillen, Railsback, Randall, Rarick, Rees, Reid of Illinois, Reid of New York, Reifel.

Reuss, Rhodes, Riegle, Rivers, Roberts, Robison, Rodino, Rogers of Colorado, Rogers of Florida, Ronan, Rooney of New York, Rooney of Pennsylvania, Rosenthal, Rostenkowski, Roth, Roudebush, Roybal, Ruth, Ryan, Satterfield, Saylor.

Schadeberg, Scherle, Scheuer, Schneebeli, Schwengel, Scott, Sebelius, Shipley, Shriver Sikes, Sisk, Skubitz, Slack, Smith of California, Smith of Iowa, Smith of New York, Snyder, Springer, Stafford.

Staggers, Stanton, Steed, Steiger of Wisconsin, Stokes, Stubblefield, Sullivan, Symington, Taft, Talcott, Taylor, Teague of California, Teague of Texas, Thompson of Georgia, Thompson of New Jersey, Thomson of Wisconsin, Tiernan, Tunney.

Udall, Ullman, Utt, Van Deerlin, Vander Jagt, Vanik, Vigorito, Waggonner, Waldie, Wampler, Watson, Watts, Weicker, Whalen, White, Whitehurst, Whitten, Widnall.

Wiggins, Williams, Bob Wilson, Winn, Wold, Wolff, Wright, Wyatt, Wydler, Wylie, Wyman, Yatron, Young, Zablocki, Zion, Zwach.

NAYS—19

Aspinall, Blanton, Brinkley, Broyhill of Virginia, Cabell, Davis of Wisconsin, Dorn, Esch, Flynt, Frelinghuysen, Fuqua, Gettys, Gude, Hagan, Haley, McMillan, O'Neal of Georgia, Steiger of Arizona, Stephens.

ANSWERED "PRESENT"—2

Cleveland, Evans of Colorado.

NOT VOTING—55

Abbitt, Andrews of North Dakota, Ashbrook, Berry, Blatnik, Bow, Brock, Broomfield, Brown of Michigan, Burton of Utah, Carey, Celler, Chisholm, Don H. Clausen, Colmer, Conyers, Davis of Georgia, Dawson.

Dickinson, Eshleman, Evins of Tennessee, William D. Ford, Gallagher, Garmatz, Halpern, Hastings, Hawkins, Holifield, Hosmer, Howard, Johnson of Pennsylvania, Kirwan, Landgrebe, Lipscomb, Lloyd, Long of Louisiana, Lujan.

MacGregor, Mathias, Minshall, Nelsen, Patten, Pettis, Pirnie, Powell, Ruppe, St Germain, St. Onge, Sandman, Stratton, Stuckey, Watkins, Whalley, Charles H. Wilson, Yates.

The Members of this House, in this body, were on record in opposition to high, usurious interest rates by that action. It also put us in the position of being for low interest rates. That is a good position to be in. If you were to vote for this bill now, you would just reverse the action taken a year ago and put this House in the position of being for high interest rates and for usury and for exorbitant rates and for robbery rates. That is what you would do. It would put you in a position of being against low interest rates. Please do not reverse the sentiment of this House as expressed last July.

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

Mr. PATMAN. I am happy to yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, I want to associate myself with the remarks being made by the distinguished gentleman from Texas. I think it is extremely important at this point that the House refuse to go on record as exempting anything else from the usury laws. We ought to be rolling back the interest rates and doing something to encourage a lowering of the interest rates rather than leapfrogging one interest rate after another, which encourages another interest rate in turn to be increased. I certainly wish to associate myself with and agree with the remarks being made by the distinguished gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. I thank the gentleman.

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

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

Mr. ANNUNZIO. I thank the distinguished chairman of the House Banking and Currency Committee for yielding to me and I wish to associate myself with his remarks and to commend the gentleman for his fine statement.

Further, Mr. Chairman, I would like to ask this question: Is it not true that since Secretary Romney has assumed office he has raised interest rates twice and we are still 1.2 million housing starts short?

Mr. PATMAN. The gentleman is correct. And, may I invite the gentleman's attention to the fact that when Mr. Nixon was elected in November 1968, the prime interest rate in this country was 6 percent. The interest rate was raised and raised and raised until it went to 8½ percent.

On June 9 last year, 1969, a big New York banker went out on his front doorsteps and said, "I hereby announce that the prime interest rate in this country is 8.5 percent"—raising it from 7.5 percent. He was followed by all the other big banks in this country, which was sufficient to make it effective. They have been doing that for 40 years—for 40 years—New York bankers have been raising the rate when they wanted to raise it with the rest following.

I wrote to the Attorney General and invited his attention to that and said, "It looks like you could prove a case of conspiracy against the American people when he raised that rate 1 percent because that meant it raised the burden on the people of this Nation $15 billion a year, that action by this banker."

Take out your book and your pencil and figure for yourself. We had at that time debts aggregating $1.5 trillion. It has increased a lot more since then, for an obvious reason. Take 1 percent of that figure and that is $15 billion.

Since Mr. Nixon has been President—he has not done it himself but it has been done—interest rates have been raised 41 percent a year, from 6 percent to 8.5 percent. We cannot stand that. The people of this Nation cannot stand that great burden. They cannot take it.

The American people are paying $120 billion a year interest. That money does not go for services, it does not go for work, it does not go for anything except pencil transactions on the books. That is all. It should not be $120 billion a year. It should not be one-half that much. If we had the rates as they were before, they would not be one-half that much. We are paying $20 billion a year interest on our national debt alone—$20 billion a year.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

(By unanimous consent Mr. PATMAN was allowed to proceed for 2 additional minutes.)

Mr. PATMAN. If you were to roll those interest rates back to where they were a few years ago, we would be paying only $7 billion interest on the national debt. That is what we paid for many decades and less, my friends, but under these increases—under these increases—we have this $20 billion a year, or $13 billion more. Think what we could do with just $13 billion interest on our national debt. We could do a lot with it, and all other debts would be in proportion. People could live and let live and enjoy life and not have just a few people taking money away from them with which they could buy the comforts and necessities of life.

Mr. Speaker, we talk about environmental quality of the family life in this country. There are 55 million families. We really help the country if we help the families. If we hurt the families, we hurt the country. For family life you not only need a proper and adequate diet, food and clothing, but you must have something else very essential—shelter. Shelter and housing and a decent place to live for the families of this country.

How are you going to have a decent place for a family to live when you are charging $38,000 for a $20,000 home, thereby making every purchaser pay $58,000 for every $20,000 home?

I urge you not to go on record here in favor of repealing the usury laws which makes you in favor of extortionate, usurious and excessive interest rates imposed upon the poor.

Today, Mr. Speaker, we have a new move for an end run around the District's 8 percent usury statute. This time, the suggestion is being made that the home buyer, using FHA or VA guaranteed mortgages, pay an interest rate above 8 percent. The bill would exempt these mortgages from the District's usury statutes.

This, of course, means higher interest rates and a break in the District's usury law. Its proponents, of course, will claim that this will mean additional mortgage money for FHA and VA mortgages. This is the same claim that is made every time anyone suggests raising FHA and VA interest rates. We are always told that this will increase the flow of funds into these types of mortgages.

The same claim was made in 1968 when the FHA-VA interest rate was raised. The same claim was made when the FHA-VA interest rates were raised again in January 1969. And the claim was made again when the rates were raised in December 1969.

Yet, this has been a period of declining housing starts, and today, after three increases in the national FHA-VA interest rates, we are building housing only at an annual rate of 1.1 million units.

When Secretary Romney raised the FHA interest rate from 7¼ percent to 8 percent on January 24, 1969, housing starts stood at 1.9 million units on an annual basis. By the end of that year, housing starts had fallen to 1.2 million units. Mr. Romney then announced a new increase in the interest rate to the current level of 9 percent—including one-half percent for insurance—and now housing starts have fallen down to 1.1 million units.

There is absolutely no evidence that higher interest rates bring more housing. They simply raise the cost of housing, but they bring no additional money into the market. It does mean that lower income families are pushed out of the market.

The truth is, Mr. Speaker, housing paper cannot compete successfully in today's tight money market and the Congress does nothing when it votes increases in interest rates. Housing mortgages are being outbid for available money by corporations, fast buck operators, speculators, and others willing and able to pay high interest rates. The average home buyer simply cannot compete with the big boys in the economy and the Congress is deluding itself by thinking it helps the homeowners by raising interest rates.

The increase proposed for the District of Columbia home buyers in this bill will do nothing for housing.

It will not bring more money into the District for housing.

Mr. Speaker, it is curious that the bill before us only exempts FHA and VA mortgages from the usury limit. It does not mention conventional mortgages, which are the overwhelming preponderance of the real estate loans made in the District of Columbia.

Of course, Mr. Speaker, the Federal National Mortgage Association—Fannie Mae—is reluctant to pick up, in its secondary market operations, any FHA and VA mortgages that may have been made in violation of local usury statutes. That, undoubtedly, is the reason that we have this proposal here today. Apparently we are being asked to take the taint off of any FHA and VA mortgages which District of Columbia lenders might make above the 8 percent usury limit.

But what about the conventional mortgages? This bill would apparently still leave them subject to the usury statute of 8 percent while allowing the FHA and VA interest rates to go above that limit.

Mr. Speaker, this seems to be a very strange situation. This would mean that Government-guaranteed programs—mortgages backed by the full faith and credit of the Federal Government—would carry higher interest rates than loans made under conventional terms. This would be a direct contravention of the very purpose of the FHA and VA programs.

Mr. Speaker, I hope during this debate, that the Members of the District Committee will inform the House whether they discovered if lenders in the District of Columbia have already been violating the usury statutes. Is this another one of those retroactive bills—a retroactive excuse for law violations?

On page 2, the committee report talks about an effective interest rate of 8.43 percent on FHA and VA mortgages—well above the 8-percent usury ceiling. Does this mean, Mr. Speaker, that right now, loans are being made in the District of Columbia in violation of the laws passed by this Congress?

Mr. Speaker, the report on this bill raises more questions than it answers. We should know more fully what will happen to home mortgages in the District of Columbia under this law.

Mr. Speaker, in the meantime, the House should reaffirm its position of last July and again vote down any increase in the District of Columbia's usury ceiling.

I trust you will vote against this bill.

Mr. BROYHILL of Virginia. Mr.

Speaker, I move to strike the requisite number of words.

Mr. Speaker, I rise in support of the pending legislation.

I rise to urge the support of my colleagues for the bill H.R. 17601, of which I am pleased to be a cosponsor. At the outset, I wish to say that this legislation is of vital importance, as a means of averting a critical situation with respect to the availability of mortgage money here in the Nation's capital.

Briefly, this bill would exempt FHA-insured and VA-guaranteed loans from the District of Columbia interest and usury laws, until March 31, 1972.

At present, there is a disparity between the higher FHA and VA interest ceilings established by the Secretary of Housing and Urban Development to meet mortgage market conditions, now some 8.5 percent including points charged to the seller, and the lower interest limits set by the usury laws of the District of Columbia, which limits the interest rate on real estate loans to 8 percent per annum. As a result, investors in District of Columbia mortgages have had to charge substantially higher discounts for mortgage funds to realize the same net return as on their investments in other areas of the country. Because of the burden of these higher discounts on sellers of homes, private lenders have originated virtually no new FHA-insured or VA-guaranteed loans in the District of Columbia. And those commitments which have been issued have not been made to low- and moderate-income families. This situation can be remedied only by an exemption of FHA and VA mortgages or loans from the District of Columbia usury law, such as this proposed legislation will provide.

These federally sponsored and insured loan programs provide the only possibility for prospective homeowners of modest incomes to purchase residences with a minimum amount of cash and with the lowest possible monthly carrying charges. Hence, the present curtailment of such funds, which currently are virtually nonexistent in the District of Columbia, creates a particularly difficult problem for the little people—those who cannot afford to pay all cash for a home, or even a large downpayment which is necessary in most cases to assume existing financing.

This problem exists in the various States as well. And at present, 19 States have responded by exempting FHA and VA loans from the usury laws of their jurisdictions. Maryland, for example, has taken this step with no time limit imposed for its termination. And in my own State of Virginia, the legislature just recently exempted all real estate loans—FHA, VA, and conventional loans as well—from our usury statutes through the month of June 1972. Personally, I should like to see this same exemption provided for all real estate loans in the District of Columbia, conventional loans as well as those sponsored and insured by the Federal agencies. As a practical matter, however, we have restricted this exemption to the FHA and VA mortgage loans, in this proposed legislation.

Last September, the House approved the bill H.R. 13369, which was reported by the House Committee on Veterans' Affairs. I was instrumental in getting a provision in that bill which would exempt VA-guaranteed loans from the usury laws of the District of Columbia. Unfortunately, however, that bill has thus far failed of action in the Senate.

Mr. Speaker, the time has come for action in this crisis. We must remove the impediment created by the interest and usury laws in the District of Columbia, so that our veterans and the people of modest means here in the Nation's Capital can obtain financing which they can afford to purchase homes. This problem simply boils down to commonsense. We all know that mortgage loans must compete with other market interest rates, and that the U.S. Treasury has to pay more than 8 percent for the money it borrows on the present market.

Of course, the mortgage interest rates which this bill seeks to exempt from the local usury and interest laws will be limited by the Secretary of Housing and Urban Development. The Secretary's regulation of these maximum interest rates will provide the continued protection to the consumers which is intended by the usury statutes, but with a realistic flexibility and an appropriate regard for the current conditions of the money market. Only in this way can such loans be in fact available, as well as reasonably priced.

Mr. Speaker, in the course of our hearings on this bill we were reliably informed that at present there are some 7,000 vacant and abandoned living units in the District of Columbia. And there are approximately 600 units owned by the National Capital Housing Authority that are uninhabitable because of damage done by vandalism. One development, for example, is Stanton Gardens, which is not more than 20 years old, but has been abandoned, depriving nearly 700 families of decent living quarters. This is a case of sheer vandalism, which has resulted in the owners finding it uneconomical to maintain the properties. We were further informed that as recently as 3 years ago, there were probably not more than 200 such abandoned living units in the District. This development is downright shocking, and I urge that the present government of the District of Columbia attack this problem with far greater vigor than has been shown in the past several years.

On the subject of housing in the District of Columbia, I wish to point out also that the District of Columbia City Council has not aided the problem by voicing support for certain proposed new regulations which in effect will put the landlords in the city at the mercy of the tenants, as far as upkeep and maintenance is concerned. I am sure that none of us condones landlords not fulfilling their responsibility to maintain rental properties in decent and adequate condition. However, neither can I agree that tenants should be allowed to destroy such properties by willful vandalism, and the city government aiding and abetting such irresponsibility by taking a "landlord be damned" attitude. Other communities maintain a proper balance of responsibility in this regard, and I charge the District of Columbia City Council to do likewise.

Here in the Congress, we are striving to make it possible for the people of the District to purchase and own their own homes, as by enacting the legislation contained in H.R. 17601. I think it only proper to urge the city government to do their share as well, by reversing the shocking trend of the rapidly increasing number of unoccupied living units in the city. I cannot approve of the District spending large sums of money to purchase luxury apartment buildings for the housing of indigent citizens while 7,000 residential units stand vacant in the city.

Mr. Speaker, I commend this legislation to my colleagues and ask their favorable action at this time.

In further emphasis of my earlier remarks and in answer to several questions raised in debate, I wish to make the following observations.

In response to one of the remarks made by the gentleman from Texas (Mr. PATMAN) I would like to point out that this bill we have before us is not the same bill—is not the same bill that the House turned down last year. It does not repeal the usury laws for the District of Columbia. What the bill does do, and the only thing it does, is to exempt FHA and VA loans from the usury laws in the District of Columbia.

Now, if the gentleman from Texas wants to refer to what the House did last year, the House last year did approve legislation unanimously to exempt VA loans from the usury laws of the District of Columbia, and that bill is now pending in the other body.

All that this bill does is to repeat that action, and provides for similar exemptions for FHA loans. There is no desire on anyone's part to increase interest rates. All of us would like to hold them down, but the odd thing we have before us today, the odd situation with which we find ourselves confronted today, is that the Congress, through action of another committee, in fact the committee chaired by the gentleman from Texas (Mr. PATMAN) has authorized an agency of the Government, the Secretary of Housing and Urban Development, to set interest rates at an appropriate level. And of course the same authority was given to the VA Administrator for VA loans, and the Secretary of Housing and Urban Development and the Administrator of VA have set the interest rates at 8.5 percent.

So here we have this Congress passing a law permitting interest rates for Government-insured loans to be set at 8.5 percent, and then in another act Congress, the District of Columbia Code, the Congress says that the people living in the Nation's Capital cannot pay interest rates in excess of 8 percent.

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

Mr. BROYHILL of Virginia. I will be glad to yield to the gentleman from Texas.

Mr. PATMAN. The committee also passed it out, and it passed the Congress and was approved by the President of the United States, an act allowing the

President the privilege of he, himself, as President of the United States, irrespective of anybody else, to roll back interest rates. Now, he could roll interest rates back to 6 percent. Does not the gentleman think that would be a good level for the President to set? Then we would get out of the depression.

Mr. BROYHILL of Virginia. I think a level of 4 percent would be even more desirable, does not the gentleman from Texas think so, if we could find money available?

The gentleman also pointed out that this legislation he speaks of would not make funds available. On the other hand, in this case, there are funds available through the Federal National Mortgage Association for VA, FHA, and section 235 loans. The problem is that FNMA will not purchase District of Columbia loans carrying interest rates in excess of 8 percent and yet FNMA can purchase loans from adjoining States which will provide interest rates in excess of 8 percent. The FNMA is principally a secondary financing organization and it announced last fall it would not buy FHA or VA loans in the District of Columbia even when the rates were set as low as 7.5 percent, because with the points and discount rate that the seller of the mortgage had to pay it would cause the rates to exceed the legal rate of 8 percent. And today, of course, with the discount rate running anywhere from 3 to 4 to 5 percent, it would make the net rate of these mortgages approximately 9 percent.

But if this bill is passed the funds will be available through FNMA through secondary financing, and funds would be available for people to buy homes under FHA and VA.

But the net effect of the restrictions in the District of Columbia limiting the interest rates to 8 percent is that there are no FHA or VA loans available in the District of Columbia.

Now, who is affected by that? It is always the low-income people who need to finance their homes in that manner. If the person can afford to pay cash for his home, and if a person can afford to make an extremely high downpayment, he can get a conventional mortgage that may be as low as 8 percent, and then he can go out and buy a home in the District of Columbia.

But low-income people who have to buy under the FHA or VA are unable now under existing law to buy a home in the District of Columbia. I think this is a tragedy and most unfortunate particularly since the Congress approved Section 235 of the Federal Housing Act that makes it easier for lower income people to obtain homeownership. It is this limitation of the District law that prohibits them from doing so that we are attempting to change in this bill.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

(Mr. BROYHILL of Virginia asked and was given permission to proceed for 5 additional minutes.)

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

Mr. BROYHILL of Virginia. I yield to the gentleman.

Mr. PATMAN. Remember that section 235 of the 1968 housing act means that the Government really is subsidizing a family from $20,000 to $30,000 just to buy one home because the interest rate being 9 percent, the Government pays 8 percent of it. Of course, the man himself does not get it, but the banks get it and others, the lenders get it. But that is a $20,000 to $30,000 subsidy on every home.

Now you are making it much higher and that is no excuse for this legislation.

Mr. BROYHILL of Virginia. The gentleman's committee passed legislation authorizing that.

Mr. PATMAN. That is right.

Mr. BROYHILL of Virginia. It seems rather strange that the gentleman is now opposing legislation that will permit the people in the District of Columbia to benefit from it.

Mr. PATMAN. I am not opposing it. I do not think we should pay 8 percent out of every 9 percent—that is what I am against.

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

Mr. BROYHILL of Virginia. I yield to the gentleman.

Mr. WRIGHT. Mr. Speaker, the gentleman from Virginia has made a point that this bill exempts from the usury laws the FHA and VA home loans—in other words, the Government-insured loans.

Does it make any logical sense to the gentleman that Government-insured loans, which ought to be more secure loans and which ought to be more attactive to lenders, should be exempted from the usury laws that others have to observe? Should not the Government-insured loans be made available to a citizen of the District of Columbia at a lower rate of interest than a noninsured loan?

Mr. BROYHILL of Virginia. I cannot agree with the gentleman more. But the proof of the pudding is in the eating. These VA and FHA rates are set at 8½ percent because the mortgages are not marketable at a lower rate. So I would again repeat and emphasize that the effect of the housing legislation is that the FHA and VA loans are not helping the people of the District of Columbia that they are designed to help when they were originally put in the statute books.

Mr. WRIGHT. The gentleman from Virginia has made quite a point of that and I appreciate the gentleman's concern for the low-income people of the District of Columbia. But I think it is in their interest that I oppose this bill because I cannot understand, and I wonder if the gentleman really believes, that we are benefiting low-income people when we make it possible for others to gouge them by requiring the payment of higher interest rates than they otherwise legally could charge.

Mr. BROYHILL of Virginia. I would think it would be reasonable to assume that this legislation would help low-income residents, and I am going to assume that every Member of this body is for helping low-income people in the District of Columbia and everywhere. We do not have to choose up sides and try to prove who is more concerned for the interests of lower income people. The sole purpose of this bill is to help the low-income people to obtain housing in the District of Columbia under the FHA and VA loans.

Nineteen States of this Union have already amended the usury statutes or have repealed them in order to permit FHA and VA loans to be made in those States. The States of Virginia and Maryland have repealed them for all mortgages, all conventional mortgages as well as for the FHA and VA mortgages. This bill, of course, restricts it just to FHA and VA loans. By the way, it only exempts FHA and VA loans until March 31, 1972. This limits its effect for what we hope is a situation that will correct itself by that date.

The other body, when they approved the legislation, authorized the exemption until March 1971. Of course, anyone who is proposing new construction would undoubtedly find that the loan could not be placed on the building until after March 1971. So we felt that this was the minimum temporary extension or temporary exemption that could be granted.

This has the support of every responsible organization in the District of Columbia, the District of Columbia government, the District of Columbia Chamber of Commerce, the Real Estate Brokers Association, which is predominantly represented by black people in the real estate business, and, of course, it has the support of HUD and the Veterans' Administration.

It will help to stop the downward trend of homeownership in the District.

The gentlewoman from Missouri (Mrs. SULLIVAN) a moment ago mentioned the reduction of homeownership in the District of Columbia. Homeownership in the District of Columbia has dropped from about $500 million in 1965 down to around $300 milion in 1969, a reduction of 45 percent. As I stated earlier in response to an inquiry of the gentleman from Florida, I think it has now been reduced to practically zero. There will be little or no productive homeownership in the Nation's Capital in the future, insofar as new homeownership is concerned, unless this bill is passed.

This bill is directed toward helping the low-income people, not the "fat cat" bankers. As far as the low-income people are concerned, in respect to the interest of 8½ percent, they will have the protection of the Secretary of Housing and Urban Development and the Administrator to help insure that they get the lowest interest attainable in the marketplace.

Mr. NELSEN. Mr. Speaker, I move to strike out the last word.

The SPEAKER pro tempore. The gentleman from Minnesota is recognized.

Mr. NELSEN. Mr. Speaker, I would like to ask the gentleman from Virginia a question or two. This is an area in which I am not expert. But it is my understanding that holders of VA and FHA loans are legally permitted to pay an interest rate that is above the usury laws of the District of Columbia; is that correct?

Mr. BROYHILL of Virginia. That is correct, 8½ percent at the present date.

Mr. NELSEN. FNMA has indicated

that it will not buy loans that exceed 7½ percent interest because they are fearful of the fact that they will then be in violation of the usury laws; is that correct?

Mr. BROYHILL of Virginia. It would be a clear-cut violation when the rate is set at 8½ percent. As I pointed out a moment ago, even in the period when the rates were as low as 7½ percent FNMA would not buy those loans, because the discount rate and the interest, the total amount paid, would exceed 8 percent.

Mr. NELSEN. In the State of Virginia the usury laws are at a higher level than they are in the District of Columbia; is that correct?

Mr. BROYHILL of Virginia. The usury laws in the State of Virginia until recently provided a rate of 8 percent. The laws remained that way until the last session of the general assembly on all loans. The last legislature exempted all mortgage loans, including FHA and VA and conventional loans, from the 8½ percent ceiling.

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

Mr. BROYHILL of Virginia. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Is it not true that if you now get a waiver of the usury rate, and you let the FHA and the VA rate go up, would you not penalize the veteran who could now buy at the 8-percent rate?

Mr. BROYHILL of Virginia. Mr. Speaker, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. How in the world can you penalize the veteran when the veteran cannot get a VA loan today at 8 percent? What we are doing at present is virtually prohibiting him from getting a loan in the District of Columbia at all because the FHA rate is set at 8½ percent and the D.C. usury law is set at 8 percent. I understand there are many who would like to get such loans, but cannot get them.

Mr. BARRETT. In that case your argument is sound, because veterans cannot get your interest rates. We are now working on a bill which would provide not only veterans and those who would buy under the VA program, but we would enable everybody to get a home. Where we are in dire need for homes is in the middle-income brackets. We have done an adequate job for the low- and moderate-income people. The higher income brackets can buy their own homes. They need no help from Congress. The area in which we need help is the middle-income people. Very shortly we will bring to the floor a bill to help them.

I was happy to hear the gentleman say that he would support a bill of that type. We are hoping to bring out a bill that would provide a rate of no more than 6½ percent, which would give everybody, those in the low-, moderate-, and high-income brackets, an opportunity to buy at that level. But what you are doing in this bill is to escalate interest rates on the veteran and those who are buying through FHA, and your conventional mortgages are still at 8 percent. You are taking advantage of the veteran in this bill.

Mr. NELSEN. I would like to point out, in response to an earlier question as to the effect that the 8 percent limitation is having on housing that is being built in the District of Columbia recently, that the record shows in 1965 $562 million was loaned in this city secured by deeds of trust. By the end of 1969 this figure had declined to $311 million, a loss of 45 percent. For the first 3 months of 1970, while no figures are yet available to your committee, we were advised at hearings on this bill that the situation had become even worse.

My interest in this legislation is not to give encouragement to higher interest rates. But I wonder whether, because of circumstances in the surrounding States making it impossible for the people in the District of Columbia to get the housing that they need? Especially, isn't this the case as to section 235 low-income housing? It is regrettable that we do not have some uniformity of usury laws among the States, but since we do not we must consider this legislation in light of existing conditions. At the present time the loaning agencies here who are eligible to make guaranteed loans, cannot sell the loans to FNMA because of circumstances which prevail here. They can go across the District line and make such loans in Maryland and Virgina. As a result of this situation, new housing—VA, FHA, and low-income—has been almost completely terminated in the District of Columbia, which is unfortunate as far as the District residents are concerned.

So that there will be no question about the fact that the District government favors this legislation concerning the FHA and VA mortgage and loan interest rates—H.R. 17601—I wish to include in the RECORD a copy of a letter which I received from Gilbert Hahn, Jr., Chairman of the District of Columbia City Council, indicating that the council favors the enactment of this legislation.

While it is true that the expiration date Mr. Hahn speaks of is March 31, 1971, the testimony before the House District Committee indicated that such a short period of time would probably not give to the District the type of relief from the high interest rates that the District government would expect. Accordingly, the effective date as contained in H.R. 17601 is March 31, 1972.

Except for this technical amendment, the legislation is that which is supported by the city council.

I also attach for the RECORD letters addressed to Chairman MCMILLAN on this legislation from the Secretary of Housing and Urban Development and the Administrator of the Veterans' Administration.

The material follows:

GOVERNMENT OF THE DISTRICT OF COLUMBIA, CITY COUNCIL,
Washington, D.C., April 30, 1970.

Hon. ANCHER NELSEN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN NELSEN: I am writing with respect to legislation now pending with the House District Committee which would exempt FHA and VA mortgages and loans from the interest and usury laws of the District of Columbia. The legislation was submitted to the Congress on November 14, 1969 by the District of Columbia Government. The legislation passed the Senate as S. 3313 and I understand that bill is also pending in the House District Committee.

The District Government submitted this legislation as a result of City Council meetings with community leaders and Federal officials concerned with the housing mortgage market in the District of Columbia. As a consequence of our investigation, we found that the prevailing 8½% interest rate on FHA and VA loans in combination with the 8% usury ceiling in the District had eliminated the issuance of such loans on single-family residences in the city. In addition, the FHA will no longer guarantee mortgages in the District for its Section 235 low-income housing program. Thus, the unavailability of FHA and VA insured loans and mortgages means that virtually no low or moderate income families can finance a house in the District of Columbia.

In order to meet the immediate problem of providing an adequate housing mortgage market in the District of Columbia, we have recommended a temporary exemption from the District's usury laws for FHA and VA mortgages and loans. As passed by the Senate, S. 3313 provides that the expiration date for the usury law exemption will be March 31, 1971, and the District Government supports that date.

As I mentioned above, exemption of FHA and VA mortgages from the usury limit can only be a short term answer to the problem of home financing. With respect to long term answers, the City Council has created a Commission on Interest Rates and Consumer Credit which, among other things, will study the mortgage interest rate situation in the District of Columbia and make specific recommendations with respect thereto.

I believe that temporary relief for the District's housing mortgage market is of great importance to the citizens of the District and I urge your early consideration of the legislation before the House District Committee which would exempt FHA and VA mortgages from the District's usury laws.

Kindest personal regards,

GILBERT HAHN, Jr,
Chairman, City Council.

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT,
Washington, D.C., March 31, 1970.

Subject: H.R. 15380, 91st Congress (Hogan).

Hon. JOHN L. MCMILLAN,
Chairman, Committee on the District of Columbia, House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in further reply to your request for the views of this Department on H.R. 15380, a bill which would temporarily exempt FHA insured mortgages and VA guaranteed loans from the usury laws of the District of Columbia.

This Department supports enactment of H.R. 15380. At present there is a disparity between the higher FHA and VA interest ceilings established by the Secretary of Housing and Urban Development to meet mortgage market conditions and the lower interest limits set by the usury laws of the District of Columbia. As a result, investors in District of Columbia mortgages have had to charge substantially higher discounts for mortgage funds to realize the same net return as on their investments in other areas of the country. Because of the burden of these higher discounts on sellers of homes, private lenders have originated virtually no new FHA insured or VA guaranteed loans in the District of Columbia. Those commitments which have been issued have not been made to low and moderate income families. This situation would be remedied by an exemption of FHA and VA mortgages or loans from the usury law, preferably on a permanent basis.

The Secretary's regulation of maximum

interest rates provides continued protection to consumers which is intended by the usury statutes but with greater flexibility and regard for the current realities of the money markets so that loans are in fact available as well as reasonably priced.

The Federal National Mortgage Association and other secondary market investors remain active in the District of Columbia but their services would be more realistically available if mortgages could be issued at the established FHA and VA interest rate.

The Bureau of the Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

GEORGE ROMNEY.

VETERANS' ADMINISTRATION,
Washington, D.C., February 24, 1970.

HON. JOHN L. MCMILLAN,
Chairman, Committee on the District of Columbia, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for a report by the Veterans Administration on H.R. 15380, 91st Congress.

The bill would exempt loans insured by the Federal Housing Administration and loans guaranteed by the Veterans Administration from the usury law of the District of Columbia.

The District of Columbia usury law limits the interest rate on real estate loans to 8 percent per annum. The current maximum interest rate on VA-guaranteed and FHA-insured loans is 8½ percent. The result is that lenders are unwilling to make guaranteed and insured loans in the District of Columbia since they are unable to obtain 8½ percent interest under the local law. This situation also exists in a number of states. When other factors are equal, it is to be expected that lenders and investors will select jurisdictions where they can obtain the maximum interest rate for the investment of their mortgage funds.

We consider it desirable that GI loan benefits be available on a uniform basis throughout the country to the extent possible. The enactment of this bill would remove the impediment created by the usury law in the District of Columbia and would give veterans an opportunity to obtain GI financing for the purchase of homes in the District of Columbia. Similar legislation exempting VA and FHA loans from local usury laws, has been enacted in a number of states, among which are Pennsylvania, New York, New Jersey, Michigan, Illinois, Maryland, Mississippi, and North Carolina.

If this legislation were enacted, any additional cost incurred would be minimal.

For the foregoing reasons, we recommend favorable consideration of H.R. 15380 by your Committee.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

Mrs. SULLIVAN. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I am somewhat underwhelmed by the seeming urgency of this measure—the fact that we did not have a report on this bill available until this morning and that no printed hearings were available, and that we apparently have to do something quickly and urgently to save the housing industry in Washington, D.C.

The home finance industry in Washington, D.C., has been notoriously disinterested in writing FHA and VA housing loans. The facts and statistics establish that, because there are normally only about two transactions a day in this area involving FHA or VA financing. We established why the reasons for that in an investigation conducted by an ad hoc subcommittee of the House Committee on Banking and Currency. The report of that investigation was made public several weeks ago, and if members of the Committee on the District of Columbia had read that report or had asked us anything about it in connection with this bill, I think they might be less enthusiastic about pushing this bill through.

We found, Mr. Speaker, that the banks in the District of Columbia notoriously do not finance residential mortgages, and particularly not in the District of Columbia. As for the savings and loans in the District, although their purpose is to promote home ownership in the areas in which they are located, the savings and loans in the District prefer to finance in the suburbs—which is understandable—but they also prefer to use conventional rather than FHA or VA types of loans.

Their reason is strictly one of economics. Usually they can make more on a conventional loan than on a Government-guaranteed or Government-insured mortgage. This was candidly acknowledged to us by the president of the Savings and Loan League for the District. He was speaking for his own savings and loan and not as president of the association, but the facts we developed showed clearly that this was the case. I strongly support efforts to bring the local home financing industry into the FHA, VA, and assisted housing programs but for years, when there was no usury ceiling problems, the institutions in the District of Columba have shown very little interest in those programs and recently they have had to be almost shamed into showing a little interest in this field. But this bill is not the way to encourage such interest. We are working on a housing bill for the Nation which I hope will provide some real imeptus to the FHA and VA programs. Mr. Speaker, I urge that H.R. 17601 be voted down.

Mr. PEPPER. Mr. Speaker, will the gentlewoman yield?

Mrs. SULLIVAN. I yield to the gentleman from Florida.

Mr. PEPPER. Mr. Speaker, we all quite understand the dilemma of the members of the committee who are urging this measure, because I suppose they feel if the money is not obtained at a high interest rate, there would not be any money at all, to speak of, as far as FHA and VA are concerned.

What I wanted to ask was, last year the gentlewoman's Committee on Banking and Currency brought out and the Congress enacted a bill authorizing the Executive to control credit for the country. I understood two of the objectives of that legislation were to reduce interest rates and to enable the Executive to channel funds into homebuilding and the provision of home facilities for the people of this country. May I ask the knowledgeable gentlewoman, does she know of anything the administration has done since the enactment of that measure to reduce interest rates and to channel funds into the homebuilding industry, which is relatively stagnant in this country today?

Mrs. SULLIVAN. As the gentleman knows, there has been nothing done on that. We did give the President unusual powers, that had never been given to any President before, to use selective credit control. Had he used those powers he could have helped bring down some of these interest rates.

Mr. PEPPER. I am sure we all deplore that lack of action.

Mr. BARRETT. Mr. Speaker, will the gentlewoman yield?

Mrs. SULLIVAN. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Speaker, does the gentlewoman not think if this bill would pass today it would create complications for the Housing Subcommittee bill, which the Committee on Banking and Currency is ready to bring out soon?

Mrs. SULLIVAN. I think it would definitely hurt the incentive provisions of that bill, but I would say to the gentleman also that as chairman of our Housing Subcommittee he knows better than anyone in the House that raising the rates or taking off the ceilings on FHA and VA loans has never brought one additional dollar into the housing market. It has just raised the homeowners' costs by thousands upon thousands of dollars, and has priced families out of the market for homes they could otherwise afford to buy but not at an 8½ percent interest rate on a long-term mortgage—the 1 percent increase in FHA–VA rates this year has added about $17 a month to the amortization cost, or about $6,000 per mortgage.

Mr. PUCINSKI. Mr. Speaker, I move to strike the requisite number of words.

I rise in opposition to this legislation. I take this time to pay a special tribute to the gentleman from Texas (Mr. PATMAN) the Chairman of the Committee on Banking and Currency.

I have listened to the gentleman's remarks in opposition to this legislation. Over the years we have listened to his admonitions and suggestions on the floor of the House. I submit that had this House and this Nation listened to his wise counsel, we would not have the inflation which we have today and we would not have the depression in the building industry which we have today, and we would have the rising unemployment rates we have in America.

I know of few men who do their homework as well as the gentleman from Texas on this very important subject. As he has quite properly pointed out today in his remarks, money lending is the biggest single industry in this country. It is a $120 billion industry in interest rates alone. Yet, the money lenders of America continue to be the untouchables. Everybody is afraid to address himself to the fact that last year they enjoyed higher increases in rates of earnings than any other industry in this country.

I placed into the RECORD an analysis of the increase in earnings of the banking institutions of America during the first 6 months of 1969. We showed

that the earnings had increased by an average of 20 percent across the country. Then we took 50 selected banks, banks selected at random, and we looked at their increase in earnings. We found one bank in Detroit increased its earnings by 49 percent, and on down the line until we had one bank in Chicago which increased its earnings by 11 percent.

It should be of considerable concern to us that when everybody else in this country is experiencing losses; when there is a decline in earnings and profits for every other industry, the money lenders continue to show an increase in earnings and profits.

I say to the Members, the gentleman from Texas has stood in this well alone and pleaded for sanity both in Congress and among the people of this country, to follow his good judgment.

Mr. Speaker, the moment of truth is going to be here in a few days.

My good friend from Virginia said that he wants to do something about housing for veterans and we want to do something about housing for middle-income Americans. We also keep hearing of great concern for the poor people over and over. We heard it when we were urged to raise interest rates on VA mortgages from 4½ percent to 5½ percent, and then to 6½ percent, and then to 7½ percent, and then to 8½ percent. We heard the same arguments when we were asked to raise interest rates on FHA mortgages, and in each instance the plea is made that we have to raise these interest rates because the money is not available for housing for these people.

As the gentlewoman from Missouri just said, all these amendments have not brought one new house into the building market.

As the gentleman from Texas said, today it costs an American $58,000 to buy a $20,000 house.

So the moment of truth is coming. The gentleman from Texas will bring in a bill to us very shortly which will provide $4.5 billion at no more than 6½ percent, earmarked specifically and exclusively for low-income and middle-income home construction. We are going to find out, when the vote comes on this proposal, who runs America; whether the banking interests run this country or whether the people run this country.

I say to my friends, here is a Member, a colleague of ours, who has earned the eternal gratitude of all the people of this country. I hope, in view of all the experiences we have witnessed with failures of the past, that for once we will listen to his leadership, get behind him, get that bill passed through the Congress, to move this country ahead again. I have always supported the gentleman's efforts to lower interest rates and intend to do so again.

Everybody talks about wage controls. They want the workingman to pay the full price for inflation. But I have yet to hear anybody in this administration address himself to skyrocketing interest rates.

I would hope the President would call the bankers of this country to the White House and say, "Gentlemen, we are on the verge of national disaster, and you are going to have to take some voluntary action to bring these interest rates down."

I warned on December 8, 1969, that the Nation is faced with economic disaster if interest rates are not reduced. I predicted a $100 billion loss in stock market values and said because anticipated revenue will not materialize, the President will suffer a deficit for his first year in office. I have been proven to be most prophetic. I say now, Mr. Speaker, unless forceful action is taken by the administration right now, we could see a disaster of irreparable magnitude.

Interest rates must come down as the first prerequisite of restoring stability to our economy.

Now, do not tell me that interest rates are dictated by the law of supply and demand. Today's scramble for higher profits from interest rates is nothing more than the rules of the jungle: Grab whatever the traffic will bear. That is exactly what they have been doing for the last 10 years.

So I say to you, my friends, let us get behind the gentleman from Texas, the very learned chairman of the Committee on Banking and Currency. Let us see if for once we cannot pass legislation that will bring meaningful help to the building industry and start addressing ourselves to the $1.2 billion deficit in housing starts that we are now experiencing across the country.

I am convinced that once we pump $4½ billion into the market at no more than 6½ percent interest, the rest of the moneylenders will have to reduce their interest rates to remain competitive.

Mr. BRINKLEY. Mr. Speaker, I move to strike the requisite number of words.

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

Mr. BRINKLEY. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Speaker, I want to thank the gentleman for yielding.

I want to close by merely saying that we have heard a lot of conversation here today. I hope some of it is heeded and that we can begin reducing interest rates. I certainly desire that end very much. Talk is somewhat inexpensive. The situation existing in the District of Columbia today is that there is no FHA or VA housing going on.

The argument has been made that this has not brought about any housing. I submit to you that 19 States, including the two surrounding jurisdictions, Maryland and Virginia, lowered their interest rates and have been able to make these commitments. You cannot tell me that the general assemblies of these two States have acted irresponsibly in trying to gouge the poor. Every responsible person in the District of Columbia government from the Mayor, the Vice Chairman of the City Council, the Chairman of the City Council, the Mayor's special assistant for housing, came before this committee and urged us to pass this legislation. I do not think you can accuse Mayor Walter Washington of trying to gouge the poor. I get very tired of coming to the floor of this House and hearing somebody say that you are trying to gouge the poor in order to fatten the pockets of the rich. This is not a bankers bill. If you want a housing bill, here it is. If you do not want housing in the District of Columbia, then vote against this bill. That is your prerogative. But if you want housing in the District of Columbia, this is legislation that we will have to pass. I humbly hope that you will support the commitee and pass this legislation so that we can have a temporary lifting of the laws and enable us to have some kind of housing construction beginning in the District of Columbia.

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

Mr. BRINKLEY. I yield to the gentleman from Minnesota.

Mr. NELSEN. I would like to thank the gentleman from Florida for his comments and point out those of us who serve on the District Committee find it quite a burden. It takes a lot of time, and there is no political mileage to be gained in your own district because of the effort that you put in here.

Here we have an immediate problem facing us that has almost shut off a certain type of financing in the District of Columbia for the housing for the very people that the opponents to this bill seem to be talking about now, that is, the low-income folks. It was the feeling of the committee that this would relieve a problem for low-income residents. If we want to get at the total interest problem in some other way, that is fine with me. But let us not do it by penalizing the low-income resident. I have no desire whatever to contribute to higher interest rates, but I have a desire to try to stimulate, if possible, added housing for the people who need it most in the District of Columbia, the low-income people who would qualify for section 235 HUD housing.

I thank the gentleman for his statement, and I am glad he clarified this matter for the membership.

Mr. FUQUA. I might point out, if the gentleman will yield further, that this bill passed the Senate in April unanimously. We have had more interest in it than in any other piece of legislation. I have had numerous calls asking when this legislation would be considered. Our committee office was flooded by phone calls not from bankers but from people interested in providing themselves with homes.

I urge that the House favorably consider this bill.

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

Mr. BRINKLEY. I yield to the gentleman.

Mr. BARRETT. I wonder if the District Committee made any requests to the Housing Subcommittee and whether or not they were anticipating voting a bill out that was going to be acceptable not only to the District of Columbia but to the people throughout the country dealing with low interest rates. This is a complicated issue. The administration today is requesting consolidation, a codifying of the housing laws. Right here again is a demonstration of the complication of these bills so intricate that no one understands them. There is an overlapping in work and direction. We are

doing the very same work that you people are bringing in the form of this bill to the floor of the House today. Had you called over we would have told you so and you would not have had to have infringed upon the Housing Subcommittee. You would have been told that within a very short time we will bring out a bill that you are here today using a bill and making heart-bleeding pleas to get lower interest rates—you would have had an opportunity to vote on it.

Mr. BRINKLEY. Mr. Speaker, I yield back the balance of my time.

Mr. HOGAN. Mr. Speaker, as the author of the bill—H.R. 15380—considered by the District Committee and recommended to you for your consideration today, as amended, H.R. 17601, I would like to explain why I support this measure.

My colleagues will recall that last fall, the Federal National Mortgage Association—FNMA—pulled out of the mortgage market in the District of Columbia as a result of fears that covered loans made at the prevailing rates in the District might be declared in violation of the provisions of the D.C. Code limiting the legal interest rate, including points, to 8 percent per annum.

Although some experts in the field feel the addition of points are not considered interest, FNMA was unwilling to risk a decision in the courts to the contrary. District of Columbia law is silent on the specifics of points as interest.

With the absence of FHA-insured and VA-guaranteed mortgage purchases by FNMA, the housing market for moderate income families in the District of Columbia has come to a near standstill. In addition, the development of low-income ownership housing under section 235 of the Housing and Urban Development Act is being severely restricted, as well as efforts of the District of Columbia Redevelopment Land Agency in relocating persons displaced by urban renewal projects.

Mayor Walter Washington and all concerned elements of the community, District of Columbia government officials and HUD and FNMA officials are unanimous in their support of legislation temporarily exempting FHA-insured and VA-guaranteed loans from the District of Columbia usury laws.

The Mayor expressed the support of the District of Columbia government for this legislation as an intermediate step to alleviate the situation while a review of the interest rate policies is undertaken by the District government.

Neighboring States of Maryland and Virginia both faced similar difficulties with respect to their State usury laws. However, by action on the part of the respective State legislatures, these restrictions have been removed and much FHA and VA activity is evidenced in these States.

According to expert forecasts at this time, interest rates nationally may begin to come down to a more reasonable level in the future. In the meantime, until anti-inflationary measures take stronger hold, something must be done to reopen the housing market in this city.

The bill before you would temporarily, until March 31, 1972, lift the interest ceiling requirements on FHA and VA loans in the District of Columbia. I urge my colleagues to vote favorably on this legislation in order that the housing and mortgage markets in the District may be revitalized before they stagnate into total decay.

Included herewith is a letter forwarded to Chairman McMillan of the House District Committee indicating the endorsement of the District of Columbia City Council of legislation that would exempt FHA and VA mortgages and loans from the interest and usury laws of the District of Columbia:

GOVERNMENT OF THE DISTRICT OF COLUMBIA, CITY COUNCIL,
Washington, D.C., April 30, 1970.

Hon. JOHN L. MCMILLAN,
Chairman, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing with respect to legislation now pending with the House District Committee which would exempt FHA and VA mortgages and loans from the interest and usury laws of the District of Columbia. The legislation was submitted to the Congress on November 14, 1969, by the District of Columbia Government. The legislation passed the Senate as S. 3313 and I understand that bill is also pending in the House District Committee.

The District Government submitted this legislation as a result of City Council meetings with community leaders and Federal officials concerned with the housing mortgage market in the District of Columbia. As a consequence of our investigation, we found that the prevailing 8½% interest rate on FHA and VA loans in combination with the 8% usury ceiling in the District had eliminated the issuance of such loans on single-family residences in the city. In addition, the FHA will no longer guarantee mortgages in the District for its Section 235 low-income housing program. Thus, the unavailability of FHA and VA insured loans and mortgages means that virtually no low or moderate income families can finance a house in the District of Columbia.

In order to meet the immediate problem of providing an adequate housing mortgage market in the District of Columbia, we have recommended a temporary exemption from the District's usury laws for FHA and VA mortgages and loans. As passed by the Senate, S. 3313 provides that the expiration date for the usury law exemption will be March 31, 1971, and the District Government supports that date.

As I mentioned above, exemption of FHA and VA mortgages from the usury limit can only be a short term answer to the problem of home financing. With respect to long term answers, the City Council has created a Commission on Interest Rates and Consumer Credit which, among other things, will study the mortgage interest rate situation in the District of Columbia and make specific recommendations with respect thereto.

I believe that temporary relief for the District's housing mortgage market is of great importance to the citizens of the District and I urge your early consideration of the legislation before the House District Committee which would exempt FHA and VA mortgages from the District's usury laws.

Kindest personal regards,
GILBERT HAHN, Jr.,
Chairman, City Council.

The SPEAKER pro tempore (Mr. PRICE of Illinois). Without objection, the previous question is ordered on the passage of the bill.

There was no objection.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

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

The SPEAKER pro tempore. The question is on the passage of the bill.

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

Mr. PATMAN. 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 pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 119, nays 176, not voting 134, as follows:

[Roll No. 139]

YEAS—119

Abbitt	Flynt	Nelsen
Abernethy	Fountain	O'Hara
Adair	Frey	Passman
Anderson, Ill.	Fuqua	Poage
Ashley	Gallagher	Purcell
Aspinall	Griffin	Quie
Beall, Md.	Gubser	Reid, Ill.
Berry	Gude	Roberts
Betts	Hagan	Robison
Blackburn	Haley	Rogers, Fla.
Boggs	Hammer-schmidt	Satterfield
Brock	Hansen, Idaho	Schneebeli
Brown, Mich.	Harvey	Scott
Brown, Ohio	Hébert	Sikes
Broyhill, Va.	Henderson	Sisk
Burleson, Tex.	Hull	Smith, N.Y.
Bush	Jarman	Springer
Byrnes, Wis.	Jonas	Stafford
Cabell	Jones, N.C.	Stanton
Casey	Keith	Steiger, Ariz.
Cederberg	Kuykendall	Steiger, Wis.
Collier	Landgrebe	Stephens
Colmer	Langen	Taft
Conable	Lloyd	Talcott
Coughlin	Long, Md.	Teague, Calif.
Crane	Lujan	Thomson, Wis.
Daniel, Va.	McClory	Vander Jagt
Davis, Ga.	McCulloch	Waggonner
Davis, Wis.	McDonald, Mich.	Wampler
Dennis	Mailliard	Whalen
Derwinski	Marsh	Whitehurst
Dickinson	Martin	Widnall
Dowdy	Mayne	Wiggins
Erlenborn	Meskill	Williams
Esch	Michel	Wilson, Bob
Evans, Colo.	Montgomery	Winn
Fallon	Mosher	Wold
Fascell	Myers	Wyatt
Findley	Natcher	Wyman
Fish		
Flowers		

NAYS—176

Adams	Caffery	Foreman
Addabbo	Camp	Fraser
Alexander	Chappell	Friedel
Andrews, Ala.	Clancy	Fulton, Pa.
Andrews, N. Dak.	Clausen, Don H.	Fulton, Tenn.
Annunzio	Clay	Galifianakis
Ashbrook	Cleveland	Garmatz
Ayres	Collins	Gonzalez
Baring	Conte	Goodling
Barrett	Corbett	Gray
Bennett	Corman	Green, Pa.
Bingham	Cunningham	Griffiths
Blatnik	Daniels, N.J.	Gross
Boland	de la Garza	Grover
Bow	Delaney	Hall
Brademas	Dellenback	Hamilton
Bray	Dent	Hanley
Brinkley	Devine	Harrington
Brooks	Dingell	Hathaway
Broomfield	Donohue	Hawkins
Brotzman	Dorn	Hays
Broyhill, N.C.	Duncan	Hechler, W. Va.
Buchanan	Eckhardt	Heckler, Mass.
Burke, Fla.	Edmondson	Hicks
Burke, Mass.	Eilberg	Holifield
Burton, Utah	Esheleman	Hunt
Button	Fisher	Hutchinson
Byrne, Pa.	Flood	Ichord
		Jacobs

Johnson, Calif.	Obey	Schadeberg
Johnson, Pa.	O'Konski	Shriver
Karth	Olsen	Skubitz
Kastenmeier	O'Neill, Mass.	Slack
Kazen	Patman	Smith, Calif.
King	Patten	Smith, Iowa
Kleppe	Pelly	Staggers
Kluczynski	Pepper	Steed
Leggett	Perkins	Stokes
Long, La.	Philbin	Sullivan
McDade	Pickle	Symington
McFall	Pike	Taylor
McKneally	Pirnie	Thompson, Ga.
Macdonald, Mass.	Poff	Tiernan
	Price, Ill.	Ullman
Madden	Price, Tex.	Van Deerlin
Mahon	Pryor, Ark.	Vanik
Meeds	Pucinski	Vigorito
Mikva	Quillen	Waldie
Miller, Ohio	Rarick	White
Mills	Rees	Wolff
Minish	Reuss	Wright
Minshall	Roe	Wydler
Mize	Rosenthal	Wylie
Mizell	Rostenkowski	Yates
Monagan	Roth	Yatron
Moorhead	Roudebush	Young
Morgan	Ruth	Zablocki
Murphy, Ill.	Ryan	Zion
Murphy, N.Y.	Sandman	Zwach
Nedzi	Saylor	

NOT VOTING—134

Albert	Frelinghuysen	Morton
Anderson, Calif.	Gaydos	Moss
	Gettys	Nichols
Anderson, Tenn.	Giaimo	Nix
	Gibbons	O'Neal, Ga.
Arends	Gilbert	Ottinger
Belcher	Goldwater	Pettis
Bell, Calif.	Green, Oreg.	Podell
Bevill	Halpern	Pollock
Biaggi	Hanna	Powell
Biester	Hansen, Wash.	Preyer, N.C.
Blanton	Harsha	Railsback
Bolling	Hastings	Randall
Brasco	Helstoski	Reid, N.Y.
Brown, Calif.	Hogan	Reifel
Burlison, Mo.	Horton	Rhodes
Burton, Calif.	Hosmer	Riegle
Carey	Howard	Rivers
Carter	Hungate	Rodino
Celler	Jones, Ala.	Rogers, Colo.
Chamberlain	Jones, Tenn.	Rooney, N.Y.
Chisholm	Kee	Rooney, Pa.
Clark	Kirwan	Roybal
Clawson, Del	Koch	Ruppe
Cohelan	Kyl	St Germain
Conyers	Kyros	Scherle
Cowger	Landrum	Scheuer
Cramer	Latta	Schwengel
Culver	Lennon	Sebelius
Daddario	Lowenstein	Shipley
Dawson	Lukens	Snyder
Denney	McCarthy	Stratton
Diggs	McCloskey	Stubblefield
Downing	McClure	Stuckey
Dulski	McEwen	Teague, Tex.
Dwyer	McMillan	Thompson, N.J.
Edwards, Ala.	MacGregor	Tunney
Edwards, Calif.	Mann	Udall
Edwards, La.	Mathias	Watkins
Evins, Tenn.	Matsunaga	Watson
Farbstein	May	Watts
Feighan	Melcher	Weicker
Foley	Miller, Calif.	Whalley
Ford, Gerald R.	Mink	Whitten
Ford, William D.	Mollohan	Wilson, Charles H.
	Morse	

So the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Edwards of Louisiana for, with Mr. Rooney of New York against.

Mr. Hogan for, with Mr. Horton against.

Mr. Rhodes for, with Mr. Morse against.

Mr. Reifel for, with Mr. Biester against.

Until further notice:

Mr. Albert with Mr. Gerald R. Ford.

Mr. Celler with Mr. Arends.

Mr. Dawson with Mr. Lowenstein.

Mr. Evins of Tennessee with Mr. Cowger.

Mr. Stubblefield with Mr. Harsha.

Mr. Burlison of Missouri with Mr. Scherle.

Mr. Matsunaga with Mr. Sebelius.

Mr. Landrum with Mr. Carter.

Mr. Jones of Alabama with Mr. Edwards of Alabama.

Mr. Howard with Mr. Frelinghuysen.

Mr. Feighan with Mr. Latta.

Mrs. Green of Oregon with Mr. Bell of California.

Mr. Brasco with Mr. Halpern.

Mr. Jones of Tennessee with Mr. Snyder.

Mr. Anderson of California with Mr. Goldwater.

Mr. Roybal with Mr. Reid of New York.

Mr. Stuckey with Mr. Belcher.

Mr. Charles H. Wilson with Mr. Hosmer.

Mr. Teague of Texas with Mr. Del Clawson.

Mr. Kee with Mr. Whalley.

Mr. McMillan with Mrs. May.

Mr. Nix with Mr. McCarthy.

Mr. Mann with Mr. Cramer.

Mr. Foley with Mr. McCloskey.

Mr. Cohelan with Mr. Riegel.

Mr. Gaydos with Mr. Chamberlain.

Mr. Conyers with Mr. Brown of California.

Mrs. Mink with Mr. Diggs.

Mr. Farbstein with Mrs. Dwyer.

Mr. Giaimo with Mr. Weicker.

Mr. Stratton with Mr. Hastings.

Mr. Helstoski with Mr. Railsback.

Mr. Biaggi with Mr. McEwen.

Mr. Moss with Mr. Mathias.

Mr. Tunney with Mr. Powell.

Mr. Podell with Mr. Ruppe.

Mr. Anderson of Tennessee with Mr. Schwengel.

Mr. Bevill with Mr. Watts.

Mr. Hungate with Mr. Pollock.

Mr. Kyros with Mr. Lukens.

Mr. Miller of California with Mr. Pettis.

Mr. Carey with Mr. MacGregor.

Mr. Daddario with Mr. Watkins.

Mr. Dulski with Mr. Kyl.

Mr. Hanna with Mr. Denney.

Mr. Rodino with Mr. Morton.

Mr. Rivers with Mr. Watson.

Mr. Burton with Mrs. Chisholm.

Mr. Clark with Mr. Udall.

Mr. William D. Ford with Mr. Culver.

Mrs. Hansen of Washington with Mr. Gilbert.

Mr. Rooney of Pennsylvania with Mr. Shipley.

Mr. Blanton with Mr. Koch.

Mr. Downing with Mr. Gettys.

Mr. Edwards of California with Mr. Melcher.

Mr. Mollohan with Mr. Nichols.

Mr. O'Neal of Georgia with Mr. Randall.

Mr. Ottinger with Mr. Preyer of North Carolina.

Mr. Rogers of Colorado with Mr. Scheuer.

Mr. St Germain with Mr. Whitten.

Mrs. GRIFFITHS and Messrs. DENT and KLEPPE changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the District bills considered today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

TO IMPROVE AND CLARIFY LAWS AFFECTING THE COAST GUARD

Mr. GARMATZ. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 13816) to improve and clarify certain laws affecting the Coast Guard, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 4, line 21, strike out "and (c)" and insert: "(c), and (e)".

Page 5, lines 12 and 13, strike out "which event he is authorized to exceed the authorized average." and insert: "some areas, in which event he is authorized to reallocate existing funds to high-cost areas so that rental expenditures in such areas exceed the average authorized for the Department of Defense."

Page 6, line 12, strike out [dependents."] and insert: "dependents."

Page 6, after line 12, insert:

"'(e) The authority provided in subsections (a), (b), and (c) of this section shall expire on June 30, 1972.'"

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

BANK RECORDS AND FOREIGN TRANSACTIONS

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 941 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15073) to amend the Federal Deposit Insurance Act to require insured banks to maintain certain records, to require that certain transactions in United States currency be reported to the Department of the Treasury, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the amendments recommended by the Committee on Banking and Currency now printed on page 4, line 22 through page 5, line 4 and on page 26, line 20 through page 27, line 25 of the bill. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from Nebraska (Mr. MARTIN), pending which I yield myself such time as I may consume.

Mr. SPEAKER. House Resolution 941 provides an open rule with 2 hours of debate for consideration of H.R. 15073 to amend the Federal Deposit Insurance Act to require insured banks to maintain certain records, to require that certain transactions in U.S. currency be reported

to the Department of the Treasury, and for other purposes. Because of nongermaneness, the resolution also provides that points of order be waived against the committee amendments in the bill on page 4, line 22 through page 5, line 4, and on page 26, line 20 through page 27, line 25.

The purpose of H.R. 15073 is to deal with two major problem areas in law enforcement. The first is that of financial recordkeeping by domestic banks and certain other domestic financial institutions. The second is the use by American residents of foreign financial facilities located in the jurisdictions with various types of secrecy laws.

Title I of the bill requires the Secretary of the Treasury to prescribe regulations whereby insured banks, insured institutions, and other financial institutions must maintain appropriate types of records which have, or may have, a high degree of usefulness in criminal tax or regulatory investigations or proceedings.

Title II provides for records and reports of domestic currency transactions, exports and imports of monetary instruments and records and reports of foreign transactions by residents or citizens of the United States or persons doing business therein. Transactions under $500 are exempt.

Title III of the bill amends the Securities and Exchange Act to make it unlawful for persons to obtain or retain credit in violation of rules or regulations issued pursuant to that section.

Most of the records required to be maintained under the bill are already kept by most financial institutions, so the regulations should impose almost no additional expense upon those affected. The records required to be maintained will not be made automatically available for law enforcement purposes. They can only be obtained through existing legal process.

Title IV of the bill provides that the provisions of the bill will take effect on the first day of the seventh month beginning after the date of enactment, but allows the Treasury, with respect to titles I and II, and the Federal Reserve Board, with respect to title III, to postpone or advance the effective date by as much as 6 months.

