MEDICAL CORPS

*To be captain*

Finney, Jackie L., xxx-xx-xxxx
Fisherman, William H., xxx-xx-xxxx
Taylor, Ronald G., xxx-xx-xxxx

DENTAL CORPS

*To be captain*

Allen, Andrew L., xxx-xx-xxxx
La Bounty, Gary L., xxx-xx-xxxx
Oxford, Robert L., xxx-xx-xxxx
Stanford, Thomas W., xxx-xx-xxxx

VETERINARY CORPS

*To be captain*

La Fontain, Daniel xxx-xx-xxxx
Renne, Roger A., xxx-xx-xxxx

MEDICAL SERVICE CORPS

*To be captain*

Aasen, Robert B., xxx-xx-xxxx
Adams, Idus W., xxx-xx-xxxx
Adams, William D., xxx-xx-xxxx
Addison, Wilbur D., xxx-xx-xxxx
Ammerman, Frederick, xxx-xx-xxxx
Adki, Wayne C., xxx-xx-xxxx
Avery, Ronald L., xxx-xx-xxxx
Baker, Michael C., xxx-xx-xxxx
Bauer, Robert S., xxx-xx-xxxx
Bennett. James R., xxx-xx-xxxx
Bennett, Roger A., xxx-xx-xxxx
Berryhill, Robert P., xxx-xx-xxxx
Bigelow, Donald E., xxx-xx-xxxx
Blalock, William R., xxx-xx-xxxx
Blankenship, Dumont xxx-xx-xxxx
Boland, Edward J., xxx-xx-xxxx
Bradshaw, Edward G., xxx-xx-xxxx
Braun, William W., xxx-xx-xxxx
Bronson, Marion M., xxx-xx-xxxx
Brown, Henry H., xxx-xx-xxxx
Calderwood, William, xxx-xx-xxxx
Choate, Philip S., xxx-xx-xxxx
Cook, Richard E., xxx-xx-xxxx
Coughlin, George H., xxx-xx-xxxx
Covington, Bobbie J., xxx-xx-xxxx
Crissey, Melvin P., Jr., XXXX
Davis, George H., xxx-xx-xxxx
Eitler, Vincent M., xxx-xx-xxxx
Fischer, Arthur K., xxx-xx-xxxx
Floto, Ronald J. xxx-xx-xxxx
Goodspeed, Paul A., xxx-xx-xxxx
Grates, Frederick R., xxx-xx-xxxx
Guinn, Joe L. xxx-xx-xxxx
Hames, William H., Jr., xxx-xx-xxxx
Hart, John S. xxx-xx-xxxx
Heinz, Ronald H., xxx-xx-xxxx
Hilliard, Robert W., xxx-xx-xxxx
Hostman, James W., xxx-xx-xxxx
Inzer, Edwin L., xxx-xx-xxxx
Jackman, Timothy xxx-xx-xxxx
Jolet, Earn A., xxx-xx-xxxx
Kearns, James R., xxx-xx-xxxx
Kenison, Charles B., xxx-xx-xxxx
Kernen, George G., xxx-xx-xxxx
Kulm, Gale B., xxx-xx-xxxx
Lemieux, Edward C., xxx-xx-xxxx
Lloyd, Felix R., xxx-xx-xxxx
Lull, George, III, xxx-xx-xxxx
Lynch, Edward F., xxx-xx-xxxx
Mathis, Wayne R., xxx-xx-xxxx
Matt, John E. xxx-xx-xxxx
Maxwell, Clyde E., Jr., xxx-xx-xxxx
McCormick, John xxx-xx-xxxx
McDonald, Paul T., xxx-xx-xxxx
McGibony, James T., xxx-xx-xxxx
McKellar, Fred D., Jr., xxx-xx-xxxx
McKelvey, L. Patrick, xxx-xx-xxxx
McMinn, Morris T., xxx-xx-xxxx
Melton, Jackson D., Jr., xxx-xx-xxxx
Miller, John T., Jr. xxx-xx-xxxx
Morelli, Nicholas, xxx-xx-xxxx
Murry, James H., Jr., xxx-xx-xxxx
Myrland, Eric H., xxx-xx-xxxx
Parker, Thomas C., xxx-xx-xxxx
Parmer, Bert E. xxx-xx-xxxx
Pommett, Francis A., xxx-xx-xxxx
Pyle, John F., xxx-xx-xxxx
Reed, John F., Jr., xxx-xx-xxxx
Ressdorf, Horst, xxx-xx-xxxx
Risko, Michael, Jr., xxx-xx-xxxx
Robards, John S., xxx-xx-xxxx
Robertson, James W. xxx-xx-xxxx
Salentine, John H. xxx-xx-xxxx
Sanders, Walter H., xxx-xx-xxxx
Sargent, Martin W., xxx-xx-xxxx
Schuyler, Linden E., xxx-xx-xxxx
Scofield, Thomas C., xxx-xx-xxxx
Sellers, Maurice E., xxx-xx-xxxx
Sharp, Fred P., xxx-xx-xxxx
Spatz, Marvin xxx-xx-xxxx
Tudor, James H., III xxx-xx-xxxx
Valenti, Fred, xxx-xx-xxxx
Walker, Henry J., xxx-xx-xxxx
Watkins, William W. xxx-xx-xxxx
Watts, Olen C., xxx-xx-xxxx
Weiss, Joseph D., xxx-xx-xxxx
Wells, Robert A., xxx-xx-xxxx
Wesselmann, Albert, xxx-xx-xxxx
White, Julius C., III xxx-xx-xxxx
Whitesell, Thomas C., xxx-xx-xxxx
Wiggins, David E., xxx-xx-xxxx
Williamson, James A., xxx-xx-xxxx
Wilson, Gary R., xxx-xx-xxxx
Wofford, Donald R., xxx-xx-xxxx
Yox, John E., xxx-xx-xxxx
Zurlo, Joseph A., II, xxx-xx-xxxx

ARMY NURSES CORPS

*To be captain*

Berry, Richard L., xxx-xx-xxxx
Brinsfield, Carroll, xxx-xx-xxxx
Brisendine, Esther, xxx-xx-xxxx
Brown, Irvin L., xxx-xx-xxxx
Burke, Carole A., xxx-xx-xxxx
Burke, Gerald W., xxx-xx-xxxx
Cade, Carolyn S., xxx-xx-xxxx
Cashmere, Thomas W., xxx-xx-xxxx
Chaney, Kenneth R., xxx-xx-xxxx
Chase, Harold M., Jr., xxx-xx-xxxx
Christner, John K. xxx-xx-xxxx
Diez, Sarah G., xxx-xx-xxxx
Ely, David R., xxx-xx-xxxx
Ewing, Donna M., xxx-xx-xxxx
Ferington, Felicitu xxx-xx-xxxx
Freidhoff, Terrance, xxx-xx-xxxx
Fritz, John F. xxx-xx-xxxx
Garman, Anita W., xxx-xx-xxxx
Goligoski, Josephine, xxx-xx-xxxx
Gumbert, Terrence B. xxx-xx-xxxx
Gurley, Marshall E. xxx-xx-xxxx
Hileman, Donna L. xxx-xx-xxxx
Holder, Richard A., xxx-xx-xxxx
Johnson, Jean M. xxx-xx-xxxx
Johnson, Tony B., xxx-xx-xxxx
Kazmierczak, Eugene, xxx-xx-xxxx
Kramer, Robertajo xxx-xx-xxxx
Learmann, Paul C. xxx-xx-xxxx
Morres, Anna V., xxx-xx-xxxx
O'Donnell, Dennis J., xxx-xx-xxxx
Oswald, George E., xxx-xx-xxxx
Pack, John T. xxx-xx-xxxx
Parsons, Robert W., xxx-xx-xxxx
Pastrano, Charlie J. xxx-xx-xxxx
Pelaez, Laraine M., xxx-xx-xxxx
Peterson, Mary L., xxx-xx-xxxx
Rovinski, Charles J., xxx-xx-xxxx
Sauter, Joseph G., Jr. xxx-xx-xxxx
Stanfield, John C. xxx-xx-xxxx
Taylor, Byron H., xxx-xx-xxxx
Tiers, Sharon M., xxx-xx-xxxx
Urban, Donald D., xxx-xx-xxxx
Walchek, Dennis E., xxx-xx-xxxx
Weddell, Rose M., xxx-xx-xxxx
Wetherington, Wanda, xxx-xx-xxxx
Wicki, Carol A., xxx-xx-xxxx
Zeimet, Raymond C., xxx-xx-xxxx

ARMY MEDICAL SPECIALIST CORPS

*To be captain*

Aulick, Louis H., xxx-xx-xxxx
Braswell, Leroy J., xxx-xx-xxxx
Brown, Clarence D., xxx-xx-xxxx
Tomlan, Jolene K., xxx-xx-xxxx

# HOUSE OF REPRESENTATIVES—*Wednesday, May 5, 1971*

The House met at 12 o'clock noon.

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

*Be ye followers of God, as dear children, and walk in love.*—Ephesians 5: 1.

Our Father God, amid the pressure of persistent problems and the demands of daily duties we are grateful for this quiet moment when we may be still and know that Thou art God. Bowing before the altar of Thy loving spirit may we have our souls restored and our spirits renewed.

As we turn to the tasks of this day deliver us from cynicism and cowardice and lead us to the higher ground of faith and hope where Thou art that we may be true leaders of our people in this trying time.

Guide with Thy peaceable wisdom those who in this Chamber take counsel for our Nation and those who take counsel for the nations of the world, that in tranquillity Thy kingdom may go forward, until the earth be filled with the knowledge of Thy love, through Jesus Christ our Lord. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

## MESSAGE FROM THE SENATE

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

H.R. 5674. An act to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide an increase in the appropriations authorization for the Commission on Marihuana and Drug Abuse.

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

S. 421. An act to amend title 10, United States Code, to provide special health care benefits for certain surviving dependents;

S. 699. An act to require a radiotelephone on certain vessels while navigating upon specified waters of the United States; and

S. 860. An act relating to the Trust Territory of the Pacific Islands.

## A COHESIVE DEMOCRATIC LEADERSHIP

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

Mr. SIKES. Mr. Speaker, it is axiomatic that you cannot believe all you hear—or read. Some of the columnists have embarked on a program to show that the Democratic leadership of the House is falling apart. It is not. It is

strong, and its strength is growing. Those same columnists have indicated there is distrust between those who serve in the House leadership. I just do not believe this. I have personal knowledge that there is understanding and cooperation of a very high order.

I do not speak for either of the principals, but I respect them as friends and I enjoy some measure of their confidence. I find nothing that indicates an effort to dump anyone among the present leadership.

May I respectfully suggest that the critics wait and watch the results—the outstanding results—which I feel are in prospect in the Congress under Democratic leadership.

## DEMONSTRATIONS AND THE CONTINUING WAR IN VIETNAM

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

Mr. KOCH. Mr. Speaker, thousands of young Americans are at our Capitol today petitioning the Congress to take measures now to terminate our military involvement in Vietnam. The people of this country are demanding that this Congress be relevant and address itself to the grave problems which are facing us today.

Instead, the House today will be voting on two minor bills. First, a resolution congratulating former President Harry S. Truman on his 87th birthday and second, an equally "controversial" matter, a bill increasing the outstanding loan ceiling of the Small Business Administration.

Mr. Speaker, one of the slogans that we hear in the streets chanted by some of the young people peacefully assembled, "Today we will bring this Congress to a grinding halt." Mr. Speaker, how does one bring to a grinding halt a machine that is not moving?

## JUDICIARY SUBCOMMITTEE OF THE DISTRICT OF COLUMBIA COMMITTEE TO HOLD HEARINGS ON H.R. 3121 AND H.R. 6968

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

Mr. HUNGATE. Mr. Speaker, on next Tuesday, May 11, 1971, at 10 a.m., in committee room 1310, Longworth House Office Building, the Judiciary Subcommittee of the District of Columbia Committee will hold hearings on two measures, H.R. 3121 which would provide for the incorporation of professions, individuals, and firms; and H.R. 6968 to amend the uniform commercial code regarding warehousemen's liens.

Any Members and others interested in offering testimony on these two measures will please contact the committee clerk not later than Friday, May 7, 1971.

## POLAND'S MAY 3 CONSTITUTION

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

Mr. VIGORITO. Mr. Speaker, I have asked for this time today, to speak on a matter of primary importance to myself, to a large segment of my constituency, and to a great portion of the American population. I am speaking of the observance of the Polish May 3 Constitution Day.

This Congress has had a tradition of participation in the observances of the past but it appears to me that at no time was it more important to make our feelings and concern known, than during this year's commemoration. The adoption of the May 3, 1791, Constitution stated Poland's objective of granting the power of government to the people. It was an assertion of spirit and independence, of liberty and foresight. Now we, with our hindsight, see that this rebirth was too late, and that it was followed by the ruthless third partitioning by Russia, Prussia, and Austria in 1795.

But the harbinger was there, and periodically the independent spirit of the Polish people is rekindled. We recently witnessed a resurgence of rebellion against dominion. Just last December, the wrath of the Polish people extended so far and so deep, as to grasp, possibly for the first time, the very heartbeat of their government. Since then I have heard, from firsthand reports, of the force of feeling and of the tide of emotion that swept the country in this, their latest attempt to achieve equality and equitability for the people.

We in America see examples of the indomitability of human spirit daily in our youth, in our cities and across the Nation. It saddens me to think that we do not often widen our sights to include our brothers in other lands, who ask only the right to rule themselves. It is my sincere hope that every Member joins me today in expressing our hope for the hastening of the day that these brave people will at last be granted the rights they so earnestly seek, and have so consistently been denied: the right of assembly, the right of self-expression, and the right of self-government.

## DEMONSTRATIONS IN THE NATION'S CAPITAL

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

Mr. CEDERBERG. Mr. Speaker, this morning on the front page of the Washington Post there is an article by Haynes Johnson which I think is worth reading because it contains a statement that I think is quite accurate about the activities and tactics that have been going on here in the Nation's Capital the past few days.

The article says in part as follows:

"We lost," said a 20-year-old whose first name is Dennis but who did not want to be further identified. "We got creamed. Any time you let your enemy know what you are going to do, you're in trouble. We can't let out the battle plan like that. There were CIA people who knew more than I did."

We hear a great deal these days about letting our enemy know our plans by setting a date certain for our withdrawal from Vietnam. As this young man said, any time you let your enemy know what you are going to do you are in trouble.

If a date certain is to be set it should be a mutual date, an agreed date between the United States and the North Vietnamese for withdrawal and exchange of prisoners by a certain time, our withdrawal back to the United States from Vietnam, and the withdrawal of the North Vietnamese. It makes no sense to let the enemy know what is going to happen as far as our plans are concerned, because this will, as this young man said, cause trouble.

## USE OF PUBLIC PROPERTY

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

Mr. WYLIE. Mr. Speaker, in view of recent disruptions in the Nation's Capital, I would like to call attention to H.R. 7479, which was introduced by Congressman HUNT, of New Jersey and which I have cosponsored. This legislation is designed to limit the use of publicly owned or controlled property in the District of Columbia by requiring the posting of a bond for the use of such property.

On June 11, 1969, H.R. 1053, bill identical to H.R. 7479, was approved by the House by an overwhelming vote of 327 for and 51 against. It is regrettable that the other body did not act on H.R. 1035 prior to the adjournment of the 91st Congress. Had H.R. 1035 or H.R 7479 of this Congress been in effect, we might have avoided the callup of Federal troops, to say nothing of the financial savings to the already overburdened taxpayers.

I commend my good friend Congressman HUNT for his efforts in this regard and urge immediate consideration of H.R. 7479.

[The Washington Daily News, Wednesday May 5, 1971]

(By Lee Stillwell, Scripps-Howard Writer)

DEMONSTRATIONS WILL COST MILLIONS

POLICE OVERTIME, DAMAGE TO PROPERTY, TROOP CALLS ADD UP

Demonstrations and disorders in the Nation's Capital are costing taxpayers millions of dollars.

Although complete records are not kept, a check of available figures shows the public a back-breaking price to police and clean up after demonstrations.

Rep. Ray Blanton, D-Tenn., a member of the House District committee, said preliminary estimates by city officials indicate costs of policing the Monday protests alone exceed $200,000.

PROPERTY DAMAGE

Estimate of damage to public property, repair work, overtime for police and sanitation workers, and federalization of the D.C. National Guard are included in this figure, Rep. Blanton said, adding it could go higher.

"It may be one of the most expensive demonstrations in recent Washington history when the final figures are in," he said.

Early estimates by the National Park Service indicate the last three week's demonstrations—including park police overtime and damage to Washington Monument grounds, West Potomac Park, and the Ellipse—will reach $320,000.

A Department of Defense spokesman said there were no available figures for transporting an estimated 10,000 troops to the Capital this week but added a similar movement of 9,800 troops in May, 1970, cost $431,000.

Concerned about mounting costs to government of demonstrations, Rep. Blanton asked in 1970 for a financial study of the disruptions

Figures showed the cost of four demonstrations here between January, 1969 and May, 1970 amounted to $1,581,236 in police overtime and cleanup alone. He said "thousands of dollars in time consumed in courts" and by administrative personnel were not included.

Damage to public and private property exceeded $450,000 in the four demonstrations, Rep. Blanton said. He said 39 police officers and 730 demonstrators and on-lookers were injured.

BUSINESS HURT

Downtown business is also hurt by the demonstrations. A spokesman for the Washington Parking Association reported garages virtually empty this week in the central business district.

Leonard Kolodny, manager of the retail bureau of the Metropolitan Washington Board of Trade, said retail business was down 50 per cent during the Saturday peace march held more than a week ago.

Rep. Blanton, who said he resented low fines charged demonstrators, indicated he is exploring the possibility of introducing a bill to increase the financial burden on those responsible for violence and damage.

"I resent the taxpayers having to foot the bill for a few thousand vandals—youthful hoodlums bent on destroying and interfering with the rights of other citizens," he said.

## THE DRAFT IN PUERTO RICO

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

Mr. CÓRDOVA. Mr. Speaker, I have often called attention, in appearances before committees of the House and of the other body, and in remarks on the floor, to the fact that Puerto Rico has been subject to the burden of the military draft since 1917, to the same extent as all States of the Union. My distinguished colleague, the gentleman from New York (Mr. BADILLO), also underscored this point in his remarks yesterday. But, unfortunately, he added that the 27,000 inductees from Puerto Rico since the Gulf of Tonkin resolution represent a higher proportion of our population than that of any of the 50 States.

The data that I have been able to obtain do not support the contention that Puerto Rico has been made to bear a burden any greater than that of any other State. That is why I appended, at the end of my remarks yesterday, a table showing the population of Puerto Rico and a number of comparable States, as well as the Veterans' Administration statistics showing Vietnam-era veterans from Puerto Rico and from these States.

This table explains that we in Puerto Rico have borne our share of the burden, but certainly not more than our proportionate share.

I have, however, asked my distinguished colleague from New York, and he has promised to support any facts showing that Puerto Rico has been bearing a burden out of proportion of our population, since if this were so it would certainly be my duty to see to it that any inequity is corrected, as I am confident it would be.

## FURTHER LEGISLATIVE PROGRAM

Mr. BOGGS. Mr. Speaker, I take this opportunity to announce that we will call up on tomorrow, Thursday, House Resolution 412, authorizing additional investigative authority for the Committee on Education and Labor. This is in addition to the bills listed on the Whip notice for this week.

## TIME TO CHANGE DAYLIGHT SAVINGS TIME

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

Mr. HALL. Mr. Speaker, I am today introducing legislation that would limit the period of daylight savings time across the Nation to the 3 summer months, instead of the 6 months required under the Uniform Time Act of 1966. Under this bill, daylight savings time would not commence until the Sunday following Memorial Day, and then would cease the Sunday following Labor Day.

There can be little doubt that the State's prerogatives in this area were greatly curtailed with the passage of the act, but it is now the law of the land and we should attempt to make the act fair and equitable to all segments of the population. Why should DST not commence when summer begins unofficially for the overwhelming majority of our population around Memorial Day, and end following the last holiday?

Under the present act, in many "climes" and time zones, children are forced to go to bed during the school year while the light of day still shines through their bedroom window. Mothers have the option of using persuasion, tranquilizers, or ball bats, depending on the degree of frustration.

The problem is then compounded later in the school year when these same children must get up in the morning, greeted by a pitch-black world. In rural areas especially, those who have a long way to go to school may be exposed to unnecessary safety hazards.

## INTEREST RATES, MORTGAGE CREDIT CONTROLS, AND COST-OF-LIVING STABILIZATION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4246) to extend until March 31, 1973, certain provisions of law relating to interest rates, mortgage credit controls, and cost-of-living stabilization, 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:

"Strike out all after the enacting clause and insert:

"EXTENSION OF AUTHORITY FOR THE FLEXIBLE REGULATION OF INTEREST RATES ON DEPOSITS AND SHARE ACCOUNTS IN FINANCIAL INSTITUTIONS

"SECTION 1. Section 7 of the Act of September 21, 1966, as amended (Public Law 91–151; Public Law 92–8), is amended by striking out '1971' and inserting in lieu thereof '1973'.

"REMOVAL OF TIME LIMITATION ON THE AUTHORITY OF THE PRESIDENT TO APPROVE CERTAIN VOLUNTARY AGREEMENTS

"SEC. 2. The first sentence of section 717 (a) of the Defense Production Act of 1950 (50 U.S.C. App. 2166(a)) is amended by striking out '714 and 719' and inserting in lieu thereof '708, 714, and 719'.

"PRICE AND WAGE CONTROLS

"SEC. 3. (a) Section 202 of the Economic Stabilization Act of 1970 (Public Law 91–379) is amended—

"(1) by inserting '(a)' before the text of such section; and

"(2) by adding at the end thereof a new subsection as follows:

"'(b) The authority conferred on the President by this section shall not be exercised with respect to a particular industry or segment of the economy unless the President determines, after taking into account the seasonal nature of employment, the rate of employment or underemployment, and other mitigating factors, that prices or wages in that industry or segment of the economy have increased at a rate which is grossly disproportionate to the rate at which prices or wages have increased in the economy generally.'

"(b) Section 206 of such Act is amended by striking out 'May 31, 1971' and 'June 1, 1971' and inserting in lieu thereof 'April 30, 1972' and 'May 1, 1972,' respectively."

Amend the title so as to read: "An act to extend certain laws relating to the payment of interest on time and savings deposits and economic stabilization, and for other purposes."

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

Mr. GERALD R. FORD. Mr. Speaker, reserving the right to object, I would ask the distinguished chairman of the Committee on Banking and Currency several questions in order to get a clarification of what is proposed to be done by this request. Would the distinguished chairman, the gentleman from Texas, outline what is incorporated in the proposed action?

Mr. PATMAN. Mr. Speaker, I will state to the distinguished minority leader that I have a short statement here which I think will embody every bit of it.

Mr. Speaker, on May 3, 1971, the other body passed H.R. 4246, with amendments.

The Members in this body will recall that H.R. 4246, as it passed the House, provided as follows:

First, it extended until March 31, 1973, authority to establish flexible ceilings on rates paid by financial institutions on time and savings deposits;

Second, it extended Public Law 91–379, which provided the President with discretionary authority to issue orders and regulations to stabilize prices, rents, wages, and salaries until March 31, 1973;

Third, H.R. 4246, as it passed the House, also provided that if the President in any manner used his standby authority to institute controls over

wages, salaries, prices, and rents, authority under the act to exercise this authority would expire within 6 months of the date of the President's initial action unless the Congress renewed such authority during the 6 months; and

Fourth, H.R. 4246, as it passed the House, authorized the appropriation of up to $20 million to pay for administrative expenses for carrying out the wage-price authority.

Mr. Speaker, H.R. 4246, as it was amended by the other body, provided the following:

Section 1 of the bill providing authority to establish flexible ceilings on rates paid by financial institutions is the same as that passed by this body—the authority is extended until March 31, 1973.

Section 2 of the Senate-passed bill removes the expiration date of the President's authority to initiate a program of voluntary credit controls similar to those that President Truman put into effect during the Korean war. Under this authority, as contained in the Senate amendments to H.R. 4246, the President could establish committees of private lenders to work out voluntary programs for channeling credit from less essential to more essential users. This authority is contained in the Defense Production Act which expires on June 30, 1972. The other body reasoned that since a related authority for mandatory credit controls was enacted into permanent law in 1969, they saw no reason why the voluntary credit control authority should not also be made permanent. The Federal Reserve Board, which would administer the authority if implemented, has testified that it has no objection to making this authority permanent.

Section 3 of H.R. 4246, as reported by the Senate Committee on Banking, Housing, and Urban Affairs, extended until October 1, 1971, the President's standby authority for controlling prices, wages, salaries, and rents. The rationale behind extending the program until October 1, 1971, was that the President had issued an order under the legislation on March 29, 1971, which, given the House language, would subject this section of the act to expiration on September 29, 1971, unless the Congress took affirmative action to extend the provision further. During the debate on the floor of the Senate, an amendment was offered and adopted to extend the October 1, 1971, date contained in the Senate committee's bill to April 30, 1972—or for an additional 6 months.

Mr. Speaker, I have attempted to explain the differences between the House-passed and Senate-passed bill. In my opinion, and as I understand it, the opinion of the ranking minority member of the committee and other members of the committee, the differences between the legislation as enacted by both bodies is not substantive and, therefore, I ask that the House concur in the Senate amendments to H.R. 4246.

Mr. GERALD R. FORD. Would the gentleman from Texas answer this question: This proposal would extend the discretionary authority of the President to impose wage, price and rent controls to what date?