Mr. Speaker, I urge the adoption of House Resolution 941 in order that the bill may be considered.

Mr. MARTIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from Indiana has explained, House Resolution 941 provides for 2 hours of debate on the bill H.R. 15073, with an open rule, and for the waiving of points of order on page 4, line 22, through page 5, line 4, and on page 26, line 20, through page 27, line 25, of the bill. I would like to explain to the House why these points of order are waived.

The bill itself amends the Federal Depost and Insurance Act. Section 102 on page 4 provides an amendment to the National Housing Act.

On page 26, title III, margin requirements, the bill makes amendments to the Securities Exchange Act of 1934.

Consequently, these two sections are not germane to the bill, and points of order have to be waived on these two sections of the bill.

As the gentleman from Indiana has explained, the purpose of the bill is to meet several problems associated with financial transactions here and abroad. Current law and practice do not require recordkeeping by our financial institutions; further, many Americans are making use of financial institutions abroad which operate under secrecy laws which make concealment of assets easy. The bill primarily seeks to stop these two problems.

With respect to full financial recordkeeping, the problem can be simply stated; in the past decade, as organized crime and criminals have become more sophisticated, more and greater use has been made by criminal elements of our Nation's financial institutions. Law enforcement officials believe that an effective attack on organized crime requires the maintenance of adequate and appropriate records by financial institutions. The bill does require this, and in such a manner as to facilitate criminal, tax, and regulatory investigations. Most of the required records are already maintained by most financial institutions, generally by photocopying checks, drafts, and similar monetary instruments drawn on them. Under the bill, the Secretary of the Treasury will issue regulations requiring all institutions to so photocopy and maintain all records of transactions within all accounts, except domestic transactions below $500.

Similarly, the bill requires the recording and maintaining of all cash transactions, deposits or withdrawals, under such regulations as are promulgated by the Secretary of the Treasury.

It is important to note that such records as are required to be maintained by the bill by domestic financial institutions are not open matters. In order for law enforcement officials to secure them, existing legal processes must be pursued.

Penalties, both civil and criminal are provided. Civil penalties include a fine of $1,000 upon any financial institution which fails to maintain required records. Any person convicted of a willful violation of any regulations promulgated by the Secretary of the Treasury will be subject to a fine of up to $1,000 or imprisonment of up to 1 year, or both. Where the violation is knowingly committed in furtherance of a Federal felony, it is punishable by a fine of up to $10,000 or imprisonment of not more than 5 years, or both.

With respect to foreign transactions, the existence of foreign financial institutions whose operations are cloaked in secrecy has permitted: utilization by persons trying to evade our tax laws, conceal assets, or punchase gold; utilization by persons as an element in fraud schemes in connection with security transactions; to mount efforts to force mergers or takeovers of American companies, and to serve as a depository for criminal funds from such illegal activities as gambling, narcotics, vice, and other illegal centures.

In jurisdictions with secrecy laws our law enforcement agencies are placed in an impossible position. To have any hope of gaining the desired information, officials must subject themselves to long, drawn-out foreign legal process. Oftentimes the "evidence" has disappeared. To overcome this problem, and still not unduly interfere with the rights, laws, and sovereignty of foreign nations and their institutions, the bill is directed toward Americans and those doing business in the United States, and the Treasury Department is giving wide administrative flexibility to assure the uninterrupted flow of world commerce and trade. The aim is to place such persons in the same position with regard to his secret foreign transactions as he would be with respect to his domestic transactions.

The bill requires that any resident or citizen of the United States, or person doing business here, who engages in any transaction with a foreign financial agency to maintain records or to file reports setting forth required information, which the Secretary of the Treasury or law enforcement agencies would secure through legal processes.

Penalties are imposed: a fine of up to $1,000 for willful violations in civil cases. In criminal cases, the penalty is a fine of up to $1,000 or imprisonment of up to 1 year, or both. Any willful violation in furtherance of a violation of Federal law or as part of a pattern of illegal activity involving transactions exceeding $100,000 in any 12-month period is a felony punishable by a fine of not more than $500,000 or imprisonment for not more than 5 years, or both.

No limits are placed on the impact of U.S. currency to foreign jurisdictions.

No agency reports are contained in the report.

Additional views are filed by Mr. Stanton suggesting that a number of amendments recommended by the Treasury have not been included—but should be.

Chairman PATMAN has filed additional views. He believes the exemption of domestic financial institutions from keeping full records on all transactions under $500 should be removed.

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

Mr. MARTIN. I yield to the gentleman.

Mr. HALL. I want to say I appreciate the gentleman's excellent explanation of the intent of the bill. I am a little bit puzzled, however, about the explanation of the waivers of the points of order, since no such explanation came from the majority side. It just appears to me that this is another in the long chain of events where the individual rights of the elected Members of Congress are being trampled upon. Now we have it in reverse.

For years we have heard around here when the parent Committee of Ways and Means has a bill on the floor that either the Committee on Rules or the chairman of that committee or the parliamentarian or someone, must exempt points of order so that other offshoots of the original and constitutional Committee on Ways and Means, such as the Committee on Banking and Currency, cannot get in and trample on and do damage to the basic tax law.

Now we have points of order waived

because of nongermaneness in two different sections of this bill, and as meritorious as it might be to get the Mafia or the Cosa Nostra from shipping funds out and depositing them in overseas "more-safe" banks in secret or numbered accounts, and having some record established and margin requirements changed and so forth; I just do not understand how we can have waivers of points of orders both ways—one time to protect our own tax laws, and the other time to protect other people's banking institutions. It just seems to me as though the only real sufferer is the American people and their elected Representatives who forfeit thereby through a function of their own committee or the chairman and those hired to protect the rights of individuals are given up.

I wish we could have just a little bit more of an explanation as to why we have these two waivers of points of order, because nongermaneness is tantamount to and certainly the same as, not only giving up individual rights on the floor discussion, but it also means an invasion of either the surveillance, or oversight, or the jurisdiction on the part of one committee or the other.

Since one of these is the sire of the other two, I wonder why we have to have points of order waived, going in both directions?

Would the gentleman expand on that point, if he has the information, or would that question be better answered by the majority party?

Mr. MARTIN. I shall be glad to try to answer the gentleman from Missouri. In this particular regard, we are talking about the bill we have before us today. As the gentleman well understands, points of order are waived on these two sections of the bill because they amend acts other than the Federal Deposit Insurance Act, to which the bill is primarily directed. If these provisions had been left out of the bill, then the House would have to consider three different bills from three different committees of the House. In consequence it was all included in one bill.

To get at this problem of financial dealings, particularly overseas and overseas banks, it was included in this bill so that it could be considered as one piece of legislation and, of course, points of order, under the rules of the House, would have to be waived.

With regard to the gentleman's remarks about bills from the Ways and Means Committee, which come to us under a closed rule, I would have the gentleman know that when we had under consideration the Family Assistance Act of 1970, I was one of the strong advocates in the Rules Committee for an open rule, or at least a modified rule, as a very minimum, on that piece of legislation, so the House could work its will. Unfortunately, my view did not prevail. The legislation was reported out to the floor of the House, I am very sorry to say, with a closed rule.

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

Mr. MARTIN. I am happy to yield to the gentleman from Missouri.

Mr. HALL. There is no question in my mind or in this colloquy, about any individual, least of all the steadfastness of the gentleman from Nebraska, in supporting the individual principle or rights as elected legislators, nor has there ever been. But in spite of the fact that for years some of us have "kept book" on waivers of points of order, I think the gentleman would agree with me that the action of the committee and the subsequent action of the Congress in confirming the same has been more and more in the trend and in the direction of waiving points of order.

Mr. MARTIN. I would agree with the gentleman.

Mr. Speaker, I have no further requests for time.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to revise and extend their remarks on the bill H.R. 15073, and to include relevant extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

BANK RECORDS AND FOREIGN TRANSACTIONS

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15073) to amend the Federal Deposit Insurance Act to require insured banks to maintain certain records, to require that certain transactions in U.S. currency be reported to the Department of the Treasury, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 15073, with Mr. HOLIFIELD in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. PATMAN) will be recognized for 1 hour, and the gentleman from New Jersey (Mr. WIDNALL) will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, I yield myself such time as I may use.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. PATMAN. Mr. Chairman, I commend the members of the Rules Committee, from both the minority and the majority sides, for the excellent statements they have made concerning this bill. Their statements show there is no real opposition to this bill. We had considerable hearings before the committee. We heard every witness that the members of the committee wanted to hear.

The bill was reported by a vote of 35 in favor and no votes against it. When the bill came before the Rules Committee on the question of reporting a rule for consideration of the bill, the vote was unanimous. I believe there is less opposition to this bill on the floor of the House than on almost any bill I have had anything to do with in a long time.

This shows that Members see alike on these questions.

This is really a bill which, if enacted into law, will be the longest step in the direction of stopping crime than any other we have had before this Congress in a long time. I am glad Members are in accord with what is intended here.

There is only one amendment that was adopted by the committee that I shall personally ask not be adopted in the Committee of the Whole House for the reason that it was intended by the gentleman offering it as a protection to the small banks of the country, and it was thought if the amendment were not adopted, it would be detrimental to their interests.

After looking into the matter more carefully—we did not have too much information when it was voted on and adopted—those of us who have been studying the bill have also been studying the effects of this amendment, and we have come to the conclusion that instead of helping the small banks, it would hurt them, and furthermore it would create a big loophole in the law as it applies to the big banks. Therefore we will ask that the amendment not be adopted.

Mr. Chairman, H.R. 15073 is the result of over a year's work by your House Committee on Banking and Currency. In the fall of 1968 the committee started looking at the problems posed by the use of secret foreign bank accounts for illegal purposes. It was our first inclination to draft a simple piece of legislation which would have outlawed the use of secret accounts unless there was complete disclosure. As we delved deeper and deeper into the subject, we realized that any legislative proposal would have to be very carefully considered and closely drawn because of a number of great difficulties we might unconsciously or inadvertently create in other areas of the law.

The bill is designed to stop the use of secret bank accounts for illegal practices such as:

One, evasion of taxes.

Two, taking over of legitimate businesses by organized crime.

Three, financing of the narcotic traffic.

Four, overstating of the cost of Government contracts in order to defraud the Government. This has resulted in the Government buying shoddy and inferior equipment for our soldiers in Vietnam.

Five, manipulation of stock prices on our securities market.

Six, violating the margin requirements in purchasing stock.

Seven, corporate officers trading in their company's stock because of inside information.

Eight, illegal buying of gold by American citizens.

Nine, hiding of untaxed, skimmed money from Nevada gambling casinos.

The bill would accomplish this by giving the Secretary of the Treasury the authority to: First, require banks to photocopy checks drawn on them; second, require reports of large domestic currency transactions; third, require reports of exports and imports of currency and other monetary instruments; fourth, the maintenance of records or the filing of reports by U.S. citizens or residents who engage in transactions with a foreign financial agency, and, fifth, making the margin requirements apply to foreign borrowing.

On every occasion, whether in committee or on the floor of this House or in a public forum, when I have spoken on the subject of secret foreign bank accounts I have gone to great lengths to point out that I, and the House Committee on Banking and Currency, never intended, nor do we now intend, to cast any aspersion or adverse criticism on any foreign nation. The only object of our work and the only purpose of our legislation has been and is to prevent Americans from using these secret foreign bank facilities as a device or as part of a device to break or avoid U.S. law.

We had two big problems. The first was to make sure that our legislation would not unduly interfere with the domestic law of any other nation and second to make sure that we did not place the slightest unjustified burden on the free flow of international commerce.

We also discovered that secret foreign bank accounts were not the only criminal activities related to the banking field. The major law enforcement authority—the Justice Department—of the U.S. Government called our attention to the urgent need for regulations which would make uniform and adequate the present recordkeeping practices, or lack of recordkeeping practices, by domestic banks and other financial institutions.

In these brief remarks, I shall first discuss the prevalence of the use of these secret foreign banks. I shall then discuss the recordkeeping practices of American banks and the need for regulation; and finally, I shall review the provisions of H.R. 15073 and how it seeks to ameliorate these abusive practices.

SWISS BANK SECRECY

When one mentions secret numbered accounts it is almost automatic that we think of the secret Swiss bank account. Biographies of criminals, learned treatises on crime and even the light banter of comedians have so frequently referred to "numbered Swiss bank accounts" that one might think that Switzerland was the only country where such accounts are available. Switzerland is a great nation with whom the United States has always enjoyed the most cordial of relationships. As a neutral power, Switzerland always has well-served the United States and other nations as a facility for relieving the tensions of the cold war. At this very moment, the Swiss Government is representing the interests of the United States in Cuba. Even though the Swiss Government is paid for this service, it would not be performed were it not for the good will existing between our nations.

Banking secrecy has been a tradition in Switzerland dating back to the middle ages. Switzerland is world-renowned for its Alps, its watches, and its banking expertise. In 1934, the Swiss bank secrecy tradition took statutory form. These bank secrecy laws were enacted as a Swiss response to the acts committee upon anti-Nazi Germans by the Hitler regime. Through a series of schemes ranging from tricks to torture, the German Government forced the anti-Nazis to surrender the money in their Swiss accounts to the Gestapo.

American criminals from the simple tax evader to members of the organized underworld discovered that secret Swiss accounts had a use of particular interest to them.

BANK SECRECY IN OTHER NATIONS

But there are other nations with bank secrecy laws. We are not talking about Switzerland alone when we discuss foreign bank secrecy. More than a dozen other countries have adopted bank secrecy laws, many along the Swiss pattern. While these countries, including the Bahamas, are the scene of much American criminal activity, Switzerland has an especial attractiveness. The centuries old banking center offers services whose quality is at least equal to that obtainable in the most highly industrialized countries of the world.

Switzerland has added advantages through its tradition of neutrality, the stability of its government, and the soundness of their currency. Officials and employees of the governments of other countries as well as the wealthier citizens of those countries have for centuries looked upon Switzerland as a haven for their assets no matter how or where these assets were obtained. Many wealthy Americans have, through the medium of Swiss banks, hedged on inflation by converting their value-declining dollars into more stable assets.

The sponsors of this legislation, including myself, have no quarrel with foreign bank secrecy as such, though we have often wondered why right-minded people would want to have a secret bank account if they had nothing to hide.

The bank secrecy laws of foreign jurisdictions are usually accompanied by corporate secrecy laws. These corporate secrecy laws apply the same standards of confidentiality to business information as are applicable to information with respect to bank accounts. Thus, in many of these countries, it is illegal for the employees of a corporation to make books and records available for legitimate purposes.

Bank accounts, trusts, and corporations in these secrecy jurisdictions have been used in support of an almost limitless variety of criminal schemes.

AMERICAN MISUSE OF SECRET ACCOUNTS

The best way to give the Congress an idea of the variety of ways in which these accounts are manipulated and, more importantly, of the magnitude and flagrance of the abuse of American law by American citizens using the facade of these foreign secrecy laws, is to present a rundown of some of the cases discussed in testimony before the committee and uncovered during the committee investigations of this entire subject. These cases dramatize the urgency of the legislation.

There are a number of cases where secret foreign bank accounts were used to violate American law. I will not take the time of the Members to go into detail in each case, but will simply mention the case by name with a sentence or two on what it was about.

However, there is one case which is so recent, so disgraceful, so alarming that I shall treat it in some detail. This case has become known as the Stone/Rosenbaum case. On February 10 of this year, Francis M. Rosenbaum and Andrew L. Stone, a lawyer and a businessman, were each sentenced to 10 years in prison for the parts they played in a fraud involving $47 million worth of Navy defense contracts. With the active cooperation and assistance of two Swiss bankers, Mr. Rosenbaum and Mr. Stone as officials of the Chromcraft Corp. of St. Louis and its successor, the Alsco Corp., defrauded the U.S. Navy of $4 million.

The device they used in this dishonest scheme was quite simple. I might digress here to tell you that whenever you use a secret foreign bank account you do not have to worry very much about devising complicated and highly technical frauds. When you are using foreign secret bank accounts the simpliest kind of fraud will suffice since the law enforcement people cannot find you anyway.

Chromcraft Corp. was a successful bidder on the Navy rocket launcher contract worth about $50 million. Subcontracts were let to dummy corporations with some of the alleged work being performed overseas. Phony invoices were submitted from the subcontractors and paid by the Navy Department to the tune of $4 million, with the payments going to a Swiss bank account.

The investigation of the case disclosed the active complicity of the Swiss bank employees in the conspiracy. Since Swiss law was also violated, there was a modicum of cooperation from the Swiss. The Justice Department examination of the files of the Swiss bank showed the Swiss bank employees not only to be coconspirators, but were actively working to complete the scheme. The details of the story are contained in an Associated Press story which appeared in the Washington Post on February 11, 1970. Mr. Chairman, I insert the story at the conclusion of these remarks.

The following are a few of the known cases where the accused used secret foreign banks:

In United States against Hysohion two defendants were convicted of shipping heroin into the United States. During one 3-week period, $950,000 worth of the drug was shipped in. Proceeds from the sale were forwarded through New York to numbered Swiss bank accounts.

In United States against Coggeshall & Hicks a major New York brokerage firm was convicted of violating the Federal Reserve Board margin regulations by arranging for its employees and customers to trade $20 million worth of stocks ille-

gally through numbered Swiss bank accounts.

In United States against Orovitz a former treasurer of General Development Corp., a Florida land firm, was convicted of failure to file required "insider" reports with the Securities and Exchange Commission on a sale of $250,000 in General Development bonds which had been held in the name of a Swiss bank. A total of $500,000 in such bonds was held in the name of the Swiss bank at the defendant's instructions. The defendant admitted at the trial receiving $50,000 in cash from the Swiss bank in the mail but allegedly did not know the details of the origin or purpose of the funds.

In United States against Hayutin the Government proved that defendants sold unregistered stock of a company in which they were insiders to the public by delivering the shares to a bank in Munich which in turn sold them through brokerage firms where it had accounts. The proceeds of the sales were then mailed to insiders in the United States in $5,000 and $10,000 sums in envelopes falsely marked "securities." The convictions and prison sentences were affirmed on appeal.

In United States against Laurence an indictment filed in March 1969, six defendants are charged with the selling unregistered stock of VTR, Inc., a company listed on the American Stock Exchange, by placing $5,000 shares in Swiss and German banks for sale on the exchange while trading the stock throughout the United States, Europe, and the Far East. A Liechtenstein Trust was used in transferring the stock to the German bank.

In United States against Giampola a former employee of the Chase Manhattan Bank was convicted of conspiracy to defraud the bank by sending a fraudulent cable for transferring $11 million from Chase Manhattan Bank to a Swiss bank.

In United States against Blackwood six defendants including a law professor were indicted for taking stolen securities out of the country to be sold through a Swiss bank.

In United States against Braverman manufacturers' representatives selling to military post exchanges were indicted for evading taxes on $1.5 million by diverting commissions to a Swiss bank.

In the United States agains Dolin the executive vice president of Realty Equities Corp., and a director to the company, are named as defendants. This indictment charges that, through a series of transactions, an opportunity became available to Realty Equities to repurchase a note with warrants attached at a price substantially below its fair market value. This opportunity was not utilized for the benefit of the corporation, but instead, the indictment charges, the note was purchased by a Swiss bank for the benefit of the consultant. The purchase was for $531,250; very soon thereafter, the note was sold for $988,542—a quick $450,000 profit. Defendants have since been convicted and sentenced.

In United States against Lerner the indictment charges that significant amounts of three new issues, one of which was Weight Watchers International, Inc., were purchased by a Panamanian company through several Swiss banks, including such giants as Credit Suisse. The defendant owned 48 percent of the Panamanian company used to violate our securities laws.

In United States against Rayward an indictment charged a defendant with siphoning off funds earned in this country into a dummy Panamanian corporation to evade income taxes. The defendant is a fugitive in Switzerland and is continuing to conduct business here through another name. A search warrant executed at the premises was upheld but this failed to halt the operation. The Internal Revenue Service is seeking to pursue civil remedies and may attach the property being used by the defendant's controlled firm which is currently handling his paperboard sales business here.

In United States against Bronston defendant was indicted for perjury in denying that he had a Swiss bank account.

In United States against Philip Bradford and Walter Fink defendants were convicted of transporting $50,000 in stolen U.S. Government bills from New York to Switzerland where they were sold and the proceeds transmitted to the defendants' accounts in a New York bank.

Gulf Coast Leaseholds against Kelly involved a fraudulent scheme to sell 750,000 shares of over-the-counter securities at manipulated prices of over $16 a share. After the sales, the stock fell to $1 a share. The whole business was handled through four Liechtenstein trusts organized to maintain accounts in Swiss banks.

United States against Mensik was a mail fraud case involving a savings and loan association. Testimony was received that defendant had deposited at least $250,000 in a Swiss bank account.

These are but a few of the cases brought to the attention of the committee. One of the most striking things about these cases are the large amounts of money involved. Another thing that should be borne in mind is for every one of these cases there might be a dozen more where either the Government does not know about them because of the foreign secrecy laws or where enough evidence cannot be developed to bring them before the grand jury because of foreign secrecy laws. Former U.S. Attorney Robert Morgenthau has estimated that the tax loss to the U.S. Government through the use of these secret foreign bank accounts amounts to hundreds of millions of dollars. This is not hard to believe.

Secret foreign bank accounts and corporate secrecy laws are used to finance the narcotics addiction in this country; are used as a shield in high priced, white collar crimes; are used as the financial underpinning for organized crime; are used for the illegal purchase of gold by American citizens; are used to purchase securities in violation of the securities exchange regulations; are used to evade income taxes; are used to hide assets illegally in business transactions; are used for payoffs and kickbacks to public officials and private employees; are used as an ingredient in schemes to defraud the innocent and unsuspecting; are used as the ultimate depository of the proceeds for black market activity using American dollars throughout the world, especially in Vietnam; and, are used to hide the sources of financing in conglomerate or corporate takeovers and acquisitions.

DEVELOPMENT OF THE LEGISLATION

As I mentioned earlier, the drafting of legislation designed to prevent these great evils and at the same time avoiding any undue interference with the large volume of international commerce and the domestic laws of any other nation is quite difficult.

H.R. 15073, as it was introduced, represented the 14th working draft of the legislation. Extensive consultations were held with the interested Government agencies. We discussed the proposals on innumerable occasions with responsible officials and staff of the U.S. Treasury Department—including the Internal Revenue Service—the Justice Department, and the Securities and Exchange Commission. We also contacted other agencies of the Government who have had difficulties with the problems of foreign bank secrecy, such as the Defense Department and the Agency for International Development.

DOMESTIC RECORDKEEPING

During our discussions with the Justice Department and the Internal Revenue Service, they told us of their tremendous concern not only on foreign bank secrecy but on the recordkeeping practices of the domestic American banks. We were urged to include in the legislation provisions which would make uniform certain American bank recordkeeping practices. The concern of these agencies stemmed from two major problems. A trend was developing in the larger banks away from their traditional practices of microfilming all checks drawn on them. On several occasions, the U.S. attorneys' offices, particularly in New York, and the Internal Revenue Service have been impeded in their investigations because microfilms of certain checks had either been destroyed or were not made in the first place.

I want to strongly emphasize that this trend away from photostating checks does not stem from any evil motivation on the part of American banks, and I allege none. It is probably being done simply as a cost saving device although the saving to the bank is rather small, indeed, when compared to the increased cost of law enforcement.

Another problem of domestic bank recordkeeping brought to our attention was the identification of depositors. In most cases, account owners are easily identified, although code names on accounts are sometimes used in this country. The real difficulty is in identifying those who are authorized to deal with the account. A typical example might involve a situation where a person with a criminal reputation holds an account but does not personally make deposits or withdrawals. This is usually left to some agent who may be a lawyer or simply a messenger. If these agents who deal with the account are identified it would be a tremendous help to law enforcement authorities.

Those of us who supported H.R. 15073

were persuaded to include provisions dealing with domestic recordkeeping. Therefore, the bill as introduced authorized the Secretary of the Treasury to issue regulations regarding the type of records to be kept and the length of time they are to be kept. During the committee consideration of the bill, as a result of discussions with key Treasury Department personnel, title I was expanded to include all domestic financial institutions which perform enumerated functions. This expansion was felt necessary in that the financial records of institutions other than banks would be equally as helpful and we did not want to drive criminals away from using banks only to the use of other financial institutions who did not have to keep the records required by the regulations.

FOREIGN SECRECY

Title II of the legislation deals primarily with the use of secret foreign financial agencies by Americans and those subject to U.S. jurisdiction. At the outset, two important points should be made. The first is that title II of the bill does not outlaw any present practices. It simply requires the keeping of records and/or filing of reports of those practices. Second, where the maintenance of records is required by the bill, these are not subject to "fishing expeditions" or broad "blunderbuss" investigations. In order to obtain these records from any individual or institution, law enforcement authorities will have to obtain due legal process, whether it be a subpena, warrant or other type of procedure.

EXEMPTIONS

It is also important to bear in mind when considering title II that section 206 does give exemptive power to the Secretary of the Treasury. The Secretary of the Treasury, after having promulgated his regulations, may exempt parties, classifications of parties, and types and amounts of transactions. His exemption may be conditional or unconditional and may be by regulation, order, licensing, or otherwise. I emphasize this exemption power to allay the fears of those Members who may feel that we are regulating all transactions with all countries. It may be felt that we are so shackling international commerce that tremendous damage may be done to the foreign trade position of this country. Equipped with this exemptive power, the Secretary of the Treasury will be able to let legitimate international commerce flow free and unfettered. The Secretary's primary responsibility under title II is to see to it that criminals do not take undue advantage of international trade and go undetected and unpunished.

SCOPE OF TITLE II

More specifically, title II deals with three basic situations. In order of their importance, they are regulations dealing with foreign transactions, the exports and imports of monetary instruments—mainly currency and coin—and certain domestic currency transactions. Regulations of the latter will cover domestic transactions and are also necessary with respect to certain foreign transactions as will be explained later.

Chapter 4 of title II requires the Secretary of the Treasury to promulgate regulations which require residents or citizens of the United States or persons doing business therein to maintain records or file reports, or both, setting forth certain information with respect to his dealings with foreign financial agencies. A foreign financial agency is defined to cover a broad spectrum of financial institutions who perform their functions outside the United States.

IMPORTS AND EXPORT OF MONETARY INSTRUMENTS

Title II also requires any person who exports or imports monetary instruments, for example, cash, to or from the United States in an amount exceeding $5,000 on any one occasion or $10,000 in any one year to file a report with the Secretary of the Treasury as to the nature and extent of the transportation.

DOMESTIC CURRENCY TRANSACTIONS

Title II requires reports to the Secretary of the Treasury of transactions involving the payment, receipt or transfer of currency or money instruments. These reports must be signed by both the domestic financial institution involved and one or more of the parties to the transaction as the regulations of the Secretary may require.

At present, there is a procedure under the Trading with the Enemy Act authorizing the Secretary to call for reports of unusual currency transactions. This procedure has proved to be inadequate. Title II clarifies this matter and requires the Secretary to call for these reports. Reports of domestic currency transactions will be quite helpful in limiting the use of secret foreign financial facilities for illegal purposes. These reports will also facilitate domestic law enforcement transactions. Cash has always been an almost standard form of exchange for criminals. If certain cash transactions are required to be reported to the Treasury Department, law enforcement agencies, particularly in the income tax field, will have a useful tool in their investigations and proceedings.

PENALTIES

Mr. Chairman, I would like to say a word about the penalties. As to the domestic recordkeeping provisions of title I violation of the regulations can lead to a civil penalty of $1,000. Willful violation is made a misdemeanor providing for a fine of not more than $1,000 or imprisonment for not more than 1 year or both. If the willful violation is knowingly committed in the furtherance of violating another Federal law which is punishable by imprisonment for more than 1 year may be fined not more than $10,000 or imprisonment for not more than 10 years.

Willful violations of title II may lead to a civil penalty not exceeding $1,000. There is a criminal provision for violations calling for a fine of not more than $1,000 or imprisonment for not more than 1 year, or both.

In addition, if the violation is knowingly committed in furtherance of the violation of other Federal law or is a pattern of illegal activities involving transactions exceeding $100,000 in any 12-month period, the penalty is increased to imprisonment of not more than 5 years and a fine of not more than $5,000.

SECURITIES REGULATION

Mr. Chairman, I would like to discuss an important committee amendment which added title III to the bill. Title III amends section 7 of the Securities Exchange Act of 1934 to apply the provisions of margin requirements to borrowers as well as lenders. This amendment was found necessary if we were to wholly and completely deal with the problems created by the use of secret foreign financial institutions for illegal purposes.

In the year 1968, over $13 billion worth of securities were purchased and sold in our markets by foreign sources. Foreign investment in the American market is growing at a $2 billion per year rate. A significant portion—well over 25 percent—of this foreign money comes from countries with bank and corporate secrecy laws. In other words, Mr. Chairman, there is no way of telling who are the parties to these transactions. Significant changes in ownership are being made in American businesses, and many of these businesses are vital to our national securities programs, and there is no disclosure of the principals to the transactions.

Although it is a far out example, it is possible that enemies of the United States could acquire substantial ownership in transportation companies such as airlines and we would not know it. More realistically, the testimony before our committee indicated that Americans and foreigners were using the facade of secret foreign bank accounts to purchase in our markets in violation of the margin requirements issued by the Federal Reserve Board, and to evade their income taxes. Under the Securities Exchange Act as now written, it is not illegal for a borrower to borrow under the margin requirements, but it is illegal for a lender to lend money in violation of the margin requirements. Through a simple device of making the margin requirements applicable to the borrower as well as to the lender, we will be equipping the Securities and Exchange Commission, which is responsible for enforcing the Securities Exchange Act and the margin requirements, with sufficient legal and investigative weapons to require adequate disclosure of foreign financing.

Title III makes it unlawful for any person to borrow or lend money for the purchase or carrying of securities in willful or knowing violation of any rule or regulation under section 7, as amended. Where the aggregate amount borrowed exceeds $1 million at any one time, the element of willfulness or knowledge need not be present. This is on the theory that persons borrowing over $1 million are certainly aware of the securities laws.

Finally, Mr. Chairman, several of the amendments adopted in committee were made as a result of the suggestions of the Treasury Department staff and should be supported.

I intend to oppose only one of the committee amendments. This appears in sec-

tion 21(i) and exempts domestic financial transactions under $500 from the recordkeeping requirements provided in title I of the bill. Apparently, it was the intent of the sponsors of this amendment to exempt small transactions and small banks from the recordkeeping requirements. However, the amendment does more harm than good to the title. If the amendment passes, big banks need not microfilm checks under $500. The $499.95 check could well become the standard of exchange for criminals. Furthermore, the cost of microfilming these checks and maintaining the necessary records is almost negligible. I will speak in more detail on this amendment when it is presented to the Committee on the Whole for consideration.

CONCLUSION

This concludes my opening speech on H.R. 15073. Other members of the committee will address themselves to its specific provisions.

Mr. Chairman, I would be the first to admit that this legislation does not provide perfect crime prevention. However, it is felt that the legislation will substantially increase the risk of discovery of any criminal who undertakes to hide his activity behind foreign secrecy.

I am confident that after we have had some experience with this law we will be able to amend it in future years to make it more perfect and viable. H.R. 15073 represents the first legislative effort in this field and I am convinced that it is a good beginning.

Mr. Chairman, typical of many articles commending our action here today is an article which appeared yesterday in the Evening Star. This article states as follows:

CONGRESS AIMS AT ORGANIZED CRIME'S MONEYBAGS

(By Miriam Ottenberg)

Two measures now moving through Congress could deal organized crime's overlords the body blow they fear most—right in their overstuffed moneybags.

Although the bills come from different committees, it's their combined effect that counts. One would force Americans to disclose how much money they've socked away in secret foreign bank accounts. The other would get the tainted money of the mobsters out of legitimate business.

The disclosure provisions of the foreign bank account measure could provide important leads to the racketeers now funnelling their millions out of illegal gambling, loan sharking and narcotics into Swiss bank accounts and from there into legitimate business.

Both measures are pioneering efforts to protect honest people from what organized crime can do to them. Most of organized crime's profit-making crimes are the kind with willing victims—dope addicts, gamblers, borrowers from loan sharks. But people don't willingly consent to what organized crime can do and is doing to them in the market place. They don't like shoddy, often counterfeit products or prices forced down to get rid of honest businessmen and then pushed up higher than ever. They like to be able to choose where they buy, not to have one product or one service forced on them.

And as taxpayers, if they knew about it, they would resent the people in and out of organized crime who manage to duck paying taxes on the greatest of their gains by banking them in a numbered Swiss account or in the Bahamas or any other country where bank accounts are shrouded in secrecy.

To lift that veil of secrecy for American taxpayers, the Senate Banking Committee will open hearings June 8 on legislation bringing secret foreign bank accounts under greater public scrutiny. Similar legislation has cleared the House Bank Committee and now awaits House action.

BUSINESS PARASITES

As for ridding legitimate business of its illegitimate parasites, the House Judiciary Committee opened hearings last week on the Senate-passed Organized Crime Control Act.

A key section of that 99-page anti-crime package has as its target "racketeer influenced and corrupt organizations." It would be against the law to use income from "racketeering activity" to buy an interest in or establish a business engaged in interstate commerce. It would likewise be unlawful to acquire or operate such an enterprise through a "pattern" of racketeering activity.

"Racketeering activity" is defined in terms of the laws characteristically violated by members of organized crime—murder, kidnapping, gambling, arson, robbery, bribery, extortion, narcotics trafficking, counterfeiting, embezzlement, fraud and white slave traffic.

By "pattern" the bill refers to two or more racketeering acts, one of which must have occurred after the measure becomes law. The other could have taken place many years earlier but there must be a close relationship between the two. As sponsors of the measure point out, the fact that a mobster hasn't been caught all these years shows his means of cloaking his crimes have been virtually inpenetrable and therefore more dangerous to the community.

Any racketeer who goes into legitimate business with his racketeering money and methods could be fined $25,000 or imprisoned up to 20 years. But more important to his crime "family" is the loss of his business, and the pending bill has two alternative ways of seeing to that.

One is by way of criminal forfeiture. The convicted racketeer would lose his business to the government.

The other route—brand new in dealing with organized crime—is civil forfeiture, similar to antitrust proceedings. The court could order the racketeer to divest himself of the business and not to return to the business under another name or in another part of the country. The racketeer wouldn't lose his money but the community would be freed of the racket-dominated business.

Sen. John L. McClellan, D-Ark., in his report on the measure he sponsored, noted that the Supreme Court had used the same anti-trust remedy to force DuPont to give up its General Motors ownership "almost without regard for the economic consequences."

If the court could do that to DuPont, McClellan commented, "then it must surely follow that removal of criminal elements from the organizations of our society by divestiture is justified."

The goal is to remove the leaders of organized crime from their sources of economic power, rather than just remove the leaders and leave the racket-dominated business to flourish under their successors.

As President Nixon commented in his organized crime message last year: "As long as the property of organized crime remains, new leaders will step forward to take the place of those we jail."

That property runs into billions, nobody knows just how many billions because most of the wheels of organized crime hide behind "fronts" or "nominees" while putting their profits into secret bank accounts.

Just counting reported business interests, a survey in one midwestern city shows racketeers in that city control or have large interests in 89 businesses with total assets of more than $800 million and annual receipts in excess of $900 million.

William A. Kolar, director of the Internal Revenue Service's Intelligence Division, reported a new study of 1500 leading racketeers shows 80 per cent of them admittedly were engaged in some form of legitimate business.

Of course, he added, nobody knows the extent of their hidden interests. Uncovering them would take a lot more manpower than the 1,800 men now assigned to IRS Intelligence.

Of the 1,800 special agents, only 25 percent devote their efforts to organized crime work because of the need to investigate a substantial number of tax frauds not involving racketeers.

Kolar, who is retiring this month after 26 years of federal investigative assignments beginning with the FBI, said one of the major problems he faced as director of IRS intelligence was trying to track down the hidden money of the racketeers who infiltrated legitimate business. He's leaving government to join William Hundley, former chief of the Justice Department's Organized Crime and Racketeering Section, and Robert Peloquin, who headed the government's first strike force against organized crime, in a new enterprise, International Intelligence Inc. Their mission will be to help businessmen protect themselves against racketeer take-overs.

THE METHODS

Kolar cited these methods used by organized crime to acquire control of legitimate businesses, methods the proposed legislation is designed to block:

1. Racketeers make outright buys of legitimate businesses, using the untaxed profits from gambling ($6 billion to $7 billion annually); narcotics ($350 million); loan sharking ($350 million); prostitution ($225 million) and untaxed liquor ($150 million).

2. They "accept" business interests in payment of the owner's gambling debts. The owner of a beer distributing firm with an uncontrollable urge to gamble at first pacified his gambling creditors by letting them use his company offices as the headquarters of their lottery operation. Eventually, the mobsters gained control of the company.

3. They gain control by foreclosing their usurious loans, which had been made with untaxed illegal income. IRS has evidence showing how the mob took over several brokerage houses through foreclosing loans. They used the brokerage firms to promote the sale of fraudulent stock in a swindle which cost the public more than $2 million.

4. They use extortion, threats, beatings, bombings or the sly mention of an underworld "enforcer" to terrorize businessmen into giving up their business or accepting the product or service they force upon him.

In a typical case, a large food chain suffered more than $10 million worth of arson damage and two store managers were murdered because organized crime wanted the chain to stock a brand of detergent distributed by a racketeer-operated agency.

The U.S. Chamber of Commerce cited that case in its recently compiled "Desk Book on Organized Crime," which was issued to help businessmen, their families and their communities protect themselves from the ever-present threat of organized crime.

The Desk Book cites these practices of racketeer-dominated companies:

Bribing inspectors to accept defective construction materials, threatening pharmacists as part of a "sales pitch" for mob-distributed and often counterfeit prescription drugs, setting fires to stores which balk at buying racketeer-promoted products, corrupting public officials to obtain local, state and federal contracts, counterfeiting state and federal tax stamps.

Typical of a hoodlum-bossed business in operation is the case of a New York truck-

ing company controlled by John A. Masiello, a Cosa Nostra "soldier" and leading loan shark, indicted with his son, a racket associate, and four postal officials on charges of conspiracy and bribery.

The postal officials were accused of taking bribes from Masiello to overlook complaints about service under mail trucking contracts worth $2 million awarded to firms controlled by Masiello and others.

The criminal habits and attitudes which the McClellan bill strives to get out of the marketplace are reflected in the activities of some offspring of Mafia bosses. Salvatore "Bill" Bonanno, son of former Mafia boss Joseph "Joe Bananas" Bonanno, was convicted of mail fraud and conspiracy for using a Diner's Club credit card extorted from a New York travel agent. Soon after a store seized the card from Bonanno, the henchman with whom Bonanno had conspired to get the card was shot to death in Brooklyn.

Joseph J. Colombo Jr., son of the reputed Brooklyn Mafia boss, was arrested a few weeks ago and charged with two others of conspiring to melt down $500,000 in U.S. silver coins and sell the silver. The senior Colombo is awaiting trial on income tax evasion charges.

Although no one in law enforcement knows the extent of organized crime's invasion of legitimate business, there are occasional indications of multi-million-dollar holdings. For instance, various Mafia mobs are said to control one of the largest hotel chains in the country, dominate a bank with assets of from $70 to $90 million, operate a commercial laundry that grosses over $20 million yearly, own real estate interests valued at $300 million and, in some parts of the country, own nearly 90 percent of the private waste-disposal industry.

Often bankrolling both the legitimate and illegitimate activities of organized crime are numbered accounts in Swiss banks. It is known, for instance, that money stashed away in secret Swiss accounts financed drug counterfeiting operations which one drug company executive estimated could run to nearly $100 million annually. Preparations of underworld origin are said to have been found intermixed in almost every type of commonly prescribed medication.

The secret bank accounts are an integral part of the heroin trade. Money received for the sale of heroin in the United States is either carried to Europe by a courier or hand carried to a New York bank or money exchange where it is forwarded to an account in a Swiss bank. There, the money is transferred to the account of the heroin supplier.

Former U.S. Atty. Robert Morgenthau cited a recent heroin case where as part of the payoff for smuggling heroin, $950,000 was sent to the Swiss bank account of a Panamanian corporation with offices in Geneva.

For organized crime, the secret bank accounts are used to conceal the profits of crime and to facilitate carrying out such international crimes as narcotics trafficking, smuggling, black market currency operations in Southeast Asia and illegal trading in gold.

Eugene T. Rossides, Assistant Secretary of the Treasury for Enforcement and Operations, says there's strong evidence of a substantial flow of funds from U.S. racketeers, particularly those associated with gambling, to certain foreign banks.

"Some of these funds," he said recently, "appear to have been brought back into the U.S. under the guise of loans from foreign sources. This may be providing a substantial source of funds for investment by the criminal element in legitimate business in the United States."

"CLEAN MONEY"

The mobsters profit two ways. First, they've got "clean money" to use for their investment. If any investigator asks where they got the money to start this business, they can say it's a loan. Second, they can take an income tax deduction for the interest they're paying on the "loan." Of course, they don't report the interest their money is accumulating in its Swiss hideaway and since the account is secret, the government can't prove they have a cent there.

In addition to the diversion of illegally-acquired funds to foreign havens, secret accounts can be misused to duck paying income taxes on large capital gains in the stock market, to violate the securities laws that are designed to protect the stock-buying public, to push the stock market up and down and to mask the takeover of American businesses by persons unknown to American authorities.

In testimony before Chairman Wright Patman's House Banking Committee, Irving M. Pollack, director of the Securities and Exchange Commission's Division of Trading and Markets, warned that cases already known to the SEC are not at all atypical and they suggest that hundreds of millions of dollars are being furnished annually by foreign sources to assist in efforts to gain control of American companies.

One thing that's particularly concerning American authorities is the takeover of American companies with defense contracts by unknown individuals dealing through secret foreign bank accounts.

Usually this happens when controlling stock in a company's put up as collateral on a loan made by a foreign bank for one of its secret customers. When the borrower defaults on the loan, unknown interests take over the company.

Swiss bankers are the shadowy figures behind an increasing number of cases involving major frauds. In one recent case, two Swiss bankers supplied hundreds of false documents from a string of sham companies which helped an American group—including a Washington attorney—swindle the U.S. government and channel more than $4 million into secret Swiss bank accounts.

Equally shadowy are the activities of a long-time associate of Racketeer Meyer Lansky, a former bootlegger named John Pullman who is said to manage the flow of American organized crime's millions into and out of Swiss bank accounts.

A one-time courier for the mob, Pullman renounced his American citizenship to handle the mob's investments from his headquarters in Lausanne, Switzerland. He stays out of the United States, out of reach of the subpoenas that would greet him here from information-hungry investigators.

Money funneled to secret accounts in Switzerland often comes back in the form of stock purchases carried in the name not of individuals but of banks. Last year alone, foreign stock purchases amounted to $12.4 billion and sales reached $10.9 billion.

Pollack emphasized that during the past few years, legitimate foreign investments have been welcomed and as a result have increased substantially.

Aside from this massive legitimate foreign investment, nobody knows how many of the individuals for whom Swiss banks bought the stock are violating two of the key laws created to protect American investors—one forbidding "insider" trading, the other setting margin requirements.

Some executives of U.S. corporations, barred by law from trading in their company's stock on the basis of inside information, are known to be trading secretly through their secret Swiss accounts.

Some American investors, who would have to put in enough cash to cover 65 percent of the cost of the stock they buy under American law, are buying shares through numbered Swiss accounts with as little as 10 percent down in cash.

Sen. William Proxmire, D-Wis., recognized the questionable foreign stock transactions when he included in his secret foreign bank account bill two sections specifically dealing with securities.

One would prevent U.S. broker-dealers from trading in U.S. securities in behalf of a foreign bank or broker unless the foreign bank or broker discloses the individual for whom it is acting or certifies that it is not acting for a U.S. citizen or resident. That would remove the cloak of secrecy from the foreign stock transactions.

PLAY BY RULES

The other section would require U.S. citizens who place stock orders through foreign banks or brokers to give the foreigners permission to disclose the person's identity to the U.S. broker-dealer who ultimately handles the transaction. That permission would allow the foreign banks or broker to disclose the U.S. citizen's identity without violating the foreign country's secrecy laws.

The rest of the Proxmire bill follows the House measure which provides:

Domestic financial institutions would have to maintain records of checks and other financial transactions under Treasury regulations.

Unusual or sizable deposits or withdrawals of U.S. currency would have to be reported by financial institutions and individuals making the deposit or withdrawal.

Movements of U.S. currency into or out of the country would have to be reported when they exceed $5,000 on any one occasion or $10,000 in any one year.

Individuals who have transactions with foreign financial agencies would have to report those transactions.

The penalties for violating the margin requirements on securities loans would be extended to the borrower in order to prevent circumvention by a foreign lender.

An increasing number of Americans—some of them American hoodlums—now own and control banks in Switzerland and the Bahamas. The pending legislation would force them to play by some of the same rules as the people who never left home.

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

Mr. Chairman, I rise in support of H.R. 15073. This measure has been much debated. We have, however, at all times had a consensus on the bill's objectives, and the dialog has been restricted to the best and correct approach to the problems of controlling use of foreign bank accounts for unlawful purposes and the other related areas of enforcement concern. It is my belief that this legislation is much needed. We have conducted extensive hearings on the measure and substantially amended the bill from that version first introduced.

Many amendments were offered by the administration, all of which were designed to strengthen the overall effect of this legislation. Many of those amendments were accepted by the committee and are incorporated into this bill as reported. These amendments, I might add, have provided substantial improvements.

Some additional amendments proposed by the administration were not accepted by the committee, as perhaps they should have been. Thus, while I stand in support of this legislation here today, it is not without some reservations.

The subject matter with which we deal is indeed complicated. It involves the operation not only of our domestic and foreign banking but also other financial institutions involved in the exchange of currency or its equivalent, the equivalent

being in the form of securities, money orders and a host of other financial instruments.

A sense of urgency attends this legislation because, as was pointed out in the hearings, the use of foreign bank accounts has provided a vehicle to further the evasion of taxes, security frauds and a wide spectrum of other criminal violations accounting for the loss of millions of dollars of tax revenues to this country annually and eroding the moral fiber of our Nation. The high level of voluntary compliance with our tax laws that we enjoy—a feature virtually unique in the world—is seriously threatened by the general knowledge that certain criminally oriented individuals and seemingly respectable businessmen use foreign accounts to evade taxes.

Because of the urgency and complexity of the legislation, I do not feel it appropriate at this time and place to delve in the refinements of this matter, to challenge any portion of the bill or to offer amendments that I feel might be needed. It is more important that we secure the immediate passage of H.R. 15073, which I do hereby urge, in order to attain its objectives at the earliest possible time.

Because I have some reservations concerning its content, I would hope that the Banking and Currency Committee of the other body will seriously undertake to review this work product of our committee in light of the additional amendments that have been and will be offered by the administration, which I believe highly pertinent and worthy of the most serious consideration.

For example, among the things that concern me is the fact that the bill, ostensibly directed toward abuses of foreign banking, also concentrates heavily upon purely domestic matters without relevance to foreign transactions. Meanwhile, insufficient study has been made of what is required to deal with the purely domestic situation. The matter is deserving of greater study, and perhaps that portion of this legislation should be severed for independent review.

Additionally, inadequate consideration has been given to section 301 of the bill which would give the Federal Reserve Board clear authority to apply margin requirements not only to lenders but also to borrowers—an entirely new concept in the regulation of credit, as margin rules have been only applied in the past to lenders.

But these are only examples of my concerns over this legislation. I know that the administration will be testifying before the Banking and Currency Committee of the other body on H.R. 15073, and it will offer numerous amendments of both a technical and substantive nature, which I am hopeful will be given the most careful consideration at that time.

Mr. BURTON of Utah. Mr. Chairman, would the gentleman yield to me?

Mr. WIDNALL. I yield to the gentleman.

Mr. BURTON of Utah. I thank the gentleman for yielding.

I would like his explanation and his understanding of one section of the bill.

Under the terms of title II, the Secretary of the Treasury is granted broad authority to impose reporting requirements on persons and all other entities cognizable as legal personalties transferring money or monetary instruments to foreign countries.

However, section 206 as amended in committee gives the Secretary broad exemptive authority which I hope will be exercised to avoid the imposition of unnecessary requirements on organizations whose operations abroad are clearly within the law. As a case in point, the Mormon Church has for many years conducted a worldwide missionary program. Through its years of experience, it has developed orderly and efficient means of financial management for these operations which involve centralized disbursement of funds from headquarters within the United States. I certainly cannot support this legislation unless it is clear that the Secretary is expected to use his exemptive powers under section 206 to avoid the imposition of burdensome reporting and recordkeeping requirements on organizations such as this.

Would you give me your comment on that, sir?

Mr. WIDNALL. Mr. Chairman, I am pleased to say to the gentleman from Utah that he can be confident that our intention is not to have the authorities granted in this bill utilized to impose any restrictions, recordkeeping or reporting functions on honest operations.

The basic intent of this legislation is to give the Secretary authority which will facilitate investigation and prosecution of criminal activities. Testimony received by the committee made it clear that many legitimate transfers of money or monetary instruments take place on a continuing basis and that the unimpeded transfer of these funds was essential to international trade and other international activities.

If the gentleman will look at section 206, he will note that the committee expanded considerably on the Secretary's exemptive authority. This was done in recognition of the need to avoid unnecessary burdens on persons not involved in criminal activities. This exemptive authority can be exercised selectively, by classes of parties or combinations thereof, and I have no doubt that operations such as the gentleman describes would be exempted upon application to the Secretary.

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

Mr. WIDNALL. I am glad to yield to the chairman of the committee.

Mr. PATMAN. As chairman of the Committee on Banking and Currency, I concur in the views which have been expressed by the distinguished gentleman from New Jersey (Mr. WIDNALL) and to the gentleman from Utah I will say that I am acquainted with the question involved and I concur in the views and the answer which has been given by the gentleman from New Jersey.

Mr. BURTON of Utah. I thank the gentleman.

Mr. WIDNALL. Mr. Chairman, before closing, I would like to compliment the distinguished chairman of our committee and the other members of the committee for the hard work they have done on this bill. This is much-needed legislation. The condition has prevailed for a long period of time. I know of the depth of interest and the analysis that has been made through the years by the chairman and the instructive work which he has done toward educating the Congress and the American people as to the seriousness of this problem. It is my opinion that because of the fact we have had such earnest investigation and support from Members that there should be something to influence the other Members of the House in working toward passage of this bill.

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

Mr. WIDNALL. I yield to the gentleman from Missouri.

Mr. HALL. I appreciate the gentleman yielding.

I would like to ask a question about a statement which I do not find in the report nor the bill itself. But, referring to what the gentleman from Texas (Mr. PATMAN) said in his opening statement about the illegal purchase of gold or other rare metals, I presume that this bill (H.R. 15073) simply pertains to the purchase and/or deposit of that overseas by others without reporting of the same; and does not infringe upon the right of any individual to purchase gold or stocks in gold exploration companies or stock purchases thereof around the world, especially since it is illegal to purchase them domestically as a result of our own folderol back in 1932; is that correct?

Mr. WIDNALL. Since the gentleman from Missouri has referred to other members of the committee, I would like to yield at this time to the chairman of the committee, the gentleman from Texas (Mr. PATMAN) to respond to the gentleman's question.

Mr. PATMAN. The testimony of Mr. Morgantheau who was U.S. district attorney in the southern district of New York stated that the grand jury in New York spent considerable time one year investigating the very thing that the gentleman from Missouri has just brought up about the purchase or sale of gold and other matters of that kind, and as a result of that investigation indictments were actually returned and there were some convictions, I understand, against the people who it was testified had engaged in that particular activity. I do not know, but that was brought up last year in Barron's Weekly. There was a front page feature entitled "Assault on Privacy" prepared by S. J. Rundt and Associates, leading consultants on international business. While the article was critical of the House Banking and Currency Committee's activities on the problems of foreign bank secrecy, some rather interesting admissions were made. The Rundt organization points out that because of the growing mistrust in the U.S. dollar more and more Americans were sending their dollars to Switzerland. The volume of this traffic was so heavy that the courier fee today is five times what it was a few years ago—rising from less than 1 percent to almost 5 percent. As a matter of fact, the article goes on "during the recent gold bubbles," worried Americans

were aware that their dollar was not "as good as gold" and "during those hectic days, the largest, oldest and universally most respected Swiss banks and many smaller ones received by check and in cash, by cable and in ordinary envelopes such huge quantities of dollars from American depositors—many of them pensioners or small savers—that even upon employment of hundreds of extra clerks they could not open the mail fast enough, book the new entries and return receipts—within less than 6 to 8 weeks."

If this leading international consultant is only half right in his observations, then the activities of many Americans in the secret foreign bank account field are a national disgrace. The clear implication of this article is that Americans were sending their dollars to Switzerland during a period of rising gold prices to do what they are forbidden to do by American law—buy gold.

I hope I have answered the question posed by the gentleman from Missouri (Mr. HALL).

Mr. HALL. Mr. Chairman, will the gentleman yield further?

Mr. WIDNALL. I yield further to the gentleman from Missouri.

Mr. HALL. Mr. Chairman, I appreciate the excerpts from Barron's Weekly Trader, but it did not answer my question.

I have no fault to find with the intent of the bill, or even the penalties therein, as to bank records or foreign transactions, and in fact, under other circumstances I would be very complementary for bringing the bill out. My question is simple: Since we cannot buy gold any longer in the United States of America is there anything in this bill that would preclude any individual citizen from exercising his right of buying gold anywhere in the world that he can without regard to where he deposits it?

Mr. PATMAN. There is nothing in here, I will say to the gentleman, that will prohibit him from buying gold legally anywhere in the world.

Mr. HALL. Where is the reference in the bill or in the report to the question or penalty about purchase of gold to which the gentleman referred in his opening statement in the well of the House?

Mr. PATMAN. I am not sure that it is in there. But remember we do not always cover everything that is covered in the bill.

Mr. HALL. I have noticed that.

Mr. PATMAN. That is obviously impossible.

Mr. HALL. I thank the gentleman from New Jersey for yielding.

Mr. BROCK. Mr. Chairman, will the gentleman yield for the purpose of further answering the inquiry of the gentleman from Missouri (Mr. HALL)?

Mr. WIDNALL. I yield to the gentleman from Tennessee.

Mr. BROCK. Mr. Chairman, there is nothing in the bill that changes existing law which prohibits the purchase of gold on the part of a U.S. citizen. There is nothing in the bill that changes that, nor is there anything in the bill that affects the purchase of gold stock which is exactly the same thing as the purchase of gold, and which negates the impact of the bill that was passed in 1932, anyway.

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

Mr. WIDNALL. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, if I may address this to the gentleman from Texas. It is a well-known fact that the Federal Reserve Board vaults in New York often hold more gold than we have in this country to the credit of the U.S. Government. That is, it is held for those who have bought gold and shipped it to the Federal Reserve Board vaults in this country.

How does this bill affect disclosure with respect to gold held for the account of foreigners in the Federal Reserve Board vaults in New York City?

Mr. PATMAN. Mr. Chairman, will the gentleman from New Jersey yield to me so that I may answer the gentleman's question.

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

Mr. PATMAN. The Federal Reserve Bank in New York, of course, holds the gold for American citizens if they have it legally and also for foreign countries. Most of the gold there is for foreign countries and in separate vaults and most it, of course, is owned by the Government of the United States, that is if it is in an American's name. Fort Knox is the place where most of the gold is held.

Mr. GROSS. That is our gold, but not gold held for the account of foreigners and others?

Mr. PATMAN. Well, principally, I will say to the gentleman from Iowa, it is the central banks, like the Central Bank of England and France and Italy and other countries.

Mr. GROSS. Then are those records, under the terms of this bill, wide open to disclosure?

Mr. PATMAN. As to American citizens it would be. But, of course, I do not think it would be required as to a country like England having a special vault of its own there in the Federal Reserve Bank in New York. I do not think it would ever become evidence that would be sought that they have that. In fact, it is rather a public record.

Mr. GROSS. Mr. Chairman, will the gentleman yield so that I may ask one other question?

Mr. WIDNALL. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman from Texas in his opening remarks talked about the white collar mafia.

Mr. PATMAN. No, I did not say mafia. I said white collar crime—organized crime.

Mr. GROSS. Is there no blue collar crime or blue collar mafia?

Mr. PATMAN. Yes, there is—but this is the white collar crime.

Mr. GROSS. I see. But there is blue collar crime?

Mr. PATMAN. Certainly there is.

Mr. GROSS. And there is blue collar mafia, I suppose?

Mr. PATMAN. As to the mafia, the gentleman probably knows as much about that as I do. I just read what I see in the papers.

Mr. GROSS. I have heard of a Texas mafia but I have never heard of an Iowa mafia.

Mr. PATMAN. I assume that Texas would be a part of almost anything going on in the 50 States, but I am not sure it would be as to the mafia.

Mr. GROSS. But it would be bigger and better.

Mr. PATMAN. Mr. Chairman, I yield to the gentleman from Texas (Mr. GONZALEZ) such time as he may consume.

Mr. GONZALEZ. Mr. Chairman, I rise in support of H.R. 15073 and wish to address myself to some objections to the domestic recordkeeping provisions of this bill. This provision requires domestic banks to photocopy checks drawn on them.

It is my understanding that there are three basic objections. They are: First, mountains of records would be created which would be of little or no value to anyone; second, the costs of this additional recordkeeping would be exorbitant and would ultimately be passed on to the customer; and, third, the last vestiges of financial privacy would be removed.

These objections are completely without foundation. The fact is that the vast majority of the banks currently photocopy checks. It is obvious, however, that this provision would require some additional records. If all banks were currently doing this, there would be no need for such a requirement. The sole reason that this section is necessary is because a few banks have discontinued this practice. Their reasons for this are no doubt honorable and based upon some cost-benefit formula. However, I am sure that in arriving at this cost-benefit formula, the banks considered only their own benefit.

I do not believe that anyone can logically deny that such records are valuable to our tax and law enforcement officials. This is true, not only for convicting wrongdoers, but also as a deterrent to potential tax evaders and criminals. There is little sense in picking forbidden fruit if one is likely to be caught before he can enjoy it.

Another equally important need for these records has been overlooked. That is the customer's need. Many people rely entirely upon their cancelled checks for determining and proving legitimate expenses for tax purposes and for proof that debts have been paid. If their monthly statement containing their cancelled checks becomes lost in the mail or the checks become misplaced after they are received, they are often at the mercy of the Internal Revenue Service or someone who claims that a debt has not been paid. In most cases when such a dispute arises, a person can go to his bank and, for a small service charge, obtain photocopies of the missing checks. The banks' customers have come to rely on these records being available to them and I believe that they should be.

The next objection, that the costs would be exorbitant, is again totally without merit. We must remember that most of the banks are already photo-

copying their checks; therefore, there would be no additional cost to them. The few banks that are not have most of the necessary equipment. Expert testimony from the microfilm industry has put the cost of microfilming checks, including labor and equipment, at less than 50 cents per 1,000 checks. This amounts to about one-half a mill per check or 1 cent for every 20 checks. Surely, this cannot be considered exorbitant when some banks now levy a 10-cent-per check service charge on their customers.

The third objection has even less basis. There is nothing in this bill that gives any Government agency more freedom to scrutinize an individual's financial affairs. Legal process has always been and is still required for anyone to have access to these records. This bill merely assures that the records will be available if there is a proven need for them.

This provision is both necessary and desirable. I urge its passage.

Mr. PATMAN. Mr. Chairman, I yield such time as she may use to the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Chairman, an important provision of this bill is the one that requires reports on the exports and imports of currency and coin or similar monetary instruments. For years, dishonest gamblers and other racketeers have been shipping cash and cash equivalents to secret foreign bank accounts with an almost absolute immunity from detection. For years, the Internal Revenue Service and the Justice Department have suspected that huge amounts of "skim" money has found its way from the gambling casino to secret Swiss banks. "Skim" money is exactly what the name infers. It is cash taken off the top of gambling proceeds before any accounting is made for tax purposes.

The record is also replete with examples of Americans who are not normally considered criminals in the ugly sense, but who ship cash income to secret foreign banks to avoid taxes. In some cases, the American would be willing to pay taxes on this cash income were it not for the fact that the cash was illegally obtained through the operation of some racket, con game, or other manipulation.

Nothing in the law prohibits the carrying of cash abroad. It is perfectly permissible for Americans to take whatever amounts of cash they can in and out of the country without violating the law. It should be understood that this bill does not impose controls which would in any way prohibit the export or import of currency or coin.

It does, however, require that persons who import or export over $5,000 at any one time or $10,000 in any one year to file a report with the Secretary of the Treasury explaining the nature and purpose of the transaction. Failure to file such reports can result in forfeiture of the cash involved, in addition to the other penalties set forth in the title.

These dollar amounts are set high so as not to create a lot of redtape for tourists or other Americans who carry money abroad for legitimate purposes.

One case which was mentioned in the hearings is a good example of the kind of thing this section of the bill is aimed at. A man named Max Orovitz was convicted last year in a Federal district court of New York for selling almost a half-million dollars in bonds in violation of the securities laws. The bonds were held in a Swiss bank. This illegal transaction was uncovered as a result of a package which fell and broke open on the floor of the New York Post Office. The package contained some $50,000 in cash. The investigation brought on by this discovery led to the conviction of Mr. Orovitz, who was fined and given a suspended sentence. One of the ironies of the case is that before the indictment Mr. Orovitz or his agent demanded and received the $50,000 cash, even though this cash represented the subject of a suspected criminal action. The case illustrates that it is so easy to bring cash in and out of the United States that the regular mails are being used.

If this legislation had been in effect at the time of the above case and the proper report had not been filed, the $50,000 would have been subject to the forfeiture provisions. The principals also would have been subject to the additional criminal penalties of a fine of not more than $500,000 or imprisonment for not more than 5 years, or both, if the importation of the money was knowingly committed in the furtherance of the commission of any other violation of Federal law.

This is admittedly a very stiff penalty, but we are talking about crimes where very large sums of money are involved. We cannot expect to deter a criminal from sending a million dollars of stolen money out of the country if the only thing he has to fear, if caught, is a $10,000 fine and a suspended sentence.

This provision of the bill is essential to a good strong bill that will stop these unlawful practices.

I commend its authorship and urge its passage.

Mr. PATMAN. Mr. Chairman, I yield to the gentleman from New Jersey (Mr. MINISH) such time as he may use.

Mr. MINISH. Mr. Chairman, there has been considerable publicity recently in the press and from others, inside and outside the Government, regarding treaty negotiations for the exchange of information between the United States and Swiss Governments. Some have even gone so far as to state that such a treaty would solve the problems created by foreign bank secrecy.

These treaty negotiations began shortly after the Banking and Currency Committee conducted a 1-day hearing on December 9, 1968, in regard to the legal and economic impact of foreign banking procedures on the United States. This hearing, which heard testimony from the Justice Department and the Securities and Exchange Commission, for the first time pointed out to the committee and to the public the need for legislation to halt the abuses of Americans using foreign bank secrecy to hide illegal activities.

Since that time, representatives from the U.S. Departments of State, Treasury, and Justice, and the SEC have had meetings with representatives of the Swiss Government to develop procedures for some type of judicial assistance treaty. This treaty would be reciprocal in nature and would enable our State and Federal prosecutors to secure information and evidence from Switzerland for investigations and prosecutions within the United States.

Both governments should be commended for their efforts to obtain such a treaty. There are, I am sure, many areas in which agreement would be mutually beneficial to both countries.

However, we must not be naive and think that a treaty would be the solution to the problems created by foreign bank secrecy.

The Swiss have no equivalent to our securities and criminal tax laws. Therefore, evidence for any prosecution for these so-called fiscal offenses could not be made available by the Swiss under any treaty.

As recently as April 28, 1970, the Wall Street Journal reported one of the Swiss negotiators, Mr. Pierre Nussbaumer of the Swiss Foreign Ministry, as saying that he doubts Switzerland will ever agree to blanket U.S. access to Swiss secret bank accounts in investigations of tax fraud. The article continues to quote Mr. Nussbaumer as saying that things look better in the field of organized crime, which sometimes also involves tax fraud.

We would certainly welcome assistance in combating organized crime and hope that the negotiations in this area are productive. I understand that the Swiss have already been cooperative in furnishing information relating to the financing and smuggling of narcotics.

Mr. Eugene Rossides, U.S. Assistant Secretary of the Treasury for Enforcement and Operations, in testifying before the committee about the treaty negotiations said:

> The United States must also look to its own laws to determine whether we are doing all that we can do to stop tax evasion and other crime.

Mr. Rossides' statement is very sound. It is most important to be understood that we are dealing only with the question of enforcing compliance with American laws by Americans and those doing business in the United States.

Mr. Will Wilson, Assistant Attorney General, stated before the committee—

> We are aware that a viable treaty with the Swiss government is not a complete answer to the problem of foreign bank secrecy. Many other countries have adopted secrecy laws. We must make certain that we do not substitute the commercial secrecy system of one country for that of another.

These gentlemen, both of whom are extensively involved in the negotiations, have pointed out that a treaty alone would not solve the problems created by bank secrecy.

There are presently more than a dozen other countries which have adopted bank secrecy laws that can be used by Americans to violate our laws. A treaty with any one country or every country but one would still not provide a solution to the problem. And, to negotiate a meaningful treaty with every country would take years to accomplish. Therefore, while we

welcome such treaties, Congress must recognize its responsibilities and act now.

Mr. PATMAN. Mr. Chairman, I yield to the gentleman from Wisconsin (Mr. REUSS) such time as he may use.

Mr. REUSS. Mr. Chairman, by now, I think that most of the Members are familiar with the two majors things that this bill attempts to accomplish—improved bank recordkeeping procedures and limitations on the use of secret foreign financial facilities. The chairman has adequately explained the need for the legislation as well as the various provisions of the bill.

I would like to confine my remarks to the very basic disagreement between the committee bill and that which was proposed by the administration. It is important that the fundamental, if not rather sophisticated, distinction between the two versions of the legislation be understood by all because the differences go to the very heart of the nature of the constitutional relationship between the Congress and the executive branch.

There was a great deal of similarity in the two bills. As a matter of fact, much of H.R. 15073 as amended by the committee, incorporates strengthening language which was lifted directly from the administration bill or incorporated as a result of suggestions from the Treasury Department. I refer to the amendments expanding title I beyond banks to cover all institutions which perform enumerated financial functions. There was a similar expansion of the coverage of title II dealing with the foreign banking problem. Perhaps one little noticed difference appears in chapter 4 of title II. The Patman bill originally required that Americans and those subject to our jurisdiction maintain records of their transactions with financial facilities in secrecy jurisdictions. The final version of the bill, after an excellent suggestion from the Treasury Department, requires not only that records of transactions but also records of relationships maintained be kept. This is quite a significant improvement in that the dishonest few who have already salted away their ill-gotten gains in secret foreign accounts will have to maintain records of those accounts in this country.

So, no one can quarrel that the administration provisions which were incorporated into the commitee bill were definite improvements. However, the administration's principal approach to the legislation is somewhat disturbing. The basic difference can be seen by comparing the first four lines of the administration bill with the first four lines of the committee bill. The administration bill, H.R. 16444, states that the "Secretary may by regulation require any domestic financial institution to retain or maintain in the United States any types of records or evidence which he determines are likely to have a high degree of usefulness in criminal, tax or regulatory investigations or proceedings." The commitee bill states on page 2, beginning with line 14, "The Congress finds that adequate records maintained by insured banks have a high degree of usefulness in criminal, tax and regulatory investigations and proceedings." Note that in the administration version the Secretary may require records which he determines are useful. By this grant of discretion to the Secretary, the administration was asking the Congress to cede almost its entire legislative function to the Secretary of the Treasury. The committee bill, on the other hand, follows the traditional concept of laying down specific congressional criteria with adequate flexibility given to the administrator to meet practical problems. This is the basic difference.

All of us have some doubts as to whether this legislation will present an effective answer to the problems presented by Americans' use of secret foreign financial facilities. However, I am satisfied that the bill represents the best effort of our committee and that in the future years, if experience dictates, we can improve upon it and make it more effective.

Mr. PATMAN. Mr. Chairman, I yield as such time as he may use to the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, title I of the bill requires the maintenance of designated records by banks and other financial institutions. It also requires the identification of account holders and those authorized to deal with accounts.

Title I does not touch directly on the subject of the use of secret foreign bank accounts. However, its enactment is no less important than those parts of the bill covering financial transactions with institutions located in secrecy jurisdictions.

When the committee first considered the problem of foreign bank secrecy, the members and the staff held innumerable discussions with various law enforcement agencies, particularly the Justice Department, the Treasury Department, and the Internal Revenue Service. The staff personnel of these agencies all made the suggestion that the committee could perform a useful service for law enforcement if it expanded its inquiry beyond foreign bank secrecy to include recordkeeping practices of domestic American banks and other financial institutions.

The law enforcement staffs of these agencies have been disturbed for some time because some of the larger banks were abandoning their traditional practices of microfilming all of their checks. They explained the banks were eliminating the records because they felt that the expenses entailed in microfilming checks simply were not worth the benefit gained by the bank. But, law enforcement agencies, especially the Internal Revenue Service, desperately need to examine microfilmed checks and other documents in connection with their investigations.

So, while the advantages to the banks of microfilming checks might be small, accessibility to such records by law enforcement agencies is crucial.

There are problems even with those banks who do microfilm checks. Many of these banks keep the microfilm copies on file for as little as 6 months. Others may keep them for a year and some may keep them for the period of the applicable statutes of limitations. There is a great need for some uniformity as to the periods for which these records are kept. Some cases active in the Internal Revenue Service today were commenced 5 or 10 years ago. You can imagine the frustration when the IRS subpenas the microfilm copies of checks for a particular account only to find that the copies were indeed made and shortly thereafter destroyed.

While photocopies or microfilms of checks are probably considered by law enforcement people as the most important kind of record maintained by a bank, they are by no means the only kind of record which serves a useful purpose in this area. For example, copies of notes, drafts, ledger cards, and so forth can be highly useful in a criminal investigation. Therefore, title I of the bill authorizes the Secretary to require the maintenance of these records. Second only in importance to photocopies of checks is the maintenance of records which clearly identify depositors and those who are authorized to deal with the account. Now, the account holder himself can usually be easily identified. However, the authorized agent or courier or messenger or whatever you want to call him, who can make deposits and withdrawals from that account is many times difficult to identify. Representatives of the Justice Department have summed up their innumerable difficulties in this area in a single hypothetical case. Suppose a notorious hoodlum now residing out of the country beyond the jurisdiction of the United States has a checking account with a large New York bank. On any number of occasions a complete stranger shows up at the tellers window and makes a $1,000 deposit or withdrawal. Under present law and methods of doing business, there is no way to tell who that complete stranger is. His identification might be vitally important to the making of a case against the hoodlum or in the uncovering of a conspiracy. Every day in the major banks of the country, couriers and messengers freely come in and out transacting business for the account of their principals. In only rare cases are these people identified.

Identifying those who do business with an account is consistent with the principles of due process and does not unduly interfere with the right of privacy. In recent years, every Member of this body has at one time or another been asked to identify himself when cashing his own or another's check at a bank or a store. Most of us have also had our pictures taken with the explanation that it was for our own protection. Title I of the bill does not go this far. It merely authorizes the Secretary of the Treasury to write regulations calling for the identification of account holders and those authorized to deal with respect to the account. It is contemplated that such identification will take the form of a signature card disclosing only the barest of details.

Mr. Chairman, the first drafts of this legislation limited the recordkeeping requirements of title I to domestic banks. At the suggestion of the Department of the Treasury staff it was subsequently revised to cover persons performing functions such as issuing or redeeming travelers checks, checks, money orders, trans-

ferring or transmitting funds or credits domestically or internationally, operating a currency exchange or credit card system and performing similar functions.

This expansion of the title I recordkeeping requirements to institutions other than banks is designed to prevent use of these institutions by criminals once they find that the regulations of the Secretary have effectively closed banks to their wrongdoing. If the regulations of the Secretary are made applicable to all of these institutions, a significant contribution to law enforcement will have been made.

Finally, section 21(i) of title I exempts from the recordkeeping requirements domestic financial transactions of less than $500. When this committee amendment is considered I understand that the chairman will oppose it. I am in agreement with the chairman that this exemption makes no sense if we are to have a coherent statute. As I have already said, most banks already maintain these records.

The opponents of the recordkeeping provisions of this legislation attempt to make two major points. First, they create visions of mountains of unnecessary and useless paperwork as high as the Swiss Alps. They anticipate that some bureaucrat in Washington will make them save, categorize, or microfilm every scrap of paper handled by their tellers. Their second point involves the expenses of this tremendous paperwork burden, claiming that it is unfair to them and to their depositors who must ultimately pay the increased cost and suffer the consequences of such inefficiency.

Mr. Chairman, these doomsday predictions do not accord with experience. The overwhelming number of records which will be required to be kept under this legislation are already maintained by our financial institutions. As I stated before, the thrust of this legislation is simply to halt a developing trend away from the keeping of such records and to make sure that those records which have a high degree of usefulness in criminal, tax or regulatory proceedings will continue to be available to the law enforcement authorities of this country in a consistent and orderly fashion. At first the industry would have us believe that there were some 40 billion checks a year which had to be microfilmed. They subsequently cut this figure in half to the actual amount of 20 billion checks per year. The industry also argued that these checks would have to be microfilmed by each institution through which they pass. This allegation was also abandoned when it was pointed out that this legislation intended that only the drawee bank—"the bank on which it is drawn and presented for payment"—need maintain a photocopy. As I said before, most of these checks are microfilmed already.

The committee took testimony from the National Microfilm Association and the two largest manufacturers of bank microfilm equipment—Eastman Kodak and Bell & Howell. These witnesses testified that the cost of microfilming a check ranges from 0.5 mil for a large bank to 1.5 mils for smaller banks. These costs include labor, materials and equipment. This testimony and appropriate charts can be found beginning on page 340 of the hearing record. Now, when we talk about 0.5 mil to 1.5 mils per check and when we compare this to the normal service charge that bank customers pay on their checking accounts and when we consider that banks are already microfilming checks, the cost of this aspect of the bill is indeed miniscule.

During the executive sessions of the committee on this legislation. I, myself was quite concerned about the imposition of expensive and burdensome photocopying requirements on domestic banks. I called several large banks, both in California and Washington, and I confirmed the opinion that banks already microfilm checks.

Perhaps the most important safeguard that the financial community has against overly burdensome recordkeeping requirements is that the legislation quite wisely rests with the Secretary of the Treasury. The Secretary is given very broad discretion in drafting the regulations and is given an even broader flexibility in tailoring the regulations to the ability of the banks and financial institutions to maintain these records. I call your attention to section 21(f) which states, and I quote, "in addition to or in lieu of the records and evidence otherwise referred to in this section, each insured bank shall maintain such records and evidence as the Secretary may prescribe to carry out the purposes of this section."

Finally, Mr. Chairman, there is another point here that we all seem to be missing. Even if there is some additional cost to the financial institutions of this country, even if there will be some burden, even if these institutions do have to do a little more in terms of recordkeeping than they have done, should not they as well as the rest of us bear some of the costs of fighting crime. In these days when all levels and types of crime are mushrooming beyond manageable proportions, the taxpayer is being called upon to pay more and more money for law enforcement. Surely the banks and other corporations who will be required to keep some additional records or maintain the records they already keep cannot complain too loudly about taking on a small portion of this burden. Perhaps the virtue of title I of this legislation is that it is designed to create the climate for more efficient law enforcement. It could serve as a very helpful crime preventive so that the benefits to be gained are far out of proportion to the burden taken.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. STANTON).

Mr. STANTON. Mr. Chairman, the bank records and foreign transactions bill was first brought to the attention of the committee at a special meeting the chairman called on December 9, 1968. On that date a hearing was held on the legal and economic impact of foreign banking procedures in the United States. The principal witness at these hearings was Mr. Robert Morgenthau, the then U.S. attorney for the southern district of New York.

From Mr. Morgenthau's testimony it was concluded the committee should address itself to legislation in this matter. The main problem in devising legislation was to avoid undue burdening of the huge volume of international commerce and the creation of a complex and expensive Federal activity. The final draft of the bill attempts to resolve these problems.

Mr. Chairman, as has already been stated, the bill contains three substantial titles:

Title I requires the Secretary of the Treasury to prescribe regulations whereby insured banks, insured institutions and other financial institutions must maintain appropriate type of records which have or may have a high degree of usefulness in criminal tax or regulatory investigations.

Title II provides for records and reports of domestic currency transactions, export and import of monetary instruments and records of foreign transactions by residents or citizens of the United States or persons doing business therein.

Title III amends section 7–A of the Securities and Exchange Act of 1934 to make it unlawful for persons to obtain or retain credit in violation of rules or regulations issued pursuant to that section.

Mr. Chairman, during the markup of this legislation there was considerable discrepancy between the Treasury Department and the committee staff as to the proper approach to best accommodate the purpose of this legislation. It was suggested by Treasury that additional amendments were needed to assure adequate authority in the Treasury to carry out the purposes of the bill and to limit the scope of the bill to its intended purposes.

However, in the interim 2 months' period since the committee print was authorized, I have not heard from the Treasury Department personally concerning these desired suggestions.

For this reason, Mr. Chairman, I will support the legislation before us today in its present form and hope that no amendments will be adopted.

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

Mr. STANTON. I yield to the gentleman from Minnesota.

Mr. ZWACH. I thank the gentleman for yielding.

I have before me the gentleman's additional views in which he makes the following statement:

> Nevertheless, the Committee has failed to adopt a number of desirable suggestions made by the Treasury which are needed to assure adequate authority in the Treasury to carry out the purposes of the bill and to limit the scope of the bill to its intended purpose—to assist criminal, tax, and regulatory investigations and proceedings. I believe that such amendments should be made before the bill is finally enacted.

Could you elaborate on that statement? I would appreciate it.

Mr. STANTON. I will be glad to do that for the gentleman from Minnesota. As I said a couple of minutes ago, the question before our committee was be-

tween the Treasury Department and certain staff members as to the proper approach to accomplish the objective. I believe it would be a fair statement to say that the Secretary of the Treasury wanted a little more flexibility than what is contained in the bill. However, as the ranking member, the gentleman from New Jersey (Mr. WIDNALL) said previously, if the Treasury Department has any questions about those provisions, they will have an opportunity to take them up with the other body. For the moment certainly, with regard to the particular views the gentleman spoke about here, I for one would like to say I am well pleased with the legislation in its present form.

Mr. ZWACH. The gentleman is then supporting the bill as is?

Mr. STANTON. Correct.

Mr. ZWACH. I thank the gentleman for yielding.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, the committee hearings into the uses of secret foreign bank accounts have clearly demonstrated a need for legislation to curb their use for various criminal purposes. Although I support legislation for this purpose as does the administration, I do not favor a number of the provisions of H.R. 15073. We shall support the enactment of H.R. 15073 as reported in the interest of giving some useable authority to our law enforcement agencies this year, but I think it essential that I comment on some of the bill's deficiencies.

First, let me point out that foreign financial institutions—many of which are subject to the secrecy doctrine and are therefore practically required to provide their services on a secret basis—are utilized primarily for absolutely honest and essential business purposes. It is not our intention to restrict these uses in any way. On the contrary, we should exercise great care in legislating to make sure we do not inadvertently impose requirements that do impede the orderly conduct of international business transactions. One of the major concerns we have about this bill is that it will do just this. I should point out that to the best of my knowledge, there is no difference of opinion on either side of the aisle about our intent. The differences which have divided us on this measure relate to the means of achieving the objective and probably the degree of caution being exercised.

The Department of the Treasury under the direction of Assistant Secretary Rossides has undertaken a study of the types of records which might best be kept to restrict the use of these foreign institutions for dishonest purposes without placing undue burdens on all domestic financial institutions and the many honest businesses to which I have referred. It should be noted that these dishonest uses of foreign banks run the gamut of crimes from tax evasion, to gambling, stock manipulation, arbitrage, dishonest purchase and sales contracts, just to name a few. The methodologies involved are as diverse as the crimes and the ingenuities of the criminals. To make this legislation really useful and yet not burdensome, the Treasury has strongly recommended against the mandatory recordkeeping approaches embodied in H.R. 15073 and requested a more flexible authority which could be utilized selectively as its continuing study defines the need. We in the minority would have preferred this approach.

Regretfully, I conclude that there has been some psychological reaction to continuing references to "secret foreign bank accounts." In some countries—Switzerland being the most notorious example—there is a very high degree of secrecy associated with bank accounts, but in all countries, including the United States, there is some secrecy. While "secrecy" and "privacy" may not be entirely synonomous, there is a relationship. Most of us in recent years have heard a great deal of complaint about unwarranted invasions of privacy by government agencies. None will disagree that the citizen is entitled to his privacy—and the secrecy of his financial transactions except pursuant to due process of law—is a right to which he is entitled. I want to urge that as we consider this measure we not fall prey to emotional reactions to sinister references to "secret foreign bank accounts," but remember that a degree of secrecy is present in all bank accounts. The only legitimate purpose of this bill is to provide a means of piercing the veil of secrecy when there are proper and legal reasons to do so. Without the so-called Stanton amendment to this bill, exempting domestic financial transactions of under $500 from the recordkeeping requirements, there would exist unlimited opportunities for flagrant invasions of privacy.

Members should recognize that despite numerous casual references to H.R. 15073 as the foreign secret bank account bill, it is much more than that. First, its recordkeeping provisions apply equally to all financial transactions, even all foreign financial transactions. Records and reports could be required on all foreign transactions regardless of whether the account was in Switzerland, Canada, the Bahamas, or Zulu land.

Mr. GRIFFIN. Mr. Chairman, the Committee on Banking and Currency held extensive hearings on H.R. 15073, which I joined 17 Members in introducing. We worked closely with the Treasury Department in drafting effective language which we hope will eliminate the use of secret foreign bank accounts for illegal purposes.

We took a great deal of testimony on how illegally acquired cash is taken from the United States and deposited in secret accounts abroad without authorities being able to trace or stop such practices.

Many of us were concerned over the recordkeeping provisions of the bill because we did not want to impose on financial institutions unnecessary burdensome paperwork. I do not feel the bill as reported will unduly hamper the institutions involved.

Certainly, Mr. Chairman, the objectives of H.R. 15073 are worthwhile and desirable. If enacted into law, I believe it would effectively aid the Treasury and Justice Departments to identify tax evaders, stock manipulators, and other criminals who now use secret bank accounts abroad to hide their nefarious crimes against society. The bill should be passed unanimously.

Mr. HANNA. Mr. Chairman, title I of the bill before us appears unimportant. It purports to do no more than, to quote the committee's report, to "impose certain recordkeeping requirements on a few sizable banks which have abolished or limited the practice of photocopying checks, drafts, and similar instruments drawn on them or presented for payment." To accomplish this, however, the measure amends Federal law to require all insured banks to comply with the photocopying requirements. While it is true that many banks are already photocopying checks, it is not insignificant that—in the future—these records will be mandated by Federal law. As such they may take on a slightly different status in the eyes of both the record custodian and the Federal agencies.

The law has not placed the bank-customer relationship on the same footing as the attorney-client or doctor-patient relationship. While there is much written about the sanctity of the relationship, there is a paucity of cases in which customers have been permitted to recover against banks who without prior approval made the customer's records available to some third party. No reported case has been discovered in which a bank customer has prevailed against a bank which—without either customer approval or court order—released bank records on the customer's dealings.

The important issue which lurks behind title I of this bill is: what safeguards exist to insure that the bank records mandated by Federal law are not, also, made fair game for every Federal agent who wishes to indulge his curiosity concerning the dealings of a citizen? To fail to spell out in clear legislative language the terms and conditions under which access to bank records may be obtained would be a grave oversight. It might well lead to uncertainty in the banking industry and inconsistent practices by law enforcement agencies. My concern over the prospect of inconsistent interpretations led me to propound the following question to the three principal Federal law enforcement officials: by what means would your agency, under the terms of H.R. 15073, obtain access to information retained by financial institutions? The answers I received did nothing to allay my fears.

The Attorney General said that his Department would continue its present practice of issuing grand jury subpenas for records required in development of a criminal case.

The Director of the Federal Bureau of Investigation wrote that access would be by consent of the party lawfully in control of the information or by subpena.

The Assistant Secretary of the Treasury for Enforcement and Operations advises that access to information will be obtained by the Internal Revnue Service under current law which gives "summons power under which a summons can be issued to obtain records in connection

with a specific investigation." He would not, however, indicate how the Secretary intended to employ the broad power to impose additional reporting requirements. Recent reports of the abuse of Federal income tax records by high administration officials leaves little doubt about the possible consequences of permitting doubt to exist concerning the conditions under which access may be had to information assembled at Government's behest.

This very serious potential threat to the constitutionally ordained right of privacy embodied in this bill can be averted. I propose the addition of language to title I of the bill providing that on page 9, line 3, is added section 124. "The records required to be maintained pursuant to this title shall be made available for law enforcement purposes only." Renumber the subsequent sections accordingly.

Mr. ANNUNZIO. Mr. Chairman, I support this bill. As a member of the Committee on Banking and Currency, I am quite familiar with its provisions and can assure my colleagues that it will be of valuable assistance in securing much needed law enforcement in the banking field. The domestic bank recordkeeping requirements will provide useful tools in tax and criminal investigations.

Of course, the records which are required to be kept cannot be the subject of a "fishing expedition" by some overzealous law enforcement officer. The rights of the individual to whom these records might pertain are fully protected and the legislative history makes it clear that before gaining access to these records the government authorities must submit to due legal process. In other words, the records cannot be obtained without a subpena or a warrant or other court sanction of the demand for them.

In its more important aspect, the bill closes a flagrant and enormous loophole which has been illegally used by Americans without fear of detection for decades. I refer, of course, to the secret foreign bank account, the secret foreign trust and what I like to call the secret foreign business deal.

To me, it is an outrage against our honest and law-abiding American citizens for this Government to permit wealthy Americans, businessmen and otherwise, who can afford the $50,000 or $100,000 it takes to do business in these so-called secrecy jurisdictions, to so easily avoid payment of their just taxes and our American securities laws.

This bill goes after the big businessman, the big stock market manipulator, the embezzler, and other white collar criminals who deal in amounts of money which stagger the imagination.

In testifying before our committee, U.S. Attorney Robert Morgenthau pointed out that Swiss banks are used "by affluent members of society, including leaders of finance and industry, to cheat the Government of taxes and further conceal other criminal conduct." Some of the cases are so shocking that it is a wonder that they have not received more attention by the press. So-called legitimate businessmen have defrauded the U.S. Navy of millions of dollars through the use of Swiss banks and dummy Belgian corporations. A Swiss bank worked with an American brokerage firm to permit Americans to buy millions of dollars of securities in violation of our securities laws. A corporation executive unloaded $500,000 worth of bonds in his own company, again in violation of our securities laws. American businessmen hiding behind the shelter of Swiss banks and Liechtenstein trusts have seized control of American corporations not only in violation of the securities laws, but perhaps the antitrust laws. In March of 1969, a 66-count indictment was obtained against six persons including the principle officers of a firm whose stock is traded on the American Stock Exchange. They had illegally distributed the firm's stock out of Swiss and German banks as well as a Liechtenstein trust. A president of a member firm of the New York Stock Exchange was indicted for unlawful dealings in new issues which were purchased by a Panamanian company through Swiss banks. In one case, a number of bank employees attempted to steal almost $12 million from the Chase Manhattan Bank by sending false authorizations to a Swiss bank to transfer funds.

These are only some of the examples of the type of big money crime that this bill tries to do something about. It has been estimated that for every case we know about there are dozens of others which go uninvestigated and unprosecuted because of the foreign secrecy laws. It gets a little frustrating when an Internal Revenue agent or some other law enforcement officer can't even begin to find out about a crooked business deal because it is hidden behind an iron curtain of foreign secrecy laws.

This bill will not put a guaranteed stop to these so-called white-collar crimes. It will, however, pierce the secrecy laws to the extent that it requires Americans to keep records of their dealings and relationships with foreign secret financial institutions. It also requires our own banks to maintain records on transactions.

I have heard some complaints that this bill invades the right of privacy and that a man's business dealings are his own business and not the business of others. Mr. Chairman, I would be the first one on this floor to urge the defeat of any legislation which would be an unwarranted interference of an individual's right of privacy or would disturb the confidentiality of his business relationships. But, I also would be the first to demand that every American, rich and poor alike, pay their taxes and obey the law. If a man in his business relationships uses a secret foreign bank account to evade his taxes or to illegally manipulate securities, he, and not the government, has abused his right of privacy and his privilege of confidentiality. This bill offers safeguards to individuals and to businessmen. Any records or reports required under the bill are subject to the same legal procedures that exist under present law. Before the Internal Revenue Service, the Justice Department or others can obtain these records, they must make a sufficient showing of wrongdoing to justify the issuance of a warrant or a subpena. The persons affected have every right in the world to invoke the aid of the courts in defeating oppressive and prosecuting access by the Government.

A couple of months ago this Congress passed the most sweeping tax reform bill since 1964. The main reason we did so was because Americans were getting sick and tired of the tax privileges and loopholes enjoyed by those in the higher income brackets. In a sense, this bill is a continuation of tax reform legislation. It closes what may well be one of the largest loopholes in the law—using secret foreign banks as a tax haven.

There was a good deal of publicity surrounding our hearings. I was interested to note that the public reaction to our hearings was not so much geared at the crime detection aspects of this bill, but rather to a sense of outrage of the taxpayer. The law abiding American taxpayer gets pretty mad when he hears that high income people do not pay their taxes because they can afford a Swiss bank account.

It is about time the Congress cleared up this inequity. We can start by passing this bill.

Mr. ASHLEY. Mr. Chairman, chapter 4 of title II of this legislation represents the first attempt by the Congress to deal with the illegal use of secret foreign financial facilities by Americans. The chairman in his remarks has outlined the variety of ways that these secret foreign accounts can be used by Americans in derogation of our laws. Illegal use of these accounts is so frequent and so widespread that it would be impossible to list them all. One of the things that disturbs me is that everybody seems to know about it. Let me read to you a paragraph from an article entitled, "Eurodollars: Using the Multinational Currency," which appeared in the magazine Corporate Financing in the March/April 1970 issue. The article was written by the general editor, Chris Welles. It is an interesting discussion on the Eurodollar market—how it was created, how it is used and how it fluctuates. The following paragraph is part of the general discussion on the negotiable Eurobond:

> The identity of the ultimate buyers of Eurobonds has always been surrounded by a great deal of mystery, not the least of the reasons being that many, if not most of them, including Americans with foreign bank accounts, regard Eurobonds as an excellent way to illegally avoid taxes. Most are wealthy individuals (compared to the U.S., institutional investing in Europe is still in its infancy). "There is a small, very rich group of people—mostly Greeks, Italians and Arabs—whom we can rely on to take a couple of million of almost every issue," says a London merchant banker. Many of these buyers keep their money in Swiss banks, and it is estimated that eventually over half and perhaps as much as three-quarters or more of most issues ends up in Switzerland.

There is absolutely nothing in this bill or in this section which will prohibit Americans or anybody else from purchasing negotiable Eurobonds. But, if this section is adopted, Americans who purchase negotiable Eurobonds as an "excellent way to illegally avoid taxes" will be required to keep records of their purchases and their failure to do so will

subject them to the penalties of the law. By requiring the maintenance of these records, the opportunity to avoid the payment of income taxes will no longer be quite so excellent.

In general, the Treasury Department has endorsed the idea behind this legislation. In addition, it was their proposal to add a question to our personal income tax forms, form 1040, asking whether the taxpayer maintains a foreign bank account. On May 11, the Internal Revenue Service announced its intention to include the question on next year's income tax forms.

This new Treasury regulation coupled with the recordkeeping requirements imposed by title IV, will give Treasury important new tools in enforcing our tax laws.

As far back as 1958, the Internal Revenue Service has been concerned about the ever-growing number of Americans who dodge their income taxes by using secret foreign bank accounts. Internal Revenue agents have been constantly frustrated in their attempts to discover not only whether the taxpayers have these accounts, but it has been virtually impossible to find out anything about the account once its existence has been known.

There is no way of telling just how many Americans participate or how much money is involved in this illicit activity.

Robert Morgenthau, the former U.S. attorney for the southern district of New York, has testified that the tax alone amounts to hundreds of millions of dollars. The dozens of cases which he discussed in his testimony and the amounts of money involved in those cases, some of which were mentioned earlier by the chairman, would tend to confirm Mr. Morgenthau's statement.

Last year in Barron's Weekly there was a front page feature entitled "Assault on Privacy" prepared by S. J. Rundt and Associates, consultants on international business. While the article was critical of the House Banking and Currency Committee's activities on the problems of foreign bank secrecy, some rather interesting admissions were made. The Rundt organization points out that because of the growing mistrust in the U.S. dollars more and more Americans were sending their dollars to Switzerland. The volume of this traffic was so heavy that the courier fee today is five times what it was a few years ago—rising from less than 1 percent to almost 5 percent. As a matter of fact, the article goes on to say that "during the recent gold bubbles," worried Americans were aware that their dollar was not as good as gold and during those hectic days, the largest, oldest and universally most respected Swiss banks and many smaller ones received by check and in cash, by cable and in ordinary envelopes such huge quantities of dollars from American depositors—many of them pensioners or small savers—that even upon employment of hundreds of extra clerks they could not open the mail fast enough, book the new entries and return receipts—within less than six to eight weeks."

If this leading international consultant is only half right in his observations, then the activities of many Americans in the secret foreign bank account field are a national disgrace. The clear implication of this article is that Americans were sending their dollars to Switzerland during a period of rising gold prices to do what they are forbidden to do by American law—buy gold.

Buying gold is not the only way these secret accounts are used. Financial manipulators and petty criminals have found secret accounts an easy and safe way to cover up wrong doing or avoid taxes.

It is high time the Congress acted. This bill may not be the perfect remedy. But it will be a giant first step in serving notice to lawbreakers that the secret account is no longer a shelter from law enforcement.

The bill deserves our support.

Mr. ST GERMAIN. Mr. Chairman, I support H.R. 15073. As one of the sponsors of the original bill, I can assure my colleagues that the final version of the bill, with one exception is an effective piece of legislation. The exception is the $500 exemption in title I which the chairman referred to in his remarks.

This is the first time the Congress has dealt with the problem of the illegal use of secret foreign banking facilities. It is also the first time in recent years where we have attempted to make some sense out of the inconsistent and sometimes incomplete recordkeeping practices of our financial institutions. I do not propose that this legislation will be a complete answer to such a serious law-enforcement problem but it will serve notice on those who would avoid their responsibilities under the law by using these secret foreign banks that the Congress intends to deal with this problem and will deal with it for many years to come.

I am not going to dwell at any length on the specific provisions of the legislation since the committee report and the Members who have already spoken have done so. I would like to discuss who uses foreign bank secrecy.

These foreign secret banks have been used by criminals, embezzlers, racketeers, stock market manipulators, and others to conceal their illegal activities. I am not talking just about the organized underworld. I am also talking about wealthy individuals and businessmen who for years have been playing the Swiss shell game with U.S. laws. The overwhelming majority of American businessmen are decent, law-abiding, and taxpaying citizens. However, during our committee hearings on this subject I sat and listened to men like former U.S. Attorney Robert Morgenthau and the Assistant Attorney General in charge of the Criminal Division testify to case after case where so-called white collar criminals have evaded taxes, violated our securities laws, engaged in illegal payoffs, and embezzled funds.

These cases have involved tremendous amounts of money. One of our witnesses indicated that the loss of tax revenues alone, to say nothing of the criminal aspect, amounts to hundreds of millions of dollars.

Last year the Congress passed the most sweeping tax reforms since 1954. Our whole purpose was to close or to limit the gaping loopholes in our tax laws where the more fortunate people in our country have been able to substantially reduce or virtually escape the payment of their just taxes. Yet we did not close perhaps the largest single loophole now existing—the use of secret foreign financial facilities as a shelter against the payment of lawful taxes. We must do so now.

I am satisfied that this legislation meets constitutional safeguards on the rights of individuals to conduct their own affairs. The legislation does not give law enforcement officials the right to go on "fishing expeditions" through a citizen's financial files. Our citizens should have a basic right of privacy in conducting their monetary affairs. We have made it clear that before law enforcement agencies can examine the records of any individual they must resort to due process of law. There must be a subpoena, warrant or similar legal procedure on good cause shown before these records can be made available to the Government.

It is for these reasons that I urge the Members of the House to support this legislation.

Mr. HANLEY. Mr. Chairman, chapter 2 of title II of the bill is entitled "Domestic currency transaction." It requires reports to the Secretary of the Treasury, or his designee, of transaction involving the payment, receipt or transfer of U.S. currency or other monetary instruments involving any domestic financial institution. The main purpose of this section is to provide a record of unusual cash transactions involving banks and other financial institutions. Experience has shown that large and unusual withdrawals and deposits in cash often have a taint of illegality. A record of such deposits and withdrawals will be quite helpful in facilitating the law enforcement activities, particularly in the income tax and organized crime area.

A question was raised during the hearings as to whether or not these reports will be required from the large number of persons who, as a matter of their legitimate business enterprises conduct a large cash business. The specific reference here, of course, is to the retail field. It was felt that if, for example Macy's department store was going to run a sale and the manager went to his local bank on the day of the sale and withdrew $100,000 that Macy's would be obligated to file the report. Another case would be the local manager of the supermarket who deposits and withdraws thousands of dollars every day. It was felt that extension of the requirements of this section to such legitimate business people would result in an unfair, needless, wasteful and harsh burden.

This is not what the section intends. The Secretary of the Treasury under the broad exemptive power contained in section 206 of the same title II is given more than adequate authority to exempt normal business transactions from the requirements of the chapter. I have every confidence that the Secretary will write his regulations so that such exemptions for normal business transactions will be

routinely granted with a minimum amount of difficulty. I repeat that it is the main purpose of this section to require the reports of only unusual currency transactions. Thus, where a depositor for no apparent reason withdraws or deposits a lot of cash in his account, the transactions will be noted and duly reported to the Treasury.

The administration, particularly the Treasury Department, in general has supported this provision. There was one difference between the committee version and their view. As originally introduced, the bill required that a separate report be made both by the financial institution involved and the individual engaging in the transaction. The Treasury Department objected to the idea that the individual involved in the transaction should be required to file the report. The bill was then redrafted and now provides that the institution involved and the individual both sign the report but that the individual need not file a separate report. Requiring individuals involved in the transaction to sign the report is essential if a complete record of the transaction and the parties involved is to be gained. In 99 out of 100 cases where such cash transactions involve wrongdoing, the financial institution is usually blameless but it is the individual who is breaking the law. Therefore, it makes a great deal of sense to require the individual to sign the report and acknowledge the transaction. His signature will be quite helpful in any investigation that may result from the transaction.

This section of the bill does not represent any radical departure from present law. At present there are a set of regulations issued by the Treasury Department requiring the reports of unusual cash transactions over specified amounts. However, for one reason or another the Treasury Department has never felt fully confident that these regulations had a sufficient statutory basis for full and complete enforcement. The Treasury Department was receiving some of these reports, but by no means all of them.

When the committee first started looking into this whole problem in December 1968, the then Assistant Attorney General, Mr. Vinson, and the then U.S. attorney for the southern district of New York, Mr. Morgenthau, testified as to the urgent need for strengthening the Treasury and reporting system. The bill as now drafted is an answer to that testimony.

In closing, let me read you a short example of just how valuable those reports can be. This is a news item from the Wall Street Journal of May 6, 1970. It is entitled, "A 'Friendly Favor' Raises IRS Suspicions of Squirreling Away Untaxed Cash."

The IRS socked a Chicago woman with a $3,700 tax deficiency, based largely on a report from her bank that she had changed $10,000 in small bills. The bank's records also showed she had entered her safe deposit box the same day. The woman owned a restaurant, and the IRS concluded she was stashing away part of her profits.

The woman was in a pickle, but the Tax Court accepted her explanation: She had encountered an acquaintance who wanted to change the money but lacked a bank account. She had helped him, but had never seen him again. Her financial records and living standard were consistent with this, the court said, and it was impressed with her accountant's testimony on her behalf.

This is exactly the kind of thing that this section of the bill drives at. As will be said so often during the discussion of this legislation, if we are to have meaningful tax reform in this country, then we must have meaningful enforcement of our tax laws, and good enforcement demands complete information.

Mr. Chairman, this section of the bill deserves our support.

Mr. PEPPER. Mr. Chairman, as chairman of the House Select Committee on Crime, I wish to commend the distinguished chairman of the Committee on Banking and Currency and the members of his committee for this important weapon which they have forged against the ugly octopus of organized crime.

The tentacles of this monster, which have so long reached deeply into our society, have an international grasp. They reach into secret bank accounts in Switzerland and the Bahamas, and into the secret heroin processing plants of France. They feed a criminal maw which devours tens of billions of dollars each year—a sum which contrasts sharply with the few tens of millions which we devote to combating organized crime's deadly embrace.

My committee is very much concerned with the impact of organized crime on American society. We are especially aware of its tragic effects upon lives and property through the rapidly expanding drug traffic which it engenders and directs. The large-scale addiction to heroin and other hard drugs which it promotes is a major cause of crime in the streets of America's cities today. Hopelessly-addicted persons are responsible for much of the increase in burglaries, muggings and other assaults which cause Americans to live in fear in their homes and to walk in fear on our streets.

This appalling situation, this ugly cycle of drug addiction and violent crime, is financed by organized criminal elements through secret financial transactions which can be reached through the legislation brought before us by the Banking and Currency Committee today. The heroin traffic is big business, organized business, involving sums in the hundreds of thousands of dollars in a single transaction and totaling many millions of dollars each year. The record-keeping and reporting features of this legislation will make it possible for law enforcement officers to crack these organized drug operations in many more cases, with great savings in human misery and significant reductions in crimes against the persons and property of our citizens across the land.

I strongly support this legislation, and warmly commend my good friend, the chairman, and my former colleagues on the Banking and Currency Committee.

Mr. PATMAN. Mr. Chairman, since each Member has the privilege of extending his remarks on this bill and of including relevant extraneous matter, and I have no pressing demands for time, if the gentleman from New Jersey is in the same position we could wind up the general debate.

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

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

TITLE I—BANK RECORDS

CHAPTER 1—INSURED BANKS

Section 101. Retention of records by insured banks

The Federal Deposit Insurance Act is amended (1) by redesignating sections 21 and 22 as 22 and 23, respectively, and (2) by inserting the following new section immediately after section 20:

"SEC. 21. (a) The purposes of this section are (1) to facilitate the supervision of the business of banking, (2) to aid duly constituted authorities in lawful investigations, and (3) to prevent the premature destruction of certain types of evidence having a high degree of usefulness in the establishment of civil and criminal liabilities.

"(b) The Secretary of the Treasury (referred to in this section as the 'Secretary') shall prescribe such regulations as he may deem appropriate to carry out the purposes of this section.

"(c) Each insured bank shall maintain such records and other evidence as the Secretary may require of the identity of each person having an account with the bank and of each individual authorized to sign checks, make withdrawals, or otherwise act with respect to any such account.

"(d) Each insured bank shall make, in accordance with the regulations of the Secretary,

"(1) a photocopy or other copy of each check, draft, or similar instrument drawn on it and presented to it for payment.

"(2) a record of each check, draft, or similar instrument received by it for deposit or collection, together with an identification of the party for whose account it is to be deposited or collected.

"(e) Whenever any individual engages (whether as principal, agent, or bailee) in any transaction with an insured bank which is required to be reported under the Currency and Foreign Transactions Reporting Act, the bank shall require and retain such evidence of the identity of that individual as the Secretary may prescribe as appropriate under the circumstances.

"(f) In addition to or in lieu of the records and evidence otherwise referred to in this section, each insured bank shall maintain such additional records and evidence as the Secretary may prescribe to carry out the purposes of this section.

"(g) Any type of record or other evidence required under this section shall be retained for such period as the Secretary may prescribe for the type in question."

CHAPTER 2—UNINSURED BANKS

Sec. 121. Congressional findings

The Congress makes the following findings:

(1) Banks not insured by the Federal Deposit Insurance Corporation (referred to in this chapter as "uninsured banks") constitute a legally significant component of the banking industry in the United States.

(2) Uninsured banks make use of the means and instrumentalities of interstate commerce and directly affect such commerce.

(3) The regulation by the Federal Government of the banking industry is necessary and proper in order to carry into execution the power of Congress to regulate the value of money.

(4) In order to effectively regulate the banking industry and to effectuate the purposes set forth in section 21 of the Federal Deposit Insurance Act, it is necessary and proper to confer upon the Secretary of the Treasury the authority to impose record-keeping requirements on uninsured banks as provided in section 122 of this chapter.

Sec. 122. Authority of Secretary

The Secretary may by regulation require any type of uninsured commercial bank, trust company, or savings bank:

(1) To make such reports as the Secretary may require in respect of its ownership, control, and management and any changes therein.

(2) To require, retain, or maintain, any records or other evidence of any type which the Secretary is authorized under section 21 of the Federal deposit Insurance Act to require insured banks to require, retain, or maintain.

(3) To permit the Secretary to have access to and to obtain copies of any material referred to in paragraph (2) of this section.

(4) To maintain procedures to assure compliance with this chapter. For the purposes of any civil or criminal penalty, a separate violation of any requirement under this paragraph occurs with respect to each day and each separate office, branch, or place of business in which the violation occurs or continues.

Sec. 123. Injunctions

Whenever it appears to the Secretary that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation under this chapter, he may in his discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the Secretary, any such court may also issue mandatory injunctions commanding any person to comply with any regulation of the Secretary under this chapter.

Sec. 124. Civil penalties

(a) For each willful violation of any regulation under this chapter, the Secretary may assess upon any institution to which the regulation applies, and upon any partner, director, officer, or employee thereof who willfully participates in the violation, a civil penalty not exceeding $1,000.

(b) In the event of the failure of any person to pay any penalty assessed under this section, a civil action for the recovery thereof may, in the discretion of the Secretary, be brought in the name of the United States.

Sec. 125. Criminal penalty

Whoever willfully violates any regulation under this chapter shall be fined not more than $1,000 or imprisoned not more than one year, or both.

Sec. 126. Additional criminal penalty in certain cases

Whoever willfully violates any regulation under this chapter, or section 21 of the Federal Deposit Insurance Act, where the violation is committed in furtherance of the commission of any violation of Federal law punishable by imprisonment for more than one year shall be fined not more than $10,000 or imprisoned not more than five years, or both.

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

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

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, strike line 3 and insert:

"TITLE I—FINANCIAL RECORDKEEPING"

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 1, in the table of chapters after line 4:

After "INSURED BANKS" insert "AND INSURED INSTITUTIONS".

Strike "UNINSURED BANKS" and insert "OTHER FINANCIAL INSTITUTIONS".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 1, after "CHAPTER 1—INSURED BANKS" insert "AND INSURED INSTITUTIONS".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerks read as follows:

Committee amendment: Page 2, after line 2, at the end of the table of sections, insert "102. Retention of records by insured institutions."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, strike lines 8 through 13 and insert in lieu thereof the following:

"SEC. 21. (a)(1) The Congress finds that adequate records maintained by insured banks have a high degree of usefulness in criminal, tax, and regulatory investigations and proceedings. The Congress further finds that photocopies made by banks of checks, as well as records kept by banks of the identity of persons maintaining or authorized to act with respect to accounts therein, have been of particular value in this respect.

"(2) It is the purpose of this section to require the maintenance of appropriate types of records by insured banks where such records may have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, lines 4 and 5, strike "such" and "as he may deem appropriate".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 8, strike "may" and insert "shall".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 12, strike "in accordance with".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 13, immediately before "the regulations of the Secretary" insert: "to the extent that".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 13, immediately after "the regulations of the Secretary" insert "so require".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 20, immediately after "is to be deposited or collected" insert ", unless the bank has already made a record of the party's identity pursuant to subsection (c)"

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, line 1, immediately after "required to be reported" insert "or recorded".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, line 8, strike "additional".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, line 10, strike "other".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, line 12, strike the closing quotation marks.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, immediately after line 12, insert the following:

"(h) The Secretary shall make an annual report to the Congress of his implementation of the authority conferred by this section and any similar authority with respect to recordkeeping or reporting requirements conferred by other provisions of law."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, immediately after line 17, insert the following:

"(i) Notwithstanding any other provisions of this section the recordkeeping requirements referred to in this section shall not apply to domestic financial transactions involving less than $500."

Mr. PATMAN. Mr. Chairman, I rise in opposition to the committee amendment.

I am opposed to the amendment and it should be voted down. This amendment in simple terms means that checks and other instruments in amounts under $500 need not be microfilmed by commercial banks.

Mr. Chairman, I do not question the motives of the sponsors of the amendment in committee. It was their undoubted intent to relieve smaller banks from what they considered to be an onerous burden of microfilming or photocopying checks and similar instruments. Perhaps they feared that small banks would have to purchase, install and operate extremely expensive machinery in order to comply with a bureaucratic regulation. They may also have felt that small banks have not been involved in the kinds of crime that we are trying to prevent with this bill.

If these reasons were valid, I could well be one of the sponsors of the amendment. But, when examined in the light of the bill's whole plan, this amendment bores a disastrous loophole and virtually destroys the legislative scheme.

The amendment applies to big banks as well as small banks and to city banks as well as country banks. Thus, big city criminals, tax evaders, market manipulators and the like can write checks in amounts under $500, secure in the knowledge that no photocopy of that check will ever be made.

Experienced investigators tell us that many times photocopies of checks drawn in small amounts can uncover crimes of far greater proportions. In one case mentioned before our committee by former U.S. Attorney Robert Morgenthau, a photocopy of a check drawn for $5 or $10 resulted in a successful prosecution of a tax evasion case involving thousands of dollars.

Those of us who have served as prosecuting attorneys or have done work in the field of criminal law can easily imagine a number of ways in which photocopies of checks can be useful in investigations and prosecutions.

This amendment inhibits good and efficient law enforcement. There is a more important reason for defeating it. If adopted, the amendment will cause more confusion than relief. Note that the amendment exempts from the recordkeeping requirements domestic financial transactions involving less than $500. The bank or other financial institution must first determine whether the transaction of less than $500 is involved only in a domestic transaction. The bank must first examine the check to see whether it carries any foreign endorsements. If it does carry a foreign endorsement or is otherwise involved in a foreign financial transaction, the recordkeeping requirements of title I apply.

The time taken to examine each check under $500 to be sure that it is purely domestic is far more expensive than the one-half mil or 1½ mils it costs to microfilm the check.

We will shortly be taking up title II of the bill which deals primarily with secret foreign bank accounts. Curbing the illegal use of these secret foreign accounts is the most important point of this legislation. Chapter 4 of title II, which will be discussed in much more detail at the proper time, requires among other things that American banks and financial institutions conducting business with persons or organizations in secrecy countries must maintain records of their transactions in this country. This is so that they will be available to American law enforcement authorities. Thus, if a foreign endorsement it may well amount to a financial transaction by the drawee bank with an institution in a secret foreign jurisdiction. It was intended that the requirement of title I that all checks be microfilmed would give the drawee bank an automatic record of the transaction. But, if this amendment goes through and the check is under $500, the bank will have to examine each check under $500 to make sure that it does not involve a transaction with a bank secrecy country.

The amendment has the ironic effect of making title II as well as title I more, rather than less, burdensome.

Unrefuted expert testimony before the Banking and Currency Committee places the cost of microfilming a check from 1½ mil per check for a small bank to one-half mil per check for larger banks. No matter what size the bank, the cost is negligible when compared with the normal service charges per check charged by most banks.

This amendment should be defeated. Contrary to the purposes of the act, it will create a dangerous loophole for the benefit of criminals. I might say on this point that if the amendment is adopted, the check for $499.99 or less will become the standard medium of exchange in the criminal world. The amendment does damage to the legislative scheme and makes the secret foreign bank provisions much more difficult to comply with. Finally, any savings generated by this amendment will be illusive, or the additional cost will be so small as to have virtually no impact on current banking operations.

Mr. STANTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the amendment that the committee passed in our Committee on Banking and Currency and which is under discussion at this time reads as follows:

Notwithstanding any other provisions of this section the record-keeping requirements referred to in this section shall not apply to domestic financial transactions involving less than $500.

This legislation has been sold to the press as a bill to end abuses arising from use of foreign secret bank accounts to mask illegal transactions. There is no disagreement with that objective.

Unfortunately as the proposal moved through more than a dozen revisions by an overzealous staff, it became a cumbersome, far broader measure shackling our domestic banking system with detailed recordkeeping requirements which clearly would prove self-defeating and counterproductive because of the sheer mass of nonrelevant information that would have to be compiled.

Fortunately the committee, in executive session, put an end to that nonsense by adopting an amendment which I proposed limiting the recordkeeping requirements for domestic financial transactions to those involving amounts of $500 or more.

Initially the bill would have required the photocopying or otherwise copying of each check, draft, or similar instrument drawn on a bank and presented to it for payment. This would involve photocopying of an estimated 20 billion items a year or an average of 66.7 million items per working day. There are 28,800 seconds in an 8-hour working day so the requirement meant the photocopying of 2,700 items per working second.

With modern equipment making such a record could be done. But that misses the point. The information is useful only if it could be processed to seek out possible illegal transactions. That is a time consuming process. I venture the opinion a huge battery of "G" men would bog down the first day in their efforts to process even the checks of only one of our large banks which processes 1½ million checks a day. That would work out to over 60 items per working second.

The introduced bill took the position that every check transaction is suspect and a record had to be made of it. That flies in the face of commonsense. The checks that a housewife writes every month to pay normal monthly bills such as utilities, insurance, house payments, gas, store accounts or even PTA dues, have nothing to do with masking illegal financial transactions either at home or abroad. Why force the keeping of records of them? All you do is accumulate such a volume on nonpertinent information as to make it practically impossible to get at information that might be useful on a selective basis.

My amendment exempting domestic transactions under $500 would exempt recordkeeping on billions of nonconsequential financial transactions a year. If there is to be any change in it, the amount probably should be increased. Even a $1,000 exemption would still produce a huge volume of mandatory recordkeeping. Our objective should be to produce a practical, workable cut-off point in this massive recordkeeping re-

quirement so that the bill can move toward the basic objective of curtailing illegal financial transactions masked by secret foreign bank accounts.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. STANTON. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. The committee chairman, the gentleman from Texas (Mr. PATMAN), in his remarks suggested that it might be less costly and require less effort for banks to photocopy all checks rather than exercise the selectivity that is permitted under the language of the so-called Stanton amendment.

Would not the gentleman agree that if it would be less expensive for any bank to photocopy all checks, regardless of amount, rather than exercise the selectivity the bill permits, the bill does not prevent any such bank from photocopying all checks?

Mr. STANTON. The gentleman is absolutely correct, and in practicality your larger banks in America are going to photocopy every single check. In the gentleman's State, the State of Michigan, the Detroit banks, the banks in Grand Rapids, are already probably doing so, but when you get out into the smaller, the minute banks in States such as Kentucky, Tennessee, Alabama, and all the rest of them where the volume of business is small—and that is the majority of banks—to make them go into the purchase of photocopying equipment to record every single check I do not believe is the intent and purpose of this legislation.

Mr. BROWN of Michigan. Then if the gentleman will yield further, would the gentleman not agree that, to the extent the Chairman addressed his objections to this aspect of the amendment, that his remarks are totally invalid and irrelevant?

Mr. STANTON. I would say so.

Mr. REES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the committee amendment for several reasons. During the committee hearings I was initially opposed to this bill because I said it is ridiculous to make every bank copy every "on us" check. I started to call throughout the country, to try and find out what banks do photocopy every single check, and I found that practically all banks in the United States, large and small, medium and small sized banks photocopy checks. They said that it is good business to have complete records of the photocopies of the checks.

I asked the banks, Well, then, if you are required to photocopy all checks, would it hurt you? And they said No, because we do it already.

This $500 loophole might be called the black ba loophole, because it says that checks under $500 do not have to be photocopied. Therefore, if you are going to engage in some hanky-panky, all you would have to do is just issue $499 checks, and you have accomplished your objective. There is no way in which an investigator can find that you wrote that kind of check.

I discussed this with a member of the Attorney General's office informally, and I was told that several years ago that was the way one FHA employee did it. He would have a weekly poker game with some contractors who would be interested in financing of building projects and he always won $50, $60, or $70, and, it was through those small checks that it was found that he was being given money by the contractors in order to give favorable action on FHA contracts. That is what you can do when you have this loophole that says checks under $500 are exempt.

This amendment is also very difficult if you go into the technology involved in photocopying checks. Right now when a check comes into the bank it goes automatically right through their photocopying equipment. So if you put a $500 limitation on this all it means is that then you have to put in a human movement if you decide that you do not want to photocopy checks under $500, and that sort of system would prove to be more difficult.

But let us look at the bill itself, let us go to page 3, line 12. It says:

> Each insured bank shall make, to the extent that the regulations of the Secretary so require—

Now, remember that that means that the bank shall do what the Secretary says the bank will do.

If you will turn over to the next page, page 4, line 6, section (f), it says:

> In addition to or in lieu of the records and evidence otherwise referred to in this section—

And that means that the Secretary of the Treasury, if he feels that it is not necessary to photocopy every check can, after looking at the situation, say "in lieu of photocopying every check you can do this or that."

But what happens when you come down to line 18? What if the Secretary finds that the $500 loophole is a loophole, and that a lot of the checks of a certain type are run through under $499?

What it says on line 18 is "Notwithstanding any other provisions of this section"—and it wipes them right out. The recordkeeping requirement referred to in this section shall not apply to domestic financial transactions involving less than $500.

So, with this, you are tying the Secretary's hands, if a year from now he finds this is a major loophole and he cannot do anything about it. He cannot pass a rule or a regulation on record keeping provisions.

I think this is a very dangerous amendment in this very complicated area of foreign and domestic financial transactions.

This bill gives to the Secretary the power to make a determination.

The committee amendment takes away from the Secretary the power to deal with the transactions involving less than $500.

I think we should vote down the amendment.

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

Mr. REES. I yield to the gentleman.

Mr. STANTON. Mr. Chairman, first of all I do not think, referring to this amendment, that it has anything to do with international transactions. They are all domestic.

Certainly, I think the point the gentleman is making that the Secretary of the Treasury does not need this amendment, if he should decide that checks of $1,000 or smaller amounts should not be photocopied or records kept, he can do that.

Mr. REES. It says, if he desired after looking at the law and after looking at the problem that in lieu of this photocopying of every check, you should only photocopy certain checks, then he could under the language of this bill come out with an administrative regulation.

But if he wanted to affect those checks under $500, he could not do anything.

Mr. STANTON. I think primarily the point, and I appreciate the point the gentleman is making, I am sure he will agree with me, we do not give carte blanche to the Secretary of the Treasury to change say $500 to $1,000 or some other amount.

We speld out pretty specifically the rules and regulations under which he should act.

Mr. REES. I checked the words "in lieu of" in Black's Legal Dictionary—instead of—in lieu of records that are asked to be kept—he can do something else. That is what the bill says in line 6—in lieu of—instead of.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman.

Mr. BROWN of Michigan. I have a couple of questions I would like to ask the gentleman as well as a statement I would like to make.

I think the gentleman's understanding of exporting may be better than his understanding of law.

Mr. REES. I was elected to be a lawmaker and you have to have a few of us around.

Mr. BROWN of Michigan. I am not in any way speaking disrespectfully about the gentleman's profession. But I just think going to Black's Law Dictionary for a definition of what "in lieu of" means is hardly adequate, when there is a specific mandate regarding the recordkeeping function within the bill.

Anything the Secretary might do under the discretion granted by that provision would have to be similar to and in effect accomplish the same purpose contemplated by the specific recordkeeping provision of the bill.

I do not care how he alternatively arranged to "copy" such records but he would be required to make a "copy" of records of all the transactions.

But I would be willing to make a little exchange here with you. If the gentleman in the well would be willing to rephrase the whole language of the bill to give the Secretary the flexibility that the gentleman says he thinks the Secretary of the Treasury should have, I would be glad to withdraw my support of this amendment.

Mr. REES. Fine, but I have this thing about correctly reading the English language—and it says "Notwithstanding any other provisions of this section"—and it refers directly to the copying of checks.

Mr. BROWN of Michigan. The gentle-

man appears to be concerned only with the so-called Stanton amendment as being too inflexible whereas he has been happy apparently, to tie the Secretary's hands as to what records need to be kept in order to carry out the objectives of this legislation.