Mr. PATMAN. April 30, 1972.

Mr. GERALD R. FORD. This proposal does not contain the amendment that came to the floor of the House known as the Reuss amendment; does it?

Mr. PATMAN. It does not. The gentleman from Wisconsin (Mr. REUSS) is present and I call on him to answer that question.

Mr. REUSS. The statement of the distinguished minority leader is correct. The Reuss amendment was voted here, and the decision, substantially on party lines, was against the amendment, which, had it been enacted, would have prevented the President from singling out one group, one union, for specific wage-control treatment. It is not in this bill.

Mr. GERALD R. FORD. Let me ask the distinguished chairman one other question. This legislation would also extend the so-called regulation Q authority until what date?

Mr. PATMAN. Until the same date.

Mr. GERALD R. FORD. April 1, 1972?

Mr. PATMAN. No; it would extend regulation Q for 2 years.

Mr. GERALD R. FORD. Two years from what date?

Mr. PATMAN. March 31. It would extend it to March 31, 1973.

Mr. GERALD R. FORD. Mr. Speaker, I understand the distinguished ranking member of the Commitee on Banking and Currency has indicated his concurrence in the proposed legislation, and on that basis and the explanation I withdraw my reservation of objection.

Mr. GROSS. Mr. Speaker, further reserving the right to object. With respect to the credit provision, who makes the decision as to the essentiality of certain credit?

Mr. PATMAN. Is the gentleman referring to regulation Q?

Mr. GROSS. The gentleman spoke of an essential credit provision in the legislation. Who makes the decision as to whether it is essential or not?

Mr. PATMAN. The Senate amendment sets up a voluntary committee for that purpose which would be selected by the President.

Mr. GROSS. What is a voluntary committee?

Mr. PATMAN. One that does not have enforcement power under law.

Mr. GROSS. Who selects the committee?

Mr. PATMAN. The President would select the voluntary committee.

Mr. GROSS. I believe the gentleman responded to the gentleman from Michigan that this is a bill providing for standby wage, price, rent, and certain credit controls.

Mr. PATMAN. That is correct; and regulation Q.

Mr. GROSS. There are also standby controls with respect to the entire credit system of this country; the entire financial system of this country, are there not?

Mr. PATMAN. That was enacted 2 years ago. It is not involved in this legislation.

Mr. GROSS. It was enacted a year ago, was it not?

Mr. PATMAN. A year ago, yes; the gentleman is correct.

Mr. GROSS. Standby controls by which the President may at any hour of the day or night turn over to the Federal Reserve Board, which the gentleman from Texas holds in such high esteem, the financial control of this country; is that correct?

Mr. PATMAN. Well, I would not go so far as the gentleman has, no; I would admit there is considerable power involved.

Mr. GROSS. What shorter route would the gentleman take?

Mr. PATMAN. I would say I admit there is considerable power in the Federal Reserve Board.

Mr. GROSS. But under the legislation promoted by your committee, you turned over all controls, financial controls which the President would delegate, under the terms of that legislation, to the Federal Reserve Board; is that not correct?

Mr. PATMAN. I would be delighted to discuss that with the gentleman when it is relevant. It is not relevant to this.

Mr. GROSS. Of course, we are dealing with credit control in this bill; are we not?

Mr. PATMAN. It is not the same.

Mr. GROSS. I understand that, but we are dealing with credit controls in both pieces of legislation.

Mr. PATMAN. I assure the gentleman it would please me very much to discuss it.

Mr. GROSS. I have always been intrigued, I will say to the gentleman, by the great trust he places in the Federal Reserve Board on one occasion and then, as with his special order in the House the other evening, he castigated the Federal Reserve Board in no uncertain terms. I have always been intrigued by this.

Mr. PATMAN. Of course, I differ with them on other things, too.

Mr. GROSS. Differ with whom?

Mr. PATMAN. The Federal Reserve Board.

Mr. GROSS. I am sure the gentleman does. That is why I cannot understand how he could put so much faith and trust in the Federal Reserve Board to control the entire financial structure of this Nation.

Mr. PATMAN. I believe this is in the public interest to do so.

Mr. GROSS. Mr. Speaker, I withdraw my reservation.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

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## MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Leonard, one of his secretaries, who also informed the House that on April 30, 1971, the President approved and signed a bill of the House of the following title:

H.J. Res. 567. Joint resolution making certain urgent supplemental appropriations for the fiscal year 1971, and for other purposes.

## DESIGNATING "HUMAN DEVELOPMENT MONTH" AND "VOLUNTARY OVERSEAS AID WEEK"

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate concurrent resolution (S. Con. Res. 22) designating "Human Development Month" and "Voluntary Overseas Aid Week."

The Clerk read the Senate concurrent resolution as follows:

S. CON. RES. 22

Whereas the month of May 1971 marks the twenty-fifth anniversary of the major American voluntary programs of overseas relief and development assistance carried out under the guidance of the Advisory Committee on Voluntary Foreign Aid;

Whereas the International Walk for Development has been organized for the second weekend in May 1971;

Whereas the American people and their Government have consistently supported the humanitarian work of the voluntary agencies to the end that people throughout the world can be free from hunger, illiteracy, and disease and poverty; and

Whereas these agencies are to be commended for their outstanding work in the area of humanitarian relief and the International Walk for Development for its planned program to focus attention on the tremendous need to continue the work of human and economic development: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of the Congress that in recognition of the twenty-fifth anniversary of the American voluntary foreign aid programs and the International Walk for Development that the President should designate the week of May 9, 1971, as "Voluntary Overseas Aid Week" and the month of May 1971 as "Human Development Month".

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

There was no objection.

AMENDMENT OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of California: On pages 1 and 2, strike out all "whereas" clauses.

The amendment was agreed to.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

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## COMMEMORATING THE 50TH ANNIVERSARY OF TORRANCE, CALIF., AS A GENERAL LAW CITY

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 379, commemorating the 50th anniversary of Torrance, Calif., as a general law city.

The Clerk read the resolution as follows:

H. RES. 379

Whereas the city of Torrance, California, celebrates its fiftieth anniversary as a general law city on May 12, 1971;

Whereas the city of Torrance, California, located in the dynamic South Bay area, is now the third largest city in Los Angeles County;

Whereas the city of Torrance, California, due to progressive leadership, favorable and pleasant surroundings, and dedicated, hard-working citizens, has grown from eighteen hundred residents in 1921 to more than one hundred and forty thousand residents;

Whereas the city of Torrance, California, has been guided by a master plan for expansion which represents a balance between industrial, commercial, and residential development;

Whereas the city of Torrance, California, located in the center of the transportation hub of southern California, is near the Port of Los Angeles, and the Los Angeles International Airport, and is in easy access to the freeway network;

Whereas the city of Torrance, California, with all modes of transportation, excellent utilities, an abundant labor pool, and availability of land, combines to assure its continued vigorous growth;

Whereas, the city of Torrance, California, with excellent elementary schools, high schools, and tuition-free junior colleges within the immediate area, has one of the finest educational systems in the State;

Whereas the city of Torrance, California, offers a wealth of recreational activities for its citizens, and enjoys a climate which is stimulating for work and inviting for play;

Whereas the city of Torrance, California, was honored as an "All-America City" for "growth without strain," and

Whereas the city of Torrance, California, combines the best qualities and advantages of California living: Therefore be it

*Resolved*, That the House of Representatives send congratulations and greetings to Torrance, California, and her residents on the occasion of her fiftieth anniversary as a general law city and extends the hope of the people of the United States that Torrance, California, will continue to grow and prosper in centuries yet to come.

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

There was no objection.

AMENDMENT OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of California: On pages 1 and 2, strike out all "whereas" clauses.

The amendment was agreed to.

Mr. ANDERSON of California. Mr. Speaker, on May 12, the city of Torrance, the third largest city in Los Angeles County, will celebrate its 50th year of incorporation as a general law city.

The meteoric rise of this oceanside community of 140,000 citizens has been nothing less than phenomenal. For, in 1910, Torrance was a pastoral scene of barley fields and plants growing wild on ranch lands. The transformation into a growing city came as a result of the dream of Jared Sydney Torrance.

Mr. Torrance envisioned an industrial city that would be both convenient and esthetically pleasing for the population. By the fall of 1912, 100 families lived in the area.

The population during the first 9 years grew to 1,800. In 1921, the threat of annexation by Los Angeles prompted the residents to vote for cityhood. Thirteen months later, oil was discovered in Torrance and the boom hit, and today, Torrance is the 102d largest city in the country.

Torrance has grown under the watchful eye of past and present city administrators and community leaders. Expansion has been guided by a master plan for balance between industrial, commercial, and residential development.

Torrance, located in the dynamic South Bay area of Los Angeles County, is ideal from the point of view of the employer and the employee. Employees have work opportunity in space technology, medicine, education, engineering, aviation, and manufacturing, to name only a few of the diversified fields. Employers in the area number over 3,200 and provide jobs for nearly 100,000 men and women.

In the center of the transportation area, Torrance is near the giant Port of Los Angeles, and the Los Angeles International Airport. The southern California freeway network is in easy access to the manufacturing and industrial plants and the transcontinental truck lines which are located within the city. In addition, the Santa Fe Railroad and the Southern Pacific Railroad maintain freight stations in the city.

As of 1967, there were approximately 1,000 acres of available industrial land in Torrance proper. A great portion of this land is located in the industrial parks. The development of these "parks" has been a strong factor in the industrial growth of Torrance and assures continuous growth in the future. The areas were selected to accommodate a concentration of industrial operations exclusively.

There are three industrial parks in Torrance, each with its own distinct advantages. One specializes primarily in heavy rail users, another in construction of multipurpose industrial buildings, while the third is an urban redevelopment project located adjacent to the Torrance Municipal Airport and offers opportunities for the utilization of corporate aircraft as well as air-freight transportation.

Over 100 major companies that have established in Torrance have recognized the South Bay area as the center of an industrial atmosphere difficult to equal in the Nation. All modes of transportation, excellent utilities, an abundant labor pool, and the availability of land, combine to assure its continued, vigorous growth.

The citizens of Torrance take great pride in the educational system which has grown from a one-room schoolhouse in 1890 to a system serving over 34,000 students today. With 36 elementary schools and four high schools, the Torrance United School District is the 10th largest district in the State of California. However, quality is far more important to the citizens and emphasis is placed on individualized instruction which allows the student to progress educationally as far as his capabilities will allow.

Torrance is proud of the fact that the greatest amount of the school dollar is spent on children and instruction and not on administrative costs. While Torrance has one of the lowest per pupil costs in Los Angeles County, the district attracts teachers of the highest caliber.

After high school, Torrance students are fortunate to have in their immediate area two tuition-free junior colleges and

several 4-year State colleges. El Camino Community College, located at the northern end of Torrance, offers 2 years of regular college work in preparation for student transfer to junior status in a university, or in preparation for employment in many of the industries in the Torrance area.

The attractions of Torrance are even greater when one discovers the wealth of recreational activities in the Los Angeles area. Miles of famous beaches dot the coast north and south of Torrance and its ideal location provides a climate averaging 61 degrees with almost year-round sunshine. As a result, Torrance residents enjoy the sun and surf at Torrance beach, play tennis, softball and golf, and enjoy a reputation of being advocates of outdoor living.

Mr. Speaker, it is with great pride that I represent the city of Torrance, Calif., and I am extremely pleased that the House of Representatives has taken note of her accomplishments, her people, and her outstanding educational, industrial, and residential facilities.

Torrance is, indeed, an all-American city and will continue to be a most enjoyable place to live.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## DESIGNATING "NATIONAL STAR ROUTE MAIL CARRIERS WEEK"

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 583) designating the last full week in July of 1971 as "National Star Route Mail Carriers Week."

The Clerk read the title of the joint resolution.

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

There was no objection.

The Clerk read the joint resolution as follows:

H.J. RES. 583

Whereas the star route mail carrier has been carrying the mail on a contract basis with the Post Office Department since 1845; and

Whereas the star route carrier has unfailingly driven through rain, sleet, snow, and other inclement weather to transport the mail from postal facility to postal facility, and to the American people; and

Whereas the star route mail carrier has faithfully performed this service with certainty, clarity, and security; and

Whereas the public has not been fully aware of the service to the public rendered by the star route carrier for the past one hundred and twenty-six years: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President is authorized and requested to issue a proclamation designating the last full week in July of 1971 as "National Star Route Mail Carriers Week" and calling upon the Postal Service to observe such week with appropriate recognition to the Nation's star route mail carriers.

AMENDMENT OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of California: On pages 1 and 2, strike out all "whereas" clauses.

The amendment was agreed to.

The joint resolution 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.

## AUTHORIZING THE PRESIDENT TO PROCLAIM "NATIONAL RESCUE MISSION WEEK"

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 602) authorizing the President to proclaim the period from May 22, 1971, through May 28, 1971, as "National Rescue Mission Week."

The Clerk read the title of the joint resolution.

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

There was no objection.

The Clerk read the joint resolution as follows:

H.J. RES. 602

Whereas, since the year 1870, the Rescue Missions in every major city of America have been ministering to the physical, material, and spiritual needs of the less fortunate in our society; and

Whereas the Rescue Missions in every major city of America have become famed throughout the Nation and the world because they have always shown a willingness to feed the hungry, house the homeless, clothe those in need, and give medical aid to the sick; and

Whereas the Rescue Missions in every major city of America have become known worldwide as the starting place of many renowned religious leaders in American life and have helped millions physically, materially, and spiritually; and

Whereas, during 1970, its one hundredth year of service to mankind, the Rescue Missions in every major city in America served more than five million meals to the hungry; provided more than two million five hundred thousand lodgings to the homeless; distributed more than one million six hundred thousand articles of clothing to the needy; and secured more than one hundred and twenty-five thousand jobs for the unemployed; and

Whereas the International Union of Gospel Missions, an organization representing the Rescue Missions of the world, will be meeting in its fifty-eighth annual convention in Chicago, Illinois, from May 22 through 26; and

Whereas a testimonial banquet is to be held in the city of Chicago, Illinois, on May 22, 1971, in tribute to the Rescue Mission ministry in every major city of America and in recognition of the Rescue Missions great contribution to the betterment of our society and of our less fortunate citizens: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President is hereby authorized and requested to issue a proclamation designating the period from May 22, 1971, through May 28, 1971, as "National Rescue Mission Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of California: On pages 1 and 2, strike out all "whereas" clauses.

The amendment was agreed to.

The joint resolution 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.

## GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the resolutions and joint resolution previously considered.

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

There was no objection.

## SALUTE TO PRESIDENT HARRY S. TRUMAN

Mr. RANDALL. Mr. Speaker, I offer a resolution (H. Res. 422) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 422

Whereas the Honorable Harry S. Truman, thirty-third President of the United States will celebrate his eighty-seventh birthday on May 8, 1971; and

Whereas the Honorable Harry S. Truman has devoted his life to the causes of freedom, peace, and the betterment of his fellow man through social and economic legislation, the adoption of the United Nations Charter, and the Marshall Plan: Now: therefore, be it

*Resolved by the House of Representatives,* That President Harry S. Truman be saluted for his extraordinary record of national service, and extend to him its best wishes for a happy eighty-seventh birthday.

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

There was no objection.

Mr. RANDALL. Mr. Speaker, as the author of House Joint Resolution 422, it is a pleasure to call up this resolution under a unanimous-consent request for its immediate consideration.

In each of the years since I came to the Congress in 1959, it has been my privilege to take the floor of the House just before the 8th of May and to wish former President Truman a happy birthday. In each instance I have proceeded to recount the outstanding events that took place between 1945 and 1952 and to recall the extraordinary accomplishments of his years in office.

This year it seemed to me it would be appropriate for the House to consider a resolution paying tribute to Mr. Truman on the occasion of his 87th birthday. It was not my belief this 87th birthday is of any more significance than the others. It is, however, one that I believe will be enjoyed more by Mr. Truman than some of the others because on next Saturday

in the city of Independence, Mo., May 8, 1971, Postmaster General Winton M. Blount will come to the Truman Library to participate in ceremonies marking the first day of issue of Missouri's sesquicentennial stamp.

Mr. Truman loves his native Missouri and I know he is happy that the stamp will feature the central portion of the mural of Thomas Hart Benton in the Truman Library entitled "Independence and the Opening of the West."

Later this week, I shall recall once again those things he did while President from 1945 to 1952 which, in the judgment of many will cause history to evaluate him as one of our greatest American Presidents. I wish to announce that in our remarks at that time I shall have the privilege to reveal the contents of a conversation which I enjoyed with him about 2 weeks ago. What I shall release for the first time will underline and emphasize a facet of his character that has caused us all to love and admire this great man, namely; his humility.

As a near neighbor of Mr. Truman in the city of Independence, Mo., and as a lifelong friend, it is most appropriate that this resolution paying tribute to President Harry S. Truman on the occasion of his 87th birthday be adopted today.

I wish to express my appreciation to those members of the Judiciary Committee, the gentleman from California (Mr. EDWARDS) and the gentleman from California (Mr. WIGGINS) who were consulted and who accorded me the privilege to call up this resolution without formal consideration by the Judiciary Subcommittee. Both the subcommittee chairman, Mr. EDWARDS, and the ranking minority member, Mr. WIGGINS, by giving their approval for the immediate consideration of House Joint Resolution 422 removed a time-consuming formality that enabled the resolution to be offered to the House today.

Mr. Speaker, I urge the unanimous adoption of this resolution.

The SPEAKER. The question is on the resolution.

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

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 380, nays 0, answered "present" 1, not voting 53, as follows:

[Roll No. 80]

YEAS—380

| | | |
|---|---|---|
| Abernethy | Ashbrook | Bevill |
| Abourezk | Ashley | Biaggi |
| Abzug | Aspin | Biester |
| Adams | Aspinall | Bingham |
| Addabbo | Badillo | Blackburn |
| Anderson, Calif. | Baker | Blanton |
| | Baring | Blatnik |
| Anderson, Ill. | Barrett | Boggs |
| Andrews, Ala. | Begich | Boland |
| Andrews, N. Dak. | Belcher | Bolling |
| | Bell | Bow |
| Annunzio | Bennett | Brademas |
| Archer | Bergland | Brasco |
| Arends | Betts | Bray |
| Brinkley | Hall | Nelsen |
| Brooks | Halpern | Nichols |
| Broomfield | Hamilton | Nix |
| Brotzman | Hammer-schmidt | Obey |
| Brown, Mich. | | O'Hara |
| Brown, Ohio | Hanley | O'Konski |
| Broyhill, N.C. | Hanna | O'Neill |
| Broyhill, Va. | Hansen, Idaho | Patman |
| Burke, Fla. | Harsha | Patten |
| Burke, Mass. | Harvey | Pelly |
| Burleson, Tex. | Hastings | Perkins |
| Burlison, Mo. | Hathaway | Pettis |
| Byrnes, Wis. | Hawkins | Peyser |
| Byron | Hays | Pickle |
| Cabell | Hébert | Pike |
| Caffery | Hechler, W. Va. | Pirnie |
| Camp | Heckler, Mass. | Poage |
| Carey, N.Y. | Helstoski | Podell |
| Carney | Henderson | Poff |
| Carter | Hicks, Mass. | Powell |
| Casey, Tex. | Hicks, Wash. | Preyer, N.C. |
| Cederberg | Hillis | Price, Ill. |
| Chamberlain | Hogan | Price, Tex. |
| Chappell | Holifield | Pryor, Ark. |
| Clancy | Horton | Pucinski |
| Clark | Hosmer | Purcell |
| Clawson, Del | Howard | Quie |
| Cleveland | Hull | Railsback |
| Collier | Hungate | Randall |
| Collins, Ill. | Hunt | Rarick |
| Collins, Tex. | Hutchinson | Rees |
| Colmer | Ichord | Reid, Ill. |
| Conable | Jarman | Reid, N.Y. |
| Conte | Johnson, Calif. | Reuss |
| Conyers | Johnson, Pa. | Rhodes |
| Corman | Jonas | Riegle |
| Cotter | Jones, Ala. | Roberts |
| Coughlin | Jones, N.C. | Robinson, Va. |
| Crane | Jones, Tenn. | Robison, N.Y. |
| Culver | Karth | Rodino |
| Daniel, Va. | Kastenmeier | Roe |
| Daniels, N.J. | Kazen | Rogers |
| Danielson | Kee | Roncallo |
| Davis, Wis. | Keith | Rooney, N.Y. |
| de la Garza | Kemp | Rosenthal |
| Delaney | King | Roush |
| Dellenback | Kluczynski | Rousselot |
| Denholm | Koch | Roy |
| Dennis | Kuykendall | Roybal |
| Derwinski | Kyl | Ruppe |
| Devine | Kyros | Ruth |
| Dickinson | Landgrebe | Ryan |
| Diggs | Landrum | St Germain |
| Dingell | Latta | Sandman |
| Donohue | Leggett | Sarbanes |
| Drinan | Lennon | Satterfield |
| Dulski | Lent | Saylor |
| Duncan | Link | Scherle |
| du Pont | Lloyd | Scheuer |
| Dwyer | Long, Md. | Schmitz |
| Eckhardt | Lujan | Schneebeli |
| Edmondson | McClory | Schwengel |
| Edwards, Ala. | McCloskey | Scott |
| Edwards, Calif. | McClure | Sebelius |
| Eilberg | McCollister | Seiberling |
| Erlenborn | McCormack | Shipley |
| Esch | McDade | Shoup |
| Eshleman | McDonald, Mich. | Shriver |
| Evans, Colo. | | Sikes |
| Evins, Tenn. | McEwen | Skubitz |
| Fascell | McFall | Slack |
| Findley | McKay | Smith, Calif. |
| Fish | McKevitt | Smith, Iowa |
| Fisher | Mahon | Smith, N.Y. |
| Flood | Mailliard | Spence |
| Flowers | Martin | Springer |
| Flynt | Mathias, Calif. | Stafford |
| Foley | Mathis, Ga. | Staggers |
| Ford, Gerald R. | Matsunaga | Stanton, J. William |
| Forsythe | Mayne | |
| Fountain | Mazzoli | Stanton, James V. |
| Fraser | Meeds | |
| Frelinghuysen | Melcher | Steed |
| Frenzel | Metcalfe | Steele |
| Frey | Michel | Steiger, Ariz. |
| Fulton, Pa. | Mikva | Steiger, Wis. |
| Fuqua | Miller, Ohio | Stephens |
| Galifianakis | Mills | Stokes |
| Gallagher | Minish | Stratton |
| Garmatz | Mink | Stubblefield |
| Gaydos | Minshall | Sullivan |
| Gettys | Mitchell | Symington |
| Giaimo | Mizell | Talcott |
| Gibbons | Mollohan | Taylor |
| Goldwater | Monagan | Teague, Calif. |
| Gonzalez | Montgomery | Terry |
| Goodling | Moorhead | Thompson, Ga. |
| Grasso | Morgan | Thompson, N.J. |
| Gray | Morse | Thone |
| Green, Oreg. | Mosher | Tiernan |
| Griffiths | Moss | Udall |
| Gross | Murphy, Ill. | Ullman |
| Grover | Murphy, N.Y. | Van Deerlin |
| Gude | Myers | Vander Jagt |
| Hagan | Natcher | Vanik |
| Haley | Nedzi | Veysey |
| Vigorito | Whitehurst | Wolff |
| Waggonner | Whitten | Wright |
| Waldie | Widnall | Wyatt |
| Wampler | Wiggins | Wydler |
| Ware | Williams | Wylie |
| Watts | Wilson, Bob | Wyman |
| Whalen | Wilson, Charles H. | Yates |
| Whalley | | Zablocki |
| White | Winn | Zwach |

NAYS—0

ANSWERED "PRESENT"—1

Harrington

NOT VOTING—53

| | | |
|---|---|---|
| Abbitt | Downing | Mann |
| Alexander | Edwards, La. | Miller, Calif. |
| Anderson, Tenn. | Ford, William D. | Passman |
| | | Pepper |
| Buchanan | Fulton, Tenn. | Quillen |
| Burton | Green, Pa. | Rangel |
| Byrne, Pa. | Griffin | Rooney, Pa. |
| Celler | Gubser | Rostenkowski |
| Chisholm | Hansen, Wash. | Runnels |
| Clausen, Don H. | Jacobs | Sisk |
| | Keating | Snyder |
| Clay | Long, La. | Stuckey |
| Davis, Ga. | McCulloch | Teague, Tex. |
| Davis, S.C. | McKinney | Thomson, Wis. |
| Dellums | McMillan | Yatron |
| Dent | Macdonald, Mass. | Young, Fla. |
| Dorn | | Young, Tex. |
| Dow | Madden | Zion |
| Dowdy | | |

So the resolution was agreed to.

The result of the vote was announced as above recorded. A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. RANDALL. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to revise and extend their remarks on House Resolution 422, just agreed to.

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

There was no objection.

## FEDERAL PROGRAM OF LEGAL SERVICES FOR THE POOR—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 92–104)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Education and Labor and ordered to be printed:

*To the Congress of the United States:*

In the long, uphill struggle to secure equal rights in America, the Federal program of legal services for the poor is a relative newcomer to the cause. Yet it has already become a workhorse in this effort, pulling briskly and tirelessly at the task as the Nation moves ahead.

The legal services program began six years ago as a small experiment within the Office of Economic Opportunity. It grew swiftly, so rapidly that today more than 2000 lawyers work for the poor in some 900 neighborhood law offices. No less than a million cases a year are now processed by these dedicated attorneys, with each case giving those in need new reason to believe that they too are part of "the system."