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and on a division (demanded by Mr. STANTON) there were—ayes 38, noes 15.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, after line 21, insert the following:

Sec. 102. Retention of records by insured institutions

Title IV of the National Housing Act is amended by adding at the end thereof the following new section:

"SEC. 411. The Secretary of the Treasury shall prescribe such regulations as may be appropriate to carry out, with respect to insured institutions, the purposes set forth in section 21 of the Federal Deposit Insurance Act with respect to insured banks."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, strike line 5 and insert:

"CHAPTER 2—OTHER FINANCIAL INSTITUTIONS"

The committee amendment was agreed to.

Mr. WIDNALL. Mr. Chairman, I move to strike out the requisite number of words.

I do so in order to inquire of the chairman if there are any other amendments that appear to be in controversy. If not, I suggest that the remainder of the committee amendments be considered en bloc.

Mr. PATMAN. That is satisfactory with me.

Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

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

Mr. GROSS. Mr. Chairman, reserving the right to object, I should like to ask a question. I refer to page 15, beginning on line 12 and extending through line 21. Why is the Secretary given this wide power to make exemptions?

Mr. PATMAN. Of course, there are some international companies that engage in perfectly legal and ethical business deals that should not come under the provisions, and after the Secretary is satisfied that they should not be included, he may exempt them. We have given the Secretary lots of power under this bill, and I think it is well that we should do so.

Mr. GROSS. I think you have given the Secretary of the Treasury tremendous power by way of exemption in this one provision. I am not prepared to challenge it, but I would hope that the committee would carefully scrutinize the use of the exemptions in the light of experience.

Mr. PATMAN. But we have to keep in mind that we do not wish it to interfere with legitimate exporting and importing, our balance of trade, and our balance of payments. We have tried to interfere with them as little as possible.

Mr. GROSS. It could affect currency and run the whole gamut under this title of the bill. Is that not so?

Mr. PATMAN. The Secretary is required to report. Then the gentleman from Iowa or any other Member may take the report, and if he wishes to inquire about any aspect of it, he can inquire of our committee. If it is necessary to have a strengthening amendment, of course, that will be considered.

Mr. GROSS. I have only this to say: I support the bill, but I think this is tremendous exemptive power given to the Secretary, and I would hope that the committee would carefully scrutinize what happens under this particular provision of the bill.

Mr. PATMAN. I compliment the gentleman for being alert in bringing this up. But remember this: This is not nearly as wide as the opponents of the bill would like to have it. We have strengthened it considerably compared to what was desired by its opponents.

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

Mr. GROSS. Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

The remainder of the bill is as follows:

TITLE II—REPORTS OF CURRENCY AND FOREIGN TRANSACTIONS

CHAPTER 1—GENERAL PROVISIONS

Sec. 201. Short title

This title may be cited as the Currency and Foreign Transactions Reporting Act.

Sec. 202. Purposes

The purposes of this title are (1) to facilitate the supervision of financial institutions properly subject to Federal supervision, (2) to aid duly constituted authorities in lawful investigations, and (3) to provide for the collection of statistics necessary for the formulation of monetary and economic policy.

Sec. 203. Definitions and rules of construction

(a) The definitions and rules of construction set forth in this section apply for the purposes of this title.

(b) The term "Secretary" means the Secretary of the Treasury.

(c) The term "individual" means a natural person.

(d) The term "person" includes individuals, partnerships, trusts, estates, associations, corporations, and all other entities cognizable as legal personalities.

(e) The term "financial institution" means any person which does business in any one or more of the following capacities:

(1) an insured bank as defined in section 3 of the Federal Deposit Insurance Act.

(2) a commercial bank.

(3) a private banker.

(4) a trust company.

(5) an insured institution as defined in section 401 of the National Housing Act.

(6) a savings bank, building and loan association, or other thrift institution.

(7) a broker or dealer registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934.

(8) a broker or dealer in securities or commodities.

(9) an investment banker.

(10) a currency exchange.

(11) an issuer or redeemer of checks, money orders, or similar instruments.

(f) The term "domestic financial institution" means any person which does business as a financial institution in any place subject to the jurisdiction of the United States.

(g) The term "financial agency" means any person which acts in the capacity of a financial institution or in the capacity of a bailee, depository, trustee, agent, or in any other similar capacity with respect to money, credit, securities, or gold, or transactions therein, on behalf of any person other than a government, a monetary or financial authority when acting as such, or an international financial institution of which the United States is a member.

(h) The term "foreign financial agency" means any financial agency which transacts any business as such at any place not subject to the jurisdiction of the United States.

(i) References to this title or any provision thereof include regulations issued under this title or the provision thereof in question.

(j) All reports required under this title and all records of any such reports are specifically exempted from disclosure under section 552 of title 5, United States Code.

(k) For the purposes of section 1001 of title 18, United States Code, the contents of reports required under any provision of this title are statements and representations in matters within the jurisdiction of an agency of the United States.

Sec. 204. Regulations

The Secretary shall prescribe such regulations as he may deem appropriate to carry out the purposes of this title.

Sec. 205. Compliance procedures

The Secretary may by regulation require any class of domestic financial institutions to maintain such procedures as he may deem appropriate to assure compliance with the provisions of this title. For the purposes of both civil and criminal penalties for violations of this section, a separate violation shall be deemed to occur with respect to each day and each separate office, branch, or place of business in which the violation occurs or continues.

Sec. 206. Exemptions

The Secretary may, under such conditions as he may deem appropriate, by regulation, order, licensing, or otherwise, exempt any person from compliance with any one or more of the requirements imposed under this title.

Sec. 207. Civil penalty

(a) For each willful violation of this title, the Secretary may assess upon any domestic financial institution, and upon any partner, director, officer, or employee thereof who willfully participates in the violation, a civil penalty not exceeding $1,000.

(b) In the event of the failure of any per-

son to pay any penalty assessed under this title, a civil action for the recovery thereof may, in the discretion of the Secretary, be brought in the name of the United States.

Sec. 208. Injunctions

Whenever it appears to the Secretary that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of the provisions of this title, or of any order thereunder, he may in his discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the Secretary, any such court may also issue mandatory injunctions commanding any person to comply with the provisions of this title or any order of the Secretary made in pursuance thereof.

Sec. 209. Criminal penalty

Whoever willfully violates any provision of this title or any regulation under this title shall be fined not more than $1,000, or imprisoned not more than one year, or both.

Sec. 210. Additional criminal penalty in certain cases

Whoever willfully violates any provision of this title where the violation is—

(1) committed in furtherance of the commission of any other violation of Federal law, or

(2) committed as part of a pattern of illegal activity involving transactions exceeding $100,000 in any twelve month period

shall be fined not more than $500,000 or imprisoned not more than five years, or both.

Sec. 211. Immunity of witnesses

Whenever in the judgment of a United States attorney the testimony of any witness, or the production of books, papers, or other evidence by any witness in any case or proceeding before any grand jury or court of the United States involving any violation of this title is necessary to the public interest, he, upon the approval of the Attorney General or his designated representative, may make application to the court that the witness be instructed to testify or produce evidence subject to the provisions of this section. Upon order of the court the witness shall not be excused from testifying or from producing books, papers, or other evidence on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. But no such witness may be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, nor may testimony so compelled be used as evidence in any criminal proceeding against him in any court, except a prosecution for perjury or contempt committed while giving testimony or producing evidence under compulsion as provided in this section.

CHAPTER 2—DOMESTIC CURRENCY TRANSACTIONS

Sec.
221. Reports of currency transactions required.
222. Persons required to file reports.
223. Reporting procedure.

Sec. 221. Reports of currency transactions required

Every transaction involving any domestic financial institution shall be reported to the Secretary at such time, in such manner, and in such detail as the Secretary may require if the transaction involves the payment, receipt, or transfer of United States currency, in such amounts, denominations, or both, or under such circumstances, as the Secretary shall by regulation prescribe.

Sec. 222. Persons required to file reports

Any transaction required to be reported under this chapter shall be reported both by the domestic financial institution involved and by one or more of the other parties thereto or participants therein, as the Secretary may require. If any party to or participant in the transaction is not an individual acting only for himself, the report shall identify the person of persons on whose be half the transaction is entered into, and shall be made by the individuals acting as agents or bailees with respect thereto.

Sec. 223. Reporting procedure

(a) The Secretary may in his discretion designate domestic financial institutions, individually or by class, as agents of the United States to receive reports required under this chapter, except that an institution which is not insured, chartered, examined, or registered as such by any agency of the United States may not be so designated without its consent. The Secretary may suspend or revoke any such designation for any violation of this Act, or section 21 of the Federal Deposit Insurance Act.

(b) Any person (other than an institution designated under subsection (a)) required to file a report under this chapter with respect to a transaction with a domestic financial institution shall file the report with that institution, except that, if the institution is not designated under subsection (a), the report shall be filed as the Secretary shall prescribe. Domestic financial institutions designated under subsection (a) shall transmit reports filed with them, and shall file their own reports, as the Secretary shall prescribe.

CHAPTER 3—DISCLOSURE OF EXPORTS AND IMPORTS OF CURRENCY AND COIN

Sec.
231. Reports required.
232. Forfeiture.
233. Civil liability.
234. Remission by the Secretary.

Sec. 231. Reports required

(a) Except as provided in subsection (c) of this section, whoever, whether as principal, agent, or bailee, or by an agent or bailee, knowingly

(1) transports or causes to be transported currency or coin of the United States

(A) from any place subject to the jurisdiction of the United States to or through any place not subject to the jurisdiction of the United States, or

(B) to any place subject to the jurisdiction of the United States from or through any place not subject to the jurisdiction of the United States, or

(2) receives currency or coin of the United States at the termination of its transportation to any place subject to the jurisdiction of the United States from or through any place not subject to the jurisdiction of the United States

in an amount exceeding $5,000 on any one occasion or in an aggregate amount exceeding $10,000 in any one calendar year shall file a report or reports in accordance with subsection (b) of this section.

(b) Reports required under this section shall be filed at such times and places, and contain such of the following information, in such form and in such detail, as the Secretary may require:

(1) The legal capacity in which the person filing the report is acting with respect to the currency or coin transported.

(2) The origin, destination, and route of the transportation.

(3) Where the currency or coin is not legally and beneficially owned by the person transporting the same, or is transported for any purpose other than the use in his own behalf of the person transporting the same, the identities of the person from whom the currency or coin is received, or to whom it is to be delivered, or both.

(4) The amounts and types of currency and coin transported.

(c) Subsection (a) does not apply to any common carrier of passengers in respect of coin or currency in the possession of its passengers, nor to any common carrier of goods in respect of shipments of coin or currency not declared to be such by the shipper.

Sec. 232. Forfeiture

(a) Any coin or currency which is in the process of any transportation with respect to which any report required to be filed under section 231(1) either has not been filed or contains material omissions or misstatements is subject to seizure and forfeiture to the United States.

(b) For the purpose of this section, coin or currency transported by mail, by any common carrier, or by any messenger or bailee, is in process of transportation from the time it is delivered into the possession of the postal service, common carrier, messenger, or bailee until the time it is delivered into or retained in the possession of the addressee or intended recipient or any agent of the addressee or intended recipient for purposes other than further transportation within, or across any border of, the United States.

Sec. 233. Civil liability

The Secretary may assess a civil penalty upon any person who fails to file any report required under section 231, or who files such a report containing any material omission or misstatement. The amount of the penalty shall not exceed the amount of the coin and currency with respect to whose transportation the report was required to be filed. The liabilities imposed by this chapter are in addition to any other liabilities, civil or criminal, except that the liability under this section shall be reduced by any amount actually forfeited under section 232.

Sec. 234. Remission by the Secretary

The Secretary may in his discretion remit any forfeiture or penalty under this chapter in whole or in part upon such terms and conditions as he deems reasonable and just.

CHAPTER 4—DISCLOSURE OF CERTAIN FOREIGN TRANSACTIONS

Sec.
241. Reports required.
242. Classification and requirements.

Sec. 241. Reports required

Any resident or citizen of the United States or person doing business in the United States, who engages in any transaction, directly or indirectly, on behalf of himself or another, with a foreign financial agency which does not make its records available to duly constituted authorities of the United States as to transactions with United States residents or citizens or persons doing business in the United States, shall file reports setting forth such of the following information, in such form and in such detail, as the Secretary may require:

(1) The identities and addresses of the parties to the transaction.

(2) The legal capacities in which the parties to the transaction are acting, and the identities of the real parties in interest if one or more of the parties to the transaction are not acting solely as principals.

(3) A description of the transaction including the amounts of money, credit, or other property involved.

Sec. 242. Classification and requirements

The Secretary shall prescribe:

(1) The classification of foreign financial agencies which in his judgment do not make their records available as set forth in section 241, and transactions with which must therefore be reported by citizens and resi-

dents of the United States and persons doing business in the United States under section 241.

(2) The foreign country or countries as to which the requirements of section 241 apply.

(3) The form, frequency, and manner of filing of the reports required by section 241.

(4) The magnitude of transactions subject to the requirements of section 241.

(5) Types of transactions exempt from the requirements of section 241.

(6) Such other matters as he may deem necessary to the application of this chapter.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the next committee amendment.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that the remaining committee amendments be considered en bloc.

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

There was no objection.

The CHAIRMAN. The Clerk will report the remaining committee amendments.

The Clerk read as follows:

Committee amendments:

Page 5, in the table of sections after line 6:

After "Congressional findings" insert "and purpose".

Strike "Authority of Secretary" and insert "Ownership and control".

Insert below "122. Ownership and control." the following: "123. Maintenance of records and evidence.", change "123" to "124", "124" to "125", "125" to "126", and "126" to "127".

Page 5, line 7, after "Congressional findings" insert "and purpose".

Page 5, strike line 8 and all that follows through page 6, line 4, and insert:

"(a) The Congress finds that adequate records maintained by businesses engaged in the functions described in section 123(b) of this Act have a high degree of usefulness in criminal, tax, and regulatory investigations and proceedings. The Congress further finds that the power to require reports of changes in the ownership, control, and management of types of financial institutions referred to in section 122 of this Act may be necessary for the same purpose.

"(b) It is the purpose of this chapter to require the maintenance of appropriate types of records and the making of appropriate reports by such businesses where such records or reports may have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings."

Page 6, line 18, strike "Authority of Secretary" and insert "Ownership and control".

Page 6, strike lines 20 through 23 and insert "uninsured bank or uninsured institution to make such reports as the Secretary may require in respect of its ownership, control, and management and any changes therein."

Page 7, beginning with line 1, insert the following:

"Sec. 123.

Maintenance of records and evidence

"(a) The Secretary may by regulation require any uninsured bank or uninsured institution or any person engaging in the business of carrying on any of the functions referred to in subsection (b) of this section".

Page 7, line 6, strike "(2) To" and insert "(1) to ".

Page 7, line 6, after "(1) to require, retain, or maintain," insert "with respect to its functions as an uninsured bank or uninsured institution or its functions referred to in subsection (b),"

Page 7, line 9, strike "other".

Page 7, strike lines 13 through 15.

Page 7, line 16, strike "(4) To" and insert "(2) to".

Page 7, after line 22, insert:

"(b) The authority of the Secretary under this section extends to any person engaging in the business of carrying on any of the following functions:

"(1) Issuing travelers' checks.

"(2) Issuing or redeeming checks, money orders, travelers' checks, or similar instruments otherwise than as an incident to the conduct of its own nonfinancial business.

"(3) Transferring or transmitting funds or credits domestically or internationally.

"(4) Operating a currency exchange or otherwise dealing in foreign currencies or credits.

"(5) Operating a credit card system.

"(6) Performing such similar related, or substitute functions for any of the foregoing or for banking as may be specified by the Secretary in regulations."

Page 8, line 14, redesignate section 123 as section 124.

Page 9, line 3, redesignate section 124 as section 125.

Page 9, line 5, immediately after "may assess upon any" insert "financial".

Page 9, line 14, redesignate section 125 as section 126.

Page 9, line 18, redesignate section 126 as section 127.

Page 9, line 20, insert a comma after "chapter", and strike "or".

Page 9, line 21, insert at the beginning of the line "or section 411 of the National Housing Act,".

Page 9, line 22, after "tion is" insert "knowingly".

Page 10, after line 2, in the table of chapters:

After "3." strike "DISCLOSURE" and insert "REPORTS".

Strike "CURRENCY AND COIN" and insert "MONETARY INSTRUMENTS".

After "4." strike "DISCLOSURE OF CERTAIN".

Page 11, strike lines 3 through 6 and insert:

"(c) The term 'person' includes natural persons, partnerships, trusts, estates, associations, corporations, and all entities cognizable as legal personalities. The term also includes any governmental department or agency specified by the Secretary either for the purpose of this title generally or any particular requirement thereunder."

Page 11, after line 12, insert:

"(d) The term 'United States', used in a geographical sense, includes the States and the District of Columbia, and to the extent the Secretary shall by regulation specify, either for the purposes of this title generally or any particular requirement thereunder, the Commonwealth of Puerto Rico, the possessions of the United States, United States military establishments, and United States diplomatic establishments."

Page 11, line 25, after "a commercial bank" insert "or trust company".

Page 12, line 2, strike "a trust company" and insert "a branch within the United States of any foreign bank."

Page 12, at the beginning of line 7, insert "credit union,".

Page 12, strike lines 14 and 15 and insert:

"(11) an issuer, redeemer, or casher of travelers' checks, checks, money orders, or similar instruments.

"(12) an operator of a credit card system.

"(13) an insurance company.

"(14) a dealer in precious metals, stones, or jewels.

"(15) a pawnbroker.

"(16) a finance or loan company.

"(17) any other type of business or institution performing similar, related, or substitute functions specified by the Secretary by regulation for the purposes of the provision of this title to which the regulation relates."

Page 13, strike lines 1 through 3.

Page 13, line 4, redesignate subsection (g) as subsection (f).

Page 13, strike lines 12 through 14 and insert:

"(g) The term 'domestic', used with reference to institutions or agencies, limits the applicability of the provision wherein it appears to such institutions or agencies to the extent that they perform any functions as such within the United States.

"(h) The term 'foreign', used with reference to institutions or agencies, limits the applicability of the provision wherein it appears to such institutions or agencies to the extent that they perform any functions as such outside the United States."

Page 14, after line 10, insert:

"(m) The term 'monetary instruments' means coin and currency of the United States, and in addition, such foreign coin and currencies, and such types of checks, bills, notes, bonds, stock transferable by delivery, or other obligations or instruments as the Secretary may by regulation specify for the purposes of the provision of this title to which the regulation relates."

Page 15, strike lines 6 through 9 and insert:

"The Secretary may make such exemptions from any requirement otherwise imposed under this title as he may deem appropriate. Any such exemption may be conditional or unconditional, by regulation, order, or licensing, or any combination thereof, and may relate to any particular transaction, to the type or amount (whether or not an amount is specified in this title) of the transaction, to the party or parties or the classification of parties, or to any combination thereof. The Secretary may in his discretion, in any manner giving actual or constructive notice to the parties affected, revoke any exemption made under this section. Any such revocation shall remain in effect pending any judicial review."

Page 17, line 2, after "where the violation is" insert "knowingly".

Page 18, line 11, strike "Every transaction" and insert "Transactions".

Page 18, line 14, strike "the transaction involves" and insert "they involve".

Page 18, line 15, after "United States currency," insert "or such other monetary instruments as the Secretary may specify".

Page 18, line 20, strike "Any" and insert "The report of any".

Page 18, line 21, strike "reported" and insert "signed or otherwise made".

Page 19, line 15, insert a comma after "Act" and strike "or".

Page 19, line 16, immediately after "Deposit Insurance Act" insert ", or section 411 of the National Housing Act".

Page 20, line 3, strike "DISCLOSURE" and insert "REPORTS".

Page 20, line 4, strike "CURRENCY AND COIN" and insert "MONETARY INSTRUMENTS".

Page 20, lines 10 and 11, strike "currency or coin of the United States" and insert "monetary instruments".

Page 20, lines 20 and 21, strike "currency or coin of the United States" and insert "monetary instruments".

Page 20, line 21, strike "its" and insert "their".

Page 21, lines 12 and 13, strike "currency or coin" and insert "monetary instruments."

Page 21, lines 16 and 17, strike "currency or coin is" and insert "monetary instruments are".

Page 21, lines 21 and 22, strike "currency or coin is" and insert "monetary instruments are".

Page 21, line 22, strike "it is" and insert "they are".

Page 21, lines 24 and 25, strike "currency and coin" and insert "monetary instruments".

Page 22, lines 2 and 3, strike "coin or currency" and insert "monetary instruments".

Page 22, lines 4 and 5, strike "coin or currency" and insert "monetary instruments."

Page 20, lines 12 and 13, strike "subject to the jurisdiction of" and insert "within".

Page 20, line 14, strike "not subject to the jurisdiction of" and insert "outside".

Page 20, lines 16 and 17, strike "subject to the jurisdiction of" and insert "within".

Page 20, line 18, strike "not subject to the jurisdiction of" and insert "outside".

Page 20, line 22, strike "any place subject to the jurisdiction of".

Page 21, lines 1 and 2, strike "not subject to the jurisdiction of" and insert "outside".

Page 22, line 8, strike "coin or currency" and insert "monetary instrument".

Page 22, line 9, strike "is" and insert "are".

Page 22, line 12, strike "is" and insert "are".

Page 22, lines 14 and 15, strike "coin or currency" and insert "monetary instruments".

Page 22, line 16, strike "is" and insert "are".

Page 22, line 17, strike "it is" and insert "they are".

Page 22, line 19, strike "it is" and insert "they are".

Page 23, line 4, strike "coin and currency" and insert "monetary instruments".

Page 23, strike line 14 and all that follows through page 25, line 4 and insert:

"CHAPTER 4.—FOREIGN TRANSACTIONS

"Sec.
241. Records and reports required.
242. Classification and requirements.

"Sec. 241. Records and reports required

"The Secretary of the Treasury shall by regulation require any resident or citizen of the United States, or person in the United States and doing business therein, who engages in any transaction or maintains any relationship, directly or indirectly, on behalf of himself or another, with a foreign financial agency to maintain records or to file reports, or both, setting forth such of the following information, in such form and in such detail, as the Secretary may require:

"(1) The identities and addresses of the parties to the transaction or relationship.

"(2) The legal capacities in which the parties to the transaction or relationship are acting, and the identities of the real parties in interest if one or more of the parties are not acting solely as principals.

"(3) A description of the transaction or relationship including the amounts of money, credit, or other property involved.

"Sec. 242. Classification and requirements

"With respect to any requirement imposed under this chapter, the Secretary may prescribe

"(1) any reasonable classification of persons subject thereto or exempt therefrom.

"(2) the foreign country or countries as to which any requirement applies or does not apply if, in the judgment of the Secretary, uniform applicability of any such requirement to all foreign countries is unnecessary or undesirable.

"(3) the form, frequency, and manner of filing of any required reports.

"(4) types of transactions or relationships subject to or exempt from any such requirement.

"(5) the magnitude of transactions or values involved in any relationship subject to any such requirement.

"(6) such other matters as he may deem necessary to the application of this chapter."

Page 26, after line 19, insert:

"TITLE III—MARGIN REQUIREMENTS

"Sec. 301. Amendment of section 7(a) of the Securities Exchange Act of 1934

"(a) Section 7(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78g(a)) is amended by striking the first sentence and inserting in lieu thereof the following: 'For the purpose of preventing the excessive use of credit for the purchase or carrying of securities, the Board of Governors of the Federal Reserve System shall from time to time prescribe rules and regulations in accordance with this section. The Board shall prescribe rules and regulations with respect to the amount of credit (regardless of who or where the lender may be) that any person may initially obtain and subsequently retain on any security (other than an exempted security). The Board shall prescribe rules and regulations with respect to the amount of credit (regardless of who or where the borrower may be) that any person may initially extend and subsequently maintain on any security (other than an exempted security). It shall be unlawful for any person to obtain or retain credit in willful and knowing violation of any rule or regulation under this section. It shall be unlawful for any person to obtain or retain credit in violation, whether or not willful or knowing, of any rule or regulation under this section either on the basis of a material misrepresentation made or participated in by him of the purpose for which the credit is to be used, or in an aggregate amount exceeding $1,000,000 at any one time.'

"(b) The amendment made by subsection (a) of this section does not affect the continuing validity of any rule or regulation under section 7 of the Securities Exchange Act of 1934 in effect prior to the effective date of the amendment."

Page 28, beginning on line 1, insert:

"TITLE IV—EFFECTIVE DATES

"Sec. 401. Effective dates

"(a) Except as otherwise provided in this section, this Act and the amendments made thereby take effect on the first day of the seventh calendar month which begins after the date of enactment.

"(b) The Secretary of the Treasury may by regulation provide that any provision of title I or II or any amendment made thereby shall be effective on any date not earlier than the publication of the regulation in the Federal Register and not later than the first day of the thirteenth calendar month which begins after the date of enactment.

"(c) The Board of Governors of the Federal Reserve System may by regulation provide that the amendment made by title III shall be effective on any date not earlier than the publication of the regulation in the Federal Register and not later than the first day of the thirteenth calendar month which begins after the date of enactment."

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. PRICE of Illinois) having resumed the chair, Mr. HOLIFIELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 15073) to amend the Federal Deposit Insurance Act to require insured banks to maintain certain records, to require that certain transactions in U.S. currency be reported to the Department of the Treasury, and for other purposes, pursuant to House Resolution 941, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

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

The SPEAKER pro tempore. The question is on the passage of the bill.

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

Mr. PATMAN. 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 pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 302, nays 0, answered "present" 1, not voting 127, as follows:

[Roll No. 140]

YEAS—302

Abbitt	Davis, Ga.	Henderson
Abernethy	Davis, Wis.	Hicks
Adair	Delaney	Holifield
Adams	Dellenback	Hull
Addabbo	Dennis	Hunt
Albert	Dent	Hutchinson
Alexander	Derwinski	Ichord
Anderson, Ill.	Devine	Jacobs
Andrews, Ala.	Dickinson	Jarman
Andrews, N. Dak.	Dingell	Johnson, Calif.
Annunzio	Donohue	Johnson, Pa.
Ashbrook	Dorn	Jonas
Ashley	Duncan	Jones, N.C.
Aspinall	Eckhardt	Karth
Ayres	Edmondson	Kastenmeier
Baring	Eilberg	Kazen
Beall, Md.	Erlenborn	Keith
Bennett	Esch	King
Berry	Eshleman	Kleppe
Betts	Evans, Colo.	Kluczynski
Bingham	Farbstein	Kuykendall
Blackburn	Fascell	Landgrebe
Boggs	Findley	Langen
Boland	Fish	Lloyd
Bow	Fisher	Long, La.
Brademas	Flood	Long, Md.
Bray	Flowers	Lujan
Brinkley	Flynt	McCulloch
Brock	Ford, William D.	McDade
Brooks	Foreman	McDonald, Mich.
Broomfield	Fountain	McFall
Brotzman	Fraser	McKneally
Brown, Mich.	Frey	Macdonald, Mass.
Brown, Ohio	Friedel	Madden
Broyhill, N.C.	Fulton, Pa.	Mahon
Broyhill, Va.	Fulton, Tenn.	Mailliard
Buchanan	Fuqua	Marsh
Burke, Fla.	Galifianakis	Martin
Burke, Mass.	Gallagher	Mayne
Burleson, Tex.	Garmatz	Meeds
Burton, Utah	Gibbons	Melcher
Bush	Gilbert	Meskill
Button	Gonzalez	Michel
Byrne, Pa.	Goodling	Mikva
Byrnes, Wis.	Gray	Miller, Ohio
Cabell	Green, Pa.	Mills
Caffery	Griffin	Minish
Camp	Griffiths	Minshal
Carey	Gross	Mize
Casey	Grover	Mizell
Cederberg	Gubser	Mollohan
Chamberlain	Gude	Monagan
Chappell	Hagan	Montgomery
Clancy	Haley	Moorhead
Clausen, Don H.	Hall	Morgan
Clay	Halpern	Morton
Cleveland	Hamilton	Mosher
Collier	Hammer-schmidt	Moss
Collins	Hanley	Murphy, Ill.
Colmer	Hansen, Idaho	Murphy, N.Y.
Conable	Hansen, Wash.	Myers
Conte	Harrington	Natcher
Corbett	Harvey	Nedzi
Corman	Hastings	Nelsen
Coughlin	Hathaway	Obey
Crane	Hawkins	O'Hara
Cunningham	Hays	O'Konski
Daddario	Hechler, W. Va.	Olsen
Daniels, N.J.	Heckler, Mass.	O'Neill, Mass.

Passman	Ryan	Udall
Patman	Sandman	Ullman
Patten	Satterfield	Van Deerlin
Pelly	Saylor	Vander Jagt
Pepper	Schadeberg	Vanik
Perkins	Schneebeli	Vigorito
Philbin	Scott	Waggonner
Pickle	Shriver	Waldie
Pike	Sikes	Wampler
Pirnie	Sisk	Weicker
Poage	Skubitz	Whalen
Poff	Slack	White
Price, Ill.	Smith, Calif.	Whitehurst
Price, Tex.	Smith, Iowa	Widnall
Pryor, Ark.	Smith, N.Y.	Wiggins
Pucinski	Springer	Williams
Purcell	Stafford	Wilson, Bob
Quie	Staggers	Winn
Rarick	Stanton	Wold
Rees	Steed	Wolff
Reid, Ill.	Steiger, Ariz.	Wright
Reuss	Steiger, Wis.	Wyatt
Roberts	Stokes	Wydler
Robison	Sullivan	Wylie
Roe	Symington	Wyman
Rogers, Fla.	Taft	Yates
Rooney, Pa.	Talcott	Yatron
Rosenthal	Taylor	Young
Rostenkowski	Teague, Calif.	Zablocki
Roth	Thompson, Ga.	Zion
Roudebush	Thomson, Wis.	Zwach
Ruth	Tiernan	

NAYS—0

ANSWERED "PRESENT"—1

Quillen

NOT VOTING—127

Anderson, Calif.	Foley	Morse
	Ford, Gerald R.	Nichols
Anderson, Tenn.	Frelinghuysen	Nix
	Gaydos	O'Neal, Ga.
Arends	Gettys	Ottinger
Barrett	Giaimo	Pettis
Belcher	Goldwater	Podell
Bell, Calif.	Green, Oreg.	Pollock
Bevill	Hanna	Powell
Biaggi	Harsha	Preyer, N.C.
Biester	Hébert	Railsback
Blanton	Helstoski	Randall
Blatnik	Hogan	Reid, N.Y.
Bolling	Horton	Reifel
Brasco	Hosmer	Rhodes
Brown, Calif.	Howard	Riegle
Burlison, Mo.	Hungate	Rivers
Burton, Calif.	Jones, Ala.	Rodino
Carter	Jones, Tenn.	Rogers, Colo.
Celler	Kee	Rooney, N.Y.
Chisholm	Kirwan	Roybal
Clark	Koch	Ruppe
Clawson, Del	Kyl	St Germain
Cohelan	Kyros	Scherle
Conyers	Landrum	Scheuer
Cowger	Latta	Schwengel
Cramer	Leggett	Sebelius
Culver	Lennon	Shipley
Daniel, Va.	Lowenstein	Snyder
Dawson	Lukens	Stephens
de la Garza	McCarthy	Stratton
Denney	McClory	Stubblefield
Diggs	McCloskey	Stuckey
Dowdy	McClure	Teague, Tex.
Downing	McEwen	Thompson, N.J.
Dulski	McMillan	Tunney
Dwyer	MacGregor	Watkins
Edwards, Ala.	Mann	Watson
Edwards, Calif.	Mathias	Watts
Edwards, La.	Matsunaga	Whalley
Evins, Tenn.	May	Whitten
Fallon	Miller, Calif.	Wilson,
Feighan	Mink	Charles H.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Celler with Mr. Gerald R. Ford.
Mr. Rooney of New York with Mr. Arends.
Mr. Dulski with Mr. Rhodes.
Mr. Rodino with Mr. Frelinghuysen.
Mrs Green of Oregon with Mrs. Dwyer.
Mr. Hanna with Mr. Goldwater.
Mr. McCarthy with Mr. Reid of New York.
Mr. Stratton with Mr. McEwen.
Mr. Rivers with Mr. Watson.
Mr. Cohelan with Mr. Hosmer.
Mr. Charles H. Wilson with Mr. Pettis.
Mr. Biaggi with Mr. Horton.
Mr. Brasco with Mr. Riegle.
Mr. Anderson of California with Mr. Del Clawson.
Mr. Clark with Mr. Biester.
Mr. Daniels of Virginia with Mr. Cowger.
Mr. Blatnik with Mr. Reifel.
Mr. Giaimo with Mr. Morse.
Mrs. Mink with Mr. Gray.
Mr. Culver with Mr. Kyl.
Mr. Feighan with Mr. Latta.
Mr. Fallon with Mr. Hogan.
Mr. Foley with Mr. Denney.
Mr. Randall with Mr. Schwengel.
Mr. Matsunaga with Mr. Harsha.
Mr. Kee with Mr. Ruppe.
Mr. Kyros with Mr. Pollock.
Mr. Helstoski with Mr. Railsback.
Mr. Watts with Mr. McClure
Mr. Miller of California with Mr. Mathias.
Mr. Hébert with Mr. Belcher.
Mr. Gettys with Mr. Cramer.
Mr. Gaydos with Mr. Carter.
Mr. Barrett with Mr. Watkins.
Mr. de la Garza with Mr. Scherle.
Mr. Mann with Mr. Whalen.
Mr. Podell with Mr. Bell of California.
Mr. Dowdy with Mr. Edwards of Alabama.
Mr. Shipley with Mr. McClory.
Mr. Stephens with Mr. Snyder.
Mr. Downing with Mr. Sebelius.
Mr. Edwards of Louisiana with Mr. Lukens.
Mr. Roybal with Mr. McCloskey.
Mr. Nichols with Mr. MacGregor.
Anderson of Tennessee with Mr. Burleson of Missouri.
Mr. Diggs with Mr. Brown of California.
Mr. Blanton with O'Neal of Georgia.
Mr. Edwards of California with Mrs. Chisholm.
Mr. Powell with Mr. Burton of California.
Mr. McMillan with Mr. Lennon.
Mr. Scheuer with Mr. Conyers.
Mr. Landrum with Mr. Jones of Alabama.
Mr. Leggett with Mr. Koch.
Mr. Jones of Tennessee with Mr. Mann.
Mr. Howard with Mr. Ottinger.
Mr. Preyer of North Carolina with Mr. Rogers of Colorado.
Mr. St Germain with Mr. Stubblefield.
Mr. Nix with Mr. Tunney.
Mr. Teague of Texas with Mr. Stuckey.
Mr. Evins of Tennessee with Mr. Lowenstein.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. FUQUA. Mr. Speaker, on rollcall 136 and rollcall 137 I unavoidably had to return to my district. Had I been present, I would have voted "yea."

ESTABLISHING A JOINT COMMITTEE ON ENVIRONMENT AND TECHNOLOGY

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1021 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1021

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 1117) to establish a Joint Committee on Environment and Technology. After general debate, which shall be confined to the joint resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rules, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

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

Mr. Speaker, House Resolution 1021 provides a straight open rule with 1 hour of general debate for consideration of House Joint Resolution 1117 to establish a Joint Committee on Environment and Technology. The committee would consist of 19 Members of the Senate to be designated by the President of the Senate and 21 Members of the House to be designated by the Speaker, as follows:

One Senator and one Member of the House from the majority party; two Senators and two Members of the House from each of the following committees: Agriculture, Banking and Currency, Interior and Insular Affairs, Public Works, Government Operations, Joint Committee on Atomic Energy; two Senators from the Committee on Commerce and two Members of the House from the Committee on Interstate and Foreign Commerce; two Senators from the Committee on Labor and Public Welfare and two Members of the House from the Committee on Education and Labor; two Members of the House from the Committee on Merchant Marine and Fisheries; two Senators from the Committee on Aeronautical and Space Sciences and two Members of the House from the Committee on Science and Astronautics.

Of the Members appointed from each committee, one shall from the majority party and one from the minority party.

The committee shall not have legislative authority but it shall conduct a comprehensive study and investigation of environment and technology and shall make a report to the Congress annually.

The committee will be authorized to employ such assistants and consultants as necessary.

Mr. Speaker, I urge the adoption of House Resolution 1021 in order that House Joint Resolution 1117 may be considered.

I reserve the balance of my time.

Mr. MARTIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from California has explained, House Resolution 1021 provides for 1 hour of debate under an open rule on House Joint Resolution 1117, to establish a Joint Committee on Environment and Technology.

Mr. Speaker, I have a few brief remarks which I will make on this legislation when we go into the Committee of the Whole.

Mr. Speaker, I support the rule, and I yield back the balance of my time.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SISK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 1117) to establish a Joint Committee on Environment and Technology.

The SPEAKER. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 1117) with Mr. FUQUA in the chair.

The Clerk read the title of the joint resolution.

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

The CHAIRMAN. Under the rule, the gentleman from California (Mr. SISK) will be recognized for 30 minutes, and the gentleman from Nebraska (Mr. MARTIN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California.

Mr. SISK. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the reading of the resolution and the comments made in the discussion of the rule I believe are sufficient explanation of what is proposed here.

The interest and the concern of the American people are very evident today in connection with our environment, in connection with the many problems which confront us.

It is my understanding that the intent of the distinguished majority leader, Mr. ALBERT, and of those who joined with him in the introduction of this legislation was to make certain studies in connection with these problems.

I might make it clear that this resolution does not provide for any legislative authority, since no legislative measure shall be referred to the committee and there is no authority to report any such measure either to the Senate or to the House.

The prime duties will be to conduct continuing and comprehensive studies of the character and extent of environmental and technological changes which may occur in the future and their effect upon our population.

As I say, this is a subject of great concern to the American people, and certainly a subject of concern to us as Representatives of those people.

I believe the joint resolution is entitled to the support and the assistance of the Members of this body.

Mr. MARTIN. Mr. Chairman, I yield myself 5 minutes.

The purpose of the joint resolution is to establish a joint committee consisting of 19 Senators and 21 Representatives from the committees of the Congress as set forth on pages 2 and 3 of the resolution. The chairmanship shall alternate between the House and Senate with the chairman selected by his fellow Chamber members.

The joint committee is to have no legislative authority; nor is it to unnecessarily duplicate any investigative efforts of the legislative committees.

The joint committee shall: First conduct a study of environmental and technological changes which may occur and evaluate the effect on people and the environment; second study all means, including financing, which can foster or promote conditions under which man and nature can exist in harmony; third develop policies to encourage maximum private investment in improving the environment; and, fourth review any Presidential recommendations, including the Environmental Quality Report required by section 201 of the National Environmental Policy Act.

The joint committee is to report to the Congress each December 31 and make such interim reports as it deems necessary, together with its recommendations.

The usual authorities to hold hearings, expend funds, hire staff and consultants and call on executive branch information sources are provided. Expenditures will be paid for by funds disbursed by the Clerk of the House on vouchers signed by the chairman or vice chairman.

There are a great number of resolutions of identical or similar nature, sponsored by upwards of 100 Members, including leadership members on both sides of the aisle.

As the gentleman from California pointed out, Mr. Chairman, the distinguished minority leader, the gentleman from Michigan (Mr. GERALD R. FORD) is a cosponsor of this resolution along with the distinguished majority leader, as well as many others on this side of the aisle.

Mr. Chairman, I reserve the remainder of my time.

The CHAIRMAN. The gentleman from Nebraska has consumed 3 minutes.

Mr. MARTIN. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado (Mr. BROTZMAN).

Mr. BROTZMAN. Mr. Chairman, I support House Joint Resolution 1117 because it is a step toward a principle I deem necessary to an orderly, efficient resolution of environmental problems—that is to bring the interrelated problems of the environment under one roof. I hope it is a step toward the ultimate creation of a standing committee, in each body, with full legislative powers.

On April 28, 1969, I proposed the establishment of a new standing committee in the House, to be known as the Committee on the Environment. This committee would have full legislative authority, and would have jurisdiction over bills dealing with air pollution, water pollution, solid waste disposal, acoustic problems, weather modification, pesticides, and herbicides. It would have the support of a full-time professional staff of experts in the problems of environmental quality.

Apparently I am not alone in believing that an approach such as this is necessary. To date, Mr. Chairman, 150 Members of the House have joined me in sponsoring resolutions to create a Committee on the Environment. This represents over one-third of the Members of this body. The sponsors represent 45 of our 50 States and every one of the existing standing committees now serving the House.

This morning I was reviewing the list of sponsors, and I was impressed by the fact that both of our major political parties are represented in large numbers. Sponsorship runs from one side of the philosophical spectrum to the other. Interestingly enough, several of the gentlemen whose names appear on House Joint Resolution 1117 have also joined in sponsoring a standing committee.

Mr. Chairman, in these troubled times, there is much work to be done. I pay tribute to those Members of Congress who, in addition to working on the many other jurisdictional areas of their committees, have given leadership in the quest for a better environment. The committee on which I serve, Interstate and Foreign Commerce, considers air pollution legislation. I believe we have sent good legislation to the floor, and I believe that a great deal of the credit goes to the distinguished gentleman from West Virginia (Mr. STAGGERS) and the distinguished gentleman from Illinois (Mr. SPRINGER).

My proposal for a standing Committee on the Environment is in no way designed to be critical of the efforts already under way. What I do say is that a standing committee will expedite the important goal of leaving this earth in better condition than we found it. Our fragmented approach to environmental issues makes it increasingly difficult to obtain proper consideration for the proliferating number of substantive bills being introduced each day on matters of environmental quality.

The problems caused by the way environmental legislation is now handled are illustrated by the bills to implement the President's message on the environment. The seven bills recommended by the President were referred to three committees. Some of the bills have received final committee approval, while others of them have not as yet been accorded a hearing. Yet all of these bills interrelate to form a single environmental policy. They should be considered by the same committee, working with the assistance of a professional staff expert in environmental matters.

In conclusion, Mr. Chairman, House Joint Resolution 1117 represents a significant step forward in the modernization of our legislative machinery for the consideration of environmental legislation. I urge its passage.

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

Mr. FULTON of Pennsylvania. Mr. Chairman, I strongly favor this resolution—House Joint Resolution 1117—setting up this joint congressional Committee on Environmental Matters. It is a pleasure to state I am an original cosponsor of this resolution, House Joint Resolution 1117, to establish a Joint Committee of Congress on Environment and Technology.

I strongly favor the U.S. Congress setting up this Joint Committee on Environ-

mental Policy. This resolution will provide for the bringing together of problems relating to pollution of air, water, waste, and solid materials, land reclamation, and soil protections. Congress should institute serious studies in depth on man's destructive impact causing danger to our people, their health, and even our lives and very existence.

The need for U.S. environmental protection and action is immediate and severe. We must protect our goodly natural heritage of an unpolluted environment that is the birthright of every citizen of the United States. There is no basic right to pollute or destroy our natural healthy environment.

It is a pleasure to advise the House that this joint committee in my opinion is a giant step forward. I feel honored that I am one of the original co-sponsors of legislation to protect the American people against the polluters, as well as to set up this joint committee.

I congratulate our many civic minded and patriotic citizens, and especially our young people in the United States, who stand firmly against pollution of every kind that threatens dangerous environmental conditions. These threats and dangers to our environment can be escalated to the point of permanent and not reversible major damage to our required environment on which our health and very lives and existence depend.

Mr. MARTIN. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, I rise to ask someone knowledgeable in this matter who it was that selected the standing committees from which the organization of this Committee on Environment and Technology was made?

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

Mr. GROSS. Of course, I am pleased to yield to the gentleman from California.

Mr. SISK. I would be glad to make a comment on it.

This legislation, of course, as the gentleman knows from looking at the resolution, was introduced by the distinguished majority leader and the distinguished minority leader, along with a group of other individual Members of the House. They came before the Committee on Rules and requested a rule for the consideration of the legislation and outlined their interest and concern in it.

We asked some questions about the size of the committee and the number of members. It, apparently, was determined that there was very broad interest in—at least that was the explanation given to us—this matter and the reason, apparently, for the size of the committee was this fact. But, it is a proposal pending before the House and one which will be considered by the other body. I understand there probably will be an amendment a little later designed to cut down the size of the committee and I think the subject will be open for consideration in a few minutes.

Mr. GROSS. Will this committee at its present or proposed size be the committee to end all environmental committees, or will there be other environmental committees?

Mr. SISK. Mr. Chairman, if the gentleman will yield further, this committee will have no legislative jurisdiction.

Mr. GROSS. Well, that is a good question. Why not? With a committee of this size, and with the big and high-priced staff it is going to have, why should it not produce legislation? It presumably is going to provide the experts on environment and technology? Why not legislation?

Mr. SISK. It is my understanding, again as it was explained to those of us of the Committee on Rules, that these various committees that will be represented—and as the gentleman knows they are spelled out in the resolution—after study and determination of certain policy questions, then those recommendations will go to those committees having jurisdiction.

As I am sure my colleague from Iowa knows, there is a broad section of jurisdiction involved here in which I suppose almost every committee of the House would be involved to some extent in jurisdictional questions governing pollution and environmental conditions, ecology and almost every aspect of the problem.

I think that at the present time there was just not the desire and, certainly, not the intent here to totally reorganize the House from the standpoint of taking away from these various committees that share of their jurisdiction and placing it into one committee at the present time.

Mr. GROSS. Well, what will this new outfit accomplish if there is going to be a proliferation of environmental problems among the several committees of the House? What is this committee going to accomplish? Will it be just something to be added to a letterhead?

Mr. SISK. Mr. Chairman, if the gentleman will yield further, I am sure the gentleman—because I know how devoted he is to keeping up with exactly what we are doing—has read on page 5 under section 2 the language which outlines the primary responsibilities, duties, purposes and intent of the committee. I think they spell out a pretty broad responsibility here in connection with making these studies. And, of course, according to my understanding of the matter, it is their intent, based upon their determinations, to then make recommendations to the various committees on those subjects over which that existing standing committee would have jurisdiction.

That is the basis of the proposal. It is generally in line, and I think my friend, the gentleman from Iowa, will agree with me, with a number of select committees from time to time, both House committees and joint committees that do make certain studies and recommendations, and it would be handled as I would understand it, in the same general way.

Mr. GROSS. Now, I want to get down to the $54 question:

Why is this resolution open-ended as to cost?

Mr. SISK. I would assume, if the gentleman from Iowa, my good friend, would permit me to make an assumption—and again we asked that question in the Committee on Rules, and we were unable to get any definite answer, so that there is really no way of determining——

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

Mr. SISK. Mr. Chairman, I will yield the gentleman from Iowa 5 additional minutes.

Mr. GROSS. I thank the gentleman for yielding me this additional time.

Mr. SISK. I think I have used up most of the gentleman's time, so I certainly am happy to yield him this additional time.

Let me say that the proposition is such that I do not know if there is any way of determining expense. Now I suppose we would have to draw lines, and say that they could have so many people, if you want to draw the lines that tightly, as to staff, and it is possible that maybe we should. The resolution is drawn wide open.

As I say, I know that question was raised, because I first asked the question of the distinguished majority leader at the time, but we did not receive any specific answers as to costs.

Mr. GROSS. My friend, the gentleman from California, knows that I would take a mighty dim view of an agency or department downtown coming up here and asking for a committee or commission on an open-ended basis as to cost.

It seems to me we ought to do something here this afternoon to close the door on this open-end business. This could run into four or five hundred thousand dollars for staff costs each year. I am surprised, frankly, that this unlimited resolution is here on the floor with the leadership on both sides of the aisle supporting it. They certainly ought to be interested in controlling expenditures. We hear them talk about it every now and then—and I am surprised that this resolution comes in wide open as to the number of employees and cost.

Mr. SISK. Mr. Chairman, will the gentleman from Iowa yield further?

Mr. GROSS. I yield further to the gentleman from California.

Mr. SISK. Let me make this brief comment, then: This is a congressional committee, of course, and the members of the committee from both the House and the Senate will draw no salaries other than that which they already draw.

Mr. GROSS. I am talking about the staff.

Mr. SISK. I recognize that the gentleman is referring to that, but in order to get a staff, and to get empowered to employ a staff, they must make their case before the House Committee on House Administration, or a similar committee in the Senate. There is, so far as I know, no precedent for the authorizing of a congressional committee and then setting a limitation of payments. I believe if my good friend, the gentleman from Iowa, would check on that I think this is an area where it is up to the Congress, that is, finally the House, as to whether or not to approve a resolution to finance them for whatever sum they may seek, from the Committee on

House Administration, as to whether we approve or disapprove such an amount. But I do not think there will be any precedent in the creation of such a committee for limiting the people that they might hire.

Mr. GROSS. Here we are today being asked to authorize an unlimited staff. No one seems to know how many would be employed or anything about them. This business of studying environment, as I have said before on the floor of the House, and I repeat, is a great big circus tent that will cover anything. I thought spending money had something to do with environment, yet no one on the Committee on Appropriations of either the House or the Senate is to be a member of this super joint committee. Frankly, I just do not understand what we are setting out to do with this new-fangled committee.

Mr. SISK. If my colleague would yield further, I raised a question about that fact, and I would assume that the members on the Committee on Appropriations would certainly have an interest in pollution of our environment and all the other things because it does cost money when we get involved in it.

The judgment involved here, of course, was a matter of that of the authors of the bill.

Let me say though, getting back to the matter of the cost of the committee, and now we are talking here of the staff, there is no precedent so far as I know for a resolution creating such a committee to limit that. That is a requirement to go before the House Committee on Administration and then they bring that resolution to the floor to us to vote for it or against it. We can turn it down. They can come in with a request for half a million dollars or a million dollars and if we determine in our minds, as Members of this body, that that is too much, I am sure we are going to vote against it.

Mr. GROSS. Yes, but here is a resolution to create a new committee and the sky's the limit.

Mr. SISK. Does the gentleman recall any resolution creating a committee of this kind under any other rule?

Mr. GROSS. Certainly, when they want a commission or a committee downtown we demand to know how many warm bodies they want to employ and their pay and so on.

Mr. SISK. The gentleman is correct as to that. But that is not a congressional committee.

Mr. GROSS. I understand. But should we not follow the same rules in the conduct of our affairs here as we require from them downtown?

Mr. SISK. We still will require approval of the House before one dollar can be spent by this committee and that matter will have to go through the regular procedure.

Mr. GROSS. But we are asked to give our approval to the creation of this committee and a staff right here and now. I want to have at least some idea of what I am doing, and right now I am absolutely opposed to this legislation for I am convinced it is utterly unnecessary to further load the Federal payroll.

Mr. MARTIN. Mr. Chairman, I yield 2 minutes to the gentleman from Wyoming (Mr. WOLD).

Mr. WOLD. Mr. Chairman, I rise in support of House Joint Resolution 1117 but with some reservations as to the size of the proposed committee, which seems a bit unwieldly, and also to the use of the word "technology" as part of the proposed committee's title.

It seems to me that this committee would be as effective, yet more easily administered with a total of 20 to 30 members rather than the 40 as proposed in this legislation, and I suggest that we consider dropping the word "technology" from the title of this committee and that we consider reducing the number of members before passing on this legislation. I have a suggested amendment that would reduce the number of members and allow a bit more flexibility to the President of the Senate and the Speaker of the House in selecting members for this committee. I understand the gentleman from Connecticut (Mr. DADDARIO), is planning to offer an amendment to strike the word "technology" from the title and I support that amendment.

As a member of the Republican Task Force on Earth Resources and Population, I am very much aware of the urgency and attention with which we in the Congress must apply to the complexities of environmental problems. Technology is very much a part of this complexity, but not any more so than is population, the utilization of natural resources, or even economic considerations. To single out technology as separate from all other parts of the whole complexity would, I feel, create an erroneous impression that we do not comprehend the full meaning of the term "environment."

Man is fully dependent upon the natural world and part of the interactions of its constituent parts. Man takes from the natural world and puts back unnatural substance. Man has not learned to live in unity with nature. The numbers of man and the inherent difficulties of coexisting with nature are now in evidence. Yet, as obvious as this need for graceful coexistence seems, it is challenged in our American traditions. Even in our religious training we are taught that man is dominant over the land. Therefore, this is not an easy change in our values that we must undergo. It must be changed or we shall fail in our search for quality life—a safe and respectable environment.

I believe that this proposed committee will have a significant influence on the activities of Congress. I believe that the establishment of this committee with its inquiries and recommendations is a positive action that will assist in closing the communications gap of all sectors of our society because it will deal with the most urgent and most vital aspects of human life. No other problem is more paramount to all societies of the world today and tomorrow than the preservation of our environment. We must learn to understand the complexities of our environment and possess the wisdom to act in accordance with the dictates of nature while protecting a healthy free enterprise system within our democracy.

Mr. Chairman, I would like to take this opportunity to speak in behalf of House Joint Resolution 1117, to establish a Joint Committee on Environment and Technology.

I think everyone would agree we can no longer be casual about our natural environment. Our days of throwing caution and just about everything else to the wind are numbered. We are in the throes of what appears to be a major environmental crisis. I use the term "appears" because the environmental controversy is rapidly degenerating into a shouting match of emotionalism and sensationalism. There is so much rhetoric these days that it is becoming increasingly difficult to separate the wheat from the chaff as we try to come to grips with our environmental problems.

This Congress and just about every legislative body in the United States are involved in some form of environmental debate. So far there has been more rhetoric than action. Close on the heels of the flood of speeches, one witnesses the predictable onslaught of legislative remedies, which treat about every kind of pollution imaginable. A quick check indicates that there is hardly a committee in Congress which doesn't have one or more environmental or pollution abatement bills under consideration. This situation is becoming confused because many of the speeches and legislative proposals suffer a common deficiency—they speak to parochial interests and piecemeal solutions. When you add to this the emotionalism and other distortions which have become such a part of the environmental colloquy, a reasonable person is hard-pressed in understanding the nature and extent of our Nation's environmental problems. About all we have are individuals and groups running all over each other competing for attention. In view of these developments, few really understand the dimensions of the problems and issues, let alone the legislative and funding priorities we must consider.

Let me briefly describe some of my impressions of our environmental state of health.

I am generally convinced that air, water, land, and noise pollution exists in one form or another in just about every part of this country. This conclusion is based on the fact that population growth, increasing wealth, and technological progress all contribute to our environmental abuses. Since all America has participated in this growth, few areas are unaffected. Proof of this is borne out by responsible private and public scientific studies showing the nationwide problem of air pollution caused by automotive exhaust fumes and the smoke and soot from industrial plants. While the intensity of this problem varies from city to city and region to region, it is becoming increasingly difficult to escape the noxious city smog as we move into suburbia and the countryside. More and more, our senses tell us that smog is no longer a scourge confined to the city.

Scientific facts are being amassed showing water pollution as a nationwide problem. Portions of our coastal areas and a number of major lakes and rivers throughout the country have become re-

ceptacles for most of our municipal, industrial, and agricultural sewerage. As a result of this our drinking waters are becoming contaminated and aquatic life in these waterways has been endangered or diminished.

We can recite many other examples of pollution found throughout the country: the deafening noise caused by the jets at our airports and the trucks on our highways, and the junk motor vehicles and debris littering our countryside are notable examples. The unpleasant details of these problems are common knowledge, so I shall not labor the matter further.

A recurrent and disturbing theme in much of today's environmental debate deals with fixing blame for the contamination of the air, water, and land. Industry and the Army Corps of Engineers have become the "fall guys." This reaction gains some of its popularity from the growing misunderstanding of technology and the military. But whatever the motivation, we must correct the popular fallacy that industry and the Corps of Engineers are the sole culprits. Moreover, we must disabuse ourselves of the equally erroneous idea that once absolute controls are placed on industry we can expect air and water pollution to go away. As the President said in his February environmental message to Congress:

> The fight against pollution, however, is not a search for villains. For the most part, the damage done to our environment has not been the work of evil men, nor has it been the inevitable byproduct either of advancing technology or of growing population. It results not so much from choices made, as from choices neglected; not from malign intention, but from failure to take into account the full consequences of our actions.

Barry Commoner, the noted educator and ecologist who has been called "The Paul Revere of Ecology," is correct in observing:

> Most of the technological affronts to the environment were made not out of greed but ignorance.

We must realize that we have all contributed to the environmental degradation. In this affluent society of ours, we think little about what is required to sustain our way of life. Use of 40 percent of the world's natural resources and production of about 48 percent of the world's industrial pollution are the high prices we pay for our standard of living—mostly at the expense of the natural environmental systems. History shows us that once man exhausts the resources and food in one area, he has either moved on to new frontiers or perished. The trouble is now that we are running out of new and unspoiled frontiers.

This discussion demonstrates, I think, the fallacy of looking for scapegoats and villains. We are all responsible for today's environmental problems: we all suffer from them; and we will all have to pay the price to restore and protect the American environment.

While the task of cleaning up our environment will require the mobilization of government, industry, and the people, the task calls for new policies plus stricter regulations and enforcement practices on the use of water, air, and land. It is generally acknowledged that the task will require expanded government action. Some feel that Federal Government should carry the major burden, both in terms of money and in the administration of local cleanup activities. I take the opposite view. Since much of the cleanup effort will affect land, water, and air owned or controlled by State and local government, States agree they must assume responsibility for administering local environmental restoration and maintenance programs. Initially, at least, the States are going to need Federal funds and research assistance.

The prospects for the kinds of Federal action needed look good. President Nixon's environmental message to Congress laid out bold and comprehensive programs for correcting our environmental abuses. I am proud to be a congressional sponsor of the President's program.

The President's words are being followed with many reassuring actions. Putting the executive branch house in order was a first item on the agenda. Federal Government agencies have been directed to clean up all operations causing pollution.

The President recently requested legislation to launch a major cleanup campaign in the Great Lakes. In addition, he authorized a comprehensive examination on the effect of ocean pollution, with an objective of determining the nature and extent of new legislation required to protect marine life.

The President has established a National Industrial Pollution Control Council. This group, comprising 55 industrialists, will work closely with the President's Council on Environmental Quality in helping chart the route for cooperative industry and Government efforts to cope with pollution.

The administration is taking strong action against oil pollution violators. In addition, drastic restrictions have been imposed on uses of 2.4.5.-T, a weed killer and defoliant that represents a health hazard around the home and on food crops.

On the organizational front, there are reports that the President is considering a move to bring the more than 95 Federal antipollution programs spread throughout the Government into a more efficient working relationship. I would not be surprised to see a reorganization putting many of these programs into a single department with the responsibility for coordinating the war on pollution. I agree with Secretary Hickel's suggestion that the Department of Interior should be reorganized for this purpose and have expressed this view by cosponsoring H.R. 14308, a bill to redesignate the Department of Interior as the Department of Resources, Environment and Population.

In the meantime, the President is providing full support and backing to his Council on Environmental Quality. The appointment of such distinguished men in environmental affairs as Judge Russell Train, Mr. Robert Cahn, and Dr. Jordan MacDonald is very encouraging to me. The caliber of these men and the way they see their job is perhaps best reflected in a recent statement by Judge Train, chairman of the Council:

> We are embarked on nothing less than a new experiment in government—an experiment to determine whether we are wise enough to direct our affairs in a way which recognizes the essential interdependence of man and his environment.
>
> The problems with which we must deal have been years in the making. They will not be cured overnight. It is important that the public, as well as government agencies, understand that the road ahead will be long and hard. Even were we to eliminate all forms of environmental pollution, we would still not have guaranteed a high quality environment.
>
> Environmental Quality is a far more complex, more subtle objective. It involves the development of new attitudes and new values. Thus, while we must make the investments and achieve the technological breakthroughs necessary to clean up our environment, we must at the same time develop a new perception of man's relation to nature, learn to control our own numbers, develop effective land-use policies, and find new measures of public and private success with emphasis on quality rather than mere quantity.

We are indeed embarked on a new experiment in government and many of the actions in the executive branch and at the State and local levels of government reflect the determination to seek new approaches in challenging the complex issues and attitudes standing in the way of a quality life.

The question many of us have is whether Congress is going to stand up to its responsibilities and become a viable partner in this effort. In my judgment the resolution before us today will provide Congress with the machinery to first ask and then answer the Nation's environmental questions. We presently do not have this capability.