A large measure of credit is due the organized bar. Acting in accordance with the highest standards of its profession, it has given admirable and consistent

support to the legal services concept. The concept has also had the support of both political parties.

The crux of the program, however, remains in the neighborhood law office. Here each day the old, the unemployed, the underprivileged, and the largely forgotten people of our Nation may seek help. Perhaps it is an eviction, a marital conflict, repossession of a car, or misunderstanding over a welfare check—each problem may have a legal solution. These are small claims in the Nation's eye, but they loom large in the hearts and lives of poor Americans.

A NEW DIRECTION

The Nation has learned many lessons in these six short years. This program has not been without travail. Much of the litigation initiated by legal services has placed it in direct conflict with local and State governments. The program is concerned with social issues and is thus subject to unusually strong political pressures.

Even though surrounded by controversy, this program can provide a most effective mechanism for settling differences and securing justice within the system and not on the streets. For many of our citizens, legal services has reaffirmed faith in our government of laws. However, if we are to preserve the strength of the program, we must make it immune to political pressures and make it a permanent part of our system of justice.

For 2 years, this administration has studied means of delivering improved, high quality legal services to those in need, as well as the question of what the proper role and structure of the legal services program should be. In 1969, we upgraded the status of legal services, recognizing it as a separate program within the Office of Economic Opportunity. Because of its importance, I also specifically asked the President's Advisory Council on Executive Organization (The Ash Council) to examine the question, and last November the Council recommended that the Government create a special corporation for the program. The role of legal services lawyers was also considered by the recent White House Conference on Youth, and a tank force there expressed strong concern that the independence of these attorneys be maintained.

Today, after carefully considering the alternative, I propose the creation of a separate, nonprofit Legal Services Corporation. The legislation being sent to the Congress to accomplish this has three major objectives: First, that the corporation itself be structured and financed so that it will be assured of independence; second, that the lawyers in the program have full freedom to protect the best interests of their clients in keeping with the Canons of Ethics and the high standards of the legal profession; and third, that the Nation be encouraged to continue giving the program the support it needs in order to become a permanent and vital part of the American system of justice.

INDEPENDENCE FOR THE CORPORATION

True independence for a corporation created by the Government demands a governing body drawn from a wide spectrum and safeguarded against partisan interference after its appointment. I believe that we can best meet these requirements by appointing the board of directors for the Legal Services Corporation on the following bases:

—The members of the board should be appointed by the President, by and with the advice and consent of the Senate.

—The board should consist of eleven members, no more than six of whom may be of the same political party.

—A majority should be members of the bar of the highest court of a jurisdiction, and none should be a full-time employee of the United States.

—Members should be appointed for three-year terms and serve no longer than nine years consecutively.

—The board chairman should be elected by the members from among their number and serve a term of one year.

—No board member should be involuntarily removed except by a vote of at least seven members, and only for reasons of malfeasance, persistent neglect, or inability to perform. Political pressures cannot be a basis for removal.

These provisions, all painstakingly designed to insulate the board from outside pressures, find an apt precedent in the corporation created four years ago to promote freedom and initiative in non-commercial broadcasting. In establishing the Corporation for Public Broadcasting, the Congress was once again dealing with a sensitive area of our national life, and it chose much the same course that I am recommending today.

The primary mission of the Legal Services Corporation should be the review and approval of applications for funds submitted by neighborhood law offices, special units of private law firms, and other attorneys who seek to provide legal assistance to the poor. The decision in the case of each individual grant or contract should be made by the corporation's president—an official employed by the board—based upon guidelines established by the board.

To advise the board of the Legal Services Corporation, I propose that an advisory council also be established with its membership including eligible poor clients and representatives of the organized bar.

As a further means of assuring its independence, I recommend that grants made by the corporation to neighborhood offices and other recipients not be subject to veto by gvernmental officials. It is important, however, that State and local officials be given ample notice of new grants. Therefore, I propose that the corporation be required to notify the Chief Executive Officer of the State, Commonwealth, District of Columbia or possession at least 30 days prior to approving a grant or contract for that area, so that full consideration could be given to the views of that executive. Thus the legitimate concerns of the jurisdiction involved could be taken into account before proceeding, but the corporation would retain its independence.

As yet another guarantee of that independence, and also to assure continuity and facilities long-range planning. I propose that funding by the Congress be appropriated on a three-year basis.

INDEPENDENCE FOR THE LAWYER

While it is important to insulate the corporate structure so that public funds can be properly channeled into the field, it is even more important that the lawyers on the receiving end be able to use the money ethically, wisely and without unnecessary or encumbering restrictions.

The legal problems of the poor are of sufficient scope that we should not restrict the right of their attorneys to bring any type of civil suit. Only in this manner can we maintain the integrity of the adversary process and fully protect the attorney-client relationship so central to our judicial process.

At the same time, it would be a waste of our resources and a dilution of the legal services program if these same lawyers were also to become involved in criminal suits, since legal representation in criminal cases is already available to the poor under many other programs. Counsel for the indigent has been held by the Supreme Court to be a constitutional requirement in felony cases. States now provide for such counsel, and the Federal Government has made substantial sums of money available for criminal representation. Thus I propose that legal services lawyers be prohibited from criminal representation.

For this same reason, legal services attorneys who are given full-time grants or contracts should devote their entire professional efforts to representation of eligible clients, and should not be permitted to engage in the outside practice of law. Certain lobbying activities, as well as partisan political action, should also be proscribed. The latter two activities would be another dilution of resources, and would have the further disadvantage of placing the Legal Services Corporation itself squarely in the political arena, where it does not belong—and thus inviting those political pressures from which its independence is designed to insulate it. On the other hand, these limitations should not impair the right of the legal services attorney to prepare model legislation or to respond to the inquiries of legislators. Such actions are traditionally within the scope of the attorney's right to represent a client and must be preserved.

STRENGTH FOR THE FUTURE

In discussing the broad contours of this program, we must not overlook the challenges ahead. The Nation can be proud that we have come so far already. Under this administration alone, the legal services caseload has increased some 97%—from approximately 610,000 cases in fiscal year 1969 to an estimated 1,200,000 cases in fiscal year 1971—and the budget allocations have increased during this period by approximately one-third. Yet today, perhaps four out of every five legal problems of the poor still go unattended. The challenge to us is thus a significant one, and if we are to succeed in so delicate an undertaking we

must devise a program which will have the full support not only of the Congress and the executive branch, but of the people as well.

The full financial support of the government is clearly needed in this endeavor. I propose that upon the date of incorporation, all of the funds then appropriated for legal services activities in the Office of Economic Opportunity, including those for research and training, be transferred to the Legal Services Corporation, so that it can undertake existing Office of Economic Opportunity obligations.

To help us broaden the attack on our unmet needs, I am also proposing two new initiatives:

—First, I propose that specific authorization be given for grants to individual lawyers. This will increase the opportunity for the private bar to participate in legal services and will enable the corporation to channel greater resources into rural areas.

—Second, I propose that the Legal Services Corporation be authorized to identify the principal legal problems of the poor involving the Federal Government and then work with appropriate governmental agencies in trying to solve them. Hopefully, this effort might in many cases eliminate the need for poor persons to seek redress in our overcrowded courts. It would also conserve the resources of the corporation without denying to any lawyer the right to bring a suit which he deems necessary.

The Federal program of providing legal services to Americans otherwise unable to pay for them is a dramatic symbol of this Nation's commitment to the concept of equal justice. It is a program both new and unparalleled by any other system of justice in the world. I urge the Congress to join with me in adopting this proposal to give it new strength for the future.

RICHARD NIXON.

THE WHITE HOUSE, *May 5, 1971.*

## PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

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

There was no objection.

## INCREASING THE OUTSTANDING LOAN CEILING OF THE SMALL BUSINESS ADMINISTRATION

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 423, Rept. No. 92–180) which was referred to the House Calendar and ordered to be printed:

H. RES. 423

*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. 4604) to amend the Small Business Act. After general debate, which shall be confined to the bill 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 Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 4604, it shall be in order to take from the Speaker's table the bill S. 1260 and to consider the said Senate bill in the House.

Mr. COLMER. Mr. Speaker, I call up House Resolution 423 and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution.

The SPEAKER. The question is, Will the House now consider House Resolution 423?

The question was taken; and (two-thirds having voted in favor thereof) the House agreed to consider House Resolution 423.

The SPEAKER. The gentleman from Mississippi is recognized for 1 hour.

Mr. COLMER. Mr. Speaker, I yield the customary 30 minutes to the able and distinguished gentleman from California (Mr. SMITH), and, Mr. Speaker, pending his utilization of that time I yield myself such time as I may consume—and that shall be very brief.

Mr. Speaker, this resolution simply makes in order H.R. 4604 which would raise the lending power of the Small Business Act, the ceiling of which is presently $2.2 billion, and this would raise it to $3.1 billion. The rule is an open one and provides for 1 hour of general debate.

This is in the nature of emergency legislation in that we are advised that if it is not done that the ceiling will be reached by the latter part of this month. Therefore, it is desirable to raise this ceiling to the point that I indicated.

Mr. Speaker, I could extol the virtues of the Small Business Administration at some length here if it was thought advisable, but I see no point in doing that.

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

Mr. COLMER. I am happy to yield to the distinguished gentleman from Missouri (Mr. HALL).

Mr. HALL. Mr. Speaker, I appreciate the distinguished chairman of the Committee on Rules, the gentleman from Mississippi (Mr. COLMER), yielding to me. I just wondered if there are copies of this resolution, which does also make in order the consideration of a Senate-passed bill, available to the Members?

Mr. COLMER. Mr. Speaker, I will say to my distinguished friend, the gentleman from Missouri, that I am advised that the Senate bill is identical with this bill, and it is available.

Mr. HALL. The gentleman's assurance is all that I need. I presume to ask if the reason for bringing the rule up in this manner is because of the lateness in the action by the distinguished gentleman's Committee on Rules, and this explains the fact that the present rule which we are discussing and debating at this time has not been printed.

I think I understand all this. I simply want the gentleman's assurance that such action is because of the exigencies in which the Congress finds itself today, the fact that the committees have not yet turned out a sufficient backlog of work, so that the House will have proposed legislation on which to work its will. Certainly, I would like the distinguished gentleman from Mississippi's assurance that this technique of calling up just-filed proposed rules by a two-thirds majority will not become a "way of life," because this controverts the spirit of the Reorganization Act of 1970, taking into consideration rules that preclude consideration of legislation that has not yet been printed.

Could the gentleman reassure me in this regard?

Mr. COLMER. Let me say to my friend, I again want to compliment him on always being alert to see that the procedure of this body is carried out in an orderly manner.

Let me say to the gentleman that this matter was scheduled for today. The Committee on Rules considered it on yesterday and then found itself without a quorum and it was necessary to adjourn. Now for reasons that are obvious, I am sure to my learned and able friend, it was highly desirable that this legislation should be considered for the reason I mentioned today. Then there is another reason, the House should be in session today, and I will just spell it out. It has been publicized that there is a group of unwelcome visitors—and I say unwelcome because they are unwelcome so far as this Member is concerned at least—had said they had intended to move in on the Capitol today and to take over, and thus disrupt the business of the Congress. Therefore, there being nothing else of urgent nature to be considered here, it was highly desirable that this matter be considered and the House be in session on this particular day. Otherwise, we might be charged with having been intimidated by this motley group.

Mr. HALL. I thank the gentleman for his explanation—and added to that fact is the fact, I repeat, that the committees have not yet produced a backlog of proposed legislation. I could certainly have no objection to this procedure as long as the distinguished gentleman would assure me that it will not become a "way of life."

Mr. COLMER. I am sure, and again the gentleman from Missouri is conscious of the fact that I share his views on this subject—but there come times when it is advisable to change from the regular order and I think this is one of the cases.

Mr. HALL. I thank the gentleman.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, first let me say to my distinguished friend, the gentleman from Missouri (Mr. HALL) that in the effort to try to cooperate with the leadership and do business, we are faced with a bit of a problem in the Committee on Rules.

I think there are two measures to be scheduled for next week—the Emergency Employment Act, H.R. 3613, and I believe the second supplemental. We do not have them and probably will not get

them until Friday. They may not be voted out of the committees until tomorrow. So we are going to meet especially on Monday in order to file rules on Monday so we can do business on Tuesday. I simply want to mention that. We are not trying to violate the rules. We hope that the standing committees will expedite their business and report it so we can get it on the floor of the House.

Mr. Speaker, this resolution, House Resolution 423, will provide for 1 hour of debate under an open rule for the consideration of the bill, H.R. 4604, ceiling of the Small Business Administration.

The purpose of the bill is to increase by $900,000,000 the amount of total loans, guarantees or commitments which may be outstanding at any one time from the business loan and investment fund of the Small Business Administration.