If we are to effectively discharge our legislative responsibilities, we must have the means to identify and examine the environmental problems that may result from our actions. Deliberations on such profound issues as population density and how to reshape this nation's technology and our traditional values so as to be more compatible with our environment are deserving of more than piecemeal treatment and solutions. To work on such problems requires a new policy forming institution in the Congress. We need a focal point for environmental policy development like the President's Council on Environmental Quality. We need an organization to help us overcome an insidious form of pollution facing the Congress—the spread of misinformation about our environmental problems. Creation of a joint, bipartisan committee, like that proposed in House Joint Resolution 1117, will go a long way in assisting the Congress in defining our environmental problems, clarifying the issues, and developing clearly specified goals. We must have the best possible advice and support if we are to participate with the executive branch and State and local government in the establishment and oversight of a national strategy for restoring and maintaining a quality environment.

(Mr. BUSH. (at the request of Mr. WOLD) was granted permission to ex-

tend his remarks at this point in the RECORD.)

Mr. BUSH. Mr. Chairman, I want to attach myself to the remarks of the distinguished gentleman from Wyoming. He has been one of the more active members on our House Republican Task Force on Earth Resources and Population and his contributions have been significant and productive. I feel we should adopt the amendments that he has recommended on this legislation. As a member of the Ways and Means Committee, I would be rather disappointed not to have an opportunity to be selected for membership on this joint committee as I am sure others who have been at the forefront of environmental issues would be if they did not happen to be members of the committees designated in this legislation. As for the word technology being included in this legislation, I feel the gentleman from Wyoming has stated the case very well.

I do have a report entitled "Institutions for Effective Management of the Environment," by the National Academy of Science with the National Academy of Engineering issued in January that I feel would be an excellent guideline for this proposed committee to consider and develop as one of its initial activities.

I wish to include the chapter on "Monitoring the Environment" in the RECORD at this point for all the members benefit:

4. MONITORING THE ENVIRONMENT

We cannot effectively manage the environment without knowing what it is and how it behaves. We cannot detect changes, natural or man-made, desirable or undesirable, without repeated observations and established baselines. We neither know in a systematic way what the environment is like nor how and at what rate it is changing. We do make some baseline and serial observations at present through such environment-related agencies as the Environmental Science Services Administration, the U.S. Geological Survey, the Bureau of Commercial Fisheries, the Bureau of Sport Fisheries and Wildlife, the Forest Service, the National Air Pollution Control Administration, and the Federal Water Pollution Control Administration. In addition, many local and state agencies secure data on environmental parameters. Most of these data are obtained for special purposes, there is little cross-referencing of data, few comparative studies, and no overall evaluation of the quality of the environment. The existing environmental monitoring program has many critical gaps.

At the present time, no agency has responsibility for monitoring and reporting the quality of the whole environment. Since the present monitoring effort is so fragmented, various institutions use different sampling methods. Thus, for example, data secured by the Air Pollution Control Administration is not directly comparable to the data obtained by the Water Pollution Control Administration. Yet the quality of the air affects the quality of water. The fragmentation of responsibility results in a lack of coherence in research programs relating to environmental parameters.

Effective monitoring must be based on carefully planned, totally integrated programs of widespread and repeated observations. At present we do not have more than the base structure for such programs. The development of research programs in this area should have high priority. It is clear that monitoring activities should be concerned at least with the following:

1. Physical and chemical properties of land, air, and water;
2. Distribution of plants and animals in land, air, and water;
3. Land use, including diversity of purpose;
4. Construction;
5. Noise;
6. Epidemiology of man, animals, and plants;
7. Evidence of environmental stress such as tranquilizer consumption or asocial behavior; and
8. Aesthetic qualities.

Although this list is incomplete, it includes more than the elements now being monitored as parts of the environment. The necessity for very broad monitoring is suggested by consideration of a relatively simple environmental relationship. Many people have settled in Southern California to enjoy the sun at the broad, clean beaches. Houses have been built right at the edge of the beach, which in some places have then become littered with kelp and buzzing with flies. The houses have displaced tiny animals such as isopods, which previously ate the kelp. More houses have been built inland and in some areas have been subject to floods. Dams have been built and have stopped not only flood water but also the sand that replaced the beach sand being constantly lost to deep water. Thus the beaches are becoming less wide and less widespread. Finally, to get to the beaches, more and more people drive more and more automobiles, and the resulting smog obscures the sun.

This is a very simple outline of a most complex relationship. We cannot say what happened. We shall have no more success than we have had so far in dealing with these problems in the future without a comprehensive plan for monitoring the whole environment and its changes and knowing the possible consequences.

Once an effective monitoring program is in force it will become possible to set environmental-quality goals based on realistic evaluations of conditions and thereby permit enactment of legislation, policing, and the establishment of permanent national policies. Prompt action could lead to the establishment of a monitoring system by the beginning of 1972, and this could be taken as the base year.

ENVIRONMENTAL QUALITY INDEX

The management of the economic affairs of the nation has been aided by a variety of indices that provide some measure of the nation's economic health. Rates of employment are one such index, as are the measure and rates of growth of the gross national product. In developing the total federal program and determining how much the administration is willing to spend and the Congress is willing to appropriate, these indices could have a crucial effect on the judgments upon which federal policies and programs are based.

The environment and our relationship to it involve values that are either difficult or impossible to measure in economic terms. Alternate means of defining these values are required. One approach is to define certain environmental indices that can serve as quantitative measures of what is happening at regional and national levels. We strongly *recommend* the development of such indices. The following are examples:

1. Transparency of the air;
2. Purity of water;
3. The ratio of area of open ground to population;
4. Noise level;
5. Ratio of wild animals to human population;
6. Ratio of area of parks to area of parking lots; and
7. Fraction of utility wires above ground.

Measurement of these aspects of the environment would be useful for the purposes of government. A federal or state government might set a goal—for example, that the transparency of the air in a region could not fall below a certain level or over a period of time should be restored to a higher level. A program could then be planned to achieve this goal by appropriate organization, funding, incentives, policing, and publicizing.

The various individual indices could be combined and weighted into an overall Environmental Quality Index, which could become a powerful tool in developing priorities among programs affecting the environment. A familiar index would exist against which changes in the environment could be compared. The composition and weighting of this index or of the component measures will require careful analysis which we do not even attempt to outline. We do emphasize that the program of monitoring must be designed from the beginning to yield appropriate indices.

ENVIRONMENTAL MONITORING AGENCY

We recommend that development of federal programs for comprehensive and systematic monitoring of environmental quality be given highest priority. It could be carried out by a new independent agency or an existing agency. The Board of Environmental Affairs recommended in this report should turn its attention to developing comprehensive monitoring programs as soon as possible after it becomes operational.

The monitoring function would be based initially on the work currently under way in the various specialized environmental agencies and bureaus. Many of these, such as the Atomic Energy Commission, will have a need to continue their specialized monitoring activities. However, most of the environment-monitoring activities of the federal government should be centralized.

The stated objectives give some indication of why an agency with central responsibility of all monitoring is an essential mechanism. Measurements must be designed to yield Environmental Quality Indices and to indicate when changes in the environment require counteraction. It is doubtful that the environment will ever be understood if we measure, for example, weather only at airports and airborne pollution only in the centers of cities, or if observation stations are moved every time a new airport is built.

ENVIRONMENTAL RESEARCH IN GOVERNMENT LABORATORIES

Numerous government laboratories concerned with problems of the environment now exist in the departments of the Interior, Commerce, Agriculture, and Defense. An increased unification of federal environmental agencies should be accompanied by increased integration and redirection of many of these existing laboratories. There is a special need for a much broader view of the environment and man's effect upon it than we now have. Ecologists and other specialists who employ ecological methodologies should be more numerous in such laboratories, and narrow scientific disciplines should be de-emphasized. With some changes these laboratories could provide the direct support needed for the development of environmental monitoring systems. They also would have the basis for interaction with universities and contract research groups, and potentially with the proposed National Laboratory. They may conduct field experiments or carry out environmental expeditions in the manner discussed in connection with a national laboratory (following section). The principal difference between these laboratories and the national laboratories and university research institutes should be in the degree of operational intimacy with operating agencies. Government laboratories are, at present, more responsive to immediate needs of the operating agencies and should continue to be so. Nongovernment laboratories generally address themselves to longer-range problems, but in the environmental

sciences long-term and short-term problems and applied and basic research overlap even more than in the more narrowly defined, traditional disciplines. Very close ties and joint investigations between laboratories of all sorts should be expected and encouraged.

Mr. SISK. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. CASEY).

Mr. CASEY. Mr. Chairman and Members of the Committee, I rise in support of this legislation, which I was proud to cosponsor with the distinguished majority leader and my colleagues. I am strongly in support of this measure. The reason I am in support of it is that we must face and solve the problems of the pollution of our environment as well as improving our environment in all respects.

I call attention to the multiplicity of the House committees that deal with all segments of our environment. As you well know, they operate separately. Section 2. (a)(1), which appears on page 5 of the bill, states the duties of the proposed committee—to confiduct a comprehensive study and review of these particular things, such as public and private planning and investment in housing.

Think of the committees that handle these various programs as they are ticked off: water resources, pollution control, and under pollution control we have air pollution under the Department of Health, Education, and Welfare, and we have water pollution under the Interior Department, working separately; food supplies, education, automation affecting interstate commerce, fish and wildlife, forestry, mining and communication, transportation, power supplies, welfare, and other services and facilities.

So there must be in my opinion a great need for this type of committee to coordinate and to evaluate activities that are going on through the various legislative committees of this House and of the Senate.

So I urge each and every one of you to give this joint resolution which would create this committee the support it deserves.

Mr. SISK. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Chairman, I would like to ask one of the authors of the bill a question. At the bottom of page 5, under subparagraph (4), the authority of the committee will be: "to review any recommendations made by the President relating to environmental policy."

Since no members of the Appropriations Committee are included, I assume that surely does not mean to review budget recommendations of the President in view of trying to determine how much should be appropriated; is that correct?

Mr. DINGELL. Mr. Chairman, if the gentleman will yield to me, I was one of the authors of this piece of legislation, and I would respond to my good friend by saying that it would include reviewing the budget. I must tell the gentleman also in response to his question that at a time later, when it becomes appropriate, I intend to offer an amendment which will broaden the membership which the committee might include and also cut down its size.

Mr. SMITH of Iowa. Since that jurisdiction would be exactly or precisely the jurisdiction of the Appropriations Committee, does your amendment include drawing members from the Appropriations Committee?

Mr. DINGELL. I would be happy to make available a copy of the amendment to the gentleman from Iowa, but in response to that question the answer would be, generally, yes.

Mr. MARTIN. Mr. Chairman, I yield whatever time he may consume to the gentleman from Washington (Mr. PELLY).

Mr. PELLY. Mr. Chairman, I rise in support of House Joint Resolution 1117, to create a Joint Committee on the Environment. I was a cosponsor of this bill, and I consider it to be of vital importance.

To me, it is as important as the Council on Environmental Quality which I also cosponsored and has been signed into law by the President and is so ably now headed by former Under Secretary of Interior Russell Train. Just as eliminating duplication of jurisdiction on environmental matters was important in the executive branch, so it is important in the legislative branch.

Mr. Chairman, House Joint Resolution 1117 is a second step in our attempts to save our environment, and I strongly urge support for it.

Mr. SISK. Mr. Chairman, I yield whatever time he may consume to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, I rise in support of House Joint Resolution 1117.

Mr. Chairman, I am proud to be a cosponsor of this bill that represents a much needed step toward coordination of our efforts to fight pollution and control and improve our environment. There has been much rhetoric espoused on fighting pollution, but this is a real step toward gearing up the appropriate machinery for the battle. Earlier this session, I pointed out how our efforts toward controlling our environment seemed to be losing ground. We always double-up, but somehow never seem to catch-up. I pointed out that there were over 30 Government agencies fighting pollution independently of each other. Although this joint committee will have no legislative power of its own, it certainly will have the duty of being a watchdog over legislation to make sure that we are not wasting or duplicating our efforts against pollution.

This committee can serve as a focal point or clearinghouse for antipollution efforts in both the Senate and the House.

Specifically, this committee is empowered to:

One, conduct a study of environmental changes that may occur in the future and their effect on communities, industry, and population;

Two, study technical and financial means of bringing about environmental balance;

Three, develop policies that would bring about maximum private investment; and

Four, review Presidential recommendations on environmental control.

The design of the legislation itself is such that will lead to greater coordination of Congress' antipollution efforts. I say this for two reasons. First, this legislation requires at least an annual report to Congress and authorizes reports as often as the committee feels necessary. Second, the members of this joint committee are going to represent various committees and legislative interests. There would be representatives of several Senate legislative committees and House committees.

This cross-section of congressional legislative and political interests will help us unite our strategy and efforts and move forward to control our environment.

Mr. Speaker, I want to commend the chief author of this bill, Hon. CARL ALBERT. This bill is an example of his wisdom and foresight. He saw the lack of coordination in our efforts against pollution and he devised this legislation to cure the defect. It is indeed an honor to be a cosponsor of this bill.

Mr. SISK. Mr. Chairman, I yield to the gentleman from Florida (Mr. BENNETT) whatever time he may consume.

Mr. BENNETT. Mr. Chairman, I wish to add my strong endorsement for the bill now being considered to create a Joint Committee on Environment and Technology. As a cosponsor of this measure I am aware of the fact that the quiet conservation crisis of the 1960's has grown into a large environmental emergency—our No. 1 domestic problem in the 1970's.

Over the last few years I have been proud to be a cosponsor of the landmark conservation bills passed by Congress and enacted into law—the Wilderness Act and the Land and Water Conservation Act. I was also the chief sponsor of the legislation establishing the National Key Deer Refuge in South Florida in 1953, to protect the tiny, white-tailed Key deer, which has grown in population from only 30 in 1949 to now over 300; and the Fort Caroline National Memorial established in 1951 at the site of the French 16th century colony, which began the settlement of what is now the United States and is located in the present city limits of Jacksonville, Fla., on the St. Johns River.

In 1969, the Congress founded the Council on Environmental Policy, which was similar to legislation I have pushed in the last several Congresses. I have been active in other environmental laws, for example, the plan to study the St. Augustin-Fort Caroline trail, America's oldest road, 1565–70, for possible inclusion in the national trails system.

Mr. Speaker, I have introduced in this Congress, four proposed bills which would help clean up pollution in the air, rivers, lakes, and waterways, and insure adequate outdoor recreation areas for the enjoyment of future generations.

These four bills I have introduced have been proposed by the administration H.R. 15872, to assist development of comprehensive programs for water pollution control and enforce antipollution standards in interstate and intrastate

waters; H.R. 15873, the new program to provide financial assistance for the construction of waste treatment facilities; H.R. 15871, to beef up the Clean Air Act by strict national standards for air quality, and H.R. 15870, to expand the Land and Water Conservation Act, including a provision to allow the sale of surplus Federal property to augment park funds and another to provide for such sales to State and local governments for park and recreation purposes at public benefit discounts of up to 100 percent.

In his state of the Union speech, President Nixon said:

> Clean air, clean water, open spaces—these should once again be the birthright of every American. If we act now—they can be.

In Jacksonville, public officials and private groups are working for a cleaner city. I have assisted them and will continue to do so. In the last year, over $4 million in Federal funds have been approved for antipollution measures and outdoor recreation for the area of my representation.

I believe the antipollution and environmental bills I have will help us to protect our natural beauty and the quality of our everyday life. I am hopeful for early hearings and that the measures will be reported for full House action as soon as possible.

I firmly believe that a Joint Committee on Environment and Technology will allow the Congress to zero in on the problems of our environment by allowing one committee to apply laser-like intensity to the solution of these problems. I urge favorable consideration of this measure.

Mrs. HECKLER of Massachusetts. Mr. Chairman, I am pleased to rise in support of House Joint Resolution 1117 to establish a Joint Committee on Environment and Technology. This bill is identical to my bill, House Joint Resolution 1143.

The problems we face in moving to enhance the quality of our environment are vast and complex. Discovering and implementing the proper solutions to these problems will require a great deal of congressional attention. Establishment of the joint committee will improve our ability to scrutinize legislative proposals to determine their impact on the environment.

In expressing my support for this legislation I would like to commend the distinguished majority leader for his leadership in this bipartisan effort.

I would also like to commend the American public. The increased attention in government on environmental problems is a direct result of the efforts of many thousands of concerned citizens who are interested in improving the quality of life in the United States and throughout the world.

I hope the fervor and commitment of interested individuals to this cause will not wane. We face a project which will take a substantial period of time to complete and to which a great deal of innovative effort must be applied. However, the growing public interest and concern makes me increasingly hopeful of our ultimate success. For too long the conservation's organizations, garden clubs, student assemblies and similar private societies have fought to reverse the ravages on our environment. Federal Government action is long overdue.

Mr. ROGERS of Florida. Mr. Chairman, I rise in support of House Joint Resolution 1117, a resolution to establish a Joint Committee on Environment and Technology. I am pleased to say that House Joint Resolution 1120, which I am cosponsoring with several other colleagues, is identical to the resolution now on the floor.

The time has come for Congress to conduct a comprehensive study and review of the character and extent of environmental and technological changes that may occur in the future, the potential effects and consequences of these changes upon our lives, and the need for public and private investment in programs which are directed toward environmental control.

We are now beginning to realize that as our country continues to advance in technology, it often proceeds with little concern about the detrimental environmental side-effects resulting from these technological advances. We now must direct our efforts toward improving the quality of our environment before it is too late—and we do not have much time. How long can we breathe clean air in a country which annually dumps 173 million tons of unhealthy man-made pollutants into the atmosphere? How can we maintain a beautiful and healthy environment in our country when we throw away about 3.6 billion tons of waste each year and then fail to take adequate measures for its disposal? How long will our water and fishery resources last when our lakes, rivers, and oceans are used as cesspools and dumping grounds?

I do not know how long we can live under these circumstances without more effective utilization of our technology to correct these problems. I shall continue my efforts on the Public Health and Welfare Subcommittee to develop effective legislation to cope with the problems of solid waste disposal and air pollution, and I am pleased to report that the Interstate and Foreign Commerce Committee has approved my solid waste and air pollution bills, which will shortly be before the floor of the House of Representatives. I know that the passage of these bills will go far to mitigate the effects of these environmental pollution problems.

I must also, however, emphasize the importance of long-range, comprehensive studies and reviews of our environment and technology by Congress in order to insure a high quality of environment for the future. Therefore, I urge my colleagues to join me in supporting this important resolution.

Mr. MINSHALL. Mr. Chairman, I rise to support House Joint Resolution 1117, to establish a Joint Committee on Environment and Technology. This is a step in the right direction toward consolidating the congressional effort toward cleaning up the environment.

Without any pride in authorship, I must state that I would have preferred that the House had under consideration today my bill, House Resolution 759, to create a permanent standing House Committee on the Environment. This was one of the first such proposals to be introduced and would have channeled all measures involving ecology to a single committee composed of Members who could devote their undivided attention to this vast, critical, and complex problem. I feel we cannot afford fragmentation of effort in our fight against pollution and I think the House will agree that this matter is of such magnitude that it merits the most intense concentration.

Despite this preference, I am encouraged that we are today at least taking the steps recommended in House Joint Resolution 1117. It is good to know that ecological problems will be accorded the intensive scrutiny of dedicated House and Senate Members from representative committees as well as the benefit of the indepth study only a professional staff of experts can give.

I urge that this resolution be given the unanimous support of the House so that we can speedily create this very essential joint committee.

Mr. ROTH. Mr. Chairman, this year the Federal Government began a unique experiment in the management of our total environment, stimulated by the enactment of the National Environmental Policy Act which President Nixon signed on January 1. This act declared a general policy encouraging the legislative, executive, and judiciary branches to use all means possible to bring about productive harmony between exploitation and the preservation of our surroundings as well as enriched understanding of ecological systems and natural resources important to the welfare of the Nation.

The act itself was inspired by congressional recognition of the profound influences of population growth, high density urbanization, industrial expansion, and new technological advances of our physical and biological environment. Both the Congress and the President have responded to an overwhelming demand of the people by giving expression in this act to the deep-seated desire for more effective approaches toward the problems of environmental deterioration.

The National Environmental Policy Act is not the end, but rather the beginning of a long road toward environmental enhancement. It is a commitment which provides opportunities for public and private agencies at all levels to take any measures necessary for a healthy and enjoyable environment.

Mr. Chairman, the fact that over 150 Members of Congress, including myself, have introduced similar resolutions calling for the establishment of a standing committee of the House of Representatives, to be known as the Committee on the Environment, gives testimony to the significance which is placed on this matter by so many of us. I strongly believe that the resolution before us today will provide the necessary means of coordinating all of our efforts. The establishment of a Joint Committee on Environment and Technology will mark the beginning of the fight against the ominous environmental problems before us. We must start finding the answers quickly

and for this reason I heartily concur in the purposes of House Joint Resolution 1117 and urge the House to take favorable action on this resolution.

Mr. STEIGER of Wisconsin. Mr. Chairman, I rise in support of the joint resolution to establish a Joint Committee on Environment and Technology, I believe that the creation of such a body is long overdue.

While the committee's jurisdiction is to include several aspects that I find commendable, I wish to limit my remarks to only a few sections of the bill. In particular to the section which notes that:

It shall be the duty of the committee to conduct a continuing comprehensive study and review of the character and extent of environmental and technological changes that may occur in the future and their effect on population, communities, and industries . . . and to study methods of using all practicable means and measures, including financial and technical assistance, in a manner calculated to foster, promote, create, and maintain conditions under which man and nature can exist in harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans . . .

I know of no broader committee mandate. And I applaud the foresight of the majority leader, the minority leader, and the many other Members of the House of Representatives who helped draft this bill. What we are talking about in these sections of the bill is a nonlegislative committee which will have the authority and responsibility for examining the impact of future technological changes and scientific inventions on our society. We are all aware of the great number of inventions and discoveries which have occurred in the past generation—the computer, the laser, intercontinental ballistic missiles, manned space flights, and so forth. Yet, these changes may seem puny compared to ones which are predicted for the remainder of this century; large-scale desalination plants capable of economically producing useful water for agricultural purposes, automatic language translators capable of coping with idiomatic syntactical complexities, regular and reliable weather forecasts 14 days in advance, individual, portable, two-way communication devices, and economical, mass-dispensable contraceptive agents are some of the developments which many, if not most, scientists believe will occur in the next 30 years. This list neglects, of course, those discoveries which we cannot foresee, and yet it is this latter group of inventions which may be most important. Practically no one forecast the discovery of the computer, and yet we are only now beginning to understand the potential impact of this marvelous device.

I wish to dwell for a moment on just two possible changes which may occur—techniques through which parents can choose with near certainty the sex of their children ahead of time and the development of home-based computer information systems.

A recent book and article claim that parents can today choose the sex of their child rather than having to hope that they will have a boy or a girl. What will this new technique mean for our society? While I cannot know all the possible consequences, it would seem that a significant proportion of the population will use this, and that it is unlikely that the number of families wanting boys will exactly equal the number of families wanting girls. Assume for the moment that families want more girls than boys—though for the sake of the argument it makes no difference. What will this mean for our society?

If a fairly substantial imbalance between the number of boys and girls develops, our norms about homosexuality and polygamy might change. At a less extreme level, many boys—assuming they were in the majority—might go into fields that have been traditionally dominated by women: first-grade teaching, nursing, library, and secretarial work. We can only guess what consequences such shifts in our labor force would have on our Nation.

Another possible technological development in the next 30 years may be the installation in many homes of computers, based perhaps on a CATV system. In such an event, individuals would have the capability of interacting with massive data banks located throughout the Nation and/or the world. They could obtain their morning newspaper in visual or printed format through such computers. They could obtain background material on matters of interest to them—that is Vietnam; unemployment. Eventually people may no longer go downtown to work but rather stay at home and work by exchanging data through these computers.

While the former event is more likely to occur and to occur sooner than the latter, they both indicate the magnitude of the forthcoming technological revolution which this Nation will confront.

Why should we in Congress be concerned about these events? We are the elected representatives of the public. We must try to understand what events are going to occur in the future and their impact on society and then determine what we shall do. In this respect the fact that the joint committee is not a legislative committee is an advantage. It can serve as a sounding board for the Nation's most knowledgeable men about future advances in the various areas of the social, physical and biological sciences, I am not sure what, if anything, the Congress should do about, for example, possible imbalances between the sexes due to the new techniques mentioned above. But clearly this is something that the public and the public's representatives should study.

The problem was succinctly summarized in a recent report issued by the Institute for the Future:

Scientific and technological developments have profoundly altered man's institutions, his life styles, and his aspirations in the last several generations. What is striking about this transformation is not that it has occurred, but rather that it has occurred without preparation. For the consequences have been pervasive, and many of them, favorable and unfavorable alike, have left today's policy-makers and policy advisors seriously behind the course of events, with the result that by the time their efforts have been translated into programs for action they have become infeasible or simply irrelevant.

Congress has long been criticized as an institution more attuned to dealing with a 19th-century environment than with a 20th-century one. I, for one, have felt that we often have not been very responsive to the problems confronting this Nation today. However, this joint resolution is a major step forward. It shows the Nation there are forward-thinking men in this body, men who are concerned about the problems and opportunities that will confront the United States in the 21st century. I urge the House to speedily pass the joint resolution.

Mr. ALBERT. Mr. Chairman, I rise today in support of House Joint Resolution, 1117 which would establish a Joint Committee on Environment and Technology. I have been joined in introducing this resolution and several similar resolutions by the distinguished minority leader, Mr. FORD, and over 130 Members of the House. This resolution has broad bipartisan support in the House, in the Congress and indeed in the country. The Joint Committee which it is proposed to create would be a nonlegislative committee, the purpose of which would be to provide a focal point for consideration of many of the difficult environmental decisions which must be made in the coming years. It would provide the legislative committees which have jurisdiction of environmental matters the necessary background to insure effective action on both short-term and long-term environmental problems and needs.

Section II of the resolution sets forth the duties of the committee in the following language:

It shall be the duty of the Committee—

(1) to conduct a continuing comprehensive study and review of the character and extent of environmental and technological changes that may occur in the future and their effect on population, communities, and industries, including but not limited to the effects of such changes on the need for public and private planning and investment in housing, water resources (including oceanography), pollution control, food supplies, education, automation affecting interstate commerce, fish and wildlife, forestry, mining, communications, transportation, power supplies, welfare, and other services and facilities;

(2) to study methods of using all practicable means and measures, including financial and technical assistance, in a manner calculated to foster, promote, create, and maintain conditions under which man and nature can exist in harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans;

(3) to develop policies that would encourage maximum private investment in means of improving environmental quality; and

(4) to review any recommendations made by the President (including the environmental quality report required to be submitted pursuant to section 201 of the National Environmental Policy Act of 1969) relating to environmental policy.

The resolution also provides that the committee shall, as soon as practicable after it is referred to the committee, hold

hearings on the Environmental Quality Report required by the National Environmental Policy Act of 1969. This feature of the resolution is similar in nature and import to the requirement that the Joint Economic Committee hold hearings on the economic report of the President.

On or before the last day of December of each year the committee shall submit to each house for reference to the appropriate standing committees an annual report of the studies, reviews, and other projects undertaken by it together with its recommendations. The resolution specifically provides that the committee may make such interim reports to the appropriate standing committees of the Congress prior to such annual report as it deems advisable.

Under the resolution as it has been introduced the Joint Committee on Environment and Technology would be composed of members from various legislative committees which have legislative jurisdiction in areas relating to environment and technology. The committees of the House and Senate which would be represented on the joint committee are as follows: House Committees on Agriculture, Banking and Currency, Interstate and Foreign Commerce, Interior and Insular Affairs, Education and Labor, Public Works, Government Operations, Science and Astronautics, Merchant Marine and Fisheries; Senate Committees on Agriculture, Banking and Currency, Commerce, Interior and Insular Affairs, Labor and Public Welfare, Public Works, Government Operations, Aeronautical and Space Sciences, and the Joint Committee on Atomic Energy.

Mr. Chairman, it should be pointed out that the chairman and ranking members of a number of the committees I have just mentioned have joined me in sponsoring this legislation.

Mr. Chairman, I firmly believe that such a committee as is proposed in House Joint Resolution 1117 is absolutely necessary if the Congress is to exercise its proper functions and to perform the duties required of it by the age in which we live.

Last year we enacted the National Environmental Policy Act of 1969. Through that act, this Congress has declared that it intends to give a high legislative priority to environmental issues in the 1970's. An examination of the legislative output for the past several years will reveal that Congress has been increasingly concerned about environmental problems and that legislation reflective of this concern has been increasingly enacted.

The National Environmental Policy Act recognizes the collective impact of population and economic development and declares a national policy which balances environmental quality and productivity in a harmonious relationship between man and nature. The act proclaims it to be the responsibility of the Federal Government to promote the restoration and maintenance of environmental quality by cooperating with and assisting State and local governments. Implementation of the act will be through the Council on Environmental Quality, whose duty it is to make recommendations to the President and to assist in the preparation of an annual report to be submitted to the Congress. As I have indicated, it would be the duty of the proposed joint committee to examine that report and hold hearings on it.

Having set out a national policy on the environment, as we have done in last year's act, it is incumbent upon us to see that the structure of the Congress is such that it can adequately play its part in the development and implementation of such a policy. Most persons with any knowledge at all of environmental activity recognize, I believe that the fragmentation in the Government—both in Congress and in the Federal departments—of the responsibility for the various activities and components which are involved in environment problems has long been recognized as one of the limiting factors in the solution of complex environmental issues.

A mere compilation of the committees of the 91st Congress and the areas of their jurisdiction which affect environment and technology requires several closely typed pages.

Mr. Chairman, let me again emphasize that I believe it is extremely important that such a committee as proposed in House Joint Resolution 1117 be formed. The Congress must be prepared to do its part in solving the almost overwhelming problems of our environment.

Mr. RYAN. Mr. Chairman, the proposal to create a Joint Committee on Environment and Technology represents a long overdue effort on the part of Congress to play a more active role in the restoration of our environment.

Last January I pointed out to my colleagues the need for a joint committee on the environment by introducing House Concurrent Resolution 496, to set up a Joint Committee on the Environment.

The need for this committee was very clear to me then, as it is now. Let me just point to a few statistics on air pollution levels to demonstrate one aspect of the daily hazards to our environment. While the carbon monoxide content in clean, dry air near sea level is .1 parts per million, the average daily content in midtown Manhattan often exceeds 15 parts per million during business hours. The oxidants component in clean, dry air near sea level is .02 parts per million; the average daily content at East 121st Street in Manhattan is .04 ppm's. As compared to .001 parts per million of nitrogen oxide in clean, dry air near sea level, the average daily content at East 121st Street is 109 ppm's. And the comparative figures for sulfur dioxide are .0002 ppm's in clean dry sea level air and 111 ppm's at East 121st Street. Finally, suspended particulates average 124 micrograms per cubic meter in Manhattan's air.

These statistics are not unique. Nor are they unusual. Anyone who has traveled through Gary, Ind., Chicago, Los Angeles, Cleveland, or a hundred other cities, has seen the layer of smog overhanging their skylines. Anyone who suffers from emphysema or asthma or bronchitis has experienced the agonies of polluted air. Anyone who has been caught in a tracffic jam, or who has driven the streets of any town or city, has been subjected to some of the over 90 million tons of contaminants spewed forth from automobile exhaust systems.

It is time for the Congress to insure the sanctity of our environment for all Americans—to those alive now, and those to be born in the future. A Joint Committee on the Environment is an important first step toward reaching that goal.

Mr. MINISH. Mr. Chairman, I rise in support of House Joint Resolution 1117 to establish a Joint Committee on the Environment and Technology. I am a sponsor of House Resolution 947 providing for a standing Committee on the Environment in the House of Representatives. Although I believe a standing committee on the subject of the environment would be preferable in view of its legislative power, I support the joint committee resolution as a worthwhile step toward developing the information and expertise so necessary to deal effectively with the environmental crisis.

The Joint Committee on Environment and Technology would consist of 19 Members of the Senate to be chosen by the President of the Senate and 21 Members of the House to be chosen by the Speaker. The chairmanship would alternate between the two Houses, with the vice chairman representing the other body of Congress. The joint committee would be charged with conducting a continuing study of the environment and making recommendations to the Congress.

Mr. Chairman, the Congress must make a full commitment to solve the problems of pollution and technology. This commitment is necessary now if our children are to joy a cleaner, safer, and more pleasant Nation in which to live, grow, and prosper. Developing an independent and reliable source of information is one essential ingredient of our attack on every type of pollution. For this reason, I urge overwhelming support for the Joint Committee on Environment and Technology.

Mr. HOGAN. Mr. Chairman, as a cosponsor of a resolution identical to the one before us, I would like to express to this body my wholehearted support for the creation of the Joint Committee on Environment and Technology.

I share with all Members of the House a deep concern over the impending threat to our society if present polluting practices are permitted to continue. While I firmly believe the pollution problems can best be solved at the local level—their source—the Federal Government can and should provide encouragement, guidelines, technical assistance and funds. To provide this assistance and insure a coordinated and meaningful effort to control pollution, the Congress finds itself in the position of writing legislation and guidelines. Due to the fact that at least a dozen committees handle environmental legislation, efforts are piecemeal and have resulted in duplication, omission, and contradiction.

A comprehensive overview of the pollution problem and comparative evaluation of the seriousness of component

problems are not possible with oversight spread among several committees. Therefore, I believe one very important step that Congress must take is to reorganize itself in preparation for the task ahead.

Scientists today are providing us with estimates of from 35 to 100 years as the time remaining for life on earth. We are close to becoming the first nation in the history of the world to commit suicide by progress. Public officials bear the responsibility of preventing that suicide because it is the decisions we make that lead, step by step, toward or away from the precipice. Bearing this responsibility in mind, Congress must be provided the best information and be able to come up with the best solutions to the problem.

I, personally, would consider the product of the efforts of such a joint committee to be of inestimable value to me in my consideration of the overall problem and corrective legislation. For these reasons, I joined with my colleagues in sponsoring this bill and urge your favorable vote on this matter.

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of House Joint Resolution 1117 to create a Joint Committee on Environment. Clearly such action can serve to indicate our interest in solving the crucial problems in this area, and also activate further efforts to deal in a specific and meaningful manner with these issues. The promptness with which the Committee on Rules, on which I have the honor to serve, scheduled hearings and granted a rule making it in order to consider this bill today indicates the high priority which we felt it should have.

I earnestly hope that the committee will live up to the high hopes which we all have of producing creative and constructive action in the area of the environment.

As chairman of the House Republican conference, I also wish today and in ensuing days to call the attention of the Members of the House to the sustained and continuous efforts of Republican Members to mobilize public support for critically needed environmental legislation.

One of those who has been in the forefront of this battle, even prior to his election to the Congress in 1949, is the distinguished ranking minority member of the Committee on Interior, the gentleman from Pennsylvania, JOHN P. SAYLOR. His support for the environmental cause has never lagged and today he is one of the strong proponents of the Nixon administration's environmental legislation.

I was particularly impressed with the gentleman's recent speech to the student body at Pennsylvania State University, in which he stated:

> There is one more charge which I want to deal with in short fashion: the indictment of the present Administration for its activities in the anti-pollution battle is, to use the kindest word possible, unintelligent.
>
> The protection of America's natural and national environment has been the concern of a great many congressmen of both parties for a long time. Only since President Nixon's election has the environmental concern become a truly national issue.

Because the gentleman from Pennsylvania's speech to the student body at Pennsylvania State University warrants public attention, I include it in the body of the RECORD following my remarks, along with his speech to the Johnstown branch of the AAUW:

OUR NATION'S ENVIRONMENT: IT NEEDS YOUR HELP

(By Hon. JOHN P. SAYLOR)

Madam Chairman, Ladies and guests. Your request for this speech seemed relatively innocent when it was delivered sometime ago. You asked me to tell you, "What can we do to protect the nation's environment?"

Upon reflection, I realized that I had been asked to address a group that is universally known as expert in the field of getting things done, with or without the advice of a male. Although I hesitate advising you, I will try to challenge you in the next few minutes about the gravest set of problems that confront the nation.

I say "challenge" advisedly. I do not believe this country of ours is capable of solving the problems of the environment unless you, the women of America, take it upon yourselves to start a crusade for the protection of our natural and national heritage.

There is precedent for such a crusade. The most important crusade ever to overwhelm this country was that which gained women the right to vote. In fact, this year will mark the fiftieth anniversary of the nineteenth amendment to the Constitution. But when I mention a new crusade for the environment, we might coin a new phrase: The Women's Benevolent Crusade to Assure Our Children a Future. There is a profound difference between the atmosphere now and that of fifty years ago.

During the crusade for the vote, there was time. Time spelled with a big "T."

There is little time now.

Any crusade is already ten years late in starting.

Any crusade is in jeopardy before it begins.

I probably sound like one of those strange people who parade around with signs predicting the end of the world. Perhaps such individuals are pathetic in our sophisticated eyes, but rarely do we doubt their sincerity. I feel like one of those people now with regard to our environment. My sign reads:

Does anyone care?

Will anyone act?

Is there time?

The field is already full of the professional doomsayers when it comes to the environment. And why? Because there is indeed cause for concern.

Perhaps some of you watched the Johnny Carson show on January fifth. For one solid hour, a well known biologist horrified twelve million American television viewers with examples and prognostications about the plight of our environment. His performance was enough to curl the hair—or straighten the hair. Professor Ehrlich's message, in brief, was this: We will *not* solve the pressing problems of pollution in this or any decade. We are doomed.

Now, some of us in Congress have been making less dramatic predictions on that order for a number of years and I welcome the good professor to what we call the National Environmental Minuteman Club. If he can accomplish the nearly impossible—waking up the American people to theirs, ours, everyone's environmental problems—then, frankly, I do not care who gets the credit.

If . . . if . . . the American people can be aroused, then we can, I repeat, we can make a significant contribution toward cleaning up and protecting our environment. And it can be done during the decade of the 1970's!

Now that the Second Session of the 91st Congress has convened, be prepared to hear a new tone of urgency in Congressional pronouncements, predictions and promises concerning the environment. A decade's beginning is cause enough for such statements, but for the start of the Seventies, you can expect a virtual flood of comment that will depress you for their gloominess and—at the same time—excite you with their promise.

The "in" word is environment. You will hear it *ad infinitum*. According to the dictionary, environment is something that surrounds and Congressmen will be talking about *all* conditions that have a bearing on the quality of our lives. And what does not?

As one of those in the Congress responsible for the term—*the environmental decade*—I appreciate this opportunity to express some hard truths about the momentous job facing the nation.

Right away, I have to admit that I am one of those who is very uneasy over the potential for the protection of the quality of life for our children and our children's children. In fact, I will make a prediction:

If, in the next ten years, our nation does not begin a massive repair job on the environment to offset the damage done in the past fifty years, the following fifty years will not be worth worrying about!

Hard words? Not really. Think for a moment about your personal confrontations with pollution: concern about what is safe to feed your family, smarting eyes during your trips to any major city, the quality of the water you drink.

It boils down to this—and we have to make an admission: we are at war—with ourselves. The question is: Who will win the war? Who will lose the war? No graver mistake could be made than to think that man—because of his own wit and wisdom—is immune from taking the path toward extinction.

The path of history is littered with the bones of dead states and fallen empires most of which rotted out before they were overwhelmed. And they were not, in most cases, promptly replaced by something better. It no longer takes an expert or even a perceptive layman to see that much of the quality of our environment has been rotted out. Yet we find that the forces of decay are still at work.

We live in a society that has rarely worried about the environmental or ecological costs of—"progress."

We are paying now. Little by little and day by day, we are realizing that . . . *something* . . . has to be done to put a stop to the pollution of our national and natural heritage. The reason is obvious: man himself has become the endangered species. So the goal in the *Environmental Decade* is to do that something to reverse our lemming-like rush to oblivion.

We must win the war with ourselves.

It will take a national commitment.

It will involve individual citizen action.

And time is running out.

In summary form—here are the specific and largest problem areas we face.

First, water: Today every river system in America suffers in some degree from pollution. Industrial discharges, both treated and untreated, into our rivers and streams equal the raw sewage from almost 170 million people. The sources of usable water are running out.

The Department of the Interior reports that more than 15 million fish were killed last year by municipal and industrial wastes, which totaled over 18 billion gallons. By 1975, a growing population and increasing urbanization rate will require from $30 to $50 billion for municipal sewerage systems, industrial waste treatment facilities, separation of combined storm and sanitary sewers, and for research and development of pollution control methods.

Rivers and lakes receive great quantities of industrial chemicals, debris, pollutants, and oil and these things kill fish and pose hazards to human, animal and microbiologic life. Some of our best fresh water fish have become almost extinct.

The sign which reads, "Polluted Water" has become all too familiar on the beaches and rivers of this Nation. One recent study indicated that about thirty percent of the Nation's public drinking water systems may fall below Federal standards.

Sometimes there is too much water—sometimes too little—sometimes it is too dirty to use. But the basic problem is that we do not properly manage the water resources we have.

Second, air: Air pollution thickens our skies, offends our senses, obscures our visibility, costs us money, destroys plants and property, sickens and kills people—and it is getting worse.

How much worse? A recent study by a scientist at Penn State has proved beyond a shadow of a doubt that air pollution is changing the weather! Consider what this means for all of life.

Industrial chimneys in the United States pour thirty-seven million tons of sulfur dioxide into the air every year. Over ninety million autos add sixty-six million tons of carbon monoxide. Electrical incinerators produced another five million tons to help foul the air. These gases kill or stunt plants, affect human nerves, causing irritation and decreasing normal brain function, damage buildings and personal property, and leave a depressing, sometimes even fatal, pall over the urban landscape.

Since 1860, the carbon dioxide content of the atmosphere has increased fourteen percent, thus reducing oxygen regeneration and adversely affecting the process of photosynthesis whereby all plants require oxygen and sunlight to grow.

Another recent analysis shows that by simply walking the streets of New York City for a day, a person would breathe in the toxic equivalent of close to two packs of cigarettes.

There is not a major metropolitan area in the United States without an air pollution problem; by 1980, this nation's urban population will increase by a third, the number of motor vehicles will increase by forty percent, and our demands for energy by fifty percent.

Third, solid wastes: We are surrounded by junk, and we do not know what to do with it.

We produce and discard each day millions of tons of garbage, rubbish, automobile hulks, abandoned refrigerators, slaughterhouse refuse. Each year this waste is enough to fill the Panama Canal four times over. It mars the landscape, breeds disease-carrying insects and rodents, and mucb of it finds its way into our air and water.

The American consumer actually consumes very little. He merely uses things and he never really disposes of them. They survive in some form. A good example is the nearly indestructible aluminum can, produced in the United States at an annual rate of forty-eight billion. The rate for bottles and jars is twenty-eight billion per year.

By the year 2000, 270 million Americans will live in urban environments; as it is, 70 percent of the population lives on 2 percent of the land. When coupled with the fact that the average American's annual output of 1,800 pounds of solid waste—five pounds a day—is rising at a rate of 4 percent a year, the outlook for waste disposal is indeed bleak.

And here is the big question: disposal already costs us four and a half billion dollars a year. What will it cost next year, or the year after, or in the year 2000?

A friend of mine has suggested that there might be a silver lining to the solid waste cloud: he says that at the present rate of growth of the junk piles, we should soon be able to live atop them, thus above the air pollution, and thereby providing us with the ability to feel clean water when it rains.

Fourth, population: When you boil the environmental problem down to the basic element, the problem is one of space. There are simply more and more people contending for less and less space and rapidly diminishing natural resources. I am not going to give you a warmed over version of the Malthusian doctrine, but I will give you just a few statistics to chew on which may add impetus to your concern with the environment.

It has been estimated that the human population of 6000 B.C. was about five million people, taking perhaps one million years to get there from two and a half million. The population did not reach 500 million until almost 8,000 years later—about 1650 A.D. This means it doubled roughly once every thousand years or so. It reached a billion people around 1850, doubling in some 200 years.

It took only 80 years or so for the next doubling, as the population reached two billion around 1930. We have not completed the next doubling to four billion yet, but we now have well over three billion people. *The doubling time at present seems to be about 37 years.*

Thirty-seven years! What kind of a future—one you personally can contemplate—will that make for your children?

Water pollution, air pollution, waste disposal, the population explosion—you have heard about these problems for years. So what is new?

Nothing is new about the problems, it is only that we are beginning to see—in our everyday lives—the effects. In the pursuit of progress, man has put strontium ninety in his bones, iodine 131 in his thyroid, D.D.T. in his fat, and asbestos in his lungs. Now there is a killing rate of progress.

Today, pollution adversely affects the quality of our individual lives. In the not too distant future—unless something is done—pollution may affect the very duration of our lives.

The role of Congress in cleaning-up America's environmental mess is critical. Recognizing this at long last, over 200 Congressmen have taken the following pledge regarding action for the next decade:

I pledge that I shall work to identify and overcome all that degrades our earth, our skies, our water, and the living things therein, so that the end of *the environmental decade* of the 1970's may see our environment immeasurably better than at the beginning.

Brave words! But you know as well as I do that to translate these congressional words into government action is going to cost—and cost plenty.

The Congress of the United States cannot wave a magic wand and create money to do the job required. Federal, State, and local government money is *your* money. Frankly, I estimate that it is going to take between 50 and 75 billion dollars of *your* money to do the job right. The only way—absolutely the only way—the amounts of money can be spent by Congress, the States, and at the local levels of government is if there is a solid and massive amount of public support.

Most of you have probably heard about the Gallup poll conducted for the National Wildlife Federation to learn whether or not there is a base upon which to build massive public support. In general, the polls (two were taken in 1969) indicate that the public is growing increasingly impatient with those whose actions degrade our environment, and that the public is prepared to assume a substantial burden of the costs of improving the situation.

However, buried among the glowing statistics that have led to false optimism on the part of a large number of the nation's leaders, is a group of numbers of which you should be aware. Given the public's concern over the environment, what, directly, are they willing to do about improving it?

People were asked if they personally would be willing to accept a $200 a year increase in their families' total living expenses in order to clean up the natural environment.

Sixty-five percent rejected the proposition. Sixty-five percent said "no!"

Very well. Maybe $200 per year, per family is too much. The results of the same question but with a reduced amount of $100 per year: Fifty-six percent said "No!"

Very well. Maybe $100 per year, per family is too much. The results of the same question but with a reduced amount of $50 per year: Forty-seven percent said "no!"

When the dollar amount per family, per year, was reduced to twenty dollars a year—*TWENTY DOLLARS A YEAR*—then and only then did the national sample show that fifty-five percent of the people were willing to do something about their environment.

I ask you now—how much do you think twenty dollars per year, per family, will buy in the campaign to make a significant dent in the nation's environmental mess?

Not much!

Not much at all!

Is it not obvious now? The public's attitude about the magnitude of the environmental mess has to change. This is where you come in. I might go so far as to say to that if you, the women of America, do not come into the picture at this point, then nothing—nothing of significance—is going to be done to protect our children's future.

The Johnstown Branch of the American Association of University Women has indicated its willingness to do something about the environment. Your study topic for the next two years is "conservation." I hope you will expand your two-year concern with conservation and environment-related issues to the length of the decade.

In my opinion, you will have to do more than study the problems. You will have to act. In fact, and I hesitate to say it, I hope this organization of lovely ladies will become a militant organization for the preservation and protection of the environment.

You will have to dramatize your concern. You will have to convince your neighbors. You will have to work long hours. You will, in short, have to dedicate yourselves to saving the environment.

I have cited examples and statistics that deal with the national picture. But consider this: the national picture is made up of thousands upon thousands of local pollution problems. Pollution is not somebody else's problem—no area is pollution-free—pollution is first and foremost a neighborhood, community, and county problem—then it is a state and federal problem.

The conservation you study must not be just the classic conservation of protection and development, but a creative conservation of restoration, improvement, and innovation. Your concern should not be with nature alone, but with the total relation between man and the world around him.

You must become discriminating critics, asking hard questions about local public works projects, including road and dam building, real estate development, and even fishing, hunting, and camping sites.

You will have to ask these questions of your local government:

What is desirable?

Does it bring serenity, beauty, and quiet?

Or does it bring noise, clutter, pollution and congestion?

You will be required to find alternatives. Before a swamp is filled, a stream dammed, a road built, an airport sited, or a power plant constructed, all the options must be weighed.

This total approach to the environment is marked by a realization that pollution control is necessary not for man's enjoyment

alone, but also for his survival. It recognizes that in our interdependent system, plant life helps to renew the air, the air helps purify the water, and the water irrigates plant life. Damage to one facet of the system can throw the whole ecological system off balance.

Alternatives and solutions will be found through community-wide planning; good zoning ordinances; strongly enforced, effective conservation agencies; modern methods of solid waste disposal; adequate open space for playgrounds and recreational areas; protection of water courses and wildlife; trail systems for walking; conservative education in the public schools, and naturally, a proper individual code of conduct towards the environment.

Getting all this across to your neighbors and friends is going to be a tall order. I hope you will enlist the aid of the news media and bring the other women's organizations into the battle.

The goal of this personal, direct, involvement with the environment at the local level is to create a community feeling for the environment. With that accomplished we can put the lie to the statistics which show that people are not willing to pay to have an improved environment.

In the end, control and reduction of the pollution of our environment is going to be expensive. We in the Congress are counting on you to develop the grassroots campaign that will make it possible to attack the problems from yet another level. But keep this in mind; environmental improvement and preservation is not something that is going to filter down to you from the Federal or State governments; it is something that will be a joint effort.

I wish to conclude with the words of a currently popular song which expresses, simply and with great force, what is at stake in the battle to save man's environment:

This land is your land,
This land is my land,
From California to the New York Island,
From the Redwood Forests to the Gulf Stream waters,
This land belongs to you and me.
Who else will take care of it?
Thank you

THE ENVIRONMENT: YOUR ATTITUDE IS CRITICAL

(By Hon. JOHN P. SAYLOR)

Thanks and acknowledgments.

I will admit to having approached this audience with some degree of hesitancy. I have been in the business of trying to do something about the protection of the Nation's natural and human environment for a long, long time and I was not exactly sure how a group of newcomers to the conservation battle would react to an "old grad" conservationist.

Fighting the establishment, or as some people have said, tilting with conservation windmills, is not, I repeat, is not a new phenomenon.

You see before you one who bears a number of political scars from battles fought on behalf of wildlife, clean rivers, proper solid waste disposal, acid mine drainage abatement, strip mine control and land restoration, in short, battles to improve the quality of life.

The current issue of *Playboy* magazine contains a cartoon which is appropos a part of my feelings on approaching the so-called "Now Generation."

In the cartoon, a potbellied father is shown standing out-of-doors next to his long-haired son, admiring the most beautiful sunset ever seen. The father says to the son, "what a glorious sunset! And you complain about the kind of world I've given you."

Granted, my generation cannot claim to give you a sunset. We cannot lay claim to being able to pass on to you any of nature's wonders. They were there for us to use—and misuse. You will also have the choice of how to use the gifts of nature.

Implied in the cartoon, and in far too much of the literature of the activist environmentalist of today, is the indictment that the current generation is passing-on something befouled, something dirty, something unfixable, something, that is, different than what was passed on to us.

I am not going to make any excuse for the spoilation of our planet. And I am not going to whimper that you do not deserve any better than I got. All I am trying to do is point out that in addition to receiving the polluted planet, you also inherit something else from your elders.

My very good friend, Dr. Eric Walker, the past president of the university, recently pointed out a few of the positive things your generation stands to inherit. Of our generations, Dr. Walker noted:

These are the people who within just five decades, increased life expectancy by about 50%—who while cutting the working day by a third, have more than doubled per capita output.

These are the people who have given you a healthier world than they found. And because of this you no longer have to fear epidemics of flu, typhus, diptheria, smallpox, scarlet fever, measles or mumps. And the dreaded polio is no longer a medical threat, while tuberculosis is almost unheard of.

These are the people who lived through history's worst depression, fought history's grisliest war, and when over, had the compassion to rebuild that which they had to destroy.

Because they were materialistic, you will work fewer hours, learn more, have more leisure time, and travel to more distant places. The generations represented by your parents and grandparents, so easily dismissed by today's revolutionary rhetoricians, have made a start in healing the scars of the earth and in fighting pollution and the destruction of our natural environment.

They set into motion new laws giving conservation new meaning. Why set aside lands, lakes, rivers and streams for you and your children to enjoy for years to come. Like it or not, these are the people you must work with to solve the problems facing your generation.

Enough reminiscing. The long and short of it is that the price of progress has not been all bad.

There is one more charge which I want to deal with in short fashion: the indictment of the present Administration for its activities in the anti-pollution battle is, to use the kindest word possible, unintelligent.

The protection of America's natural and national environment has been the concern of a great many congressmen of both parties for a long time. Only since President Nixon's election has the environmental concern become a truly national issue.

Irrespective of what the press and certain aspiring politicians are saying on the stump, this Administration has taken significant steps to improve the quality of life for all Americans.

It has started the bandwagon rolling.

The new Environmental Council for the coordination of the multitudinous activities of the agencies in the Federal Government that deal with pollution is a major, and long overdue step.

The Administration's order to Federal Government agencies to clean-up their own backyards—with a specific timetable for compliance—is another significant, long overdue, and far-reaching step in the direction of pollution abatement.

Just last week the President formed the National Industrial Pollution Control Council and ordered it to present workable plans in order for the Federal Government and industry to work together to clean-up the environment.

I know, you might say, just more establishment window dressing.

Say what you please, but finally, the Government is ahead of the critics in that something is being done to attack the root of the problem of pollution. The focus of the new Council will be to come-up with industry solutions to the problems industry has in part created.

On the legal front, the Administration has, and is, taking polluters to court. This activity will be stepped up in the months to come.

We are witnessing the opening of a whole new field of law—environmental law. In the action decade of the 1970's we will determine whether or not the people, through their government, have the capacity and courage to halt the degradation of the environment by using the system of laws.

From oil spill damage suits to protection of bird sanctuaries . . . from protection of the Alaskan wolves and the ecology of our forty-ninth state threatened by oil development . . . . from the building of new sewage treatment plants to a shift in policy on nuclear power plants to a shift in policy on nuclear power plant siting . . . the Federal Government is beginning to move in the right direction.

One might add—and it is about time!

Sure it is. After years in the legislative wilderness, after conservation was on the back burner, after years of neglect and lack of status, things are happening at the nature and environment stand today.

We have a beginning. We are started. We are moving. We need help.

And where will the citizens of the United States get that help?

Part of the answer to that question is found right here at Penn State. Research is critical to saving the environment from the ravages of our compulsive drive for expanding and improving the production-consumption cycle.

I want to add an aside to that statement immediately: Money from the Federal Government is not the single, most important, item on the agenda for saving the environment. I will return to this point later.

I will mention only a few of the earth-saving research projects underway at the University, all of which hold great promise for the future. It would be impossible to list them all.

In line with the new emphasis on the development of a recycling technology, researchers in the Department of Wood science & Technology are investigating the possibilities of putting wood bark to use rather than burning or dumping it. About 310,000 tons of bark are generated each year by major Pennsylvania lumber and paper mills. Consider the ecological savings if what has been considered a waste product becomes a use product.

In related activity, but at the other end of the production spectrum, the College is studying the reusability of paper products. Almost no paper is reclaimed from municipal refuse although half of such refuse consists of paper products. Doubling the amount of waste paper re-used could save 15 million cords of wood per year of the annual growth of 15 million acres of timber land.

Last month the College sent a piece of what seemed ordinary enough paper—except for one thing—30% of the content of that paper came from a city dump.

Late last year I received the results of a series of highly technical studies on water and hydrologic behavior for Northern Pennsylvania which, in time, will have an important bearing on our State's concept of water management in all its ramifications. Frankly, the studies were too technical for me, but one thing caught my attention which you will find of interest.

Listed in the back of the reports were the resumes of the persons undertaking the study

—young graduate students with credentials that help to make this University an important national center for research.

The College of Agriculture is working on air pollution—using trees as a monitoring agent to determine the effects of air pollution. They are studying various phases of the pesticide problem . . . how pesticides are broken down by bacteria in soil and water . . . the effects of pesticide residue on agricultural commodities . . . and studies of how pesticides can be converted without being harmful to agricultural lands and products.

Research is also underway on the disposal and utilization of poultry and dairy manure—they even have an experiment going to determine the effects of sewage and sludge spread on crop and forest lands.

The Engineering School, the Biology Department, and the Land & Water Resources Institute, plus the Earth & Mineral Sciences School, and other parts of the University are engaged in numerous studies dealing with acid mine drainage.

The list could go on and on. Penn State is, in the vernacular, where the environmental research action is.

But research is only a small part of the picture one has to draw to preserve the environment. In fact, we might say that current research to abate, control, or harness pollution is simply stop-gap action.

If there are to be significant changes in the concepts underlying our understanding of nature and our relation to nature, a more fundamental job has to be done in the discipline of education.

I know there are faculty members who will write that comment down in a little black book, and remind me of it when the next appropriation bill for the Office of Education is being debated. Nevertheless, I want to point out that I am talking about something more fundamental than dollars for various experiments in social engineering.

There has been talk of late about an environmental "bill of rights"—I am one of those supporting a similar concept. But what earthly good will such legislation be if there is no understanding of it by those it is designed to benefit?

In the grade school years of a students life, we have defined certain fundamental and traditional tenets about what constitutes a basic education. We expect every child to acquire a knowledge of democracy and our form of government. In fact, government is taught early in every school across the land.

Similarly, we expect each child to acquire the rudiments of a cultural education, and whether it is Pennsylvania, Virginia, California, or Michigan history and culture, we agree that each child should know something about his heritage.

How can we have any hope for the future of our planet if children do not learn the rudiments of the natural sciences?

In a lecture last week, one of the leading figures in the current environmental movement, admitted that it was not until five or six years ago that educators even considered teaching basic biology to grade school children. Years ago, in a rural economy, there was little need of formalized instruction in the life sciences. One was a naturalist because one had to be.

With the shift to an urban-dominated society, we have a whole generation now, and one that is growing up, ignorant of the fundamentals of ecology.

Lest you castigate me for that last remark, I will add that it was toned down from the comments of the leading biologist I referred to earlier.

The point is that in order to effect a truly significant change in the habits of living that contribute to the pollution of the planet, we are going to have to impress an appreciation and awareness of the responsibilities of living on this earth upon each generation.

I am proposing that ecology, biology, or some simplified combination thereof be made a basic part of our children's education. In the years ahead, such knowledge will be no less important than learning government or national heritage.

This is a job for education and I do not think it needs a sputnik-type educational panic to get the program started.

I have mentioned what has preceded your generation, some of what your Federal Government is doing today, and some of what your University is doing in regards to environmental clean up. And I have suggested at least one fundamental change needed in our educational process to prepare future generations to be better environmentalists than we are today.

Now I come to the part of this speech which deals with the nitty gritty. What has all this to do with you?

I do not know what you expected of your Earth-Week kick-off speaker.

If you expected him to tell you to . . . man the barricades, burn down billboards, clog telephone lines, occupy buildings, beat-up policemen, carry signs and banners, stage sit-ins or sit-downs, wear gas-masks, and/or other childish nonsense, all in the time of conservation . . . . then you will be disappointed.

Very frankly, there is already too much of the revolutionary motif in the student environmental movement to suit my tastes.

You have two choices about the future and your individual impact on the nation's environment as I see it.

You can work to the limit of your ability and within the mental, physical, and time constraints of being students, to improve your capacity to affect the course of events in the next few years, which is, in my opinion, the constructive approach. . . .

or you can take the childish approach and join the revolutionary underground and accomplish nothing. I repeat, accomplish nothing.

The revolutionary underground is not dedicated to saving the environment!

The price of revolution is destruction, plain and simple—not preservation, conservation, or ecological balance.

The events of April 15th on this campus prove nothing. What I do not understand is that intelligent students . . . those who are trying to get an education . . . get themselves swept-up by the oratorical fervor of the new Hitlerites.

One critic of today's youth characterized your generation as being the first one in history to see itself from the outset as a herd, rather than as an aggregate of private persons who happen to be the same relative age.

Such a description is overdrawn—for the majority. I do not buy it. But it is immaterial whether or not I buy such a concept.

The important question is if Middle America is buying that concept. I am very much afraid that that is exactly what is happening with all the demonstrations, dramatizations and disruptions.

Consider this: you cannot preserve, protect, and improve the environment for the betterment of mankind without the active and willing support of those who presently make decisions, whether they be politicians, bureaucrats, or the voters.

You must work within the system to affect the changes desired. Anything that creates opposition to such a goal is essentially counterproductive and doomed to failure. And we cannot afford failure. You do not need me to relate the horrors of the pollution crisis. We see it, smell it, taste it, and hear it everyday.

This leads me to filling in the hole I created some time ago when I said that money was not the most important item of the environmental priority list.