Current law sets the ceiling at $2,200,000,000. In testimony before the Banking and Currency Committee, the SBA stated that unless the ceiling were raised, at present projected loan activity the current ceiling would be reached by the end of May. At such time the SBA would be required to cease making loans or guaranteeing them.

Five separate loan and loan guarantee programs are included among those to which the loan ceiling applies. These include the regular business loan program; loans to small businesses economically damaged by Federal Government construction activity in that area; loans to business damaged by low-cost imported goods; and the loan program for socially or economically disadvantaged small businessmen.

The bill would increase the loan ceiling by $900,000,000 to a new figure of $3,100,000,000. This new ceiling is estimated by the SBA to be sufficient to carry its activities in this field through fiscal 1972. No new authorization is contained in the bill. What the bill does provide is for the SBA to use existing and to loan to or guarantee commercial loans available funds in its loan revolving fund to the small businessmen of the Nation. No additional Federal funds will be authorized or appropriated by this bill.

The bill was unanimously reported by the committee on a voice vote. There are no minority views. No agency letters are contained in the report; the Small Business Administration did testify in support of the legislation.

Mr. Speaker, I would like to bring up one other subject. We have a former colleague of ours who has now been appointed as the Administrator of the Small Business Administration, Mr. Kleppe. I think he is going to do a tremendous job. I intend to cooperate with him in every way that I possibly can.

Over the years one thing that has concerned me has been our disaster funds, the money used when we have a disaster. You will recall that a few years ago, when we had the disaster in Alaska, the Administrator at that time did not ask us for extra funds, with the result that the SBA ran out of money. So we put some more money into the funds. As I recall, we placed an amendment in the bill to create two funds, one for conventional loans, the other for disasters. During the past year we have been faced again with a serious disaster problem. The people do not know when these disasters are coming.

We had a very serious disaster in Texas. A number of SBA representatives went down there, and I think they did a fine job in making loans to help the people who suffered losses. We had a disaster in Mississippi, Louisiana, and possibly Nebraska.

In February of this year we had a disaster in California, a very serious earthquake, and many, many people were seriously injured in the damage done to their property. They found themselves in a very difficult spot because we seem to be short of money.

I would hope that the distinguished Committee on Banking and Currency will give the new Administrator an opportunity to explain this situation and will come in here with a request for additional funds to place in this disaster fund, so that, when people are seriously injured, their homes and property, as they have been in California and elsewhere, there will be some money available.

The SBA is doing the best job they can. They are now getting out loans in California and doing everything they possibly can with the money available. I merely wish to mention this because all of us may be hurt by a disaster at some time. We could have hurricanes in Florida, tornadoes in the Middle West, or other disasters in the future. The people in such areas are those who need help a lot more than some of the recipients of foreign aid and some of our other programs from which we do not get much help in return.

I would hope that the committee would do this.

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

Mr. SMITH of California. I yield to the gentleman from New York.

Mr. PIRNIE. I thank the gentleman for yielding.

I wish to join with him in expressing my pleasure at the appointment of our former colleague as Administrator of the Small Business Administration program. He has the background of accomplishment, the dedication and integrity which should enable him to point the program in the right direction. For this program, which means so much to our country, I am sure this body wishes to give the means necessary in order to make it effective, for it is necessary in our economy to vitalize small business efforts.

Mr. SMITH of California. I agree with the gentleman and thank him very much.

Mr. Speaker, I urged adoption of the rule.

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

The previous question was ordered.

The SPEAKER. The question is on the resolution.

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

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 381, nays 0, not voting 51, as follows:

[Roll No. 81]

YEAS—381

| | | |
|---|---|---|
| Abernethy | Dickinson | Johnson, Pa. |
| Abourezk | Diggs | Jones, Ala. |
| Abzug | Dingell | Jones, N.C. |
| Adams | Donohue | Jones, Tenn. |
| Addabbo | Drinan | Karth |
| Anderson, Calif. | Dulski | Kastenmeier |
| | Duncan | Kazen |
| Anderson, Ill. | du Pont | Kee |
| Andrews, Ala. | Dwyer | Keith |
| Andrews, N. Dak. | Eckhardt | Kemp |
| | Edmondson | King |
| Annunzio | Edwards, Ala. | Kluczynski |
| Archer | Edwards, Calif. | Koch |
| Ashbrook | Eilberg | Kuykendall |
| Aspin | Erlenborn | Kyl |
| Aspinall | Esch | Kyros |
| Badillo | Eshleman | Landgrebe |
| Baker | Evans, Colo. | Landrum |
| Baring | Evins, Tenn. | Latta |
| Barrett | Fascell | Leggett |
| Begich | Findley | Lennon |
| Belcher | Fish | Lent |
| Bell | Fisher | Link |
| Bennett | Flood | Lloyd |
| Bergland | Flowers | Long, Md. |
| Betts | Flynt | Lujan |
| Bevill | Foley | McClory |
| Biaggi | Ford, Gerald R. | McCloskey |
| Biester | Ford, William D. | McClure |
| Bingham | | McCollister |
| Blackburn | Forsythe | McCormack |
| Blanton | Fountain | McDade |
| Blatnik | Fraser | McDonald, Mich. |
| Boggs | Frelinghuysen | |
| Boland | Frenzel | McEwen |
| Bolling | Frey | McFall |
| Bow | Fulton, Pa. | McKay |
| Brademas | Fuqua | McKevitt |
| Brasco | Galifianakis | Mahon |
| Bray | Gallagher | Mailliard |
| Brinkley | Garmatz | Martin |
| Brooks | Gaydos | Mathias, Calif. |
| Broomfield | Gettys | Mathis, Ga. |
| Brotzman | Giaimo | Matsunaga |
| Brown, Mich. | Gibbons | Mayne |
| Brown, Ohio | Goldwater | Mazzoli |
| Broyhill, N.C. | Gonzalez | Meeds |
| Broyhill, Va. | Goodling | Melcher |
| Burke, Fla. | Grasso | Metcalfe |
| Burke, Mass. | Gray | Michel |
| Burleson, Tex. | Green, Oreg. | Mikva |
| Burlison, Mo. | Griffiths | Miller, Ohio |
| Byrnes, Wis. | Gross | Mills |
| Byron | Grover | Minish |
| Cabell | Gude | Mink |
| Caffery | Hagan | Minshall |
| Camp | Haley | Mitchell |
| Carey, N.Y. | Hall | Mizell |
| Carney | Halpern | Mollohan |
| Carter | Hamilton | Monagan |
| Casey, Tex. | Hammer-schmidt | Montgomery |
| Cederberg | | Moorhead |
| Celler | Hanley | Morgan |
| Chamberlain | Hanna | Morse |
| Chappell | Hansen, Idaho | Mosher |
| Clancy | Harrington | Moss |
| Clark | Harsha | Murphy, Ill. |
| Clawson, Del | Harvey | Murphy, N.Y. |
| Cleveland | Hastings | Myers |
| Collier | Hathaway | Natcher |
| Collins, Ill. | Hays | Nedzi |
| Collins, Tex. | Hébert | Nelsen |
| Colmer | Hechler, W. Va. | Nichols |
| Conable | Heckler, Mass. | Nix |
| Conte | Helstoski | Obey |
| Conyers | Henderson | O'Hara |
| Corman | Hicks, Mass. | O'Konski |
| Cotter | Hicks, Wash. | O'Neill |
| Coughlin | Hillis | Patman |
| Crane | Hogan | Patten |
| Daniel, Va. | Holifield | Pelly |
| Daniels, N.J. | Horton | Perkins |
| Danielson | Hosmer | Pettis |
| Davis, Wis. | Howard | Peyser |
| de la Garza | Hull | Pickle |
| Delaney | Hungate | Pike |
| Dellenback | Hunt | Pirnie |
| Denholm | Hutchinson | Poage |
| Dennis | Ichord | Podell |
| Derwinski | Jarman | Poff |
| Devine | Johnson, Calif. | Powell |

| | | |
|---|---|---|
| Preyer, N.C. | Scheuer | Thompson, N.J. |
| Price, Ill. | Schmitz | Thomson, Wis. |
| Price, Tex. | Schneebeli | Thone |
| Pryor, Ark. | Schwengel | Tiernan |
| Pucinski | Scott | Udall |
| Purcell | Sebelius | Ullman |
| Quie | Selberling | Van Deerlin |
| Railsback | Shipley | Vander Jagt |
| Randall | Shoup | Vanik |
| Rangel | Shriver | Veysey |
| Rarick | Sikes | Vigorito |
| Rees | Skubitz | Waggonner |
| Reid, Ill. | Slack | Waldie |
| Reid, N.Y. | Smith, Calif. | Wampler |
| Reuss | Smith, Iowa | Ware |
| Rhodes | Smith, N.Y. | Watts |
| Riegle | Spence | Whalen |
| Roberts | Springer | Whalley |
| Robinson, Va. | Stafford | White |
| Robison, N.Y. | Staggers | Whitehurst |
| Rodino | Stanton, | Whitten |
| Roe | J. William | Widnall |
| Rogers | Stanton, | Wiggins |
| Roncalio | James V. | Williams |
| Rooney, N.Y. | Steed | Wilson, Bob |
| Rosenthal | Steiger, Ariz. | Wilson, |
| Roush | Steiger, Wis. | Charles H. |
| Rousselot | Stephens | Winn |
| Roy | Stokes | Wolff |
| Roybal | Stratton | Wright |
| Ruppe | Stubblefield | Wyatt |
| Ruth | Stuckey | Wydler |
| Ryan | Sullivan | Wylie |
| St Germain | Symington | Wyman |
| Sandman | Talcott | Yates |
| Sarbanes | Taylor | Young, Tex. |
| Satterfield | Teague, Calif. | Zablocki |
| Saylor | Terry | Zwach |
| Scherle | Thompson, Ga. | |

NAYS—0

NOT VOTING—51

| | | |
|---|---|---|
| Abbitt | Dorn | Macdonald, |
| Alexander | Dow | Mass. |
| Anderson, | Dowdy | Madden |
| Tenn. | Downing | Mann |
| Arends | Edwards, La. | Miller, Calif. |
| Ashley | Fulton, Tenn. | Passman |
| Buchanan | Green, Pa. | Pepper |
| Burton | Griffin | Quillen |
| Byrne, Pa. | Gubser | Rooney, Pa. |
| Chisholm | Hansen, Wash. | Rostenkowski |
| Clausen, | Hawkins | Runnels |
| Don H. | Jacobs | Sisk |
| Clay | Jonas | Snyder |
| Culver | Keating | Steele |
| Davis, Ga. | Long, La. | Teague, Tex. |
| Davis, S.C. | McCulloch | Yatron |
| Dellums | McKinney | Young, Fla. |
| Dent | McMillan | Zion |

So the resolution was agreed to.

The Clerk announced the following pairs.

Mr. Rostenkowski with Mr. Arends.

Mr. Green of Pennsylvania with Mr. Hawkins.

Mr. Ashley with Mr. Steele.

Mr. Teague of Texas with Mr. Snyder.

Mr. Byrne of Pennsylvania with Mr. McKinney.

Mr. Dent with Mr. Zion.

Mr. Fulton of Tennessee with Mr. Gubser.

Mr. Rooney of Pennsylvania with Mr. Clay.

Mr. Miller of California with Mr. Don H. Clausen.

Mr. Madden with Mr. Young of Florida.

Mr. Yatron with Mrs. Chisholm.

Mr. Macdonald of Massachusetts with Mr. Buchanan.

Mr. Burton with Mr. Culver.

Mr. Abbitt with Mr. Jonas.

Mrs. Hansen of Washington with Mr. Mann.

Mr. Sisk with Mr. Quillen.

Mr. Runnels with Mr. Keating.

Mr. Passman with Mr. Pepper.

Mr. Jacobs with Mr. Long of Louisiana.

Mr. Anderson of Tennessee with Mr. Griffin.

Mr. Alexander with Mr. Davis of South Carolina.

Mr. Dow with Mr. Dellums.

Mr. Davis of Georgia with Mr. Edwards of Louisiana.

Mr. Dowdy with Mr. Downing.

Mr. Dorn with Mr. McMillan.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

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. 4604) to amend the Small Business Act.

The SPEAKER. 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. 4604, with Mr. KLUCZYNSKI 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 30 minutes, and the gentleman from New Jersey (Mr. WIDNALL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. PATMAN).

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

Mr. Chairman, the legislation before the House today, H.R. 4604, is an emergency bill that must be enacted if the Small Business Administration is to continue all of its lending and guarantee programs after the end of this month.

It should be made clear immediately that this legislation does not authorize the appropriation of any funds for SBA, but merely allows the agency to spend funds it already has—in other words, a revolving fund.

Under existing law, the Small Business Administration can have outstanding from its general business loans and investment funds only $2.2 billion. Once it reaches that ceiling it must discontinue further operations until loan repayments bring the fund below the ceiling.