For you, the most important single item on the priority list is your personal attitude toward the environment.

Just for a minute, forget your role in the organized student environmental movement and project yourself down the road, one, two, three, or five years hence. That is, to the time when you are scratching for a living, deciding on how to vote, paying taxes, raising a family, beginning your careers, and the like.

Consider what you, personally, desire, in the way of position, material accoutrements, and/or life style. Consider then what you, personally, will be willing to sacrifice in order to provide a better environment for everyone else.

Today, at this moment, you may not be able to see the difference between desire and realism.

I guarantee you that if you consider your future carefully, you will begin to see the paradoxes that beset most Americans today—especially as they concern the environment.

Finally, I ask you to be realistic. As environmentalists and conservationists, we are not fighting an overnight phenomenon in pollution.

We are fighting a whole tradition, a whole psychology, a whole fabric of life, grounded in the belief that man's major purpose is to subjugate nature to his whims.

As I see it, your job as students and beyond student life, is to bring Middle America around to the point where they too see the dangers facing their way of life if uncontrolled pollution of the environment is allowed to continue.

Such a task calls for reason more than rhetoric.

Such a task calls for criticism and correction, not confrontation and crisis.

Such a task calls for dedication for more than a day, a week, or even a college career. It calls for a commitment throughout life.

What I ask you to give to the battle to protect and preserve our natural environment is your intelligence and commitment.

That is all . . . but that is quite an order.

Thank you.

Mr. STRATTON. Mr. Chairman, I rise in support of House Joint Resolution 1117, to establish a Joint Committee on Environment and Technology. Some time ago I joined several of my colleagues in introducing an identical bill, House Joint Resolution 1120. I am pleased now that we in the House are taking steps to give the serious problem of environmental pollution the special attention that is desperately needed at this time. Our environmental situation has literally become a matter of life and death, especially for our children and grandchildren, who, as some experts tell us, may be among the last generation on earth if we do not act now to reverse the present trend of the depletion of our natural resources.

It is important that we here in Congress recognize that our ecological system is so complex it needs to be considered in its entirety, not piecemeal, as we have been doing up to now. The condition of one segment of the environment affects all other segments of the ecological system. There is a need for us to consider the problem as a whole here in this House, and to chart a long-range legislative battle against all pollution. Establishment of a Joint Committee on Environment and Technology, backed up by its own staff of experts, will enable members of both the Senate and the House to concentrate more thoroughly on the complex problems involved in the

task of preserving the condition of a healthy life here on earth.

I might say I have also joined in sponsoring legislation to establish a standing Committee on the Environment here in the House, to which all environmental legislation would be referred. Perhaps enactment of House Joint Resolution 1117, if it is concurred in promptly by the Senate, will render this other legislation unnecessary. But we desperately need one committee or the other, preferably, I believe, a standing committee in each body, which would have far more legislative muscle. I do hope, however, that we can move swiftly to get one or the other of these measures into operation.

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

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is hereby established a joint congressional committee which shall be known as the Joint Committee on Environment and Technology (hereinafter referred to as the "committee") consisting of nineteen Members of the Senate to be designated by the President of the Senate, and twenty-one Members of the House of Representatives to be designated by the Speaker of the House of Representatives as follows:

(1) one Senator from the majority party, and one Member of the House of Representatives from the majority party;

(2) two Senators who are members of the Committee on Agriculture; and two Members of the House of Representatives who are members of the Committee on Agriculture;

(3) two Senators who are members of the Committee on Banking and Currency; and two Members of the House of Representatives who are members of the Committee on Banking and Currency;

(4) two Senators who are members of the Committee on Commerce; and two Members of the House of Representatives who are members of the Committee on Interstate and Foreign Commerce;

(5) two Senators who are members of the Committee on Interior and Insular Affairs; and two Members of the House of Representatives who are members of the Committee on Interior and Insular Affairs;

(6) two Senators who are members of the Committee on Labor and Public Welfare; and two Members of the House of Representatives who are members of the Committee on Education and Labor;

(7) two Senators who are members of the Committee on Public Works; and two Members of the House of Representatives who are members of the Committee on Public Works;

(8) two Senators who are members of the Committee on Government Operations; and two Members of the House of Representatives who are members of the Committee on Government Operations;

(9) two Senators who are members of the Joint Committee on Atomic Energy; and two Members of the House of Representatives who are members of the Joint Committee on Atomic Energy;

(10) two Members of the House of Representatives who are members of the Committee on Merchant Marine and Fisheries; and

(11) two Senators who are members of the Committee on Aeronautical and Space Sciences; and two Members of the House of Representatives who are members of the Committee on Science and Astronautics.

Of the two Members appointed from each committee under clauses (2) through (11) of this subsection, one Member shall be from the majority party, and one shall be from the minority party.

(b) The committee shall select a chairman and a vice chairman from among its members, at the beginning of each Congress. The vice chairman shall act in the place and stead of the chairman in the absence of the chairman. The chairmanship shall alternate between the Senate and House of Representatives with each Congress, and the chairman shall be selected by members from that House entitled to the chairmanship. The vice chairman shall be chosen from the House other than that of the chairman by the Members of that House. The committee may establish such subcommittees as it deems necessary and appropriate to carry out the purposes of this joint resolution.

(c) Vacancies in the membership of the committee shall not affect the authority of the remaining members to execute the functions of the committee. Vacancies shall be filled in the same manner as original appointments are made.

(d) A majority of the members of the committee shall constitute a quorum thereof for the transaction of business, except that the committee may fix a lesser number as a quorum for the purpose of taking testimony.

(e) The committee shall keep a complete record of all committee actions, including a record of the votes on any question on which a record vote is demanded. All committee records, data, charts, and files shall be the property of the committee and shall be kept in the offices of the committee or such other places as the committee may direct.

(f) No legislative measure shall be referred to the committee, and it shall have no authority to report any such measure to the Senate or to the House of Representatives.

SEC. 2. (a) It shall be the duty of the committee—

(1) to conduct a continuing comprehensive study and review of the character and extent of environmental and technological changes that may occur in the future and their effect on population, communities, and industries, including but not limited to the effects of such changes on the need for public and private planning and investment in housing, water resources (including oceanography), pollution control, food supplies, education, automation affecting interstate commerce, fish and wildlife, forestry, mining, communications, transportation, power supplies, welfare, and other services and facilities;

(2) to study methods of using all practicable means and measures, including financial and technical assistance, in a manner calculated to foster, promote, create, and maintain conditions under which man and nature can exist in harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans;

(3) to develop policies that would encourage maximum private investment in means of improving environmental quality; and

(4) to review any recommendations made by the President (including the environmental quality report required to be submitted pursuant to section 201 of the National Environmental Policy Act of 1969) relating to environmental policy.

(b) The environmental quality report required to be submitted pursuant to section 201 of the National Environmental Policy Act of 1969 shall, when transmitted to Congress, be referred to the committee, which shall, as soon as practicable thereafter, hold hearings with respect to such report.

(c) On or before the last day of December of each year, the committee shall submit to the Senate and to the House of Representatives for reference to the appropriate standing committees an annual report on the studies, reviews, and other projects undertaken by it, together with its recommendations. The committee may make such interim reports to the appropriate standing committees of the Congress prior to such annual report as it deems advisable.

(d) In carrying out its functions and duties the committee shall avoid unnecessary duplication with any investigation undertaken by any other joint committee, or by any standing committee of the Senate or of the House of Representatives.

SEC. 3. (a) For the purposes of this joint resolution, the committee is authorized, as it deems advisable (1) to make such expenditures; (2) to hold such hearings; (3) to sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate and of the House of Representatives; and (4) to employ and fix the compensation of technical, clerical, and other assistants and consultants. Persons employed under authority of this subsection shall be employed without regard to political affiliations and solely on the basis of fitness to perform the duties for which employed.

(b) With the prior consent of the department or agency concerned, the committee may (1) utilize the services, information, and facilities of the General Accounting Office or any department or agency in the executive branch of the Government, and (2) employ on a reimbursable basis or otherwise the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Congress, or any subcommittee thereof, the committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the chairman of the committee determines that such action is necessary and appropriate.

SEC. 4. To enable the committee to exercise its powers, functions, and duties under this joint resolution, there are authorized to be appropriated for each fiscal year such sums as may be necessary to be disbursed by the Clerk of the House of Representatives on vouchers signed by the chairman or vice chairman of the committee.

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

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

There was no objection.

AMENDMENTS OFFERED BY MR. DADDARIO

Mr. DADDARIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DADDARIO: Page 1, lines 4 and 5, strike out "on Environment and Technology" and insert in lieu thereof "on the Environment".

Mr. DADDARIO. Mr. Chairman, I have two amendments and I ask unanimous consent that they be considered en bloc.

Mr. DINGELL. Mr. Chairman, reserving the right to object, I would like to have the chance to hear the second amendment.

The CHAIRMAN. The Clerk will report the second amendment.

The Clerk read as follows:

Amendment offered by Mr. DADDARIO: On page 5, line 4, strike out "and technological".

Mr. DINGELL. Mr. Chairman, reserving the right to object, I would like to ask the gentlemen from Connecticut a question about the amendment. The first

amendment, the changing of the title, I really have no objection to, but as to the second one, where the gentleman curtails the powers of the committee by limiting it only to environmental changes and not technological changes, we might be limiting the committee, and before I would waive objection to the unanimous consent, I would like to hear the gentleman respond as to just what is the intent of the second amendment.

Mr. DADDARIO. Mr. Chairman. I ask unanimous consent to withdraw my unanimous consent request.

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

There was no objection.

The CHAIRMAN. The gentleman from Connecticut is now recognized for 5 minutes on the first amendment.

Mr. DADDARIO. Mr. Chairman, I recognize the very real and urgent issues confronting the people of this country and, indeed, the world, which arise from the deterioration of the environment. They are, in my judgment, problems of the first magnitude—perhaps overshadowing all others.

For this reason I shall support House Joint Resolution 1117.

I offer amendments to the resolution with regard to the inclusion of the area of technology along with that of the environment. I do not believe that these two are susceptible to isolation. "Technology" should be eliminated from the bill, at least so far as its specific language is concerned.

When House Joint Resolution 1117 was first formulated I indicated my views on this matter to the distinguished majority leader, Mr. Albert, who cosponsors the bill. I also appeared before the Rules Committee during hearings on the bill to reiterate the reservations I have concerning it.

Mr. Chairman, I do not contend that technology and its applications have no connection or association with environmental problems. Quite the contrary. Technological application has had a marked influence on the environment—and has enormous significance for the future of our environmental quality, both good and bad.

The point is that technology is only one element in the environmental equation and is no more influential or determinative than a number of other elements—such as economic, political, legal, sociological, and philosophical factors. Scarcely a single environmental blight, if any, exists which is not a product of a combination of these factors. In most cases they are all involved.

To single out technology, then, as the only, or chief contributor to environmental concerns is a distortion of reality.

It is not technology, for example, which is chiefly responsible for retaining our auto smog-and-jam syndrome. It is primarily economics. It is not technology which is responsible for our ocean oil spills, but a political weakness which has prevented the imposition of adequate safeguards. It is not technology which stands as the chief culprit in the pesticide dilemma; that is largely the result of sociological policies and demands. Nor will technological improvements, alone, solve such problems.

Mr. Chairman, there is another reason why technology should not be made an express responsibility of the proposed joint committee.

This reason arises from the reverse side of the coin we have been examining—namely: the results of technology are by no means limited to physical—that is, environmental—factors.

In other words, technology and its application results in more than physical change. It has very broad repercussions—also extending to the economic, sociological, politico-legal and philosophical realms. The repercussions are both wide-spread and potent. There is no doubt about that. In my opinion, they require a special and sophisticated treatment of their own.

This is why we on the Science and Astronautics Committee have devoted so much time and effort to the concept of technology assessment over the past 5 years—with the result that we are now seriously considering H.R. 17046, the so-called Technology Assessment Act of 1970, with hearings presently underway.

Let me summarize the extent of our investigation of this matter.

First, however, let me elaborate briefly on what is meant by technology assessment. In somewhat oversimplified terms it is this: Technology assessment is the evaluation of the impact of existing, new, and developing technologies upon society; it undertakes to assess both the desirable and undesirable consequences of such technologies and to establish cause and effect relationships where possible. In other words, technology assessment is designed to give us better mechanisms for anticipating the short- and long-range potentials of technology.

Our Science Subcommittee has discussed and debated the idea with all sorts of people in all parts of the country since 1965. We have held seminars with the social scientists and blue-sky thinkers. Three major contracted studies on technology assessment have been completed and a fourth is in progress.

One of these, done in the Library of Congress, reviewed the history of congressional handling of technological matters and showed conclusively the need for improved assessment mechanisms. A second, done by the National Academy of Sciences, investigated the concept itself and suggested means for getting the job underway. A third, done by the National Academy of Engineering, experimented with assessment methods on three different subjects.

The fourth, which will be ready in June, is being undertaken for us by the National Academy of Public Administration. It is attempting to identify specific administrative methods and organizational groups through which much more thorough and advanced assessments might be made in the executive branch of the Government.

Meanwhile, our subcommittee, last November and December, held the first set of full-dress hearings on technology assessment—with emphasis on the legislative function. They have led directly to the bill, H.R. 17046, on which additional hearings began on May 20.

The gentleman from Ohio (Mr. MOSHER), who cosponsored the bill with me, and I view this bill as being among the more important long range pieces of legislation to be introduced in modern times.

Mr. Chairman, I think it is clear from the foregoing that technology and its proper assessment is a very complex theater of operations, one demanding a multi-disciplinary, carefully trained handling.

In my view we will unnecessarily dilute our handling of both Environmental problems on the one hand, and Technological problems on the other, if we insist on attempting to isolate the two. I repeat, each is part of the other—but each must be treated as a discreet circumstance, or entity, if it is to be dealt with effectively.

Mr. DINGELL. Mr. Chairman, will the gentleman yield for a question?

Mr. DADDARIO. I yield to the gentleman from Michigan.

Mr. DINGELL. I should like to ask my good friend if he is attempting in this amendment to narrow the jurisdiction of the joint committee?

Mr. DADDARIO. I believe what I have said is not to narrow it, but to allow the environmental activities to work better, to have the joint committee not get itself involved in a way which will in fact narrow its opportunities.

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

(By unanimous consent, Mr. DADDARIO was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. I believe the gentleman is now making a very valuable point.

Mr. DADDARIO. The point I should like to make to the gentleman from Michigan is that the environment itself includes certain technological aspects which are particularly confined to the environment. By including technology here I believe we would be adding more than we should and that it would impede the work of the committee. I do believe we ought to narrow this down to the environmental problems, and that this is a big enough job in itself.

Mr. DINGELL. If the gentleman will yield further, the gentleman is saying he is not trying to take away from the joint committee the power to engage in the consideration of any environmental problem or environmentally related problem such as technology, economics, population growth, or any other circumstance which affects it, but merely to prevent there being an undue emphasis on technology. Is that correct?

Mr. DADDARIO. It goes beyond that. I do not believe there is any question, as I said in my remarks, that there are certain areas of technology which can apply. Those would automatically come within the jurisdiction of this committee under any set of circumstances. But to throw technology in there in this way would really make it much more difficult to accomplish your stated objectives.

Mr. DINGELL. I have just one more

brief point. Then I understand the gentleman is not trying to eliminate the ability of the joint committee to go into questions of technology where they directly relate to the environment.

Mr. DADDARIO. That is correct.

Mr. DINGELL. Rather, he is simply trying to see to it that this be a Joint Committee on the Environment, with broad authority to go into related questions such as technology, economics, social matters and other circumstances.

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

(By unanimous consent, Mr. DADDARIO was allowed to proceed for 1 additional minute.)

Mr. DINGELL. Am I correct in that understanding?

Mr. DADDARIO. Yes. The purpose of this legislation in the first instance was that it be aimed at those pervading problems of the environment. The question of technology came in as an ancillary relationship. I do believe it clouds up the situation and ought to be eliminated.

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

Mr. DADDARIO. I yield to the majority leader.

Mr. ALBERT. The reason for including the words "and technology" was that a great part of the environmental problem does relate to matters which are related to and affected by, technology. With the history the gentleman has made, I believe he is undertaking to do exactly what we tried to do in the joint resolution.

There are nearly 150 Members who cosponsored this resolution and I am unable to speak for all of them, but as far as I am concerned, we will accept the amendment.

Mr. SISK. As far as this side is concerned, Mr. Chairman, we will accept the amendment.

Mr. DAVIS of Georgia. Mr. Chairman, I move to strike the last word.

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

Mr. DAVIS of Georgia. I am happy to yield to the gentleman.

Mr. DADDARIO. I would also like to call attention, Mr. Chairman, to the fact that we have just had one amendment before us at this time. The other amendment I had offered and will ask unanimous consent that they be considered en bloc, was offered for the same purpose. After the gentleman from Georgia has had his time, I intend, unless I can have an understanding about that, to proceed with that amendment and ask time for that.

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

Mr. DAVIS of Georgia. I yield to the gentleman.

Mr. DINGELL. I would be happy to inform the gentleman from Connecticut that I would not object to the two amendments being considered jointly if he asks unanimous consent for that.

Mr. DADDARIO. Mr. Chairman, I ask unanimous consent, then, that the two amendments be considered en bloc.

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

There was no objection.

Mr. DAVIS of Georgia. Mr. Chairman, I would like to ask the gentleman from Oklahoma (Mr. ALBERT), if he has any objection to the two amendments being considered en bloc.

Mr. ALBERT. Mr. Chairman, if the gentleman will yield, I do not have any objection to it.

Mr. DAVIS of Georgia. Mr. Chairman, I do not want to belabor the point, but I simply would like to rise in support of the amendment and in support of the subcommittee chairman of the committee on which I serve (Mr. DADDARIO), who has taken a keen interest in this joint resolution, and also in support of the position taken by the gentleman from Wyoming, who was in the well earlier.

I would also state that the word "technology" is a far broader term than the word "environment." I looked in the dictionary a few moments ago, and I noticed that the word "technology" means this: "The application of scientific knowledge to practical purposes. If I ever saw a broad definition, that is it. I would say it is perfectly obvious that technology concerns every single committee in Congress—certainly every single legislative committee, and I would say every single committee whether it is legislative or not.

I support the amendment offered by the gentleman from Connecticut most heartily and thank the gentleman from Michigan and also our majority leader for their remarks.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. Yes. I am glad to yield to the gentleman.

Mr. FULTON of Pennsylvania. Mr. Chairman, I would like to join the gentleman in the well in support of the amendments of the gentleman from Connecticut.

Mr. PRICE of Texas. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I am glad to yield to the gentleman.

Mr. PRICE of Texas. Mr. Chairman, I rise in support of the House Resolution to establish a Joint Committee on Environment and Technology. This proposal is substantially similar to one I made earlier in this Congress. The chief difference between the two is that the measure being considered today contemplates the establishment of a Joint Senate-House Committee; whereas I suggested that the new committee be simply a House committee.

I chose my course of action based on the experience the House had in earlier Congresses, in attempting to establish a Joint Committee on Crime. While the House wholeheartedly and enthusiastically endorsed this proposal, the other body did not embrace the plan. As a result, the House rethought the matter and established its own Select Committee on Crime during the first session of this Congress.

In my judgment, there is a lesson to be learned from this experience. While the House should certainly try to work with the other body on a joint basis wherever appropriate, the House should not permit its studies, its evaluations, and its attempts to cope with major problems of the day to be shelved while the other body decides whether or not it wants to engage in a joint venture. For this reason, I submit that the House should move ahead with plans to establish a House Committee on Environment and Technology at the same time it explores with the other body the feasibility of establishing a Joint Committee.

Mr. Chairman, I make this suggestion because I believe congressional attention must be focused on our environmental problems at the earliest possible time. I use the word "focus" advisedly, because one of the reasons why Congress has not responded with adequate speed or diligence to mounting environmental problems is that legislative responsibility for congressional action is so dispersed. At present, House responsibility for environmental legislation is shared among the Committees on the Interior, Public Works, Merchant Marine and Fisheries, Government Operations, and Science and Astronautics.

I believe that this loose system should be tightened up and refined. In my opinion, the best way to accomplish this is to delegate the entire legislative responsibility to one committee. Further, since every committee is presently fully burdened with its share of congressional labor, I think the responsibility should be given to a new committee.

This new committee should also focus its attention on various aspects of technology as well, for the impact of technology on modern man is fantastic. Technology has the capacity to bring good or evil to mankind, and in this century we have seen both produced as a byproduct of man's unceasing drive to attain the peaks of economic self-sufficiency and well-being. Accordingly, we must examine our technological advances more closely and try to engage in rational decisionmaking as to what kind of progress we want as a society and what kind of progress we do not want. We are in a position to make these decisions because the American free enterprise system has provided us with such unparalleled abundance. We must take every opportunity to make these decisions because the future of this society and that of the world may well hang in the balance.

In conclusion, Mr. Chairman, I again voice my support for the proposal to establish a Joint Committee on Environment and Technology. I also emphasize my conviction that this body should proceed with plans to establish a corresponding House committee in the event the other body does not choose to make a joint effort on this issue.

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

Mr. DAVIS of Georgia. I yield to the gentleman from Michigan.

Mr. DINGELL. In the light of the colloquy between my good friend from Connecticut and myself, I do not know whether there is anything that can be

raised in the way of an objection to this amendment. I think it is a desirable one, and I urge that it be adopted.

Mr. DAVIS of Georgia. I thank the gentleman.

Mr. Chairman, I yield back the balance of my time.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, before we get too far through this joint resolution, I want to ask a few more questions concerning it, particularly with reference to section 3 of the bill which reads as follows:

SEC. 3. (a) For the purposes of this joint resolution, the committee is authorized, as it deems advisable (1) to make such expenditures; (2) to hold such hearings; (3) to sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate and of the House of Representatives; and (4) to employ and fix the compensation of technical, clerical, and other assistants and consultants. Persons employed under authority of this subsection shall be employed without regard to political affiliations and solely on the basis of fitness to perform the duties for which employed.

This proposal is completely open-ended.

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

Mr. GROSS. Just one second and I will.

This provides that the committee could hire anyone they want to, for as long as they want to, have as many supergrades as they want and they could junket to Timbuktu or to Ouagadougou and hold a meeting on environment.

What are we getting into? Moreover, who is going to provide the office space for this super-duper committee?

Mr. ALBERT. Mr. Chairman, will the distinguished gentleman from Iowa yield?

Mr. GROSS. I would be glad to yield to the distinguished majority leader.

Mr. ALBERT. On that point, this language is taken from standard language used in most of the joint committees. Here is the language in one of the joint committees:

The Joint Committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and staff employees as it deems necessary and advisable.

That is the Joint Committee on Atomic Energy.

Of course, there are limitations on what the committee can do in the way of hiring, and firing. We authorize the appropriations for the committee.

Mr. GROSS. We are doing the authorizing, I will say to the distinguished majority leader, right here and now today. I will say to the gentleman if that is standard language, then it is about time we changed the standard language.

Mr. ALBERT. It is standard language. There is no intention here, of course, for the Congress not to have control over the size of the committee, the staff, and the compensation of the staff or anything else.

Mr. GROSS. Well, there is none here except by virtue of the Appropriations Committee.

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

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

Mr. HAYS. Do I understand, since this joint resolution originates here, that for their funds the committee would have to come to the House Administration Committee the same as any other committee of the House? Will someone answer that?

Mr. ALBERT. Mr. Chairman, will the gentleman from Iowa yield further?

Mr. GROSS. I yield to the majority leader.

Mr. ALBERT. That is correct.

Mr. GROSS. What am I hearing now? That they would have to go to the House Administration Committee for an authorization?

Mr. HAYS. Mr. Chairman, if the gentleman will yield further, the question I asked was this: Do they have to come to the House Administration Committee? I was told informally that if the bill originated in the Senate, they would go to one of the Senate committees for the money, but if the bill originated here they would come to the Accounts Subcommittee of the House Administration Committee and ask for a specific sum of money with which to run the committee, the same as any committee of the House. The answer that the majority leader gave is that they would have to do that.

Mr. GROSS. Would they have to go to the Committee on Appropriations to actually get their money?

Mr. HAYS. Mr. Chairman, if the gentleman will yield further; no. As the gentleman knows, the Accounts Subcommittee, on behalf of the House Administration Committee, brings the bill directly to the floor of the House and it is either approved or disapproved on the floor of the House.

Mr. GROSS. Then it is just a question of how liberal the House Administration Committee might be?

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. On that point, the Appropriations Committee does indeed act upon it, but it acts upon it when it passes the legislative appropriations bill and the Committee on House Administration's funds come out of those moneys appropriated with which to operate the House of Representatives.

Mr. GROSS. I do not yet have an answer to my question as to where or who is going to provide the space for this super-duper committee with all its staff and members. Where is it proposed that this committee meet and hold forth? I do not believe there is any space left even in the parking garages.

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

Mr. GROSS. I yield to the distinguished majority leader.

Mr. ALBERT. That, of course, would be the responsibility of the appropriate authorities of the Congress on both sides to supply the space.

Mr. GROSS. In view of the shortage of space, I wonder if there would be any place for this huge committee to meet with its super-duper staff? Moreover, I can think of nothing we need less than another high-cost committee in Congress.

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

Mr. BOW. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Iowa has started an interesting question on the expenditure of funds of this committee, and the language as written is not identical to that of the Joint Committee on Atomic Energy. As I recall the language in the Joint Committee on Atomic Energy, it provides that the funds must be appropriated, and that comes to the Committee on Appropriations. There is language I think in that act that says it must be appropriated, and we do authorize and appropriate through the Committee on Appropriations for the Atomic Energy Commission.

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

Mr. BOW. I will be delighted to yield.

Mr. ALBERT. Mr. Chairman, I am reading from section 2255, chapter 3, title 42 of the United States Code, the language pertinent to the Joint Committee on Atomic Energy:

The Joint Committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and staff employees as it deems necessary and advisable. The Joint Committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government.

And so forth.

This is almost the same language.

Mr. BOW. Yes, but does it not further provide for appropriations rather than the manner in which this is being handled?

Mr. ALBERT. If the gentleman will yield, section 2254 of title 42 does provide in part that the expenses of the joint committee shall be paid from funds appropriated for the joint committee. The gentleman is correct that the law with respect to the Joint Committee on Atomic Energy does provide for appropriations. I think section 4 provides or carries the same intent and provisions as that carried with respect to the Joint Committee on Atomic Energy. Section 4 of the bill under consideration provides:

SEC. 4. To enable the committee to exercise its powers, functions, and duties under this joint resolution, there are authorized to be appropriated for each fiscal year such sums as may be necessary to be disbursed by the Clerk of the House of Representatives on vouchers signed by the chairman or vice chairman of the committee.

Also 15 United States Code, section 1024(e) relating to the Joint Economic Committee provides:

to enable the joint committee to exercise its powers, functions and duties under this chapter, there are authorized to be appropriated for each fiscal year such sums as may be necessary to be disbursed by the Secretary of the Senate on vouchers signed by the chairman or vice chairman.

Mr. BOW. That is the identical language that we have in this bill. I thought we should have some legislative history so that later on we do not get into a serious situation on funding.

Mr. ALBERT. I can assure the distinguished gentleman from Ohio that there would be no difference in the manner in which it is handled. Certainly that is not the intent. This bill was drawn by the legislative counsel with the help of

others, and the purpose was to follow the precedents of the House with respect to other joint committees. If there is anything different certainly we will work it out in conference.

Mr. BOW. May I ask the distinguished gentleman this one further question on the subject of travel and areas of travel: Does this still go to the Committee on House Administration and the Committee on Rules?

Mr. ALBERT. Just exactly like the others.

Mr. BOW. The determination would not be made within the committee, but it would have to have that approval?

Mr. ALBERT. It would have to go through the respective committees. The only reason the House is involved here is that in all of these bills creating a joint committee, when the House starts the legislation it does the bookkeeping work, and the paper work.

Mr. BOW. So in order to have the legislative history the House would have another opportunity to determine the question of expenditures for the travel, the amounts paid to employees——

Mr. ALBERT. Every year.

Mr. BOW. And all those categories?

Mr. ALBERT. Every year.

Mr. BOW. I thank the gentleman, and I am glad we have been able to make this legislative history.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Connecticut (Mr. DADDARIO).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: On the first page, strike out line 3 and all that follows down through page 3, line 21, and insert in lieu thereof the following:

"That (a) there is established a joint congressional committee which shall be known as the Joint Committee on Environment (hereafter in this joint resolution referred to as the "committee") consisting of eleven Members of the Senate to be appointed by the President of the Senate, and eleven Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. Of the eleven Members of the Senate appointed under this subsection, six Members shall be from the majority party, and five Members shall be from the minority party. Of the eleven Members of the House of Representatives appointed under this subsection, six Members shall be from the majority party, and five Members shall be from the minority party. In the appointment of members of the committee under this subsection, the President of the Senate and the Speaker of the House of Representatives shall give due consideration to providing representation on the committee from the various committees of the Senate and the House of Representatives having jurisdiction over matters relating to the environment."

Mr. DINGELL (during the reading). Mr. Chairman, I ask unanimous consent to dispense with further reading of the amendment and that it be printed in the RECORD.

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

There was no objection.

Mr. DINGELL. Mr. Chairman, the function of this amendment is very simple.

It has two purposes. One, to reduce the potential size of the committee as set out in House Joint Resolution 1117 from a total of 40 Members to a total of 22 Members.

I believe this would make a more efficient functioning committee. The representation on the committee would be 11 Members of the House and 11 Members of the Senate to be comprised of six Members of the majority party and five Members of the minority party from each end of the Capitol.

In addition to this, the amendment would change the potential membership of the committee by no longer listing the committees from which members of the committee would be appointed. In effect, it would be as the language of the amendment provides, that the appointments of members of the committee would be done by the President of the Senate and the Speaker of the House of Representatives, giving due consideration to providing representation on the committee from various committees of the Senate and of the House of Representatives having jurisdiction over matters which are related to environment.

This would extend the potential membership of the committee to other than those listed here, although it would shrink the actual size of the committee. It would be more efficient due to its size and I suspect act more quickly at least on matters affecting many of our resources.

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

Mr. DINGELL. I yield to the gentleman.

Mr. GROSS. To what part of the bill does the gentleman's amendment apply?

Mr. DINGELL. The amendment would strike out the language beginning on line 3 of page 1 of the joint resolution and all that follows down through page 3, line 21.

If the gentleman from Iowa will observe, that relates to the entire procedure by which the committee shall be chosen, and the number of members of the committee. It makes it smaller and I think a more efficient and easier functioning committee.

It has been my experience around here that many of our committees have grown so large that they have become unwieldy and that it is almost impossible for them to function properly which in fact might be because of their very large size.

This is an attempt to get away from a particular problem and to give the Speaker more discretion in selecting the membership and who shall constitute the Committee on the Environment.

SUBSTITUTE AMENDMENT OFFORED BY MR. VANIK FOR THE AMENDMENT OFFERED BY MR. DINGELL

Mr. VANIK. Mr. Chairman, I offer an amendment as a substitute for the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The Clerk read as follows:

Amendment offered by Mr. VANIK as a substitute for the amendment offered by Mr. DINGELL: Including all language of the Dingell amendment but deleting the last sentence of the Dingell amendment.

Mr. VANIK. Mr. Chairman, the purpose of my amendment is to leave the discretion of appointment to this committee in the sole discretion of the Speaker. That has been the traditional method of appointment. I think that a limitation of this power of appointment to members of committees that have some relationship to environment may be unnecessarily narrowing the choice that the Speaker can make.

For example, several days ago the President recommended a tax on unleaded gasoline. That happens to come before the Ways and Means Committee. This committee may not be represented on this proposed committee. There are other discussions on the use of tax laws to restrain and reduce pollution. For example, there have been discussions of a tax on disposable bottles, cans, and the disposal of junked automobiles. I am sure that a case could be made for members of other committees. To curtail, limit, or restrict the right of the Speaker to select whomsoever he desires to serve on this committee would be not only an unwise precedent, but I think it would limit and rule off the committee a great many people who would have a substantial contribution to make on this issue, whether they serve on the Appropriations Committee or on any other committee of this Congress. I think the Speaker should have full latitude to do as he deems right and necessary in connection with this joint committee.

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

Mr. VANIK. I yield to the gentleman from Michigan.

Mr. DINGELL. The gentleman and I are in agreement. For example, I can see no reason why members of the Appropriations Committee should not be selected under the amendment I have offered, and members of the Rules Committee, since they have very broad jurisdiction. Because of the important environmental responsibility, I can see no reason why Ways and Means should not be represented under the amendment I have offered. I am not sure the amendment is complete without defining, as my amendment would and as the gentleman's amendment would not, the manner in which the members shall be selected. I am satisfied that there is potential for mischief if we do not define the fashion in which the Speaker shall select the members.

What I am saying to my good friend from Ohio is that the amendment I have drawn, I think, expands rather strikingly the potential membership of the committee in terms of the committees from whence the members shall come, and gives much broader discretion to the Speaker with respect to selection.

I think the defect of the amendment offered by my good friend from Ohio is that it does not say who shall appoint, how they shall be appointed, or from what reservoir in the House of Representatives they shall come. I think to fail to give the appointive power to the Speaker might wind us up in a hassle as to precisely how the members shall be selected. My amendment provides they shall be selected by the President

of the Senate and by the Speaker of the House of Representatives. The gentleman's amendment does not do so.

Mr. VANIK. The gentleman does not understand my substitute. My substitute includes all that language. The only exception is that it would remove from the amendment of the gentleman from Michigan the language which states that appointments must be made from committees dealing with environment. It leaves it solely and entirely within the discretion of the Speaker as to who shall be appointed.

Mr. DINGELL. I think the amendment I have offered does not contain that danger, and I hope the House will defeat the gentleman's amendment.

Mr. SISK. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman from California is recognized.

Mr. SISK. I hate to oppose my good friend from Ohio, but it seems to me that the authority here is basically concerned in the last sentence. I am not sure whether he had in mind striking the entire sentence. But if the entire sentence should be stricken, it seems to me that we would strike the authority of the Speaker and the President of the Senate to appoint.

I suggest that the substitute be voted down and that the amendment of the gentleman from Michigan be supported.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Ohio (Mr. VANIK) for the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. DINGELL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GALIFIANAKIS

Mr. GALIFIANAKIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GALIFIANAKIS: On page 7, line 8, after "(b)" strike out all of line 8 through the word "the" on line 9, and insert "The"

Mr. GALIFIANAKIS. Mr. Chairman I rise to support House Joint Resolution 1117, sponsored by the gentleman from Oklahoma (Mr. ALBERT), to create a Joint Committee on Environment and Technology.

I do not propose today to catalog the problems which have jeopardized the environment in the United States, other than to say that they are growing and must be attacked now. I believe that every Member of Congress understands the need for a committee such as this resolution proposes.

Too often in the past, the spokesman for a cleaner environment have contented themselves with revealing statistics which were meant to frighten the government into action. It was in this spirit that we were told of the 7 million automobiles which are junked every year, of the 200 million tons of air pollution, and of the 30 million tons of waste paper thrown away each year by Americans.

But by themselves, these statistics accomplish little. And in many cases, when it came to the hard organizational work needed to correct the conditions they had documented, the spokesman for a cleaner environment fell short.

That is no longer so. It should be clear to everyone that the environmental movement has become a powerful force in our society. The resolution of the gentleman from Oklahoma would place the Congress at the front of that movement.

With the aid of the committee proposed in this resolution, the Congress could begin to direct the attack against refuse and pollution in this country, an attack which has suffered from discoordination.

Last January, I introduced a similar bill, H. R. 15466, which would establish a 20-member Joint Committee on Environmental Quality. Frankly, I had a proprietary interest in that bill. But it really does not matter to me which bill is passed—just so one of them is.

Unless we create such a committee, I do not believe the Congress can act coherently to prevent technology from overcrowding man. The environment is our responsibility; and if we do not restore it, then we surely will be held in account later on for our lack of concern. We should not be known as the Congress which did nothing while the quality of life in America went down the river in a tide of pollution.

Mr. Chairman, while I fully support this resolution, I do not have one reservation. Section 3(b) of the resolution states:

(b) With the prior consent of the department or agency concerned, the committee may (1) utilize the services, information, and facilities of the General Accounting Office or any department or agency in the Executive branch of the Government.

I question whether this committee should have to ask the permission of the executive branch of government before it can do its job. As section 3(b) now is worded, this committee would be squarely under the thumb of the executive branch. And we have seen from a number of studies made during the past two years that the interest of the public and the interest of the executive agencies do not always coincide.

I would be cautious about enacting a resolution which contains the words, "with the prior consent of the department or agency concerned." The committees of the Congress should be free to act whenever they need to. We cannot afford, either practically or as a matter of policy, to let a committee be impeded by an agency.

I would hope that the resolution's sponsors will consider amending this section to leave no question that the Joint Committee on Environment and Technology can act swiftly when the Executive branch will not or cannot. Otherwise, whenever there is a conflict between the Committee and the Executive branch of Government, the Committee may be forced to yield.

Accordingly, I urge the adoption of my amendment.

Mr. Chairman, I urge adoption of my amendment.

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

Mr. GALIFIANAKIS. I yield to the gentleman from Rhode Island.

Mr. TIERNAN. Mr. Chairman, I agree with the gentleman from North Carolina, and I support the amendment offered by the gentleman.

Mr. Chairman, I rise in support of House Joint Resolution 1117 which would establish a Joint Committee on Environment and Technology. I might point out that I am a co-sponsor of House Resolution 757 which would create a standing Committee on the Environment here in the House.

Everyone of us in this Chamber is aware of the critical situation our environment is in. Everyone of us, I am sure, is a sponsor or co-sponsor of one or more environmental bills or resolutions. The time has come for resolute action.

Many of us participated in Earth Day activities on April 22d. We know as a result of that experience that an awareness is growing on the part of many Americans, young and old alike, of the need for a redress of the world around us.

The time is now for the rhetoric to stop and the action to begin. Let the record show today that the Congress is in the forefront in the fight against pollution. Let us also insure that our future actions in the environmental field are meaningful and effective. We can make no less a commitment.

I have included, for my colleagues a booklet entitled "Guidelines for Citizen Action on Environmental Problems."

GUIDELINES FOR CITIZEN ACTION ON ENVIRONMENTAL PROBLEMS

RECIPES FOR ENVIRONMENTAL ACTION

The crisis now facing our environment demands immediate effective action by all of us. It is not enough simply to be aware and concerned . . . We all must act, even if the action is only in our own backyards. There are ways that YOU can help resolve environmental problems. The first thing is not to add to the problem through your own actions. The real enemy, as Pogo has said, is "US". We all must be willing to make personal commitments and sacrifices to protect the environment. The following is a beginning: a list of suggestions as to what you can do to reduce your own contributions to envvironmental degradation.

Air pollution

1. Do not burn leaves or trash. Why not start your own compost pile to return the nutrients in leaves and other wastes to the soil?

2. Do not let your automible idle unless this is necessary. The automobile is the single greatest source of air pollution; conscious efforts should be made to reduce its contribution to air pollution.

3. Walk, bicycle, or use rapid transit rather than your car, whenever possible. If you must drive, form driving pools.

4. When buying a new car, ask for detailed information about pollution control equipment. Compare the cars you are considering, and buy that one which has the best abatement device. In general, smaller engines cause less pollution than larger more powerful ones.

5. Check to see if your town has an air pollution control ordinance. If it does not, or if it is ineffective, copies of model ordi-

nances can be obtained from the National Air Pollution Control Administration.

6. Keep your car well tuned. Air pollution control devices need constant upkeep. A tuned car emits less pollutants.

7. Make an oral or written statement at hearings on air pollution and insist on enforcement of air pollution laws. Report offenders.

8. Stop smoking. The average New Yorker takes into his lungs the equivalent in toxic materials of 38 cigarettes a day. Don't add to the problem . . . for your own body and for your environment.

Water conservation

1. Place several bricks in the flush tank of every toilet you use. This will reduce the amount of water used without decreasing the efficiency of the toilet. Potential savings per day in Ann Arbor equals 3,000,000 gallons.

2. Do not use colored tissue, colored paper, or colored napkins. Dyes released in the manufacturer's effluent pollute streams visually and biologically.

3. Turn off or request that officials turn off all drinking fountains or bubblers which flow continually in hallways, public places, etc.

4. Let your lawn or yard go "natural". Instead of massive watering or irrigation efforts, plant vegetation which can flourish under normal rainfall conditions with a variety of species.

5. Switch light bulbs not used for reading to lower wattage bulbs. Be conscious that lower electrical power consumption reduces home or office operating costs and reduces thermal water pollution loads at the electrical generating plant.

6. If your bathtub has a shower, the next time you take a shower put the plug in position to measure how much water is used during your shower. After comparing the volume used for a shower versus a bath, use whichever procedure saves more water.

7. Make arrangements with the local sewage treatment plant and/or water purification plant to provide tours for organizations to which you belong, i.e. . . . church group, school classes, social group, business group, service club, a parent-teachers organization, or a neighborhood circle of friends.

8. Discover who the three worst water polluters in your region are, and call each one to ask what you personally can do to help reduce the problem.

9. Determine how much leakage takes place in your community's water supply system, and what steps need to be taken to reduce that loss.

10. Collect waste water or effluent from public or private water users and deliver them to the company or agency as a reminder that their activity is frowned upon and corrective action should be taken. Personally visit the plant manager.

11. Use detergents, toothpaste, shampoos, and other household commodities which have the least detrimental effect on the water environment where they will eventually end up. Demand information on effects of content by writing to Company Presidents and sending copies of letters to political representatives.

12. Discourage the practice of street washing, unless the advantages clearly outweigh the disadvantages in your city. Too often this practice is left over from the days of manure in the streets.

13. Take personal steps to see oil and other products do not leak out of your car onto the streets and driveways. Demand that only limited application of salt be permitted on your city streets. Consider the salt damage to lawns, trees, water conditions. It would be interesting to see what, if any, reduction in accidents salting has provided.

14. "Brighter Than Bright". A great deal of pollution comes from the phosphate chemicals in the detergents you use. The new bio-degradable detergents merely cut down the foam. . . . They still contain phosphates, which fertilize algae and vegetation making green grass scum that increasingly borders our lakes and rivers. You as a consumer can hasten the production of non-polluting detergents. The following is a list of the percentages of phosphates in major detergent brands. (The *less* phosphates the *less* the product harms our lakes and rivers.)

	Percent
Axion	43.7
Biz	40.4
Bio-Ad	35.3
Salvo	35.3
Oxydol	30.7
Tide	30.6
Bold	30.2
Ajax	28.2
Punch	25.8
Drive	25.3
Dreft	24.5
Gain	24.4
Duz	23.1
Bonus	22.3
Breeze	22.2
Cheer	22.0
Fab	21.6
Cold Power	19.9
Cold Water All	9.8
Wisk	7.6
Trend	1.4

Pesticides

1. Chemical poisons should not be used for pest control except when absolutely necessary for health or economic reasons. Chemical poisons should never be used for nuisance pests like midges or mosquitoes. Never dispose of pesticides by emptying into a water supply. Call local health offices for disposal methods.

2. Consider alternatives before using chemical poisons.

If you must use a chemical poison, follow these guidelines:

a. Use only recommended dosages.

b. Use at the proper time of year.

Farmers are often forced to use chemical sprays merely to save the appearance of produce.

* * * * *

5. Block the use of herbicides on roadside vegetation. Encourage the development of hedgerows with a pleasant visual effect. Varied road-side vegetation serves as a valuable source of insect predators.

Solid wastes

Solid wastes cause either land pollution or, if burned, air pollution. Every effort should be made to cut down on the volume of such wastes. The average American generates about five pounds of solid wastes per day. The general answer is to minimize wastes by curtailing excessive packaging, and to recycle wastes.

1. Use returnable bottles, not throwaways or cans.

2. Don't purchase liquids sold in milk-white plastic containers. This material is polyvinyl chloride. When burned, polyvinyl chloride produces a very strong hydrochloride acid mist which can destroy nearby vegetation as well as the inside of an incinerator.

3. Don't buy products with merely decorative unnecessary packaging. Tooth paste and shampoo containers, for example, don't need outside paper boxes.

4. Develop compost piles that cut down on the volume of organic matter you throw away.

5. Take your own basket shopping to cut down on the use of paper bags.

6. Reuse paper bags, boxes, plastic bags, envelopes, and other containers.

7. Carry a litter bag with you and collect the litter your fellow citizens cause. It costs the State of Michigan 32c for every piece of litter their crews have to pick up. That's your hard earned tax money.

8. Conduct a paper and metal can drive in your community to encourage re-cycling.

9. Use handkerchiefs, cloth napkins, and towels, instead of paper.

Noise

1. Support local noise pollution ordinances, and get them strengthened.

2. Be sure your own muffler, radios, air conditioners, TV's, etc., are not part of the noise problem.

3. Be sure that motorcycles, model airplanes, construction equipment, boats, etc., have adequate noise control devices.

4. Support efforts to ban sonic booms. Join the Citizens League against Sonic Booms.

5. Make a tape recording of your local environment and play it back at City Council Meetings to support demands for noise control.

6. Demand that airports be developed and zoned away from population centers.

7. Provide noise-free bubbles or cubicles in city parks for everyday use.

8. Encourage the Federal Aviation Agency to set noise abatement standards for airlines.

Visual blight

1. Check to see that your community has a strong sign ordinance.

2. Keep your own environment clean and attractive. Do Not Litter.

3. Seek landscaping ordinances that require shopping centers, housing projects, and schools to include landscaping and open space in their developments.

4. Encourage the use of easements and buffer strips along highways and roads.

5. Encourage groups to plant flowers and other vegetation in your community.

GUIDELINES FOR CITIZEN ACTION

A major part of the task of maintaining or restoring a quality environment must be assumed by local governments in cooperation with, and with the support of business interests, private organizations, and private citizens.

How, if at all, will your community meet the challenge of providing environmental quality? What programs are needed to attain and maintain a quality environment, and how will these programs be implemented? If *you* do not attempt to influence local policy on such issues, who will? Will anyone? Many environmental programs fail to materialize, not because they were strongly opposed, but simply because no one promoted them.

This pamphlet suggests several action steps and guidelines for effective citizen action. Although local conditions will often call for modifications, these guidelines are suggested as general measures for improving the chances for success.

Define the problem or issue

The first thing that must be done is to define the problem. A concise analysis of the problems facing the environment is necessary if you are to fully understand the problem, formulate specific action plans, and communicate your ideas to others.

Become informed

Once you have satisfactorily defined the problem, it is important to obtain the additional facts. You should seek to gather whatever information is relevant to the particular situation, . . . and keep up to date.

The mass media . . . radio, television, the newspapers, and magazine . . . are increasingly presenting their audiences with pertinent information on current issues. Although frequently limited to a brief examination of particular issues, their content quality is normally very good. Local radio, television, or newspapers may focus in depth on environmental problems facing the community. Encourage yours to do so.

Attending public meetings, hearings, and conferences provides further opportunities to gather, as well as to disseminate facts and opinions. On such occasions, the alert observer could obtain substantive, economic, and political information, and estimate the extent of support for various positions while identifying the nature of that support. Informational exchanges with the opposition can be extremely valuable, giving rise to the possibility of devising an acceptable compromise. It should be recognized that more than one satisfactory solution to a problem may exist.

Whenever possible, gather information through first-hand observation. Individual or group field trips, for example, to a proposed park site or wildlife sanctuary, a polluted water resource, or a source of air pollution may prove extremely helpful.

Individuals and groups can acquire much information through their own efforts, researching the literature, attending public meetings and hearings, conducting or attending group discussions and conferences, and making personal observations.

In addition to governmental officials in your own community, agencies in State Government and State Universities are good sources of information. Several federal agencies also maintain offices on the local level. Representatives of the United States Soil Conservation Service and the Cooperative Extension Service, for example, are located in nearly every county in the nation. Check your telephone director under your State Government and Federal Government listings.

Develop a plan

Whether you form a new group or join an existing organization, the next step is to develop a plan of action. Your plan should include, to the extent that it is possible, a listing of the sequences of the events and activities to be accomplished, as well as individuals, both in and out of public office, to be contacted; the nature of petitions or information to be conveyed; tactics for gaining public support; meetings on the subject, conferences, and hearings to be organized or attended, and other necessary arrangements.

It may be desirable to develop a time schedule for implementation of various phases of your plan of action, making it possible to evaluate your actual progress against that expected at the outset. The proper timing of activities for maximum effect, and the early recognition that the fulfillment of certain conditions are prerequisite to later events, should be facilitated by a carefully conceived, time-budgeted plan of action. If various parts of the plan are to be accomplished by different committees, it is important to coordinate committee activities so that your position will be heard before policy is officially formulated; . . . before, in other words, it is too late.

Your goal is to turn your ideas into action. Local circumstances may require variations, but ordinarily the public officials of your community are a good place to start. If you have previously solicited their assistance for data for advice and have kept them informed of your progress in formulating a proposal to achieve your objectives, a major task may have already been accomplished. They may well already appreciate and even sympathize with our intentions, particularly if they helped to formulate your group's objective. If they are familiar with your preparatory efforts, attempt to inform them with a concisely stated history of your endeavor. They are probably aware of the research and thought that has gone into your proposal and the intensity of support behind it.

A variety of methods may be used to publicize your ideas and gain public support for your proposal: letters to the editor, editorials, or feature articles in the local newspaper; radio and television announcements, panel discussions, "talk" programs, documentaries, or other informative programs; handbills or fact sheets; and organized speaking tours.

The above examples of measures to gain support for your policy proposal are, obviously, illustrative and far from exhaustive. Knowledge of the local community and the nature of your proposal should suggest some measures as highly applicable and others as obviously inappropriate.

The final guideline properly belongs at the top of the list.

Whatever endeavor you undertake . . . THINK BIG! That is, develop and recommend a plan that will adequately serve the purpose; one that will achieve the proposed objectives. Consider the long-run effects of your proposal and the ramifications of its adoption on the environment and on your community. Do not recommend half-way measures because of inadequate preparation-research, identification of relevant alternatives, and evaluation of the alternatives.

Think big, and urge others to think likewise.

(Prepared by: Dr. William B. Stapp, Dr. James Swan, Dr. Spenser Havlick, Mr. Tony Abar, Mr. Chris Harg, Mr. Fred Kingwill.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina, Mr. Galifianakis.

The amendment was agreed to.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the legislation as amended.

Mr. Chairman, I was pleased to join with the distinguished majority leader and more than 100 of our colleagues in cosponsoring the proposal under consideration today to establish a joint committee on Environment and Technology.

The proposed joint committee will consist of 40 Members of the House and the Senate representing Committees of both bodies directly concerned with legislation affecting all aspects of our environment. No legislative measures will be referred to the joint committee.

The joint committee will, however, perform a vital function in congressional efforts to solve our environmental problems. It will conduct a continuing comprehensive study and review of the character and extent of environmental and technological changes that may occur in the future and their effect on population, communities, and industries, including the effects of such changes on the need for public and private planning and investment in housing, water resources, pollution control, food supplies, education, automation affecting interstate commerce, fish and wildlife, forestry, mining, communications, transportation, power supplies, welfare, and other services and facilities.

The joint committee will also review the President's annual report on environmental policy called for in the National Environmental Policy Act of 1969, legislation which I also cosponsored.

Mr. Chairman, in the name of progress we have wrought tragic wrongs on this planet we inhabit. Man's race toward self-destruction in his quest for the necessities of life must halt. Our advanced technology has moved forward helter-skelter with little thought of its total effect on the environment.

It is vitally important that the Congress continue its leading role in efforts to check our destructive course. I feel that the establishment of a Joint Committee on Environment and Technology would be a valuable contribution to our efforts and urge our colleagues to give the bill before us their full support.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. ALBERT) having assumed the chair, Mr. FUQUA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the Joint Resolution (H.J. Res. 1117) to establish a Joint Committee on Environment and Technology, he reported the Joint Resolution back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

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

Mr. GROSS. 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 pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 287, nays 7, not voting 135, as follows:

[Roll No. 141]

YEAS—287

Abbitt	Brock	Collier
Abernethy	Brooks	Collins
Adair	Brotzman	Colmer
Adams	Brown, Mich.	Conte
Addabbo	Brown, Ohio	Corbett
Albert	Broyhill, N.C.	Corman
Alexander	Broyhill, Va.	Coughlin
Anderson, Ill.	Buchanan	Crane
Andrews, N. Dak.	Burke, Fla.	Cunningham
	Burke, Mass.	Daddario
Annunzio	Burleson, Tex.	Daniels, N.J.
Ashley	Burton, Utah	Davis, Ga.
Aspinall	Bush	Davis, Wis.
Ayres	Button	Delaney
Baring	Byrne, Pa.	Dellenback
Beall, Md.	Byrnes, Wis.	Dennis
Bennett	Cabell	Dent
Berry	Caffery	Derwinski
Betts	Camp	Devine
Bingham	Carey	Dickinson
Blackburn	Casey	Dingell
Blatnik	Cederberg	Donohue
Boggs	Chamberlain	Duncan
Boland	Chappell	Eckhardt
Bow	Clancy	Edmondson
Brademas	Clausen, Don H.	Eilberg
Bray	Cleveland	Erlenborn
Brinkley		Esch

Eshleman	Lujan	Rooney, Pa.
Farbstein	McClory	Rosenthal
Fascell	McCulloch	Rostenkowski
Findley	McDade	Roth
Fish	McDonald, Mich.	Roudebush
Fisher	McFall	Ruth
Flood	McKneally	Ryan
Flowers	Macdonald, Mass.	Sandman
Ford, William D.	Madden	Satterfield
Foreman	Mahon	Saylor
Fountain	Mailliard	Schadeberg
Fraser	Marsh	Schneebeli
Frey	Martin	Scott
Friedel	Mayne	Shipley
Fulton, Pa.	Meeds	Shriver
Fulton, Tenn.	Melcher	Sikes
Fuqua	Michel	Sisk
Galifianakis	Mikva	Skubitz
Gibbons	Miller, Ohio	Smith, Calif.
Gilbert	Mills	Smith, Iowa
Gonzalez	Minish	Smith, N.Y.
Goodling	Mink	Springer
Gray	Minshall	Stafford
Green, Pa.	Mize	Staggers
Griffin	Mizell	Stanton
Griffiths	Mollohan	Steed
Grover	Monagan	Steiger, Ariz.
Gubser	Montgomery	Steiger, Wis.
Gude	Moorhead	Stokes
Hagan	Morgan	Sullivan
Haley	Morton	Symington
Halpern	Mosher	Taft
Hammer-schmidt	Moss	Talcott
Hanley	Murphy, Ill.	Taylor
Hansen, Idaho	Murphy, N.Y.	Teague, Calif.
Hansen, Wash.	Myers	Thompson, Ga.
Harrington	Natcher	Thomson, Wis.
Hastings	Nedzi	Tiernan
Hathaway	Nelsen	Udall
Hays	Obey	Ullman
Hechler, W. Va.	O'Hara	Van Deerlin
Heckler, Mass.	O'Konski	Vander Jagt
Henderson	Olsen	Vanik
Hicks	O'Neill, Mass.	Vigorito
Holifield	Passman	Waggonner
Hull	Patman	Waldie
Hunt	Pelly	Wampler
Hutchinson	Pepper	Weicker
Ichord	Perkins	Whalen
Jacobs	Philbin	White
Jarman	Pickle	Whitehurst
Johnson, Calif.	Pike	Widnall
Johnson, Pa.	Pirnie	Wiggins
Jonas	Poage	Williams
Jones, N.C.	Poff	Wilson, Bob
Karth	Price, Ill.	Winn
Kastenmeier	Price, Tex.	Wold
Kazen	Pryor, Ark.	Wolff
Keith	Pucinski	Wright
King	Quie	Wyatt
Kleppe	Quillen	Wydler
Kluczynski	Rees	Wylie
Kuykendall	Reid, Ill.	Wyman
Langen	Reuss	Yates
Leggett	Roberts	Yatron
Lloyd	Robison	Young
Long, La.	Roe	Zablocki
Long, Md.	Rogers, Fla.	Zion

NAYS—7

Andrews, Ala.	Gross	Rarick
Ashbrook	Hall	
Dorn	Landgrebe	

NOT VOTING—135

Anderson, Calif.	Culver	Hanna
Anderson, Tenn.	Daniel, Va.	Harsha
Arends	Dawson	Harvey
Barrett	de la Garza	Hawkins
Belcher	Denney	Hébert
Bell, Calif.	Diggs	Helstoski
Bevill	Dowdy	Hogan
Biaggi	Dulski	Horton
Biester	Dwyer	Hosmer
Blanton	Edwards, Ala.	Howard
Bolling	Edwards, Calif.	Hungate
Brasco	Edwards, La.	Jones, Ala.
Broomfield	Evans, Colo.	Jones, Tenn.
Brown, Calif.	Evins, Tenn.	Kee
Burlison, Mo.	Fallon	Kirwan
Burton, Calif.	Feighan	Koch
Carter	Flynt	Kyl
Celler	Foley	Kyros
Chisholm	Ford, Gerald R.	Landrum
Clark	Frelinghuysen	Latta
Clawson, Del	Gallagher	Lennon
Clay	Garmatz	Lowenstein
Cohelan	Gaydos	Lukens
Conable	Gettys	McCarthy
Conyers	Giaimo	McCloskey
Cowger	Goldwater	McClure
Cramer	Green, Oreg.	McEwen
	Hamilton	McMillan
		MacGregor
Mann	Purcell	Sebelius
Mathias	Railsback	Slack
Matsunaga	Randall	Snyder
May	Reid, N.Y.	Stephens
Meskill	Reifel	Stratton
Miller, Calif.	Rhodes	Stubblefield
Morse	Riegle	Stuckey
Nichols	Rivers	Teague, Tex.
Nix	Rodino	Thompson, N.J.
O'Neal, Ga.	Rogers, Colo.	Tunney
Ottinger	Rooney, N.Y.	Watkins
Patten	Roybal	Watson
Pettis	Ruppe	Watts
Podell	St Germain	Whalley
Pollock	Scherle	Whitten
Powell	Scheuer	Wilson, Charles H.
Preyer, N.C.	Schwengel	

So the joint resolution was passed.

The Clerk announced the following pairs:

Mr. Celler with Mr. Gerald R. Ford.
Mr. Rooney of New York with Mr. Arends.
Mr. Dulski with Mr. Rhodes.
Mr. Rodino with Mr. Frelinghuysen.
Mrs. Green of Oregon with Mr. Dwyer
Mr. Hanna with Mr. Goldwater.
Mr. McCarthy with Mr. Reid of New York.
Mr. Stratton with Mr. McEwen.
Mr. Rivers with Mr. Watson.
Mr. Cohelan with Mr. Hosmer.
Mr. Charles H. Wilson with Mr. Pettis.
Mr. Biaggi with Mr. Horton.
Mr. Brasco with Mr. Riegle.
Mr. Anderson of California with Mr. Del Clawson.
Mr. Clark with Mr. Biester.
Mr. Daniel of Virginia with Mr. Cowger.
Mr. Evans of Colorado with Mr. Reifel.
Mr. Giaimo with Mr. Morse.
Mr. Bevill with Mrs. May.
Mr. Culver with Mr. Kyl.
Mr. Feighan with Mr. Latta.
Mr. Fallon with Mr. Hogan.
Mr. Foley with Mr. Denney.
Mr. Randall with Mr. Schwengel.
Mr. Matsunaga with Mr. Harsha.
Mr. Kee with Mr. Ruppe.
Mr. Kyros with Mr. Pollock.
Mr. Helstoski with Mr. Railsback.
Mr. Watts with Mr. McClure.
Mr. Miller of California with Mr. Mathias.
Mr. Hébert with Mr. Belcher.
Mr. Gettys with Mr. Cramer.
Mr. Gaydos with Mr. Carter.
Mr. Barrett with Mr. Watkins.
Mr. de la Garza with Mr. Scherle.
Mr. Mann with Mr. Whalley.
Mr. Podell with Mr. Bell of California.
Mr. Dowdy with Mr. Edwards of Alabama.
Mr. Flynt with Mr. Hamilton.
Mr. Stephens with Mr. Snyder.
Mr. Downing with Mr. Sebelius.
Mr. Edwards of Louisiana with Mr. Lukens.
Mr. Roybal with Mr. McCloskey.
Mr. Nichols with Mr. MacGregor.
Mr. Anderson of Tennessee with Mr. Burlison of Missouri.
Mr. Diggs with Mr. Brown of California.
Mr. Blanton with Mr. O'Neal of Georgia.
Mr. Edwards of California with Mrs. Chisholm.
Mr. Powell with Mr. Burton of California.
Mr. McMillan with Mr. Lennon.
Mr. Scheuer with Mr. Conyers.
Mr. Landrum with Mr. Jones of Alabama.
Mr. Patten with Mr. Koch.
Mr. Jones of Tennessee with Mr. Slack.
Mr. Howard with Mr. Ottinger.
Mr. Preyer of North Carolina with Mr. Rogers of Colorado.
Mr. St Germain with Mr. Stubblefield.
Mr. Nix with Mr. Tunney.
Mr. Teague of Texas with Mr. Stuckey.
Mr. Evins of Tennessee with Mr. Lowenstein.
Mr. Garmatz with Mr. Purcell.
Mr. Thompson of New Jersey with Mr. Hungate.
Mr. Gallagher with Mr. Hawkins.
Mr. Broomfield with Mr. Conable.
Mr. Meskill with Mr. McEwen.

The result of the vote was announced as above recorded.

The doors were opened.

TITLE AMENDMENT

Mr. DADDARIO. Mr. Speaker, I offer an amendment to the title of the joint resolution.

The Clerk read as follows:

Amendment offered by Mr. DADDARIO: Amend the title so as to read: "Joint resolution to establish a Joint Committee on the Environment."

The title amendment was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. DADDARIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed and to include extraneous matter.

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

There was no objection.

RENT CONTROL BILL FOR DISTRICT OF COLUMBIA INTRODUCED BY CONGRESSMAN ANNUNZIO

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

Mr. ANNUNZIO. Mr. Speaker, despite the self-serving and inaccurate statements of the Nixon administration, the United States is on the brink of a recession and the unfortunate part of the dilemma is that the Nixon administration is doing nothing to reverse the recessionary trend. In fact, it will not even admit that our economy is in trouble.

However, it does not require the skills of an economist to see the financial shape of this country. In April, unemployment soared to 4.8 percent of the labor force, or approximately 4 million workers. In the 4 months since the beginning of the year, 1.1 million workers have been added to the unemployment rolls. In addition to the rise in unemployment, the consumer price index has risen at a yearly rate of about 6 percent since December of 1969. High interest rates, the highest in 100 years, have virtually killed the homebuilding industry and the stock market continues to sink to some unknown depth.

To illustrate the confusion and the disregard for the economy that surrounds the Nixon administration, it should be recalled that earlier this week Federal Reserve Board Chairman Arthur Burns suggested that a voluntary program of wage and price controls was needed if our economy was to be saved. Almost before Dr. Burns' words were spoken, Secretary of the Treasury David Kennedy rushed into print with a statement disavowing Dr. Burns' suggestion and politely suggesting that Dr. Burns should mind his own business.

Since the administration quite clearly does not plan to save the country from a recession, it is up to the Congress to do the job.

To start the ball rolling, I am today

introducing a bill to provide for the regulating of rents in the District of Columbia. Actually, it is my feeling that a nationwide rent control bill is needed, as well as legislation establishing wage and price controls. However, since Congress is charged with supervising the affairs of the District of Columbia, we must put our own house in order before we attempt to solve the economic problems for the rest of the country.

Basically, my bill would freeze rents in the District of Columbia for both hotel and permanent accommodations to their June 1, 1969 level. The legislation would be in effect through May 31, 1974, and would provide for the appointment of an administrator of rent control. No rent increase or decrease would be allowed unless it were first approved by the administrator.

Mr. Speaker, the rent increase situation in the District of Columbia is typical of the runaway inflation that is gripping this country. Rent increases not only strike at the low- and moderate-income families, but in several recently publicized cases, rent increases have brought on rent strikes in higher rental complexes.

For instance, in the apartment development in which I live in the District of Columbia a rent increase was recently announced that will provide nearly $90,000 in additional rental fees to the owners of the property. Out of that fee, more than $60,000 will be returned to the property owners in the form of profits. Similar situations are occurring in other apartment areas in the District. For instance, the owners of an apartment development on Connecticut Avenue changed management firms because the firm did not increase rents enough. As soon as the new management firm took over, an increase of 18 percent was effected in the rentals.

Mr. Speaker, this is profiteering and rent gouging of the worst sort, and if cases such as this have come to light in upper income areas, I can only wonder how much higher the rent increases are among those who are not as fortunate and are forced to live in poverty areas.

Not only are the rent increases unjustified, but the manner in which the owners of the properties deal with the subject of rental income is obnoxious. For instance, the 1969 annual report of the Washington Real Estate Investment Trust, which owns a number of Washington properties, reports that "operating costs caused by inflation can be passed on to tenants" and the slogan on the front of that annual report states boldly, "All Writ Properties Have Shown Substantial Profit Every Year Since Acquisition."

In short, while the wage earners of this country are faced with higher costs at every turn, a selected group of coupon clippers is reaping the harvest of hard times. Mr. Speaker, these individuals and corporations can no longer be allowed to profiteer. No longer must they be allowed to raise rents every time Federal employees receive a pay raise. The pay raises that our wage earners receive are disappearing and evaporating because of steadily rising costs, and therefore, the wage earners are in worse shape now than they were before they received wage increases.

One of the provisions of Federal Housing Administration law is that a rental facility guaranteed by the Federal Housing Administration cannot increase rents without obtaining permission of the FHA. I have written the distinguished Chairwoman of the Consumer Affairs Subcommittee of the House Banking and Currency Committee, the gentlewoman from Missouri (Mrs. SULLIVAN) asking for hearings to determine whether or not approval for rent increases is being obtained from FHA and to generally explore the whole question of rent controls.

Mr. Speaker, Mrs. SULLIVAN has been a leader in and sponsor of every piece of consumer legislation that has passed the House of Representatives since I have been a Member. No one in this body works harder than Mrs. SULLIVAN to protect the rights of the consumer, and I hope she will call hearings to study the question of rent controls.

In closing, Mr. Speaker, let me reiterate that since the Nixon administration refuses to save the country from a recession, it is up to the Congress to do the job.

WASHBURN'S SILENT MAJORITY HEARD

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

Mr. MIZE. Mr. Speaker, on Friday, May 15, the students of Washburn University, Topeka, Kans., joined others from across the State in an expression of gratitude and appreciation that is seldom heard these days. The Washburn rally, attended by nearly 4,000 persons, was in tribute to the taxpayers—that long-suffering class whose support of public education has been constant for decades in Kansas and most of the Nation.

I think the Washburn rally was particularly appropriate at this time. I wish to extend my congratulations to President John W. Henderson and the members of the Washburn faculty. To witness an outpouring of support for education generally, and Washburn University particularly, at a time when most colleges are trying to cope with wildcat strikes or worse is very heartwarming indeed.

I know the Washburn expression of appreciation reflects the broad consensus among college students everywhere.

Students deeply appreciate the opportunities for learning and reflection they enjoy in this country. They appreciate opportunities to express their opinions on great national issues without censorship. At Washburn, this appreciation was expressed on behalf of the great majority of students on every American campus.

WIBW–TV, Radio and FM, Topeka, on May 17, 1970, carried an excellent editorial on the Washburn rally and those responsible for it. Under leave to extend my remarks, I wish to place the editorial in the RECORD at this point:

WIBW EDITORIAL

Last week we introduced a Washburn senior, Bill Martin. In the wake of days of riots, protests and demonstrations on university campuses across the nation with some schools being forced to close, Bill Martin proposed a program at the Washburn football field—a College Appreciation Day—in which students from Washburn and other colleges and universities in Kansas would have an opportunity to say "thank you" to the taxpayers of Kansas for the chance to get an education.

In just five short days, Bill Martin succeeded in doing something really great. Almost 4,000 students and townspeople came to Moore Bowl to participate in "Appreciation Day," sponsored by Kansas and American Youth for Education. Skydivers dropped to the football field with an American flag. They sang the "Star Spangled Banner."

A student from Brazil caught the imagination of the crowd. Marcus Kerr Almeida said, "The American educational system is not perfect . . . but . . . it is the very best in the world. Minorities have a better chance for education in America than have middle class majorities anywhere else in the world. Today, I cry of happiness to be in America" said the Brazilian student . . . "but I also cry of sadness to see a minority of ugly Americans getting so much publicity trying to destroy the American education system . . . the basic, underlying foundation of American greatness."

We commend Washburn President John Henderson who fully supported the program. Henderson spoke as did a representative of Governor Docking. Topeka Mayor Martin attended. Another student, Brad Boyd of Meade said . . . "The radicals scream freedom . . . but they deprive the majority of their education."

Best of all, the idea started by Bill Martin didn't end with the program at Washburn Friday. In fact, we hope it's just a beginning. Newspapers all over America have printed stories of what happened at Topeka. All three national television networks had crews in Topeka Friday . . . and featured lengthy stories on Walter Cronkite, Huntley-Brinkley and the Smith-Reynolds News. We got a clipping quoting Bill Martin from the New York Times. Lawrence Welk called to add his support and telegrams came from Senators Dole and Pearson and Congressman Mize. Students all over America have called, written and telegraphed their support.

In the face of charges that the news media doesn't report good news, the tremendous national coverage given to Washburn . . . Topeka . . . and to "College Appreciation Day" is especially gratifying. We hope Washburn's "College Appreciation Day" will spread to other college and university campuses. And . . . to Bill Martin . . . speaking on behalf of the vast majority of our listeners and viewers . . . we say . . . Thanks for a job well done.

VETERANS' BENEFITS

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

Mr. TEAGUE of California. Mr. Speaker, all of us have seen news stories out of Vietnam expressing the discouragement our fighting men over there quite understandably feel when they read about antiwar demonstrations and antiwar speeches in the halls of Congress. Many of them must feel that public support for their courageous endeavors is

falling away. Yet the fact is that they have not been forgotten by the administration which has programed a list of benefits for our veterans, their widows, and dependents. I am, therefore, submitting for the RECORD a story from the May 25 issue of the Republican Congressional Committee's Newsletter which details the list of new benefits either now available or proposed for action by Congress.

A PUSH FROM THE TOP
ON VETERANS' BENEFITS

The Nation's veterans and their widows and dependents are receiving major improvements in benefits instituted since the Nixon Administration came to office. Part of the improvement, a *Newsletter* survey shows, is the direct result of a top-level study committee the President appointed in his first half-year in office which recommended major revisions in veterans' programs. With another Memorial Day at hand, the list of new benefits shows:

New medical techniques pioneered in VA hospitals are resulting in quicker discharges.

Improvements in prosthetics give veterans faster and better mobility.

GI Bill educational benefits have been greatly increased.

The VA appropriation for medical care for the current fiscal year is the highest in history, yet in reviewing the demands on needed care for veterans, the President approved an additional $15 million in March.

After further review, the President has asked for an additional appropriation of $50 million for VA hospital and medical care in fiscal year 1971.

The Administration approved an additional 1,500 employees, mostly for the VA medical program, for this fiscal year, and in the budget request for 1971 another 2,123 have been requested.

Through cooperative research, VA has been able to increase its discharge rate each month for VA mental patients from 15.4 percent in fiscal 1968 to 18.4 percent last year.

Anxious not to be stampeded into careless expenditures of public funds, President Nixon in June of 1969 appointed a Committee on the Vietnam Veteran, chaired by the Administrator of Veterans Affairs.

The committee report, approved and released by the President on March 29, 1970, contained a number of specific recommendations.

By Presidential executive order, one committee recommendation in the job field has already been put into effect. It authorizes Federal agencies to appoint qualified Vietnam era veterans to jobs up to GS–5 level starting at $6,176) without regard to Civil Service registers, providing the veteran undertakes a program of education and training.

Four other of the committee's 15 specific recommendation require legislation. Bills have already been proposed to Congress to:

Allow the VA to underwrite financing for mobile homes to assist veterans who cannot afford conventional homes.

Assist minority intrepreneurship through a combination of Small Business Administration loans and cooperative GI Bill education.

Allow VA to make advance payments under the GI Bill.

Allow men still in service to enroll under the GI Bill after serving six months (rather than two years as presently required).

President Nixon signed into law a provision benefiting educationally disadvantaged servicemen without charge to their future GI Bill entitlement. The law also eliminates the bar against duplication of educational and training benefits, now allowing veteran trainees about $200 a month (varies by State) in addition to the GI Bill allowance, bringing the total training income to almost $400 monthly under Manpower Development and Training Act programs.

The "Outreach Program," to inform disadvantaged veterans in Vietnam as well as this country on benefits due them, has been expanded. Last November, under this program, saw the one-millionth serviceman receive on-the-spot orientation.

More than 777,000 veterans, servicemen, wives, widows and children will receive about a 35 percent increase in educational allowances under the bill signed this year by the President.

Public Law 91–22, signed by President Nixon in June, 1969, increased the maximum amount of money which the VA may loan a veteran for purchase of a home. It also extended additional money for specially adapted housing benefits to certain disabled veterans.

Other recent improvements include a new concept in paying dependency and indemnity compensation, and enlargement of a program of community nursing-home care. All in all an impressive record of achievement for the nation's ex-GIs.

CAMBODIAN ACTION SUCCEEDING

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

Mr. MAYNE. Mr. Speaker, 10 days ago I suggested our move against the enemy's sanctuaries in Cambodia should be decided by an objective appraisal of the results when more of the evidence was actually in. I said too many people in and out of Congress were exhibiting knee-jerk reactions based on emotion instead of facts.

Today, 3½ weeks after American troops first entered the sanctuaries, we do have more facts about this operation. I believe any reasonably objective observer would agree it has been highly successful from a military standpoint. Tremendous quantities of weapons and munitions which would have been used to kill American soldiers have fallen into our hands. Transport and supplies essential to the enemy's operations in South Vietnam have been taken from him and his communications and logistical systems disrupted on the eve of the rainy season.

I will not join those who say American casualties have been light, because the loss of even one American is too heavy, but it can accurately be said that casualties have been relatively light when results are measured against those achieved in previous months. Certainly they are vastly lighter than predicted by the President's instant critics who have been trying to undermine confidence in our troops and this operation from the moment it began. Their dire predictions that Russia and Red China would immediately enter the war and the North Vietnamese would launch a major offensive against the DMZ have not materialized. Now they are predicting American troops will not be withdrawn from the sanctuaries by July 1, hoping later to claim they forced the President to do something he clearly announced he would do from the beginning.

Final justification for the Cambodian operation will depend on whether it does indeed save American lives and insure the successful implementation of President Nixon's policy of withdrawal from Vietnam during the coming months. The evidence presently available indicates very strongly that it will.

"THEY'LL TEAR YOU APART"

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

Mr. MEEDS. Mr. Speaker, when I was a young lad back in 1948, President Harry Truman whistle-stopped across the Nation in his now-famous campaign to keep his job.

At every stop he condemned the record of the Republican 80th Congress and compared it to the reforms of the New Deal. Shaking his finger at the crowds, he often asked them to ponder what would happen if the Republicans captured the White House. Usually he answered his own question and punctuated in the colorful Harry Truman grammar. One day he said, "They'll tear you apart!"

Well, Mr. Speaker, I can think of no other way to describe what the Nixon administration is doing to the livelihood of the American people. An inflationary recession is what they have given us. Last Wednesday the consumer price index had advanced another 0.6 percent while the stock market fell almost 15 points.

One or two dissenters within the administration can encourage us, however. I refer to the economic proposal made by George Romney, Secretary of Housing and Urban Development.

Alarmed by rising prices, falling output, and decreasing jobs, Romney recommended that President Nixon establish a special commission to issue guidelines for reasonable wage-price increases and to warn against unwarranted demands and actions in these areas. A similar but more cautious proposal was set forth by Dr. Arthur Burns, Chairman of the Federal Reserve Board.

It was a clean break with the administration's official policy of forsaking any attempts to influence wage and price behavior. Maybe that is why Attorney-General John Mitchell quickly shot down the Romney plan.

The Secretary's proposal is nearly identical to a bill I introduced in October of 1969 and to the unanimous recommendation made by the Congressional Joint Economic Committee in March.

The Englishman, Thomas Malthus, made economics known as "the dismal science," and nothing is more gloomy today than the state of the American economy. The administration's policy to combat inflation has not worked.

They have relied on high interest rates, tight money, and a budget surplus. When he took office in January of last year, the President made clear that the White House would refrain from interfering with wage and price activity.

Now look what has happened. Prices have shot up by more than 8 percent, personal income has fallen, the stock market has collapsed by 300 points, housing starts have been almost cut in half, and

the jobless rate has gone to 5 percent nationally, and nearly 10 percent in Washington State.

As profits and income decline, the Government takes in less tax revenue. Higher interest rates add to the national debt. Both contribute to the budget deficit.

The war in Asia is costing $25 billion a year. Combined with tight money and high interest rates, it has depressed real output and growth by misallocating resources. What follows is fairly simple: to avoid further profit squeezes, business raises prices, and this of course increases per unit costs. But since wages have not kept pace, unions caught up in the inflationary psychology demand huge wage increments. If a strike follows, productivity is cut. Higher wages fuel higher prices, and the spiral continues.

In short, wages, income, capital investment, borrowing have outstripped real economic growth.

We are fighting a war in Asia and must deal with the economic consequences of what it encourages. Ending the fighting and reallocating our resources is the first priority. In the meantime, however, wage and price restraints are essential.

Similar restraints or "guidelines" were used between 1962 and early 1968. During that period, for example, basic steel prices rose only 5 percent. In the last 15 months, however, the same prices have risen by 7 percent. Increases in copper and aluminum are even more shocking.

For the sake of stability, growth, and jobs, I hope that the White House will heed the plea of Secretary Romney. His proposal or that sponsored by myself and recommended by the Joint Economic Committee should be adopted immediately and stronger measures taken if voluntary guidelines lack teeth.

DISTRICT OF COLUMBIA CORRECTIONAL INSTITUTIONS AT LORTON

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

Mr. SCOTT. Mr. Speaker, most of the Members have heard of this week's activities at the District of Columbia correctional institutions at Lorton. Because Lorton is in my district, I visited both the prison complex and the youth center earlier today and talked with officials of the Department of Corrections.

On arrival at the gate, I met a dump truck coming from the other direction filled with waste material taken from some of the burned-out buildings and upon entering the prison complex, found a large number of persons engaged in a cleaning-up process.

The interiors of two buildings are completely destroyed, with the roofs gone and only the outer walls standing. In all probability, even these walls will have to be removed and the buildings completely reconstructed. In numerous other buildings windows are broken, bedding and other material burned and televisions smashed. There is also widespread damage in the prison printshop, but I am advised that most of the machinery is unharmed. Of course, there was considerable water over the area and in the period of an hour or so in which I visited, I could not see all of the damage.

Fortunately, two escapees have been captured in Stafford County, another in a guard's uniform was captured just outside the prison complex, and only two inmates remain at large. I am concerned, however, that some of the guards were injured during disturbances even though I do not know the extent of their injuries.

It is my understanding that there was rioting in the youth complex on both Friday and Sunday nights and in the prison complex on Saturday night although it is in the prison complex where the principal damage exists.

Members will recall that the general District of Columbia crime bill incorporates a bill I introduced to transfer the District of Columbia correctional institutions at Lorton to the U.S. Bureau of Prisons. This week's activities accent the need for this transfer. Apparently, there is a hard group of hard-core criminals or militants who precipitated the riots and burning over the weekend. In my opinion, these men should be sent to separate institutions and, in the event the Lorton institutions came under the control of the Bureau of Prisons, it will be possible to do this.

In any event, Mr. Speaker, I would hope that the conferees of both bodies who are now considering the transfer of Lorton to the U.S. Bureau of Prisons will take this week's activities into account. Should any conferee have any remaining doubt as to the merits of the House version of the crime bill a visit to Lorton should remove his doubt.

RESTRICTION ON SALE OF AMERICAN WINES IN TAIWAN

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

Mr. DENT. Mr. Speaker, I have an interesting letter I thought the House might like to hear:

> A mutual friend has suggested I write to you regarding a problem we, the exclusive worldwide distributor for The Christian Brothers Wines and Brandy, have with the Taiwan Tobacco and Wine Monopoly Bureau.
>
> The Monopoly apparently refuses to stock any American wines or brandy. I have enclosed the Monopoly's current price list—

which I hope to be able to make a part of the RECORD—

> which shows that, with the exception of some Paul Masson products that have since been delisted, most of the wines listed are of French origin. Interesting to note, Taiwan does not recognize France diplomatically!
>
> Official justification for the Monopoly to stock some American wines is the fact that they should cater to the American tourist, trade. The number of French tourists visiting Taiwan is negligible when compared to the number of American tourists traveling to Taiwan each year. It is obvious that the Americans have no choice but to drink the French products.
>
> I know of one New York State winery which is also interested in selling to the Monopoly but is encountering the same difficulty. We are anxious to sell and *could* sell our products in Taiwan; therefore, we feel that the U.S. wine industry should be allowed to compete on equal footing with other foreign suppliers.
>
> CHARLES J. CANDIANO,
> *International Marketing Manager.*

I was almost laughed out of the House when I suggested that we should stop buying some mushrooms from Taiwan. We put them in the business, and now they have taken 40 percent of Pennsylvania's mushroom business away from us.

I have been in this House and voted religiously to give everything the committees asked for for military aid, mutual security aid, and agricultural aid, as well as everything else for Taiwan, but I am just going to say to all of you now I do not know how the rest of you feel, but I am fed up clean to the top of my head and I will never vote for another cent—if it means voting against all of the appropriation bills from now on, I will never vote for any aid to any country that bars its doors to American products and uses our market as a dumping place.

LORTON REFORMATORY DISRUPTION

(Mr. BROYHILL of Virginia asked and was given permission to address the House for one minute and to revise and extend his remarks.)

Mr. BROYHILL of Virginia. Mr. Speaker, I should like to associate myself with the remarks made by my colleague from Virginia (Mr. SCOTT) regarding the riots, burning, and destruction that took place over the weekend out at the Lorton Reformatory in Virginia. I have asked for a complete report on those incidents. I am going to talk with the employees and employees' representatives, many of whom are constituents of mine.

As the gentleman from Virginia knows, we have included in the District of Columbia crime bill the authority to transfer the Lorton Reformatory from the District Government to the Federal Bureau of Prisons. That was done as a result of extensive hearings which pointed up that the present leadership out there was not capable of managing that institution properly. These incidents over the weekend are further proof that the institution is going downhill and that the leadership is not competent, and that we need new direction and management. I am hopeful that the conferees on the District of Columbia crime bill will take note of these facts and agree with the House to leave that transfer in the crime bill.

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

Mr. BROYHILL of Virginia. I am pleased to yield to the gentleman.

Mr. SCOTT. I appreciate the gentleman yielding and his comments regarding Lorton. In talking with the head of the Youth Center it was mentioned today that the rioting started on Friday because of a false rumor that one of the inmates had been killed, although, in fact, no one had been harmed in any manner. That was Friday. So, I asked, "What prompted it on Sunday?" He

said, "Mr. SCOTT, you must remember these are vigorous young men." Well, this type of answer and tolerance illustrates part of the problem at Lorton.

NEIGHBORHOOD YOUTH CORPS SHOULD NOT BE SHORTCHANGED

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

Mr. RYAN. Mr. Speaker, the Subcommittee on Labor, Health, Education, and Welfare of the Committee on Appropriations will be holding hearings tomorrow and the next day on the budget for the Office of Economic Opportunity. A major component of that budget is devoted to the Neighborhood Youth Corps, which is a title I–B program under the Economic Opportunity Act. While the money for the program is pumped into the OEO budget, the program is actually operated by the Department of Labor.

I am speaking now to urge the subcommittee to recommend adequate funding of the Neighborhood Youth Corps summer program.

Rising unemployment is widespread throughout the Nation. In April the unemployment rate climbed to 4.8 percent, up from 4.4 percent in March and 3.5 percent at the start of the year. The situation is even more egregious in the urban poverty neighborhoods of the 100 largest metropolitan areas, in which the jobless rate stood at 6.6 percent in the first quarter of 1970. This compares with 5.6 percent during the same quarter of 1969.

This dire situation affects both blacks and whites. The white jobless rate rose from 4.6 to 5.7 percent in the poverty areas, while the black rate increased from 7.0 to 8.0 percent. And those particularly hard hit are black teenagers. Their unemployment rate increased by more than one-half—from 20.9 to 32.7 percent.

This unemployment picture is insupportable. And, once the schools let out for the summer, it will be even grimmer. Tens of thousands of young men and women, earnestly seeking employment—not just to fill up the hours, but because they need earnings to help assist their families and themselves—will be unable to find jobs.

And yet, the administration is not only failing to meet the needs that exist, but is actually helping to increase them by cutting back on the Neighborhood Youth Corps summer program, which provides needed employment opportunities for young men and women. In New York City alone, funding has dropped from $14.9 million for last summer to $11.7 million this summer.

The administration is providing 67,000 fewer summer job slots under the Neighborhood Youth Corps program this summer than it did last summer. There will be only 330,000 such slots available. And this action is taken despite the fact that even last year, less than one-third of the youths who could have benefited from the program were allowed to do so.

In fact, there is a need for approximately 560,000 slots in the Neighborhood Youth Corps summer program this year. The administration has allocated $146,412,000 to cover 330,000 of them. But, according to the survey conducted by the U.S. Conference of Mayors of the 50 largest cities, plus a sampling of smaller cities, 227,173 additional slots over this 330,000 are needed. New York City alone needs approximately 37,000 more slots.

To fund these 227,173 additional slots, $101 million more than that requested by the administration is needed, each slot being figured at a rate of $445. I most strongly urge the Subcommittee on Labor, Health, Education, and Welfare of the Committee on Appropriations to provide this funding.

The disadvantaged youth who are eligible for Neighborhood Youth Corps urgently need the opportunity to participate in it. They have been consistently rejected from the mainstream of our society and our economy, and to deny them even the bare minimum opportunity which this program offers is simply unjustifiable. These are not youths who are asking for something for nothing. These are not youths lacking in desire and initiative. These are young men and women who are just saying, "Give us a chance to help ourselves." Certainly, we should do far, far more. But, with equal certainty I am convinced we cannot do any less.

UNIVERSITY OF NOTRE DAME BESTOWS LAETARE MEDAL ON DR. WILLIAM B. WALSH

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

Mr. BRADEMAS. Mr. Speaker, Dr. William B. Walsh, the founder, president, and medical director of Project Hope, has been chosen to receive the Laetare Medal, the University of Notre Dame's highest honor.

The Reverend Theodore M. Hesburgh, C.S.C., the distinguished president of Notre Dame, made the presentation today, Monday, May 25, during a reception at the Embassy of Tunisia. The award has been made annually since 1883 to an outstanding American Catholic.

Also participating in the ceremony were Ambassador Slaheddine El Goulli and Bishop John S. Spence, vicar general of the Archdiocese of Washington. The SS *Hope*, with its complement of 157 medical personnel, currently is on its eighth teaching-treatment mission at Port LaGoulette, Tunisia.

Mr. Speaker, Dr. Walsh is the ninth physician to receive the Laetare Medal which has been conferred through the years on 71 men and 18 women representing a broad and brilliant spectrum of American Catholic leadership. The late President John F. Kennedy was the 1961 medalist, and Supreme Court Justice William J. Brennan received the award last year.

"GLOBAL VISION"

Father Hesburgh cited Dr. Walsh as one who "has coupled medical expertise and Christian compassion with a rare combination of global vision, creative imagination, and quiet determination." During the past 10 years the 49-year-old physician has led the former Navy hospital ship on missions to Indochina, South Vietnam, Peru, Ecuador, Guinea, Nicaragua, Colombia, Ceylon, and Tunisia. Project Hope also has programs underway among the Mexican-American community at Laredo, Tex., and at the Navaho Indian Reservation at Ganado, Ariz.

"Your ship," the citation told Dr. Walsh, "is a symbol of that for which thoughtful and ignorant people alike have yearned for centuries—that swords may at last be transformed into ploughshares, that the battle cruiser may be no more and that the floating hospital can become the symbol of our strength in the future. We know about all the obstacles, all the threats of doom which lie heavy on our hearts. But you have set an example, you have given us the courage to hope, you have lighted a big candle."

BRIDGE TO PEACE

In his response Dr. Walsh noted that medicine has been called "one of the bridges to peace. But there will be no bridges worth crossing, no peace worth achieving," he cautioned, "if man cannot regain his human spirit and his faith in himself and his fellowman." Noting that the Laetare Medal is inscribed with the words, "Truth is mighty and will prevail," he said that "we can live in truth only if it rests upon a foundation of faith, trust and spiritual love."

Mr. Speaker, Dr. Walsh, who has been honored by more than 40 governments, universities and organizations, is a native of Brooklyn, N.Y. A graduate of St. John's University, he received his medical degree in 1943 from Georgetown University where he later served as an assistant professor of internal medicine. His World War II service as a medical officer aboard a destroyer in the Pacific prompted the idea of returning someday with a floating medical center.

SS "HOPE"

In 1960, with the encouragement of President Eisenhower and following a dedication speech by then Vice President Nixon, the SS *Hope* sailed on its maiden voyage to the Far East. Since that time it has helped raise health standards for millions of people on four continents. Through the years more than 1,500 volunteer American medical personnel have served aboard ship, some 11,000 major operations have been performed, more than 129,000 patients have been treated and 5,000 indigenous persons have been trained in medical and paramedical techniques.

Dr. Walsh has told the continuing story of Project Hope in three books: "A Ship Called Hope"; "Yanqui, Come Back"; and "Hope in the East": "The Mission to Ceylon". Dr. and Mrs. Walsh, who make their home in Washington, have three sons: William, Jr., John, and Thomas.

Mr. Speaker, the citation accompanying the Laetare Medal presented to Dr. Walsh recognizes his great accomplishments through Project Hope. I include it—and a statement which explains the significance of the Laetare Medal—in the RECORD at this point:

TEXT OF THE CITATION ACCOMPANYING THE LAETARE MEDAL PRESENTED TO WILLIAM B. WALSH, M.D., IN WASHINGTON, D.C., ON MAY 25, 1970

THE UNIVERSITY OF NOTRE DAME TO DR. WILLIAM B. WALSH: GREETINGS

SIR: The hands of physicians have brought healing since men first began to try to make this earth a home. And so nothing could be more appropriate than that Notre Dame now puts into your hands, its most prized smybol of recognition. It is named after Laetare Sunday because on that day the Church looks forward with rejoicing to the Easter triumph of Christ over the bitter sacrifice He made for the healing of mankind. Of the three traditional precepts for bringing about the moral and spiritual regeneration of humanity, the second, Hope, is surely the one we now need most.

In your fascinating account in *Hope in the East*, your ship's visit to Ceylon, you quote a poem written by one of your nurses. It is also a prayer:

I am a receiver who came to give
I have had my eyes opened wide
I realize how fortunate I am
Please, never-never let them be half-closed again!

Is not this the heart of what you have to say to us—to your people and our people? We are of all the nations in history the one best able to give. How can we come to see that we are therefore the nation which can also realize most deeply how much it may receive?

It was a fortunate day when, having listened to President Dwight Eisenhower's plea that groups of private citizens establish cordial relationships with similar groups of people elsewhere in the world, you decided you would request that a Navy hospital vessel retired from duty be converted into a hospital ship which would bring comfort and assistance to some of the needy persons you had seen during our war-time service in the South Pacific. The ship was made available, you kept it afloat by reason of ceaseless pleas for support, you recruited the men and women who have since done so much for the sick and poor in many lands including our own. Meanwhile space craft have traveled 240,000 miles to the moon, and your ship has traveled equally far to countries as distant from one another as Peru and Ceylon. You have not merely brought health to many. You have helped train them in what might be done.

Therewith was a mighty instrument of military service transformed into a floating house to which the suffering of those without hope could so frequently be overcome. Your ship is a symbol of that for which thoughtful and ignorant people alike have yearned for centuries—that swords may at last be transformed into plough-shares, that the battle cruiser may be no more and that the floating hospital can become the symbol of our strength in the future. We know about all the obstacles, all the threats of doom which lie heavy on our hearts. But you have set an example, you have given us the courage to hope, you have lighted a big candle.

You have been widely and significantly honored for your service to our country and to mankind. We add the best we can give to all the rest. Eight other doctors have been Laetare medalists, one of them bearing the name of Walsh. We welcome you to the clan and to the circle of those who over many years have responded to the University's invitation to accept a token of esteem for having been Christians in the truest sense and for having added during dark days and sunfilled ones to the number of men and women who have combined leadership and sacrifice in the blessed hope of bringing hope to their fellow-men.

THE LAETARE MEDAL

"The Laetare Medal has been worn only by men and women whose genius has ennobled the arts and sciences, illustrated the ideals of the Church, and enriched the heritage of humanity."

These are the exacting criteria employed by the University of Notre Dame in awarding its Laetare Medal each year. Established in 1883, the medal was restricted to lay persons until 1968, when it was announced that henceforth priests and religious would also be eligible. Over the years the Laetare Medal has been presented to 71 men and 18 women —soldiers and statesmen, artists and industrialists, diplomats and philanthropists, educators and scientists.

The Laetare Medal is the American counterpart of the "Golden Rose," a papal honor antedating the eleventh century. The name of the recipient is announced each year on Laetare Sunday, the fourth Sunday of Lent and an occasion of joy in the liturgy of the Church. The actual presentation of the medal is arranged for a time and place convenient to the recipient.

The idea of the Laetare Medal was conceived in 1883 by Professor James Edwards. His proposal met with the immediate approval of Rev. Edward F. Sorin, C.S.C., founder and first president of Notre Dame, and the Rev. Thomas E. Walsh, C.S.C., then president of the University. Through the years the recipients of the Laetare Medal have been selected by an award committee headed by the president of Notre Dame.

Generally regarded as the most significant annual award conferred upon Catholics in the United States, the Laetare Medal consists of a solid gold disc suspended from a gold bar bearing the inscription, "Laetare Medal." Inscribed in a border around the disc are the words, "Magna est veritas et prevalebit" (Truth is mighty and will prevail). The center design of the medal and the inscription on the reverse side are fashioned according to the profession of the recipient.

"CAL POLY"

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

Mr. TALCOTT. Mr. Speaker, not all campuses have permitted academic freedom to deteriorate into chaos. Not all students have abandoned their quest for knowledge. Most students have maintained their emotionalism, their pacifism, their idealism—all the while respecting themselves, their schools, their system, their heritage.

Most students have formed goals and serious objectives. Most students know the value of a college education, they realize that time speeds along, and they do not want to waste their educational opportunities.

Most students are not selfish and they demand the same freedoms and opportunities for their peers as well as for themselves.

For years the community of San Luis Obispo has been proud of California Polytechnic. For years "Cal Poly" has grown and excelled. Thousands of student applicants must be turned away each year.

Robert E. Kennedy, president of Cal Poly, has given the college competent, understanding leadership, and administration. The faculty, administration, student body, and community have demonstrated that solid education, good citizenship, and progress can go hand in hand.

Two recent, but completely unrelated, columnists have written about Cal Poly. Every student, faculty member and administrator could profit by studying the example of Cal Poly at San Luis Obispo.

I recommend the column of William R. Hearst, a well-known and respected observer and reporter of the current societal scene. The column of Dick Crow indicates that a casual observer reached similar conclusions.

I am proud of the administration of President Robert Kennedy, his faculty, and administrators. His students and the community have responded with idealism, but maturity; with a keen desire to obtain their education, but also a respect for others.

Mr. Speaker, I insert these columns in the RECORD at this point:

[From the San Francisco Examiner, May 10, 1970]

A CONFRONTATION ON ONE CAMPUS

(By William Randolph Hearst Jr.)

SAN SIMEON.—In this week when student war protests were erupting at what hopefully will be the peak of such turmoil, my favorite weekly columnist (and I hope yours) had a highly instructive campus experience of his own. I think it definitely deserves retelling here.

It so happened that long before the news about Cambodia exploded an invitation was extended and accepted by me to address an audience on May 6 at California State Polytechnic College, in nearby San Luis Obispo. I showed up on schedule last Wednesday—with more than a little feeling of trepidation.

As a fairly well known supporter of President Nixon's war policies, I figured I was in for a tough time. At the very least I expected to catch some catcalls and heckling from some of the several hundred students and faculty members waiting to hear me.

By way of background it should be noted here that Cal Poly, as it is generally called, has a remarkable achievement record. Only five years ago it was a relatively small college with an enrollment of about 5000 whose big extra curricular interest was in the spectacular rodeos staged by the school.

Today it is a full-fledged state institution with an enrollment of nearly 12,000. Its faculty and staff number more than 1400. It has schools of agriculture, architecture, journalism, applied arts, applied science, engineering and business, among others.

Unlike so many other colleges and universities, the whole academic emphasis is on preparing students for specific practical careers upon graduation. The students begin majoring in the subject of their choice as freshmen, rather than as juniors, and have very few opportunities to take what are known elsewhere as elective snap courses in various theories.

This is important, as I hope to show here later. For the moment, try picturing me facing that sea of young faces and wondering what the reaction would be when I started defending a military decision which had caused so much student violence elsewhere.

My informal speech was on world affairs. It was impossible to avoid the controversial issue of recent events in Southeast Asia. So practically at the outset I waded right in with my fingers crossed.

There is no need to go into much detail on what was said. My views were pretty well outlined in this space last Sunday and most of

what I said simply elaborated on that column.

One thing that was made fully clear was my sense of shock, and even amazement, at how many Americans and some of our friends abroad had reacted so critically to President Nixon's decision on Cambodia.

Instantly—from the doves in Congress to the editorial pages of our left of center press—the howl went up that the President was willfully and unilaterally expanding the war. That we were invading a sovereign nation. That a terrible and costly blunder had been made.

What seemed almost incredible to me was that so much of the criticism was a literal echo of the condemnations which came from Moscow, Peking and Hanoi. Even more discouraging was the spectacle of college presidents giving their blessing to student protest strikes.

To me it was—and continues to be—simply astonishing. Not one of the liberal voices sounding off in Congress and elsewhere made a peep of protest when it was revealed last month that 40,000 Communist troops had invaded Cambodia and were threatening to capture its capital city.

Not one of the voices that I can remember ever said a word about the long-standing Communist violations of Cambodia's neutrality and independence along the southern section of the Ho Chi Minh trail.

And very few gave the slightest serious consideration to President Nixon's explanation—that he acted to save Cambodia from imminent Red conquest and the need to safeguard his plan to withdraw American combat troops from South Vietnam.

The explanation was virtually ignored. It was as though the protestors were deaf to any explanation; as though they had just been waiting and biding their time for an excuse to renew their attacks on the Vietnam war.

The above were some of the thoughts I gave to my audience. When no boos or catcalls developed, my fingers came uncrossed and I gave them some more.

No matter how you look at it, I said, Vietnam is a bloody mess and there is no question that we miscalculated the tenacity of the enemy in waging a war our forces were never permitted to win. At the root of today's national unrest is frustration over not having the war over and done with by now.

All the same, it was pointed out, Cambodia had become nothing but a sideways DMZ zone. The Communists had dug in there and were using it as an advanced headquarters in which to store their supplies and launch what could easily be an encircling attack on our men in South Vietnam.

When the Reds began their attempted takeover of the whole country, President Nixon—in the interests of protecting our fighting men—had literally no other military alternative but to break up the enemy emplacements.

Not to have done so would have meant the loss of time needed to complete our Vietnamization of the war. Far worse, it would have left our withdrawing forces wide open to a looming disaster.

I asked by audience to compare the frustration it felt with the frustration of our military leaders, who have never been permitted to wage a decisive war. I asked a further comparison with the frustration undergone in Paris by our negotiators whose many concessions have not resulted in the slightest change of position by the enemy.

And I wound up by noting that some of the more virulent war critics had even mentioned the possibility of trying to impeach the President for his decision on Cambodia.

Suppose you had a brother or a father over there in Vietnam I asked, and he got a bullet in the back from encircling troops based in Cambodia at a time when every effort was being made to bring him home?

If that were to happen—and that's what the Communists were threatening for large numbers of our men—then you can bet your own sweet life there would be an impeachment for real.

So that was the speech. All through it the kids sat attentive and obviously interested. They laughed at my few attempts at humor, applauded in gratifying fashion when I finished, later gathered around to ask many specific questions.

I want to take this opportunity to personally thank the student body for its courtesy in hearing me out and for making academic freedom a living truth.

It was hard to believe that even at that time hundreds of other college campuses were either shut down or in utter disorder because of student anti-war demonstrations. Were these a special breed?

Robert E. Kennedy, the president of Cal Poly, and Dale W. Andrews, its academic vice president, offered some explanations which made me conclude that their students in fact are much different from the hell raisers.

They assured me there were many in my audience who also felt strongly against the war. Disorder and the shouting down of unwanted opinions, however, are not the rule of life at Cal Poly.

There, all points of view are examined and discussed in an atmosphere of true academic freedom.

The stress on practical education for future employment is so dominant that the first thing you see when entering the college is its job placement bureau.

There is more to it than that, of course. Obviously the spirit which prevails at Cal Poly is also the result of teaching by a staff dedicated to the job of providing such an education.

There is a real object lesson here.

Last Wednesday, just a few miles to the north and south of me, the campuses at Santa Barbara, Berkeley, San Francisco and San Jose were erupting in violence or threatening to erupt. The situation was, in fact, so serious that Governor Reagan wisely ordered a four-day closing of all public colleges and universities in the state.

Who has filled the heads of those students with the ideas which steam them up and cause them so violently to attack their own country, its institutions and leaders?

It's a good question—and part of the answer lies in the fact that too many of our institutions of higher learning are infested with radically minded professors and courses with no constructive purpose.

I am convinced that most college students have too little to do, too few academic challenges from courses that train them for specific careers—especially in their freshmen and sophomore years.

It is high time the system got a top to bottom overhauling.

With Cal Poly as the model.

[From the Western Livestock Journal, May 14, 1970]

COMMENTS

(By Dick Crow)

Starting out into the country looking at livestock can lead a reporter into some pretty interesting situations. Like when we drove to the entrance at Cal Poly's San Luis Obispo campus along central California's coast. We knew, of course, that all the college and university campuses were closed due to campus unrest, but we sort of figured the "off limits" order wouldn't apply to bull lookers. All we wanted to do was look at the test bulls, but the deputy acted at first as if we were strangers and he and four other deputies had been patrolling the 5000 acre campus the past 24 hours to see that no strangers were allowed to enter the campus.

We identified ourself to the guard and explained that about the most radical thing we'd ever done was maybe change the front page makeup on Western Livestock Journal. He turned out to be a subscriber and said to me and my friend as he swung open the gate, "Dick, don't you and your friend keep those bulls waiting."

What we found was that a lot of mighty interesting things besides bull gain testing has been going on at this friendly little country college by the Pacific. Cal Poly's President Bob Kennedy might not like us making such a casual reference to his institution, but as far as we're concerned it is a country college—and better for it. I don't happen to know Dr. Kennedy but I sure do admire him, and I'm going to tell you why.

When a couple of foreign students provoked a campus incident by decrying "U.S. Imperialism," President Kennedy didn't start mouthing platitudes about academic freedom. The two students were promptly arrested. Then President Kennedy spoke up decisively and clearly.

"Radical students at other campuses are threatening to create serious trouble at our campus," he said. He told his faculty and students, "You need to know what threats have been made . . . so that you can avoid being drawn into a situation which has been contrived by outside radicals as a basis for confrontation and possible violence and arson. I shall not be intimidated by threats, and certainly shall not be intimidated into setting aside a democratically developed 'due process' procedure because radicals prefer a state of anarchy for our campuses."

Dr. Kennedy figured that the two "guest" students who created the problem were really given a break when they were released without bail following their arrest.

When they came before the campus hearing board, some pretty capable Cal Poly lettermen turned up at the doors to keep things cool and strangers out of the meeting. If the outsiders came they didn't get in—due to Dr. Kennedy's old-fashioned backbone and common sense. We can all be very proud of Cal Poly's president, faculty and student body. Oh! and the bulls were doing just fine.

A VOICE IN CONGRESS FOR THE DISTRICT OF COLUMBIA

The SPEAKER pro tempore (Mr. DADDARIO). Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 10 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, I think a move is long, long overdue to give 850,000 "forgotten Americans" in the Nation's Capital their just rights as citizens to vote and to have a voice in Congress.

I believe this issue is of national importance. I want especially to commend the League of Women Voters for taking up the neglected cause of the residents of the District of Columbia. We have talked too long, without acting, in their behalf. Now we must act.

Mr. Speaker, let us each remember that another voiceless people, those of the thirteen original American colonies, fought a revolution on the issue of "taxation without representation."

I am proud to have joined in the 90th Congress in a bill to give the people of the District the basic rights of citizenship. As a member of the Government Operations Committee, I also voted, both in committee and on the floor, for the transitional step—the reorganization plan of 1967—which gave Washington

its appointed mayor and city council and the rudimentary elements of self-government. This transitional phase has been a success despite the crises which afflict all cities of this Nation.

I believe the District of Columbia has performed well in taking on the reins of self-government. Thus, I see no reason not to bring the process of self-government to its effective fruition. This includes the right to elect their own government officials and representatives in Congress.

I believe that the vital issue of the rights of District residents must be considered above partisanship or other excuses for inaction. We would surely never, for any reason, support the disenfranchisement of the citizens of New York, Seattle, Denver, Nashville, or Atlanta, or any part of the body politic. Since we believe in the Bill of Rights as embodied in the Constitution of the United States, then I think, as a mature nation, we must insure that these rights apply to every citizen.

The District's problems, the problems of population growth, race relations, inadequate transportation, an inflated economy, and so forth, are no different than elsewhere. Yet, the people have no Congressman to turn to to resolve their personal problems, while the city officials have no recourse except to turn for help to a busy Congress which is concerned with the problems of a nation and the world. It is hardly appropriate for Congress to be concerned with city management, with sewer lines and water main construction, or with the problem of potholes in Washington streets. It is a grave injustice that one city alone, in a nation of 200 million people, should be denied the right to direct its own affairs.

District citizens cannot even get passes to the House gallery to see this distinguished body in session because they have no Congressman. I suggest that this is also an injustice. Where do they turn for consultation and help regarding their personal problems which involve social security, veterans' benefits, and numerous other matters?

While I believe that the Congress cares about the needs of the people of the District of Columbia, it is understandable that each Member should give the most attention to his own district, and lesser attention to the District of Columbia where we have the lesser responsibility. Yet, this lack of real representation is patently unfair.

If the citizens of the District of Columbia deserve to be represented, Mr. Speaker, I personally believe that they deserve full representation in the Congress and the full rights and privileges of self-government to which all other American taxpayers are entitled.

I urge the Congress to act now to grant them these rights.

A TRIBUTE TO HATFIELD, MASS.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. CONTE) is recognized for 10 minutes.

Mr. CONTE. Mr. Speaker, I wish that my colleagues and I had the time to enjoy a leisurely trip up to the beautiful and historic Connecticut River Valley. Our journey would take us through Hampshire County, in my own congressional district, on to the town of Hatfield, Mass. Hatfield is a small town in population but its dynamic citizens have from the beginning portrayed that rugged character, fortitude, and sense of community responsibility that typified the pioneering and revolutionary spirit; moreover, its citizens have made extraordinary contributions in the fields of education, public health and national service for a community of this size. This month, Mr. Speaker, the people of Hatfield are celebrating the 300th anniversary of the incorporation of their town, and since all of my colleagues will not be able to attend the festivities, I would like to take time to review briefly the highlights of the town's long and most interesting history which gives it just cause for celebration.

Hatfield was one of several towns in central Massachusetts which was settled in the mid-17th century by pioneers from the eastern part of the State who looked west for the possibility of greater political and religious freedom. In her excellent history of Hatfield, Dorothy Breor described Hatfield as emerging from the settlement of Hadley on the land lying between Mill River and Great Pond. This area was first settled in 1659 and purchased from the Norwottuck Indians the following year for 300 fathoms of wampum. Chief Umpanchala, who signed the deed, reserved, however, the right for his tribesmen to hunt, fish, cut timber, and build wigwams on the land. The first meeting house was built in 1668, and in May of 1670 the general court granted the town the right to incorporate.

These early years were difficult ones for the pioneers. In 1675 the Indian tribes on the frontier banded together under the leadership of King Philip. On October 19, Hatfield was attacked. Troops under Captains Mosely and Poole repelled the attack, but there were losses. The people of Hatfield responded by building a stockade, which aided them in repelling other raids. The attacks remained, however, a serious menace, and in 1676 the local forces took the offensive under Captain Turner. They destroyed the Indian camp, but on their return were ambushed. Captain Turner and 38 of his men were killed, and the Indians, 300 strong, plundered Hatfield; the town was only saved by reinforcements from Hadley.

That year, however, King Philip was killed, and peace soon followed. The next year this peace was shattered by a surprise attack in which several people were killed, and seventeen women and children were taken captive. Among those captured were the families of Benjamin Waite and Stephen Jennings. These two courageous pioneers set out for Canada that October and marched all the way to Quebec where they were able to recover their families by paying a two hundred pound ransom. They returned to Hatfield the following spring. Benjamin Waite and Stephen Jennings will long stand out as the kind of men Hatfield can be proud of and as examples of the courage and heroism of the early pioneers.

I might add that among those captives who were taken to Canada and brought back to Hatfield by Benjamin Waite and Stephen Jennings was a little girl by the name of Sarah Coleman. She later married a man by the name of John Field, and among her descendents would be a justice of the Supreme Court, Stephen J. Field; the first man to establish telegraphic communications across an ocean, Cyrus W. Field; and one of the great businessmen of this country, Marshall W. Field. Moreover, Benjamin Waite's daughter was the mother of the Smith family, whose contributions to charity funds I will return to later.

The courage that the people of Hatfield demonstrated in the Indian wars and the sacrifices that they made have been repeated throughout our history. In June of 1776, the citizens of Hatfield voted in a town meeting to defend the colonies. During the revolution, 125 Hatfield men joined the Continental forces. They fought at Bunker Hill, and the people at home supplied beef, clothing and ammunition. After the Battle of Saratoga, the Hubbard Tavern, on the corner of Elm and Prospect Streets, was used to lodge officers.

In the Civil war 110 Hatfield men went to war, and 24 gave their lives. Others served in the First World War, and in the Second World War 338 young men and women served in the Armed Forces—13 of them lost their lives. The town has also suffered through and recovered from the great Connecticut River flood in 1927 and a terrible hurricane in 1938. In each of these trials the spirit of Benjamin Waite and Stephen Jennings, their courage, and fortitude, has been demonstrated again and again.

Mr. Speaker, I mentioned earlier that one of Benjamin Waite's daughters, who he rescued from the Indians, became the mother of the Smith family in Hatfield, which has made extraordinary contributions in the fields of education, public health and charity.

Sophia Smith provided the money in her will to found Smith College in Northampton. The college was chartered in 1871 and is presently the largest privately endowed private women's college in the world. She also provided the funds for Smith Academy, which was opened in 1872 and is now a high school. And it was Oliver Smith who left the money in his will that started Smith Agricultural and Vocational School and the Smith charity funds.

Another contribution in the field of education by a citizen of Hatfield was made by Col. Ephram Williams who died defending Fort Massachusetts in the last of the French and Indian Wars. In his will Colonel Williams provided for a men's college to be built to the west of Fort Masschusetts. In 1793 Williams College was founded in the town of Williamstown, Mass.

In addition, Elisha Williams, the third president of Yale, and Jonathan Dickinson, the first president of Princeton, were both born in Hatfield.

Today, Hatfield is a growing community that is slowly undergoing changes. The population, rising rapidly

in recent years, is now up to about 2,800. Agriculture has been historically the main industry in Hatfield, and shade-grown tobacco was the major crop. Today, potato farming has also become a major occupation, and it provides the livelihood for many of Hatfield's citizens.

In recent years, however, the variety of occupations and jobs available in Hatfield has broadened. One reason for this is that Hatfield is beginning to attract more businesses. The Porter-McLeod Machine Power Tool Co. has been there for many years, but recently it has been joined by the Multicolor Corp. which manufactures wallpaper.

Another factor in Hatfield's growth is the recent upsurge in homebuilding that the town has experienced. Land has become more valuable for residential use because many people who work in nearby cities or teach in nearby colleges have found Hatfield to be a very attractive place to live in and bring up children.

The people of Hatfield are proud of their growth. At the same time, however, they are determined not to let the traditions of their town be forgotten or let the beauty of Hatfield be destroyed. Hatfield's future looks bright, and its proud New England heritage will serve it well in the years to come.

This is only a brief history of Hatfield, Mr. Speaker. But I think that you can begin to appreciate the richness of this town's heritage and the importance of its contributions and sacrifices. I certainly wish that we could be there this week to celebrate this occasion, but I am sure that I can pass on to the people of Hatfield the sincere congratulations and best wishes of the Members of this House.

I have included the following schedule of events for those who may care to attend the festivities:

SCHEDULE OF EVENTS—1970

May 22—P.M. Tercentenary Ball, Selection of Tercentenary Queen, Memorial Town Hall.

June 14—P.M. Flag Day Exercises, Northampton Lodge of Elks.

June 21—A.M. Church Services.

P.M. Firemen's Muster, sponsored by Hatfield Firemen's Association.

June 22—P.M. Choral Concert, Hampshire Choral Society, Memorial Town Hall.

June 23—Open.

June 24—P.M. Barbershop Quartet Singing, Pioneer Valley Chorus (S.P.E.B.S.Q.S.A.).

June 25—P.M. Pageant, Rear of Junior High School.

June 26—P.M. Smith Academy Reunion.

June 27—A.M. Sports Day, Athletic Field.

3 P.M. Commemorative Exercises.

P.M. Block Dance, Campus of Elementary School, sponsored by Hatfield Firemen's Association.

June 28—1:30 P.M. Tercentenary Parade.

June 25–27—Arts and Crafts Exhibit.

June 21–28—Museum, Dickinson Memorial Hall, Exhibits of Hatfield Memorabilia, sponsored by Hatfield Book Club.

June 21–28—Former Shattuck Gun Shop (Old Mill) open to the Public, Antiques.

October 11–18—First Congregational Church, 300th Anniversary events.

October—Combined Smith and Williams Colleges Concert sponsored by Smith College.

QUESTIONS FOR THE COMMISSION ON CIVIL RIGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 10 minutes.

Mr. GONZALEZ. Mr. Speaker, it is the duty and the obligation of Government to inform itself of injustice, and to seek ways and means of redressing just grievances. Because it is a fact that large numbers of our citizens are denied full and free access to the liberties most citizens take for granted, simply because these luckless ones are poor or ignorant or members of some ethnic minority, this Congress established the U.S. Commission on Civil Rights to investigate these grievances and assist in resolving them.

But the high expectations that I had for the Commission on Civil Rights reached a sad decline when I observed the operation of the Commission at close range. I do not know if the performance of the Commission in its San Antonio hearings in December 1968 is typical of that body's operations. I hope not, because if that performance is typical, the value of the whole operation is very much open to question.

I remember that the Committee on Un-American Activities used to be pilloried because it paid witnesses. But the same can be said of the Commission on Civil Rights, and I do not believe that if there is guilt on the one hand the same facts would lead to a conclusion of innocence on the other.

It is a fact that the Commission on Civil Rights hired a number of experts and consultants to help it prepare for its San Antonio hearings. A number of those same people who helped set up the hearings later appeared as witnesses before that hearing, but the Commission never identified these people as employees or former employees of the Commission. The hearings also heard from paid expert witnesses, who were paid consulting fees for their work in testifying, but these were not identified as paid witnesses at the hearing.

Mr. Speaker, there is a difference between a person who testifies out of his own motivation and a person who is paid to prepare testimony. There is a difference between being an employee one week and a witness the next. That difference is the same difference between an honest deal and a stacked deck.

I do not believe that the Commission on Civil Rights has any more right to stack the deck at its hearings, by direction or by indirection, than does any other agency of this Government.

I will make available to the House full details of this matter at a later date. For the moment, however, I ask you to read the account of this odd Commission practice as it appeared in the San Antonio Express and News last Saturday.

I stated at the time of the hearings that the Commission on Civil Rights had stacked the hearings, and that its report could have been written without having gone to the trouble of conducting hearings. I did not know at the time how right I was.

[From the San Antonio (Tex.) Express and News, May 23, 1970]

WITNESSES WERE PAID

(By Kemper Diehl)

A group of key witnesses who appeared at the U.S. Commission on Civil Rights hearings in San Antonio on Dec. 9–14, 1968, performed extensive services for the commission prior to the hearings for which they were paid amounts ranging from $50 to $75 a day, U.S. Rep. Henry B. Gonzales disclosed Friday.

Among those who received substantial payments for services were Rev. Ralph H. Ruiz, who gained nationwide headlines with an attack on FBI agents in his testimony, and Rev. Ed Krueger, formerly in the Valley Ministry of the Texas Council of Churches, who charged Texas Rangers with brutal treatment of striking farm workers there.

Ruiz was paid $525 for seven days work, according to a commission report, and Krueger received $350 for a similar number of days.

Largest sum paid to a South Texas witness for services prior to the hearings went to Mike V. Gonzales, Del Rio attorney, who criticized the administration of justice in cases involving Mexican-Americans. He received $1,575 for 21 days work.

Others receiving fees as consultants or experts included Erasmo Andrade, recently defeated in a Democratic primary race against State Sen. Wayne Connally. He was paid $350 for seven days work.

Andrade was not a witness.

Raul Valdez, director of the Guadalupe Community Center, was paid $250 for five days work, but was not a witness. He was reported by the commission to have provided the commission with contacts with young people in San Antonio.

A more recent recipient of Civil Rights Commission funds was Edward L. Holmes, recently defeated in a Democratic primary race for the legislature. He was paid $625 for 12½ days work during the 1970 fiscal year.

Rep. Gonzales took note of the explanation by the U.S. Commission on Civil Rights that it is not permitted under the law to "utilize the resources of voluntary or uncompensated personnel . . ."

But he took issue with the failure of the commission to identify witnesses who had been employed prior to the hearing.

"This bears out what I said at the time," declared Gonzales, who had been critical of the selection of witnesses by commission staffers. "I knew it was a hand-picked and pre-directed affair."

Gonzales noted that the commission had engaged two witnesses in the role of paid, expert witnesses. These were Jack Forbes, Berkeley, Calif., who described Mexican-Americans as a "conquered" population, and Alex Mercure of Albuquerque, N.M. The congressman observed:

"There is, of course, nothing wrong with hiring consultants and expert witnesses. But it seems a startling oversight that these persons were not identified as paid experts at the hearings."

Gonzales released a report by the commission which described duties performed by various consultants in fiscal 1969.

Of Ruiz, it related:

"Assisted in the preparation of the San Antonio hearing. Through his work as a priest in the Mexican-American area of San Antonio, he provided commission staff members with many contacts with potential witnesses."

Krueger was described as having assisted in preparations for the hearings. The report related: "His intimate knowledge and widespread connections in the Lower Rio Grande Valley were helpful to commission attorneys in their investigations and interviews of appropriate witnesses."

Mike Gonzales was said to have helped in hearing preparations with "a great deal of information and a number of contacts knowledgeable in the areas of education and the administration of justice."

Of Andrade's services, the commission reported:

"Provided consultant services to the Office of General Counsel in connection with preparation for the San Antonio hearing. Through his familiarity with many com-

munity groups in San Antonio he introduced commission attorneys to persons knowledgeable with respect to hearing issues."

Edwin Gaida of San Antonio was listed as receiving $1,275 for 17 days of work as a photographer for the commission. Several other San Antonians were listed as working either in Fiscal 1969 or Fiscal 1970 as consultants, but their duties were not described. There included Peter F. Nabekov, four days for $240; Edwin J. Stanfield, 10 days for $500; Jose V. Uriegas, seven days for $350; and Richard J. Bela, 49 days in Fiscal 70, for $3,675.

IS OEP CAPABLE OF REACTING TO THREATS TO THE NATIONAL SECURITY?—MINIATURE BEARINGS ARE VITAL

(Mr. CLEVELAND asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CLEVELAND. Mr. Speaker, the Ways and Means Committee opened hearings last week to consider all the pending trade bills, including H.R. 16920. This bill establishes a mechanism to limit the importation of textiles and leather footwear in the event the President is unable to reach a negotiated agreement with foreign-supplying countries. In addition, this bill amends the Trade Expansion Act of 1962 to liberalize the "escape clause" and adjustment assistance for firms and workers injured by increased imports.