That loan ceiling would be increased by $900 million under this bill, to $3.1 billion. The Small Business Administration estimates that the increase sought today will provide enough flexibility to carry the agency through all the remaining portion of the current fiscal year and all the next fiscal year.

This bill received unanimous approval on a record vote in the House Banking and Currency Committee.

The vote was 29 for and no votes against. The Honorable ROBERT STEPHENS of Georgia, the subcommittee chairman of the Committee on Small Business conducted hearings on this bill. He, too, will explain his provisions after I get through.

Mr. Chairman, unless this legislation is passed today, thousands of small businessmen may be denied loans, because the Small Business Administration will shortly reach its loan ceiling. The small businessmen will be unable to obtain the loans they need even though the agency will have funds for such lending. The distinguished gentleman from California (Mr. SMITH) mentioned something about disaster loans and why we did not have disaster funds. The agency, SBA, usually lets the Congress know when the funds are absolutely required because of disasters. The Congress in the past has always acted promptly. In fact, we are not late in acting now. The truth is that just 2 or 3 days ago this House passed a supplemental appropriation bill, and supplemental bills lend themselves to appropriations of this type for emergencies. That bill provided for $265 million for disaster relief. That bill went to the Senate and was passed there and is now on the President's desk. Whenever he signs it, there will be $265 million immediately available for disaster relief.

It should be made clear immediately that this legislation does not authorize the appropriation of any funds for SBA, but merely allows the agency to spend funds that it already has. Under existing law, the Small Business Administration can have outstanding from its general business loan and investment fund only $2.2 billion. Once it reaches that ceiling, it must discontinue further operations until loan repayments bring the fund below the ceiling. That loan ceiling would be increased by $900 million to $3.1 billion under H.R. 4604. The Small Business Administration estimates that the increase sought today will provide enough flexibility to carry the agency through all of the remaining portion of the current fiscal year and all of the next fiscal year.

While I strongly support this legislation, I think the Members of this body should be made aware that the reason we have to take action on an emergency basis today is that the Small Business Administration has been extremely poor in calculating its loan growth. In June of 1970, then SBA Administrator Hilary Sandoval wrote to me explaining that the loan limitation, which at that time was $1.9 billion, would be reached during the summer of 1971. However, only 2 months later, Mr. Sandoval appeared before the committee and announced that by December 1, 1970, the ceiling would again be reached. Mr. Sandoval had miscalculated by more than 6 months. This gross miscalculation jeopardized many loans to small businessmen and resulted in a cutoff of loans for several months.

When SBA testified on legislation to raise the loan ceiling from $1.9 to $2.2 billion, it stated that the increase would be adequate to meet the demands of the program through June 30, 1972. The new the summer of 1971. However, only 2 months when SBA announced that it had altered its earlier projection and that the ceiling would be reached during April or May of 1971, a miscalculation of more than a year.

The Small Business Administration blames its miscalculations on its rapid loan growth. While this rapid loan growth indicates that it is helping small businessmen, the agency at the same time is severely hindering small business by its miscalculations, which could result in loan cutoffs. The new SBA Administrator, our former colleague, Thomas

Kleppe, has assured the committee that SBA will establish a better record in its forecasts so that we will not be faced with emergency legislation such as we must deal with today.

Mr. Chairman, a recent newspaper story pointed out that the delinquency rate on SBA loans is growing at a rather substantial rate. The basis for this article was a March 29, 1971 memorandum from SBA Administrator Kleppe to all of the agency regional directors, in which he pointed out:

In the past 2 months our loans in trouble increased by $27 million. Delinquent loans now total 9,697 accounts, and loans in liquidation have risen over the 9,000 case mark. In sum, we have 18,728 accounts in serious trouble which comprise a loan balance outstanding of $377.1 million

As a result of this article, I wrote to Mr. Kleppe, expressing my concern over the delinquency increase, as well as statements Mr. Kleppe made before the Subcommittee on Small Business concerning loan losses.

I am including in my remarks a copy of my letter to Mr. Kleppe, his reply, and the March 29 memorandum.

While there appears to be a discrepancy between the agency's figures and those reported in the newspaper, I am nevertheless concerned that at the end of March of this year nearly 13 percent of all SBA loans were in trouble and the figure appears to be on the increase.

The Small Business Administration must take immediate action to reverse this trend and in the next few months the Banking and Currency Committee will be watching the performance of this agency very closely to make certain that loan defaults begin to decrease rather than to increase at a accelerated pace.

In addition, I have asked the General Accounting Office to conduct a review of the losses to loans in the business loan and investment fund, with particular emphasis on the regular business loans, the so-called "7(a)" loans. The General Accounting Office is currently conducting a review of the loans in the small business investment company field and, coupled with the review that I have requested, we should have a detailed picture of the loan loss record of the Small Business Administration.

Mr. Chairman, I urge passage of H.R. 4604, since this legislation is the only hope that small bsuinessmen have of obtaining loans once the loan ceiling has been reached.

The material referred to follows:

U.S. GOVERNMENT,
SMALL BUSINESS ADMINISTRATION,
*Washington, D.C., Apr. 29, 1971.*

HON. WRIGHT PATMAN,
*Chairman, Committee on Banking and Currency, House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: When I received your letter of April 26, I was reminded of our recent visit when I made it very clear that my management of the Small Business Administration was going to be strictly above board and responsive to the needs of your Committee regarding information on the status of our programs—I have not changed that position.

The newspaper article you quote in your letter of April 26, is an unfortunate example of poor and inaccurate reporting and, I trust, not an attempt to embarrass an Agency that is doing a real job of assisting small business. The facts of the matter are these:

As of February 28, 1971, this Agency was servicing 144,888 loan accounts with loan balances outstanding of slightly over $2.6 billion. These figures include Small Business Investment Companies, disaster loans, and all other lending programs of this Agency.

Of the above loan accounts, 18,720 loans (12.9%) were 60 days or more past due or classified as "in liquidation." These accounts had a loan balance outstanding of $377.1 million, or 14.3% of the portfolio—not the 29.2% as reported.

As of March 31, 1971, our total portfolio had increased to 148,299 accounts with loan balances outstanding of slightly over $2.7 billion.

As of March 31, 1971, 19,034 loans (12.8%) were 60 days past due or "in liquidation." These accounts had a loan balance outstanding of $375.9 million, or 13.8% of our portfolio—a slight improvement in the monetary value of these accounts.

Apparently the reporter applied a rounded figure of 19,000 to the business loan portion of our portfolio of 64,101 to arrive at the 29.2% rather than to the proper total of 144,888.

We provide in Table I below, the appropriate statistics for the business loan portion of our portfolio as of March 31, 1971. This will include the three basic programs in the business loan area.

TABLE I.—BUSINESS LOAN PORTFOLIO

[Dollars in millions]

| | Total outstanding | | Total delinquent | | Percent | |
|---|---|---|---|---|---|---|
| | Number | Amount | Number | Amount | Number | Amount |
| Bus. 7(a) | 48,524 | $1,296.3 | 5,916 | $183.6 | 12.2 | 14.2 |
| EOL | 16,137 | 176.4 | 3,644 | 38.9 | 22.6 | 22.0 |
| DBL | 1,810 | 170.9 | 105 | 6.1 | 5.8 | 3.6 |
| Total | 66,471 | 1,643.6 | 9,661 | 228.6 | 14.0 | 13.0 |
| Total SBA all programs | 148,299 | 2,724.1 | 19,034 | 375.9 | 12.8 | 13.8 |

As to your comment as to my testimony before the Small Business Subcommittee, I must point out that a quick correlation between actual and estimated loss figures and delinquency rates is difficult at best. There are two reasons for this:

First and most important is the fact of restoration to currency either from delinquency or from the "in liquidation" classification. It will be of interest to you to know that, during the first nine months of the fiscal year, 524 loan accounts with loan values of $15.2 million have been worked out and returned from liquidation to normal servicing. We are very proud of this accomplishment which we believe to be positive action in fulfillment of our mutual objectives.

Second, there is the matter of recovery from loans which ultimately are subjected to liquidation action. During the past nine months, in our three business loan programs cited above, we have completed action on 1,504 accounts. These accounts had a loan balance outstanding of $27.1 million, against which recoveries totaled $20.1 million, a recovery rate of 74%. For *all programs*, we have completed liquidation action on 2,310 accounts with loan balances totaling $41.5 million. Our recovery amounted to $23 million or 55% of balances due.

However, I would like to place in proper context the quotation in your letter "actual and estimated losses as a percentage of total disbursements were 2.37 percent." The foregoing was my answer to a direct question concerning only loss ratios in the *guaranteed portion* of our 7(a) business loan program through FY 1970. I believe the record is particularly clear on this point.

Now, as to my concern for the condition of our loan portfolio—my concern is real and it is my intent to take the necessary actions to correct the situation. Our delinquency is too high and needs attention and I have directed the regional directors to take corrective action.

Under our deferment policy, we are averaging 395 deferments per month so far in the fiscal year of 1971. This compares with an average monthly deferment in fiscal year 1970 or 357. Even with our stepped up emphasis and activity, we know that a large number of these deferments will ultimately end up in the delinquency file.

We are emphasizing an intensified loan administration function that embodies an early warning system and a continuing contact with the borrower during periods of stress. In addition, we have created an Office of Portfolio Review, similar to a bank examining staff, that makes in-depth reviews of each field office portfolio so that we can anticipate future problems and evaluate program effectiveness.

With the large growth in our total loan portfolio, it seems to me that we have one of two choices if our delinquencies and liquidations are not going to run right off the chart. The first would be a rather substantial increase in our personnel to work on loan servicing and collecting. The second would be a general tightening down on criteria for loan eligibility at the time the loans are made.

Mr. Chairman, I will always be pleased to discuss any matter regarding our Agency in full detail with you. The increased statutory limitations to which you referred in your letter as being under consideration are vital to our ability to service the small business community. I certainly hope that with this further explanation and understanding, you will move this legislation to the floor and seek its passage so we won't have to shut down much of our work. Our efforts should not be retarded because of less than factual representation in the press.

Sincerely,

THOMAS S. KLEPPE,
*Administrator.*

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SMALL BUSINESS ADMINISTRATION,
*Washington, D.C., March 29, 1971.*

Atten.: Associate Administrator for Financial Assistance.

To: All Regional Directors.

Subject: Trouble Loan Portfolio.

One of the missions of this Agency is to generate a successful small business corps which will continue to be a provider of goods and services for all Americans. I regard the Agency's leading activity and its follow-on loan servicing to be equally significant elements of this objective.

In examining policies and procedures in support of this mission, I have reviewed the philosophy of loan administration as defined in Concept Papers No. 1 and No. 2, dated August 12, 1970, and August 19, 1970, respectively. I firmly endorse the concept and the activities of this Agency in providing "full service support" to small business loan recipients.

That this concept has not yet been fully implemented is evidenced by the determination of our loan portfolio. In the past two months our loans in trouble increased by $27 million. Delinquent loans now total 9,697 accounts, and loans in liquidation have risen over the 9,000 case mark. In sum, we have 18,728 accounts in serious trouble which comprise a loan balance outstanding of $377.1 million. This is a cause of extreme concern to me. It must be reversed by positive action.

I am aware that a continuing portfolio improvement program and increased loan servicing activity will, in some locations, place unreasonable burdens upon existing loan administration staffs. Accordingly, I am directing you to review your region-wide resource allocation with a view toward strengthening the loan administration function, in order to reverse the deterioration in our loan portfolio and to achieve the objectives envisioned in the loan administration concept paper series.

I understand that you were recently requested by the Associate Administrator for Financial Assistance to review your personal requirements. Please consider this as an extension of that request.

I expect that you will take this opportunity to advise him as to adjustments being accomplished within your region to fill this need.

In this same regard, I am directing that a review be made of Central Office resources. When vacancies occur, every consideration will be given to reallocation of these personnel spaces to field activity in support of the Loan Administration function.

If the proper emphasis is placed on this element of our Financial Assistance program, I am confident that we will not only upgrade our loan portfolio but, more importantly, provide the small business community with an increasingly effective partner for progress. I know I can count on your personal attention and full support to assure appropriate results in this effort.

THOMAS S. KLEPPE,
*Administrator.*

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APRIL 26, 1971.

HON. THOMAS KLEPPE,
*Administrator, Small Business Administration, Washington, D.C.*

DEAR MR. KLEPPE: The disclosures in the April 23 issue of the Washington Daily News that nearly 30 percent of Small Business Administration loans were in danger of going into default is, of course, very disturbing to me.

This disclosure is startling, especially in the light of your testimony before the Small Business Subcommittee only four days prior to the news story. At that time you told the subcommittee that "actual and estimated losses as a percentage of total disbursements were 1.57 percent and actual estimated and projected losses as percentage of total disbursements were 2.37 percent." There is, of course, a wide discrepancy in your figures and those contained in the newspaper article.