I have cosponsored H.R. 16920 because of the apparent reluctance of foreign suppliers, particularly Japanese, to reach any agreement on textiles or leather footwear to establish a fair and orderly trade in these articles. In taking this position, I do not oppose an expansion of trade or the principles of free trade, but do insist that it be fair trade. Our marketplace must not serve as an unlimited dumping ground for foreign mills and factories in countries which do not have the enlightened labor legislation which we enjoy. I personally have long urged that by a system of differential tariffs we could, and should, encourage such countries to improve their working conditions and raise their standards of living.

The closing of shoe or textile plants in my district has already destroyed many job opportunities. Even worse, it has created unemployment among many people who are least able to recover—those whose ages or skills often prevent them from being otherwise employed or retrained.

While I am greatly concerned over the present lost job opportunities in textiles and leather footwear, I am also deeply troubled that the National security of all Americans is threatened by the inaction of the Office of Emergency Preparedness in adjusting the importation of miniature and instrument precision ball bearings.

AMENDMENTS TO TRADE ACT

I introduced last week an amendment to the Trade Expansion Act of 1962, which provides for the substitution of the Secretary of Defense for the Director of the Office of Emergency Preparedness in section 232 of the Trade Expansion Act of 1962, the "National Security Amendment." Incorporation of this amendment in 16920 will, in no way, add to or subtract from the initial scope of this bill; but instead will more clearly insure the preservation of our national security and mobilization readiness as they are affected by conditions of foreign trade. My remarks will illustrate this point.

Subsection (b) of section 232 states that:

> Upon the request af the head of any department or agency, upon application of an interested party, or upon his own motion, the Director of the Office of Emergency Planning shall immediately make an appropriate investigation in the course of which he shall seek information and advice from other appropriate departments and agencies, to determine the effects on the National security of imports of the article which is the subject of such request, application or motion.

My own observation of the conduct of the OEP, in the miniature and instrument bearing investigation which I followed closely, is that the Director of the OEP has not conducted an investigation—instead he has, at the very most, caused an investigation to occur; he has had no sense of the immediate; demonstrated no initiative; and, in fact, has paid nothing but lip service to the intent of section 232. A review of previous investigations by the OEP, together with the circumstances of the miniature and instrument bearing investigation will demonstrate the reasons for my concern and the resulting amendment.

RESIDUAL OIL STANDS ALONE

A total of 29 basic industries have filed applications with the OEP on the basis that competing imports represented a threat to national security. These have included such products as fluorospar, watches, residual oil, rifles, cobalt, tungsten, steam turbine generators, and antifriction bearings. It is interesting to note that the average time required for the OEP to arrive at a negative finding, insofar as the petitioner is concerned, is approximately 2 years. I do note that one case, involving textiles, has been under investigation since 1961. The fact that the Congress is now considering textile import legislation hardly speaks well for the role of the OEP in this matter. In many cases petitioners eventually become physically or financially exhausted and withdraw their request for investigation—that is, the bureaucracy has managed to outlast them.

On only one occasion has the Office of Emergency Preparedness managed to come through to prevent a threat to our national security. An application filed on January 22, 1959, requested an affirmative decision involving residual oil. Immediately prior to this, Lyndon Johnson and Robert Kerr in the Senate and Sam Rayburn in the House passed resolutions defining the limit of imports which would impair the national security. Strangely enough, the OEP made a positive finding for the oil producers within only 36 days. One might be forgiven for suspecting that factors other than our national security entered into this finding. Indeed, my own recent experience would indicate that national security matters are the last items to be considered in any investigation processed by the OEP.

OEP INVESTIGATION—MINIATURE AND INSTRUMENT BEARINGS

Two small companies in my district, New Hampshire Ball Bearings, Inc., of Peterborough, and MPB Corp. of Keene, currently produce 90 percent of the miniature ball bearings manufactured in this country. It is not my intent to get into a detailed description of the merits of their case—suffice it to say that the performance of every ship, missile, airplane, tank, and nuclear device in our defense arsenal and every vehicle in the space program is dependent upon the performance and availability of these bearings.

Additionally, the production of these bearings represents a highly specialized manufacturing capability not immediately available in other segments of the metalworking industry. Over the last few years these two manufacturers have found themselves in increasingly hopeless competition with lower priced imports from Japan. But, mind you—and I hope free traders will note this well—they cannot sell in the only important foreign market, that is Eastern Europe.

Fully believing the language of the Trade Expansion Act of 1962, these two companies through their trade association, the Anti-Friction Bearing Manufacturers Association, filed an application with the OEP on January 31, 1969. Since March of that year they have borne the entire personnel and financial burden of pursuing this application with, by, through and around the OEP. To say the very least, it has been an educational and discouraging experience for all concerned.

As best I can determine, the initial investigation by a minor bureaucrat in the OEP who sent copies of the industry's application to "interested Government agencies" that is, those agencies who could comment on the allegations and statements made in the application. The OEP's role in this procedure, from all evidence available to me, consisted of placing a copy of the application in a manila envelope, writing a cover letter and sending the package to, let us say, the Department of Commerce. You might say they punted on first down.

NATIONAL SECURITY VERSUS INTERNATIONAL COURTESY

At the same time, further copies of the application were circulated to the foreign producers cited as those whose imported product was impairing the national security. Replies were, in time, received from German, Swiss and Japanese firms. It is interesting to note that the Japanese were able to comfortably obtain a 30-day extension beyond the time normally allowed to prepare their "rebuttal" to the application of the domestic industry. In retrospect, this provided me with my first inkling that "emergency planning" was somewhat of a misnomer, and that national security could take second place to international courtesy.

On May 1, 1969, the domestic producers waived the right to file further comment upon the Japanese, German and Swiss submittals. These rights of rebuttal were waived at the suggestion of the Director of the Office of Emer-

gency Preparedness. At the time we were under the impression that this would help insure speedy resolution of this investigation.

A notice in the Federal Register on May 17, 1969, by the Director of the OEP gave formal notice of this waiver and further stated:

I hereby find that National security interests require that this investigation be concluded as promtply as feasible, and hereby give notice that any rebuttal or other material which any party proposes to submit in connection with this investigation should be submitted within 15 days after the date of publication of this notice in the Federal Register. The file in this investigation will be closed as of that date.

It is interesting to note that on May 30, 2 days before the file was "closed," the Japanese submitted further data.

During the June 1969–January 1970 period, members of industry continually contacted the OEP with a view toward determining the arrival time of the responses due to OEP from the Departments of Labor, Commerce, Defense, NASA, et cetera. Each time such a request for information was made, industry was told that the OEP had no real authority and could only "urge" prompt responses from other agencies. In short, it would appear that the ability of this particular agency to perform under "emergency" conditions would be primarily confined to a wringing of hands.

It is also interesting to note that at no time during the last 6 months of 1969 did a member of this agency publicly contact the applicants with a view toward further data clarification or with a thought of doing any of its own investigative work.

OTHER AGENCIES CARRY THE BALL

Reports were finally received by the OEP from agencies such as DOD, Commerce and Labor only as the result of the interest and dedication of a few appointive officials—notably Deputy Secretary of Defense, David Packard; Assistant Secretary of Commerce for Domestic and International Business, Kenneth N. Davis; and Deputy Under Secretary of Labor for International Affairs, George H. Hildebrand. Without their abilities and enthusiasm and without the continued efforts of the applicants, it is doubtful that the OEP would yet have responses to this "emergency" situation.

The conduct of the OEP after the arrival of these various agency responses has been even more curious and discouraging. I am aware that the Departments of Labor and Commerce were asked in January and February, 1970, to reply to questions raised by a double-dealing, domestic producer-importer in July of 1969—these questions having been originally introduced 6 months prior to the submittal of agency responses. Why were these questions not brought to the attention of the agencies at the time of their original introduction?

I am also aware of additional information solicited by the Office of Emergency Preparedness from the Japanese in January 1970, concerning facts in issue in the investigation, without notice and opportunity for all parties to participate.

The description of facts contained in the submittal on behalf of the Japanese Bearing Industrial Association wholly related to labor skills required to produce miniature and instrument ball bearings in the high precision grades. Certainly factual examinations of the training time of workers to produce miniature and instrument bearings; additional training to upgrade labor skills; and the function in the manufacturing process which requires skilled labor should be a matter of public record in this section 232 investigation, subject to notice and opportunity for participation by all parties. This would appear to be a violation of the Administrative Procedures Act of 1965, or at the very least, of the administrative policies of the act. It also raises questions about the advice of the Director of the OEP to the domestic industry to waive its rights for a rebuttal in May of 1969 and the closing of the record. An expeditious and prompt finding in this investigation seems as far away now as it did a year ago.

In short, I have every reason to believe that the OEP, insofar as it relates to section 232 of the Trade Expansion Act of 1962, exists only as a placebo for American industry and was never intended to function in the role of an investigative or dicisionmaking agency. Its sole role after 15 months of investigating the effects of imports of miniature and instrument precision ball bearings has been to solicit and obtain information, but neither to interpret nor digest nor form an opinion.

GIVE RESPONSIBILITY TO DOD

Having found itself with favorable agency reports, finally, the OEP has gone to the foreign producers, and/or Government agencies, with questions obviously designed to postpone the day when a decision must be made. I submit that in circumstances where the national security of the country is at stake, that an office having such a poor track record should not be entrusted to play a vital role. I further submit that the Department of Defense, whose mission is clearly demonstrable, is better qualified to make such findings—that is, "Do the imports of a particular commodity threaten to impair the country's national security?" In the final analysis, the incentive to make such a finding promptly is considered more consistent with the role and ultimate responsibility of the DOD than with the Office of Emergency Preparedness. From the record I have seen, the OEP is best left with its floods and fires.

KANSAS COMMUNITY PRIDE PROGRAM

(Mr. MIZE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIZE. Mr. Speaker, most Americans take pride in their work, their families, their communities, and their Nation. It is an American characteristic of first importance—prompted by our free enterprise system, our diverse opportunities for individual expression and accomplishment and our collective efforts, both public and private, to improve the quality of life for all citizens.

For Kansans concerned about the conditions of their communities, the term "pride" has taken on new meaning and significance. Communities throughout the State, with the initiative of local leaders, will soon undertake the challenging Kansas community PRIDE program.

PRIDE is an acronym for programing resources with initiative for development effectiveness. It is an effort, coordinated by the Kansas Department of Economic Development and the Kansas State University's cooperative extension service, to draw the entire State together through an overall resource development emphasis. The program should encourage all Kansas communities, regardless of size, to compare themselves with others, compete for statewide recognition, and earn cash achievement awards.

COMMUNITY AWARENESS PHASE

PRIDE begins with a far-reaching Community Awareness Phase. Through the initiative of civic-action clubs, chambers of commerce, or newly organized development groups, communities will undertake local self-study, evaluate their assets on the basis of established criteria, and consider alternative ways to achieve local improvements.

The K-State cooperative extension service will provide educational liaison as needed.

COMMUNITY ACTION PHASE

The Community Action Phase provides an opportunity for communities to take positive steps to correct shortcomings which come to light during the awareness phase.

Blue-ribbon recognition will be awarded to communities which meet high standards of excellence in particular categories. As accomplishments are evaluated by outside judges, and recognized, the communities will be awarded a blue ribbon to display on signs at the entrances of the towns.

Community Action will be evaluated in the following areas:

Community planning, including community-county cooperation and zoning.

Economic development, including agriculture, agribusiness, and industrial development.

Community services, including health, fire and police protection.

Utilities evaluation, particularly water, sewage, street-lighting, solid-waste disposal and pollution control.

Housing, including building codes and financing.

Transportation, especially facilities for accommodation of automobiles and air craft.

Education, including youth and adult education achievement.

Community enrichment, extending to parks and recreation, cultural and tourism attractions.

Mr. Speaker, the PRIDE steering committee will direct the overall program. Thirteen outstanding Kansans have been appointed to the committee—Kansans personally committed to the economic well-being of our State. I know their efforts will be complemented by local leaders everywhere, for Kansans have

traditionally considered the development of attractive and prosperous communities as central to their duties as good citizens.

I congratulate those that have made PRIDE possible, for this imaginative initiative should mean more progress for our State.

TAKE PRIDE IN AMERICA

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's great accomplishments and in so doing renew our faith and confidence in ourselves as individuals and as a nation. The American worker can buy more for his worktime than any other worker in the world. The American cost of living is still the lowest of any economy. An example is the worktime cost of a pound of beef: 182 minutes for the Japanese worker; 150 for the Soviet; 110 minutes for the Frenchman; 70 minutes for the West German; 56 minutes for the Argentinian and 13 minutes for the American worker.

IN SEARCH OF PEACE

(Mr. McCORMACK (at the request of Mr. ALBERT) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McCORMACK. Mr. Speaker, in my remarks I include a well-considered and soundly written editorial appearing in the Catholic Standard, official publication of the archdiocese of Washington, in its issue of May 21, 1970.

Among other observations well stated, the editorial says:

We stand foursquare for world peace and bow to no man or movement in the intensity of our dedication to this desire. But we realize, too, that peace without honor is not peace at all.

Also:

The time has come to throw away the Communist flags and banners and raise our own flag to the top of the pole. It also is time to resolve that whatever decision we follow must give the least possible aid and comfort to our enemies. Only through strength of our own national character can peace be guaranteed.

The editorial follows:

[From the Washington (D.C.) Catholic Standard, May 21, 1970]

IN SEARCH OF PEACE

The volatile nature of the demonstrations on many college campuses and at other places throughout the country makes it obvious that uncontrolled emotionalism is not the answer to the problems we face in Vietnam or anywhere else in the world. To label as "hawks" those who do not give immediate and hysterical support to the demand for immediate withdrawal from Vietnam and Cambodia is not a true expression of the real concerns of most people and only exacerbates the situation.

Most Americans want peace. Most Americans are deeply concerned about the extent of our involvement in Vietnam. But most Americans do not want peace at any price. They know we are engaged in battle with an enemy who is dedicated to the destruction of all the principles we hold essential for freedom. The real question in most minds is whether Vietnam today is the time and place for the confrontation.

The flaunting of Vietcong banners and flags is a direct affront to most loyal Americans regardless of their views on Vietnam. The extolling of the so-called merits of Communist leaders as part of the propaganda campaign against our continued participation in Vietnam is doing nothing less than giving aid and support to our enemies. The American people have exercised a higher degree of tolerance toward this type of activity than can be found in any other country in the world.

Despite the statements of many, including some of our leaders on Capitol Hill, the "establishment" has not reacted with excessive force. Most arrests have been made for criminal activity. In most instances the legal charges have been for misdemeanors. At the same time, property destruction is mounting into many millions of dollars for which no recompense has been demanded from the perpetrators.

More students are killed in traffic accidents each weekend than have been killed in all the violent confrontations. Police, National Guardsmen and others have shown remarkable restraint, on the whole, in the face of the most trying circumstances.

A small minority of Americans, many of whom should know better, have substituted polemic for reason. Their activities have attracted the attention of the action-oriented segment of the communications media. This has created a great deal of confusion and possibly has delayed the resolution of the situation in Vietnam. Some knowingly and others unknowingly have actually encouraged the enemy to refuse to make any compromise in the interest of peace.

Nobody really wants to be drafted to fight in Vietnam. In fact, nobody really wants to be drafted at all. But to destroy ROTC facilities from which a future volunteer army must, in large part, be recruited, runs directly contrary to a major demand of the dissenters.

We stand foursquare for world peace and bow to no man or movement in the intensity of our dedication to this desire. But we realize, too, that peace without honor is not peace at all. All too many will consider no formula for peace other than their own. We are open to any reasonable approach.

As we have said before, we sense that the will of the American people calls for a disengagement in Vietnam. If this is so, we accept it. But this disengagement must be intelligently planned and carried out. The President has committed himself to this proposition. But his plan will succeed only if there is unified support on the part of the people.

The time has come to throw away the Communist flags and banners and raise our own flag to the top of the pole. It also is time to resolve that whatever decision we follow must give the least possible aid and comfort to our enemies. Only through the strength of our own national character can peace be guaranteed.

"Free speech and lawful dissent, yes; disloyalty, no," is the only kind of a motto that makes sense.

PRESIDENT SHOULD CALL NATIONAL CONFERENCE ON INFLATION AND UNEMPLOYMENT

(Mr. ALBERT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ALBERT. Mr. Speaker, the state of our national economy has reached the crisis stage. The high level of prosperity inherited by this administration has been dissipated. The administration by its slavish pursuit of archaic economic policies has foisted on this Nation the first recession since 1961, accompanied by the worst inflation in 20 years. Unemployment is now officially recorded at 4.8 percent. Because of loss of overtime and a reduction in the workweek, loss of employment is actually much greater. In the last 6-month period the gross national product declined sharply from $731 to $724 billion, a sharper drop than in the last recession of 1960–61. This acute economic deterioration was experienced at a time when the cost of living was rising at a fantastic 6.5 percent annual rate.

Orthodox economic theory holds continued escalating unemployment and continued escalating price increases to be mutually exclusive, yet month after month we witness even greater inflation accompanied by rising joblessness. Economic policymakers of this administration have obviously discovered a truly revolutionary economic doctrine, a doctrine which not only permits but apparently promotes simultaneous inflation and recession.

The American workingman's credulity is taxed to the utmost when he is asked to sacrifice his job and livelihood in the name of the same old outdated economic philosophies of the 1950's. His plight is compounded when he is asked, in addition, to pay more for his groceries, his rent, and his clothes, with the wages which he is no longer receiving.

Under these circumstances it is easy to understand that the average worker no longer has confidence in the administration's economic policies. Those in high places in the executive branch, I fear, are prone to forget that unemployment is a matter of humanity, not of statistics. The American workingman is not some laboratory animal to be financially and emotionally dissected in the interest of validating an economic theory of doubtful wisdom. He is first and foremost a human being. When he loses his job and that loss is accompanied by ever mounting costs for those necessities of life which his family requires, he is a tragic figure.

Thanks to New Deal reforms, the unemployed today are not likely to experience the utter economic deprivation which was the lot of their predecessors 40 years ago under President Hoover. Those now unemployed, and those who will certainly join them shortly unless present policies are quickly reversed, are nevertheless going to suffer a sharp reduction in their standard of living.

Of even greater significance is the corrosive effect of unemployment on the human dignity of those experiencing it. Unemployment is morally debilitating. It undermines all of the traditional values, self reliance, pride, optimism, and an unbounded faith in the future which have made us great as a people and as a nation.

The immediate reversal of present economic policies I regard as of the highest national priority.

In order that this country may extricate itself from the economic morass which has befallen us, I urge President Nixon to summon without delay a National Conference on Inflation and Un-

employment. Such a conference should, of course, include the leaders of finance, industry, agriculture, and labor, as well as professional economists. It should also, most certainly, include representatives of the unemployed.

I am convinced that the United States is faced with an economic crisis of major magnitude. I have unbounded faith in this Nation's capacity and the inherent strength of its economy. But I am most pessimistic as to what the continuation of present economic policies portends for our future. I feel that the proposed National Conference on Inflation and Unemployment is of vital necessity if we are to develop the national policies necessary to reverse the inflationary and recessionary trends of the past year. Only thus will we be able to honor this Government's solemn commitment to the American people in the Full Employment Act of 1946, pledging itself to the maintenance of a healthy and viable national economy.

If we honor that commitment this Nation will be able during the coming decade to raise its standards of education, raise its standards of health, raise its standards of housing, eliminate poverty, and accomplish all of those things which I believe all men of good will earnestly desire so as to produce a better life for our fellow men and for posterity. Should we renege on this commitment, however, this country will in the 1970's possess neither the means nor the will to attain that improvement in the quality of American life which we all wish to attain.

Mr President, the time for action is now. The decision is yours.

A MOTHER'S LETTER TO THE PRESIDENT

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, I have received a letter from one of my constituents which I would like to share with you. It is, as a matter of fact, a copy of a letter she wrote to President Nixon.

At a time when a hard core of dissenters occupies every headline, hers is a voice that cannot seem to break through the blockade thrown up by the dominated press against commonsense, reason, and caution. About the only way I can add emphasis to what she has said in this letter is to read it here in the well of the House and see that it is made a part of the CONGRESSIONAL RECORD. She and I have no access to the pages of the dominated press or the cameras of the dominated television news. But by adding our voices to those which appear occasionally here in the RECORD, we make it a permanent record of these times so that future generations, future historians will be able to see that there were some who were not deluded as to what is at stake in the war in Vietnam; that there were some who knew what the struggle there was all about; that all judgment did not fly to bruitish beasts and some maintained their reason.

I am proud that Mrs. Jones is my constituent. It is an honor to represent her. This is her letter:

SHREVEPORT, LA., *May 17, 1970.*

Hon. RICHARD M. NIXON,
President,
United States of America,
Washington, D.C.

DEAR MR. PRESIDENT: Mine is just one small voice in the wilderness of mis-informed, misguided, misanthropic American citizenry . . . who, in their bewilderment, are now blaming you, Mr. President, for this appalling situation into which our country has fallen.

All thinking people are aware that the events leading to our present crisis are not the fault of one man or two or three men but of we, the American public . . . many of us too apathetic to assume their responsibilities in the proper fashion.

When I mention the American crisis I am not referring to your recent actions in Cambodia but to the shocking demonstrations on college campuses and elsewhere throughout our country. We, in Louisiana, are solidly with you in your recent action which was long overdue. You have displayed great courage and self-sacrifice in making your decision. If you or someone of your caliber had been at the helm of our Government months or even years ago, I am sure that this action would have been taken at the proper time . . . instead, we have had leaders who were so afraid of jeopardizing their own political careers that they did not mind spending the lives of thousands of our most promising young men.

I have a son in Vietnam, serving in the U.S. Army for his third (voluntary) year . . . he is an interpreter and is now on assignment in Saigon. His previous two years were spent in rehabilitation, teaching, etc. among the Montegnards and other tribes who were bombed out of their homes. My son is in Vietnam because he is a conscientous American who feels there is work to be done there and that someone must do it to prevent our entire country, ultimately, from being surrounded and over-run with the Communists whose insidious progress here has already been so largely reflected by demonstrations and riots here at home.

When people ask me if I worry about my son, I answer "I worry about all six of my children but I realize that there are as many hazards in the United States of America as in Vietnam . . . and if he is going to be killed, would that he be doing what he wants to do and that I know he is dying for a reason . . . for it is a good reason to help those who are uninformed and need guidance . . . and, by helping these people, he is also helping his own people". There must certainly be more glory in being hit by a North Vietnamese bullet than by a sniper's bullet, fired from a campus domitory.

My son is only one of thousands who feel this way . . . they are all normal young men . . . some with a college education, some not . . . all have the same aspirations as any other normal young man . . . and they would dearly love to be back home, making a proper home for their wives and children . . . but only after they have finished what they set out to do.

Perhaps you are aware that a demonstration is planned on the campus of Louisiana Polytechnic Institute in Ruston, La. on May 23 . . . a demonstration in reverse this time because it is in support of your actions . . . and a protest to other students throughout this country for their recent actions. We pray that this type of demonstration may reach epidemic proportions too and who knows in this age of "monkey see, monkey do"?

Thank you for listening, Mr. President.

Sincerely,

Mrs. BETTY D. JONES.

THE PEOPLE SUPPORT NIXON ALMOST 2 TO 1

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, an interesting headline caught my eye in the current, May 26, issue of National Review. It was, "Who Is Makng All This Fuss?" I was attracted by it. I suppose, because I have wondered the same thing. It has long been apparent to me that the majority of the people, silent or not, support the President of the United States in his effort to secure peace in Southeast Asia.

This has been apparent to me because I am not stampeded by Chet and David, John Lindsay, Abbie Hoffman, Doc Spock or any of the other revolutionaries whose primary aim in life is the destruction of this Nation.

Before others succumb to panic over the demands of the new Amerika Red Guard, I suggest they read this item to see who really is making all this fuss:

WHO IS MAKING ALL THIS FUSS?

Who is making all this fuss? Who, in terms not of this individual or that but of the larger sections of the population? Well, "youth," it would seem, to begin with. But no, not youth without further definition; rather, campus youth, college students. Less than half of the young people of college age actually go to college, and not many of the nonstudents have been sighted in the demonstrations, marches and riots. And what percentage of college students? The noisiest percentage, certainly, and altogether a good many, no doubt. By no means all. There are hundreds of college campuses where there have been no disturbances, and more hundreds where there is a non-disturber contingent and a good many politically uninterested students who have gone along for spring fun and games.

So, college students with the qualifications aforesaid. Add, then, a lot of teachers (especially from liberal-arts faculties), ministers and preachers, writers and artists, publicists, a big majority of the media-types in newspapers, magazines, radio and TV, a number of liberal suburban housewives and frightened or demagogic politicians . . .

In broad outline that's about it. No farmers. Very few workers, skilled or unskilled, as the New York construction workers have dramatically displayed along Wall Street and at John Lindsay's City Hall. The leaders of a few unions—mostly with left-wing backgrounds—but hardly any of the big and basic unions in manufacturing, construction, transport, etc. Few engineers or technicians—you don't see in the chorus many of the people who do things like bring Apollo 13 back.

In short and in sum, the apocalyptic yakking is being done by the yakkers: the college students or some of them (by economic definition, a parasitic class) plus the verbalists, the merchants of words. The people who raise the nation's food, build, warm, light and furnish its homes, clothe it, drive its trains, trucks, buses, ships and aircraft—the producers—have declined to join the verbalists' crusade. They don't like the war any more than anyone else does. But they like their country, on net, and they don't want to wreck it. They are ready to go along with policy decisions of the duly elected President and commander in chief, or at least give him the benefit of the doubt, and they believe him when he explains, for example, why temporary operations in Cambodia are a necessary part of his plan to bring

the war to a tolerable close. It was after the Cambodian operation had begun and the President had discussed it that a Gallup poll showed the citizens supporting him by nearly two to one (57% to 31%).

Who, then, "speaks for America" right now? Confusion arises because it is the speakers—the professional speakers, the word merchants—who do most of the speaking and the loudest speaking, and have a near monopoly control over the speaking apparatus. They are the ones, therefore, that are mostly *heard*, both at home and abroad. They are huffing and puffing, all right, but by the evidence they are not yet in a position to blow the house down. It is just possible that they are being taken a little too seriously—by the rest of us as well as by themselves. His perhaps overly conciliatory reaction to the verbal storm suggests that the President, too, may have focused his concern too exclusively on the verbalists. Undoubtedly it should be his aim to calm passion and bring his countrymen together. But at the same time he might well have supplemented his appeasing gestures toward the frothing dissenters by a warm phrase or two for the producing majority that stands with him.

MSGR. THOMAS J. DRISCOLL

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

Mr. HANLEY. Mr. Speaker, in my judgment, the fiber of our Nation and of its communities has remained strong throughout history due in great part to the efforts of men and women who dedicated their lives to the stability and improvement of our society. The people in this category represent numerous vocations and professions, such as religious, social service, health, legal, public service and so forth. Many of them through their lifetime evidence no regard for their own comfort or material gain, but instead devote all of their energy with the sole desire that these efforts will prove meaningful to their fellow human beings. As I see it, the only compensation enjoyed by this noble segment of our citizenry is the satisfaction which I would hope they enjoy within their hearts in recognition of the achievement of others resultant from their efforts.

One who falls into the category I have attempted to describe is a man whom through my lifetime I have held in great esteem, Rt. Rev. Msgr. Thomas J. Driscoll, retired pastor of my home city church, St. Patrick's in Syracuse, N.Y., who, on April 16, 1970, God called to his heavenly reward. News of his death was indeed distressing, but to me there was solace in the thought that I know of no man who was better prepared to meet his Maker than Monsignor Driscoll. About a month previous to his death, Mrs. Hanley and I were privileged to enjoy an evening with him. It was interesting to note that he had set aside his traditional concern for administrative detail. He was light hearted, relaxed and thoroughly enjoying his retirement status. It appeared to me that he was biding his time awaiting the call of God, whom he had served so well on earth. His funeral service was indeed appropriate to the greatness of this magnificent servant of God. I commend the eulogy provided by the Right Reverend Monsignor William J. Walsh, as well as the Homily at the vigil of his death, as presented by Fr. Edward J. Hayes:

VICTORY OVER THE WORLD—OUR FAITH

(Eulogy for Msgr. Thomas J. Driscoll, given by Rev. Msgr. William L. Walsh, Tuesday, April 21, 1970, at St. Patrick's Church, Syracuse, N.Y.)

From his island exile in Patmos, St. John could see with the eyes of faith the final triumph of the crucified saviour over the world. Surely, human wisdom could have predicted no such triumph. Arrayed against the infant Church were the might of the Roman empire, the intellectual supremacy of Greece, the very vastness of the world which St. John and his brother priests had been sent to conquer. Against the might of Rome, they could offer only meekness, against the intellect of Greece only humanility, against the vastness of the world and the limitations of time and space only the certitude of faith.

And that faith indeed conquered Rome and Greece. Indeed, it used the engineering genius of Rome to provide transportation and communication, even as it used the intellectual prowess of Greece to formu'ate a philosophy. It penetrated the vast reaches of the earth and, as new lands were discovered, the faith was brought to their peoples by the successors of St. John and the other apostles.

Faith gave the martyrs the courage to accept torture and death. It made of purity a priceless gem in a world of debauchery. It inspired the noblest achievement in arts and letters. And, most of all, it comforted untold millions with the certainty of infinite justice, infinite mercy, and endless happiness in the possession of God Himself.

What, then is this faith, that conquers the world, that is the ultimate victory. We learned long ago that it is God's free gift, the divine virtue whereby we believe in God and all that God has revealed to us through His Son, Our Lord and Saviour, Jesus Christ.

We are here today to honor the memory, to pray for the soul of a priest, a co-worker with St. John and all the hero priests of history, a sharer in the great priesthood of Jesus Christ, a man of many virtues but outstandingly a man of firm unshakable faith. And that faith was the driving force, the guiding light of his life. It inspired his vocation in the midst of a devout family, a vocation which was nourished by the selfless lives and single-minded devotion of the priests and sisters of St. Lucy's, and by the spiritual and intellectual guidance of the seminary faculties at St. Charles and St. Bernard's and which came to frution with his ordination some fifty-eight years ago.

And that same firm faith made zeal for its triumph the mark of his priesthood. As a very young priest he served the People of God in St. Francis de Sales parish in Utica under the guidance of his great and good friend Monsignor Doody. When he was named pastor of St. Patrick's Taberg, his faith impelled him, despite a complete lack of means to begin the mission that is now the parish of St. Joseph in Lee Center. His pastorate at St. Francis Xavier, Marcellus, and St. Cecilia, Solvay, were marked by that same magnificent faith that brought the people of God of those parishes ever closer to the Church and to the head of its Divine Founder. And then, some thirty years ago, he came to this great parish of St. Patrick. Again his firm, active, driving faith made him seek out the bets for his people. The triumph of the faith for which he strove would settle for nothing, short of the best. Particularly in the field of Catholic education did he insist upon the best and would accept no less.

But, if one phase of his ministry stands out above all else it was his zeal in fostering vocations to the priesthood and the religious life. There was, first of all, the example of his own life; there was guidance, there was material help when needed. There was always his own obvious love for the Church and its work. All these made easier for many the paths to the priesthood and to religious profession.

On the occasion of Monsignor Driscoll's twenty-fifth anniversary of ordination, the preacher quoted the inscription on the tomb of Sir Christopher Wren, the great architect had who designed St. Paul's Cathedral in London. The inscription reads, "If you seek his monument, look about you." Look not at the buildings or their adornment, beautiful as they may be. Rather, look at the people he has served and inspired. These are his monument, his eulogy. He would want no other.

The funeral of a priest brings the People of God together in a unique way. The bishops come to bless and bid a fond farewell to one who has lightened the awesome burden. His brother priests come to offer their grateful prayers for one whose fraternal love of them has made him their beloved companion. His parishioners come to thank God for the graces poured out on them through his hands. All come to beg God's mercy and welcome for one who strove so hard, to imitate His Son, whose faith has not its victory.

THE GOOD SHEPHERD

The movie, The Song of Bernadette, ends with the phrase, "For those who believe, no explanation is necessary. For those who do not believe, no explanation is possible."

I remember hearing an anecdote some years back about a parishioner of St. Patrick's who was assisting a recently arrived resident of Tipperary Hill in his desire to embrace the Catholic Faith. As the story goes, he spent half the time explaining the Catholic Faith to his friend, and the rest of the time explaining Msgr. Driscoll.

To paraphrase the words of the movie, "For those who knew and loved and respected Msgr. Driscoll, no explanation is necessary. For those who did not know him, perhaps no explanation is possible." We are gathered here tonight as those who knew and loved and respected him.

Tonight we shall not try to speak of Msgr.'s fifty-eight years of priesthood and his various assignments in the Diocese. We will leave that to tomorrow's homilist, Msgr. Walsh. We shall only speak as we knew him during his thirty years at St. Patrick's.

Msgr. Driscoll was a man of strength. He thought strongly. He spoke strongly. He acted strongly. One could not be indifferent to him. One necessarily reacts strongly to a man of such strength. Msgr. Driscoll's middle name was John. In so many ways, he was so like his namesake, John the Baptist, a man of unique strength. At times we might have wished he were more like the gentler, loveable, John the Evangelist. But like John the Baptist, he was what he was. He was strong in his love for the Church. Strong in his love of the priesthood. Strong in his love for St. Patrick's.

He was a man of definite leadership ability. He never left anyone in doubt as to what direction the parish and he were heading. One might question at times as one does with every leader, some or many of his individual decisions or his style of leadership. But there can be no questioning that for over 30 years, he provided good, solid, stable leadership for St. Patrick's.

One of Msgr.'s proudest boasts was the number of vocations from St. Patrick's during his pastorate. How often he would speak of this in a beaming fashion. Yet, he was realistic enough to recognize that whatever his human contribution to such a mysterious divine calling, it was of an indirect nature. Never, as far as I know, and he boasted about this, did he ever speak to anyone individually.

or to a class, or to the school as a whole about vocations. But he did speak about vocations by what he himself was, a dedicated priest. He did speak about it through his emphasis on family life, for it is there, he insisted, that one learns that the faith is worth living for, the faith is worth giving one's life for. He spoke about it through his love for his fellow priests.

Priests were always welcome at St. Patrick's. They were welcome as guests, be they travelling missionaries or priests who came to Syracuse to establish a Retreat House and a Catholic College. They all enjoyed Msgr's hospitality. Priests were always welcome to visit. It was not an uncommon sight for us to see Msgr. in his room at his desk with his familiar green eyeshade, his suspenders and his undershirt, sitting at his desk piled high. Yet, he always had time for a visit. He enjoyed sitting back, lighting up his Perogi Italian cigar, and giving you all the time you wanted. He was a great host. And if you didn't drop by for a couple of months, he would inevitably greet you with the remark, "Hello stranger."

How he loved this parish church. He began renovations of it almost as soon as he came. For years he carried his vision of what he wanted the Church to be. But, insistent as he was on his "pay-as-you-go-plan" it was only after many years that his vision became a reality. When his dream went up in flames in the tragic fire of January, 1966, our hearts all went out to him. But that tragedy taught us what caliber of a man we had for a pastor. Though many felt that because of his age he wouldn't have the determination to see through the restoration he never had a moment's hesitation, as he put it, if God would give him the strength, he would restore it even more beautifully than it was before. And this he did.

He was a man of strength who expected and respected strength in others. He was a man of honesty and openness who could not tolerate anything else in others. He was not a respector of persons. He was the same with all, be they his Bishop or his assistant, be they his parishioner or civic leader. If his opinion were asked or if he felt it ought to be given, he said what he felt ought to be said.

As you know, for some years Msgr. Driscoll was a Diocesan Consultor. The Code of Canon Law states that "all persons whose . . . counsel is required must respectfully, truthfully and sincerely state their opinion on the matter." I feel certain that in the history of our Diocese, no priest has been more conscientious in this matter than Msgr. Driscoll.

He always looked for and expected the best from everyone. The effort he expected others to expend was not just their best, not even 100%, but as he so often put it, 100% plus.

We know, human beings being what they are, that to work with a man of such strength, of such expectations, of such decisiveness, requires exceptional tact and extraordinary flexibility. I suppose this is one of the reasons why over the years it has been Sisters of exceptional ability and extraordinary talent who have been stationed at St. Patrick's School. And what a boon this has been for the quality of education and especially for vocations to the convent.

In many of his plays, Shakespeare has developed the theme that the personality trait that is usually one's greatest asset, the source of one's greatness, is also usually one's greatest liability. Msgr. is no exception to this. But this is precisely what makes his shortcomings, if not from too little zeal, but too much zeal, not from too little love for the faith and the parish, but perhaps too intensive a love.

What a heritage he has left us at St. Patrick's. In many ways he was ahead of his time. For instance, in regard to the liturgy. Many years ago he initiated active participation and the Offertory Procession. He taught us what it means to pray together. How intolerant he was of slovenly, hurriedly said prayers. He had the courage to do away with the taking up of a collection during Mass because it was not conducive to prayerful recollection. Courage, perhaps better said, he had faith in his parishioners and their generosity that they did not have to be coaxed or shamed to fulfill their financial responsibilities.

What an emphasis he put on family life. Proud as he was of St. Patrick's School, he re-iterated Sunday after Sunday, that the school was not a substitute for and would not usurp the responsibilities of the parents. While there would be order in the school, the discipline of children was to be taught in the home. A good formal elucation would be given the children at school. But the education of children must begin and be furthered in the home. And that love of the faith, the love of the Mass, and the practice of the reception of the Sacraments, this was the primary responsibility of parents and that as the church has insisted, there would not be and was not any regimentation of these matters either during school hours or after school hours.

He had the magnificent ability to make the best of any situation. As we all know, he was not inclined to retire as our pastor. And yet, realizing the inevitability, he did. And he made the most of it. He continued to exercise his priestly work to the extent that he could.

There are many more things that could be said, many more that ought to be said. As individuals and as a parish, we all have so many personal memories of Msgr. For whether we sought it to be this way or it just happened, he was very much a part of the lives of all of us for these thirty-two years. And there were so many ordinary, un-eventful occurrences that he with his dramatic ability transformed into exciting all-important parish events. Who can ever forget the dramatic saga of the cutting down of the blue spruce tree. But all this has become part of the folk lore of the parish. And they will not be forgotten. But I am sure they will continue to be told and re-told many times and in many places here on Tipperary Hill.

We are here tonight, not just as friends of Msgr., but as those who shared with him a unique faith, faith in Jesus of Nazareth who died and rose again, faith in the Son of God who said, "I am the Resurrection and the Life; he who believes in me, even if he die shall live." We believe that Msgr. and all of us will rise together at the Resurrection on the last day. We pray that even now God will bestow upon him his hundredfold for having left all and followed him during this life, and that one of the many mansions of which Jesus spoke of in his Father's house, will now be Msgr.'s "House by the Side of the Road."

Editors Note: The above was given as a Homily at the Vigil of the death of Monsignor Driscoll on Monday, April 20th, 1970 by the Rev. Edward J. Hayes, a native son of St. Patrick's parish.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. BURLISON of Missouri (at the request of Mr. BOGGS), for today on account of official business.

Mr. STUCKEY (at the request of Mr. BOGGS), for today through Wednesday, May 27, on account of official business.

Mr. DANIEL of Virginia (at the request of Mr. BOGGS), from 3:20 p.m. and the remainder of the day on account of official business.

Mr. BURTON of California, for May 25 through May 27, 1970, on account of official business, participating as an official delegate in the parliamentary exchange program with the Chamber of Deputies of France.

Mr. RIEGLE (at the request of Mr. ANDERSON of Illinois), for today and the balance of the week, on account of official business.

Mr. RAILSBACK (at the request of Mr. ANDERSON of Illinois), for today and the balance of the week, on account of official business.

Mr. MATHIAS (at the request of Mr. ANDERSON of Illinois), for today and the balance of the week, on account of official business.

Mr. LUKENS (at the request of Mr. ANDERSON of Illinois), for today and the balance of the week, on account of official business.

Mr. BIESTER (at the request of Mr. ANDERSON of Illinois), for today and the balance of the week, on account of official business.

Mrs. CHISHOLM (at the request of Mr. ALBERT), for Monday, May 25 through Wednesday, May 27, on account of official business.

Mr. RIVERS, for May 26, on account of official business.

Mr. GAYDOS (at the request of Mr. ALBERT), for Monday, May 25, through Wednesday, May 27, on account of illness.

Mr. JONES of Tennessee (at the request of Mr. ALBERT), for today through Wednesday, May 27, on account of official business.

Mr. PATTEN (at the request of Mr. ALBERT), for today, on account of official business.

Mr. KYROS (at the request of Mr. ALBERT), for today, on account of official business.

Mr. BLANTON (at the request of Mr. JONES of Tennessee), for today through May 27, on account of official business.

Mr. RUPPE (at the request of Mr. ANDERSON of Illinois), for today and the balance of the week, on account of official business.

Mr. HELSTOSKI (at the request of Mr. MEEDS), for today, on account of official business.

Mr. FOLEY (at the request of Mr. BOGGS), for today through Wednesday, May 27, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WOLD), to revise and extend their remarks and to include extraneous matter to:)

Mrs. HECKLER of Massachusetts, today, for 10 minutes.

Mr. CONTE, today, for 10 minutes.

Mr. CONTE, on May 26, 1970, for 30 minutes.

(The following Members (at the request of Mr. CAFFERY), to revise and extend their remarks and to include extraneous matter to:)

Mr. GONZALEZ, today, for 10 minutes.

Mr. McFALL, on May 26, for 15 minutes.
Mr. MONTGOMERY, on May 26, for 10 minutes.
Mr. PRYOR of Arkansas, on June 1, for 60 minutes.
Mr. PRYOR of Arkansas, on June 2, for 60 minutes.
Mr. PRYOR of Arkansas, on June 3, for 60 minutes.
Mr. MIKVA, on June 3, for 60 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PRICE of Illinois, and to include extraneous matter.
Mr. POAGE, and to include extraneous matter.
Mr. EDMONDSON in two instances and to include extraneous matter.
Mr. ROTH to extend his remarks following those of Mr. McCORMACK, today, on the late George Stewart.
Mr. MADDEN and to include extraneous matter.
Mr. PEPPER, to extend his remarks on the bill H.R. 15073.

(The following Members (at the request of Mr. WOLD) and to include extraneous matter:)

Mr. PRICE of Texas in two instances.
Mr. NELSEN.
Mr. BRAY in two instances.
Mr. SNYDER in two instances.
Mr. BUSH.
Mr. WYMAN in two instances.
Mr. FOREMAN in two instances.
Mr. MICHEL.
Mr. SPRINGER.
Mr QUIE in two instances.
Mr. McKNEALLY in two instances.
Mr. ASHBROOK in two instances.
Mr. BERRY.
Mr. WHITEHURST.
Mr. BROTZMAN.
Mr. BURTON of Utah in five instances.
Mr. BLACKBURN in five instances.
Mr. HUTCHINSON.
Mr. QUILLEN in four instances.
Mr. McCLORY in two instances.
Mr. AYRES.
Mr. LANGEN.

(The following Members (at the request of Mr. CAFFERY) and to include extraneous matter:)

Mr. EILBERG in three instances.
Mr. CHARLES H. WILSON.
Mr. OTTINGER in two instances.
Mr. MONTGOMERY in two instances.
Mr. KARTH.
Mr. ROGERS of Colorado.
Mr. BOLLING.
Mr. THOMPSON of New Jersey in two instances.
Mr. RIVERS in two instances.
Mr. NEDZI.
Mr. EDWARDS of California.
Mr. RARICK in three instances.
Mr. RYAN in five instances.
Mr. FRASER.
Mr. JACOBS.
Mr. GONZALEZ in two instances.
Mr. HENDERSON in two instances.
Mr. PATTEN in two instances.
Mr. KLUCZYNSKI.
Mr. ROGERS of Florida in five instances.
Mr. FOUNTAIN in two instances.
Mr. PICKLE in two instances.
Mr. ROYBAL in six instances.
Mr. KASTENMEIER.
Mr. VAN DEERLIN.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 528. An act to provide that the reservoir formed by the lock and dam referred to as the "Millers Ferry lock and dam" on the Alabama River, Ala., shall hereafter be known as the William "Bill" Dannelly Reservoir; to the Committee on Public Works.

S. 3176. An act to authorize a program for the development of a tuna fishery in the Central and Western Pacific Ocean; to the Committee on Merchant Marine and Fisheries.

S. 3594. An act to authorize the acquisition of certain property in square 724 in the District of Columbia for the purpose of extension of the site of the additional office building for the United States Senate for the purpose of addition to the United States Capitol Grounds; to the Committee on Public Works.

ENROLLED BILLS SIGNED

Mr. FRIEDEL, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3920. An act for the relief of Beverly Medlock and Ruth Lee Medlock;

H.R. 5419. An act to provide relief for Comdr. Edwin J. Sabec, U.S. Navy;

H.R. 6402. An act for the relief of the Sanborn Lumber Co., Inc.;

H.R. 8694. An act for the relief of Capt. John T. Lawlor (retired); and

H.R. 9910. An act for the relief of Hannibal B. Taylor.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 952. An act to provide for the appointment of additional district judges, and for other purposes.

ADJOURNMENT

Mr. CAFFERY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 38 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 26, 1970, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2077. A letter from the Assistant Secretary of State for Congressional Relations, transmitting copies of a Presidential determination authorizing military grant assistance and military sales to a country in Asia, pursuant to the provisions of the Foreign Assistance Act, the Foreign Military Sales Act, and the Foreign Assistance and Related Programs Appropriation Act of 1970; to the Committee on Foreign Affairs.

2078. A letter from the Assistant Secretary of the Air Force (Manpower and Reserve Affairs), transmitting a report on the adequacy of pay and allowances of the uniformed services, pursuant to the provisions of 37 U.S.C. 1008(a); to the Committee on Armed Services.

2079. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; to the Committee on Banking and Currency.

2080. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report of the Department of Health, Education, and Welfare for fiscal year 1969; to the Committee on Education and Labor.

2081. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to grant relief to payees and special indorsees of fraudulently negotiated checks drawn on designated depositaries of the United States by extending the availability of the check forgery insurance fund; to the Committee on the Judiciary.

2082. A letter from the Acting Administrator of General Services, transmitting copies of the prospectus for alterations at the Virginia Heating, Refrigeration, and Sewage Disposal Plant in Arlington, Va., pursuant to the provisions of the Public Buildings Act of 1959; to the Committee on Public Works.

RECEIVED FROM THE COMPTROLLER GENERAL

2083. A letter from the Comptroller General of the United States, transmitting a report on opportunities for savings through the elimination of nonessential stock items, General Services Administration; to the Committee on Government Operations.

2084. A letter from the Comptroller General of the United States, transmitting a report on unrecovered costs in providing address correction service to postal patrons, Post Office Department; to the Committee on Government Operations.

2085. A letter from the Comptroller General of the United States, transmitting a report on an inappropriate source of power used as a basis for allocating costs of water resources projects, Corps of Engineers (Civil Functions), Department of the Army, Department of the Interior, Water Resources Council; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to an order on the House May 21, 1970, the following report was filed May 22, 1970*]

Mr. McMILLAN: Committee on the District of Columbia. H.R. 17711. A bill to amend the District of Columbia Cooperative Association Act (Rept. No. 91–1118). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted May 25, 1970*]

Mr. DENT: Committee on House Appropriations. S. 3339. An act to authorize the Public Printer to fix the subscription price of the daily Congressional Record (Rept. No. 91–1119). Referred to the Committee of the Whole House on the State of the Union.

Mr. DENT: Committee on House Appropriations. H.R. 14452. A bill to provide for the designation of special policemen at the Government Printing Office, and for other purposes; with amendments (Rept. No. 91–1120). Referred to the Committee of the Whole House on the State of the Union.

Mr. DENT. Committee on House Adminis-

tration. H.R. 14453. A bill to authorize the Public Printer to grant time off as compensation for overtime worked by certain employees of the Government Printing Office, and for other purposes; with an amendment (Report No. 91–1121). Referred to the Committee of the Whole House on the State of the Union.

Mr. TAYLOR: Committee on Interior and Insular Affairs. H.R. 12758. A bill to authorize the Secretary of the Interior to establish a volunteers in the park program, and for other purposes; with an amendment (Report No. 91–1122). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 17767. A bill to regulate rents in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. BERRY:

H.R. 17768. A bill to amend Public Law 90–468 relating to the Pine Ridge Indian Gunnery Range and the Badlands National Monument; to the Committee on Interior and Insular Affairs.

By Mr. BOGGS:

H.R. 17769. A bill to permit the duty free entry of containers designed for use in the packing, transporting, or marketing of fruits and vegetables; to the Committee on Ways and Means.

By Mr. BROWN of California:

H.R. 17770. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mrs. DWYER:

H.R. 17771. A bill to amend the Foreign Military Sales Act to prohibit assistance to Cambodia, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ERLENBORN (for himself, Mr. PERKINS, Mr. AYRES, Mrs. GREEN of Oregon, Mr. QUIE, Mr. DENT, Mr. BELL of California, Mr. PUCINSKI, Mr. REID of New York, Mr. HATHAWAY, Mr. DELLENBACK, Mr. BURTON of California, Mr. ESCH, Mr. STEIGER of Wisconsin, Mr. COLLINS, Mr. SCHERLE, Mr. RUTH, and Mr. DON H. CLAUSEN):

H.R. 17772. A bill to authorize a White House Conference on Education; to the Committee on Education and Labor.

By Mr. FASCELL (for himself, Mr. BUTTON, Mr. FRIEDEL, Mr. GIBBONS, Mr. HALPERN, Mr. HANNA, Mr. KYROS, Mr. MCKNEALLY, Mr. MILLER of California, Mr. NIX, Mr. OLSEN, Mr. PEPPER, Mr. ROSENTHAL, Mr. SISK, Mr. CHARLES H. WILSON, and Mr. WRIGHT):

H.R. 17773. A bill to define the authority of the President of the United States to intervene abroad or to make war without the express consent of the Congress; to the Committee on Foreign Affairs.

By Mr. HECHLER of West Virginia:

H.R. 17774. A bill to designate as wilderness the Cranberry, Otter Creek, and Dolly Sods areas in the Monongahela National Forest in West Virginia, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 17775. A bill to prohibit the furnishing of mailing lists and other lists of names or addresses by Government agencies to the public in connection with the use of the U.S. mails, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 17776. A bill to require mailing list brokers to register with the Postmaster General, and suppliers and buyers of mailing lists to furnish information to the Postmaster General with respect to their identity and transactions involving the sale or exchange of mailing lists, to provide for the removal of names from mailing lists, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 17777. A bill to amend title 39, United States Code, to provide for the regulation of mailing list dealers, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HOWARD:

H.R. 17778. A bill to amend the Federal Water Pollution Control Act to ban polyphosphates in detergents and to establish standards and programs to abate and control water pollution by synthetic detergents; to the Committee on Public Works.

By Mr. OTTINGER:

H.R. 17779. A bill to amend the National Environmental Policy Act of 1969, to provide for a national environmental data bank; to the Committee on Merchant Marine and Fisheries.

By Mr. PODELL:

H.R. 17780. A bill to require the Secretary of Commerce to make daily determinations of the extent of environmental pollution, to establish an environmental quality index, to disseminate publicly information on pollution, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RANDALL:

H.R. 17781. A bill to amend the Federal Property and Administrative Services Act of 1949 in order to establish Federal policy concerning the selection of firms and individuals to perform architectural, engineering, and related services for the Federal Government; to the Committee on Government Operations.

By Mr. SAYLOR:

H.R. 17782. A bill to preserve, stabilize, and reactivate the domestic gold mining industry on public, Indian, and other lands within the United States and to increase the domestic production of gold to provide the requirements of industry, national defense, and other nonmonetary uses of gold; to the Committee on Interior and Insular Affairs.

By Mr. SCHEUER:

H.R. 17783. A bill to amend the act authorizing Federal participation in the cost of protecting certain shore areas in order to authorize increased Federal participation in the cost of projects providing hurricane protection; to the Committee on Public Works.

By Mr. VANDER JAGT (by request):

H.R. 17784. A bill to establish an Environmental Financing Authority to assist in the financing of waste treatment facilities, and for other purposes; to the Committee on Public Works.

By Mr. CHARLES H. WILSON:

H.R. 17785. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to require the establishment of standards relating to automobile litter containers; to the Committee on Interstate and Foreign Commerce.

By Mr. ABBITT:

H.R. 17786. A bill to provide for an equitable sharing of the U.S. market by electronic articles of domestic and of foreign origin; to the Committee on Ways and Means.

By Mr. GARMATZ (for himself, Mr. MAILLIARD, Mr. CLARK, Mr. LENNON, and Mr. GROVER):

H.R. 17787. A bill to revise and improve the laws relating to the documentation of seamen; to the Committee on Merchant Marine and Fisheries.

By Mr. HAGAN:

H.R. 17788. A bill to provide a comprehensive Federal program for the prevention and treatment of alcohol abuse and alcoholism; to the Committee on Interstate and Foreign Commerce.

By Mr. HALEY:

H.R. 17789. A bill to amend the act fixing the boundary of Everglades National Park, Fla., and authorizing the acquisition of land therein, in order to increase the authorization of such aquisitions; to the Committee on Interior and Insular Affairs.

By Mr. HAYS:

H.R. 17790. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mr. HECHLER of West Virginia:

H.R. 17791. A bill to increase the availability of mortgage credit for the financing of urgently needed housing, and for other purposes; to the Committee on Banking and Currency.

By Mr. LANGEN:

H.R. 17792. A bill to encourage the growth of international trade on a fair and equitable basis; to the Committee on Ways and Means.

By Mr. MOLLOHAN:

H.R. 17793. A bill to amend title 38 of the United States Code so as to entitle veterans of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively; to the Committee on Veterans' Affairs.

By Mr. MOORHEAD:

H.R. 17794. A bill to provide financial assistance for and establishment of a national rail passenger system, to provide for the modernization of railroad passenger equipment, to authorize the prescribing of minimum standards for railroad passenger service, to amend section 13(a) of the Interstate Commerce Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN (for himself, Mr. BARRETT, and Mr. STEPHENS):

H.R. 17795. A bill to amend title VII of the Housing and Urban Development Act of 1965; to the Committee on Banking and Currency.

By Mr. WHITEHURST:

H.R. 17796. A bill to amend the Small Business Act to authorize loans to assist small business concerns in constructing, expanding, or altering facilities to comply with the requirements of newly enacted Federal laws; to the Committee on Banking and Currency.

By Mr. MORTON:

H.R. 17797. A bill to direct the Secretary of Agriculture to release on behalf of the United States a condition in a deed conveying certain lands to the State of Maryland, and for other purposes; to the Committee on Agriculture.

H.R. 17798. A bill to provide for orderly trade in textile articles and articles of leather footwear, and for other purposes; to the Committee on Ways and Means.

By Mr. BROTZMAN:

H.J. Res. 1241. A resolution to authorize the President to designate the third Sunday in June of each year as Father's Day; to the Committee on the Judiciary.

By Mr. BUSH:

H.J. Res. 1242. A resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. DADDARIO:

H.J. Res. 1243. A resolution designating July 12, 1970, as "Salute to Armed Forces in Vietnam Day"; to the Committee on the Judiciary.

By Mr. POLLOCK:

H.J. Res. 1244. A resolution proposing an amendment to the Constitution of the United States making citizens who have attained 18 years of age eligible to vote in Federal elections; to the Committee on the Judiciary.

By Mr. MINISH:

H. Con. Res. 644. A resolution expressing the sense of the Congress that the President

should establish a commission to examine the recent events at Kent State and Jackson State; to the Committee on Education and Labor.

By Mr. QUIE (for himself, Mr. BIESTER, and Mr. MATSUNAGA):

H. Con. Res. 645. A resolution expressing the sense of the Congress with respect to the establishment of a United Nations international supervisory force for the purpose of establishing a cease-fire in Indochina to aid efforts toward a political solution of current hostilities; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. WHALEN:

H.R. 17799. A bill for the relief of Otto Schueller; to the Committee on the Judiciary.

By Mr. EDWARDS of California:

H.R. 17800. A bill for the relief of Mr. Jose Casian; to the Committee on the Judiciary.

By Mr. THOMSON of Wisconsin:

H.R. 17801. A bill for the relief of Louisa Ann Stevenson; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

391. By the SPEAKER: A memorial of the Senate of the Commonwealth of Massachusetts, relative to Cambodia; to the Committee on Foreign Affairs.

392. Also, a memorial of the Legislature of the State of Alaska, relative to the establishment of a National Institute of Environmental Science in Alaska; to the Committee on Science and Astronautics.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

493. By the SPEAKER: Petition of Nell Hardin et al., Fort Worth, Tex., relative to law and order; to the Committee on the Judiciary.

494. Also, petition of the City Council, Lawndale, Calif., relative to tax free local bonds; to the Committee on Ways and Means.

495. Also, petition of the Council of the City of New Orleans, La., relative to welfare; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES—*Tuesday, May 26, 1970*

The House met at 12 o'clock noon.

Dr. Adlai Albert Esteb, Seventh Day Adventist Church, Takoma Park, Md., offered the following prayer:

Heavenly Father, may Thy special blessings rest upon the Members of Congress as they face the current crises of these crucial times.

The world is literally littered with the wreckage of hate.

"O God above, we plead for love,
For on this earth, a direful dearth
Of love prevails and hate unveils
Its poisoned darts and broken hearts!
God, make us kind, and help us find
true peace of mind.

"God grant us grace: Our human race
Defiles the springs of faith and clings
To fear and doubt. Make us devout,
And, Lord, impart to ev'ry heart,
The faith to win our war with sin
without, within.

"God give us power, for in this hour
Of urgent needs for greater deeds,
Our only hope, if we're to cope
With tasks so great, when time's so late,
Is power benign and love divine,
the glory Thine!"

In the precious name of Jesus. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

AUTHORITY FOR THE SPEAKER TO DECLARE A RECESS ON JUNE 3, 1970

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Wednesday, June 3, 1970, for the Speaker to declare a recess for the purpose of receiving in joint meeting the President of the Republic of Venezuela.

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

There was no objection.

ADJOURNMENT FROM WEDNESDAY, MAY 27, TO MONDAY, JUNE 1, 1970

Mr. ALBERT. Mr. Speaker, I offer a concurrent resolution, House Concurrent Resolution 646, and ask for its immediate consideration.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 646

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Wednesday, May 27, 1970, it stand adjourned until 12 o'clock meridian, Monday, June 1, 1970.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS NOTWITHSTANDING ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, June 1, 1970, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

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

There was no objection.

EXPENDITURE CONTROL

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

Mr. VANIK. Mr. Speaker, the administration is currently before the Ways and Means Committee of the House of Representatives requesting an increase of the public debt ceiling to $395 billion.

The Secretary of the Treasury has stated that an increase of the debt limit is critically needed by this administration to permit it to carry on the business of Government. During the testimony before our committee yesterday, Budget Director Robert P. Mayo stated that defense expenditures for fiscal year 1970 were $77 billion. He further stated that it was budgeted by the administration that defense expenditures for fiscal year 1971 would total $71.8 billion. These budget estimates disregard the carryover of billions of dollars of appropriated funds which are available for spending at any time.

In order to assure a reasonable reduction in Defense spending compatible with the administration's announced withdrawal of 150,000 troops from Southeast Asia, I am compelled to urge that the temporary debt ceiling be held to $389 billion, reflecting a $5.8 billion reduction in defense spending in fiscal year 1971.

In this way, Congress can exercise its constitutional authority to bring defense spending within the framework and guidelines of the Revenue and Expenditure Control Act of 1968.

Every agency of the Government should be subjected to the same kind of expenditure control—including the Department of Defense. The American taxpayer has every right to expect this kind of responsibility to be exercised by the Congress. If we can hack away at appropriations for education, for health, for veterans' services, for housing, and for pollution, we ought to make a reasonable effort to apply the same principles to defense spending.

PERMISSION FOR COMMITTEE ON BANKING AND CURRENCY TO FILE REPORT ON EMERGENCY HOUSING BILL UNTIL MIDNIGHT SATURDAY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency have until midnight Saturday night to file a report on the emergency housing bill, H.R. 17495.

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

There was no objection.

AMENDING THE RULES OF THE HOUSE OF REPRESENTATIVES RELATING TO FINANCIAL DISCLOSURE

Mr. YOUNG. Mr. Speaker, by direction of the Committee on Rules, and on behalf of the gentleman from Missouri (Mr. BOLLING), I call up House Resolution