The newspaper article appears to have been based rather on a memorandum which you sent to all regional directors on March 29. According to the article, you noted that there was "a continuing deterioration of our loan portfolio." You also stated that this matter was a cause for "grave concern." However, during your appearance before the Small Business Subcommittee which came after your memorandum, you gave the appearance that there was nothing wrong with the loan repayment situation at your agency.

The legislation that would increase the SBA loan ceiling from $2.2 billion to $3.1 billion, H.R. 4604, will probably go to the House floor in the near future. However, in good conscience I cannot take this bill to the floor unless your agency is able to adequately explain the difference between the figures in your memorandum and those in your testimony, as well as the reasons for the high loan percentage problems and what action is being taken to correct these situations.

One of the problems that this Committee has had with the Small Business Administration in the past has been its reluctance to present the Committee with meaningful information and to respond to questions in a direct manner. I sincerely hope that this policy will not be continued under your administration and that the discrepancy between the memorandum figures and the testimony figures can be adequately explained.

Sincerely,

WRIGHT PATMAN, *Chairman.*

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

Mr. Chairman, the bill we have before us today is one that really involves no controversy. It came out of the committee unanimously. The committee supports the activities that this will underwrite. I think that we all share part of the blame for not doing these things earlier. The shortage of funds was called to our attention a number of months ago, and we could have acted earlier than we did as a committee. There is criticism of the agency in the report. The agency deserves some criticism, but also Congress itself did not act with dispatch in the way it could have on this matter which was all foreseen a number of months ago. In view of the fact that the committee has unanimously supported affirmative action on this bill and the report shows clearly the background and the full reasoning behind the affirmative vote on it, I do not believe it is necessary to put anything further in the RECORD at this time.

Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. WILLIAMS).

Mr. WILLIAMS. Mr. Chairman, I rise in support of H.R. 4604. This legislation is urgently needed. As is explained in the report, this bill does not authorize the expenditure of any additional money. Rather, it simply increases the lending ceiling of the SBA from $2.2 billion to $3.1 billion.

Mr. Chairman, as the distinguished gentleman from New Jersey (Mr. WIDNALL) stated, the agency can be subject to some criticism for not coming to us sooner for this authorization to increase the lending ceiling. However, I do want to say that the reason the timing of the Small Business Administration was off is because they are doing the job that they were appointed to do; namely, making more loans to more small businesses in an effort to keep these small businesses healthy economically and to shore up our economy.

So, Mr. Chairman, I do believe that it is of the utmost importance that we pass this bill today. It is an excellent bill.

Mr. WIDNALL. Mr. Chairman, I have no further requests for time.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Georgia (Mr. STEPHENS).

Mr. STEPHENS. Mr. Chairman, as the newly appointed chairman of the Small Business Subcommittee of the House Banking Committee, I strongly support H.R. 4604 and urge the House to pass the legislation.

In order to remove any doubt concerning the funding of this legislation, let me assure Members of the House that there is absolutely no authorization or appropriation connected with this bill. This section of the Small Business Act is used as a check on the lending activities of the Small Business Administration. It was placed in the act in order to insure that the appropriate committees of Congress would have a periodic review of the Small Business Administration and so that the agency would not get too extended without congressional approval.

Thus, while the agency might have funds to lend, it could not make the loans unless it was below the ceiling. Once the ceiling was reached, SBA, would have to come to Congress to get additional authority for lending. When this safeguard was placed in the act, SBA was engaged primarily in direct lending and did very little in the way of guaranty loans. However, in recent years, it has moved away from the direct loan program, a situation which I hope will be reversed, toward the guarantee route. Since SBA's exposure under the guarantee route is greater than it would be under the direct loan program, the safeguards contained in the loan ceiling are not as dramatically important as they were under the direct loan programs, and it may well be that legislation will be brought to the floor to alter the loan ceiling arrangement so that we are not faced with emergency legislation on such a frequent basis.

At the present time, the loan ceiling is set at $2.2 billion. This legislation would increase that amount to $3.1 billion, providing new lending authority of $900 million. Once again, I want to make it clear that this is only authority to lend money that the agency has and that it does not provide any additional funds for the agency.

Unless the legislation is enacted by the end of this month, SBA will have to discontinue most of its lending programs and its guarantee programs. While it is not the fault of the Congress that this situation has arisen, the job, nevertheless, falls to this body to make certain that the small businessman does not suffer. The Small Business Administration has not been accurate in its forecasts of loan ceilings and, therefore, the agency has placed the Congress in the position of having to act on this legislation on an emergency basis. Less than a year ago, the Small Business Administration requested a similar ceiling increase since it had reached the then ceiling of $1.9 billion. At that time, SBA felt that the new ceiling would be adequate until the end of 1972. Now, however, that estimate has gone out of the window.

When the new SBA Administrator, our former colleague, Tom Kleppe, appeared before the subcommittee, he assured us that in the future SBA would provide better estimates of ceiling limitations so that we would not be in the emergency situation that we face today.

Mr. Chairman, H.R. 4604 was reported unanimously from the subcommittee to

the full committee and was ordered reported by the full committee by a unanimous vote of 29 to 0. In view of this wide support for the legislation, I urge its immediate enactment.

Mr. Chairman, before I conclude, I have a request from the Honorable JOE EVINS of Tennessee, who is the chairman of the permanent Select Committee on Small Business, to the effect that because he was detained, to insert in the RECORD at this point a commendation of the chairman of the full committee, the Honorable WRIGHT PATMAN, who has resigned from the permanent Select Committee on Small Business.

Mr. EVINS of Tennessee. Mr. Speaker, as chairman of the Permanent Select Committee on Small Business, it is with great regret that I take note of the resignation of Representative WRIGHT PATMAN, as a member of the committee.

The initial Select Committee on Small Business was established as the result of a resolution passed by the House which was introduced by Congressman PATMAN in 1941. He has served continuously as a member of the committee, and for many years was its distinguished chairman.

There has been no greater fighter for the Nation's small businessman than Representative PATMAN. As one of the authors of the Robinson-Patman Act, he was in the forefront of the fight against big business' unfair practice against the small businessmen of this country.

As chairman of the House on Banking and Currency which has legislative responsibility for the Small Business Administration, he has always been a leader in the crusade to preserve and protect the interests of small business and to expand its impact on the Nation's economy. Even today he is sponsoring and supporting legislation to raise the ceiling on the amount and number of small business loans.

The Nation's small business community owes him a debt of gratitude for his years of service in their interest and I know that his departure from the committee as a Member will in noways reduce his continuing interest in and support of American small business.

I know that the committee will continue to depend upon his great knowledge and background in this field and I am sure that we can count on him for his continuing guidance and counsel.

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

Mr. STEPHENS. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Chairman, in one bold stroke 18 years ago, Congress enacted a new law creating the Small Business Administration and thereby added three major new dimensions to the way of life for millions of small businessmen across the Nation.

First, it established for the first time a Federal agency exclusively designed to champion their cause.

Second, it created a reservoir and a clearinghouse for valuable information.

Third, it provided a program of financial assistance tailor made to meet the specific needs of the small business sector.

Suddenly doors which had been closed to the small businessman for more than 100 years began to open. And new doors leading to new concepts, new ideas, and new frontiers are now being opened daily for him in every segment of our economy.

In keeping with the intent expressed in that law, the Small Business Administration has not only an obligation but a mandate to help small business survive, grow and prosper.

The wisdom of that 1953 law creating SBA is recognized the world over and is looked upon today as a milestone in this country's economic progress and development.

Stated perhaps in its simplest terms, the goal of the Small Business Administration is to help those who cannot help themselves alone in the rough-and-tumble arena of competitive enterprise.

In other words, SBA strives mightly to build the right kind of muscle in the right places at the right time so the small businessman can fight his own battles in the marketplace.

But we must keep in mind that the Small Business Administration is a lending agency, a procurement and management assistance agency—not a welfare institution.

It is the longest bridge in the country linking the small businessman to the operation of the Federal Government.

And since there are more than 5 million small businesses in the Nation, that bridge must carry a heavy burden day after day under severe rush-hour traffic conditions.

To do this job effectively and efficiently, it must have adequate funds.

The proposed legislation now before us would increase to $3.1 billion the current ceiling of $2.2 billion on SBA's loans, guarantees, obligations, or commitments which may be outstanding at any one time from its business loan and investment fund.

This most important fund is the fuel which drives the motor of SBA's far-reaching business loan program.

It is this same fund that helps to strengthen the competitive fiber of the small business community throughout the country.

It provides much needed assistance to small firms threatened with substantial economic injury as a result of the Federal bulldozer in construction projects.

It is the source of funds to help business people who have been adversely affected by imported goods.

It is used in SBA's program to obtain prime contracts from the Federal Government for the purpose of offering subcontracts to small firms.

It is also used to provide opportunities for small businessmen who are socially or economically disadvantaged.

We are therefore in an emergency situation because SBA will reach its current limitation of $2.2 billion by the end of May 1971.

This emergency developed after legislation was enacted in December of 1970 which established the current limitation.

But this ceiling was actually based upon the fiscal year 1970 budget level and upon projections at the same rate for fiscal years 1971 and 1972. The estimated total for each of these 3 years was $705 million.

However, SBA's current approved budget plan for fiscal year 1971 contains a level of over $1 billion in loans approved.

This increase in loan approvals is primarily due to a tremendous surge of activity in SBA's guaranteed loan program.

Guaranteed business loans from fiscal year 1971 were originally projected at $500 million. But current projections place this figure above the $750 million mark and the estimate for fiscal year 1972 is over $850 million.

Unless H.R. 4604 is enacted before the current limitation is reached, it will be necessary for the agency to curtail loan approvals.

The new ceiling will permit the agency to continue approving loans for the remainder of fiscal year 1971 and for all the succeeding fiscal year.

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

Mr. STEPHENS. I shall be glad to yield to the distinguished gentleman from Pennsylvania.

Mr. WILLIAMS. Mr. Chairman, I want to take this time to commend the gentleman from Georgia (Mr. STEPHENS), our distinguished colleague, for the expeditious manner in which he handled the reporting of this bill out of the subcommittee which he chairs and through the full committee.

Mr. STEPHENS. I appreciate the remarks of the gentleman from Pennsylvania.

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

Mr. STEPHENS. I am glad to yield to the distinguished gentleman from Mississippi.

Mr. GRIFFIN. Mr. Chairman, I want to join the gentleman from Pennsylvania (Mr. WILLIAMS) in commending the chairman of the subcommittee for his very fast action and very thorough action in bringing this bill to the floor of the House.

Further, Mr. Chairman, I predict that under the leadership of Mr. STEPHENS, long-needed legislation to benefit small business will receive intensive consideration.

I wholeheartedly support H.R. 4604 which would increase the outstanding loan ceiling of the Small Business Administration. It is only half a loaf, though. Legislation is desperately needed to revitalize the SBA direct loan program.

As I pointed out in our subcommittee hearing on April 19, 1971, small businessmen from deficit capital areas, such as Mississippi, really do not benefit from the SBA guaranteed loan program. So we have a lot of work ahead of us if we are to render real assistance to small business—the backbone of our economy.

Mr. Chairman, I missed the earlier vote on the rule on H.R. 4604 because my plane from Mississippi was late arriving. I favored the rule and would have voted for it had I arrived at the Capitol on time.

Mrs. SULLIVAN. Mr. Chairman, I urge my colleagues to support H.R. 4604 which is presently before us. This bill would in-

crease the ceiling on the amount of loans, guarantees, and other obligations or commitments which may be outstanding at any one time in the Small Business Administration's Business Loan and Investment Fund. The bill would increase the present ceiling of $2.2 billion to $3.1 billion.

This increase will affect SBA's regular business loan program, the displaced business loan program, the trade adjustment loan program, the prime contract program and loans made under title IV of the Economic Opportunity Act of 1964. SBA estimates that this increase will enable it to operate these programs through June 30, 1972.

I feel it is important that this legislation be passed quickly so that no small businessman will be denied the help already authorized by Congress. I believe that we must provide enough money so that every deserving small businessman can be helped.

The Federal Government made a major effort to express its understanding and intention to help small business when in 1953 it created the Small Business Administration by combining the Defense Plants Act and the Reconstruction Finance Corporation.

While SBA is not the only tool the Government has to aid small business, it is the symbol of the Government's intent and does contain the vast majority of direct aid programs.

Just as important, in my opinion, is the fact that SBA lends its assistance to all Americans—be they white, black, or brown. And there the record speaks dramatically: During the first 9 months of this fiscal year, SBA's assistance to minorities has increased by 25 percent over the comparable period of the last fiscal year.

And the record also shows that other Americans—those beset by natural disasters such as the recent earthquake in California—are turning to SBA to help themselves dig out and repair not only their businesses but their homes, churches, and schools sorely damaged or destroyed by earthquakes, tornadoes, floods, and hurricanes.

All of this adds up to the fact that as President Nixon said:

> Small business is not and never has been a small matter in our national life.

That this is so—that this must remain—is vividly inscribed in SBA's record book: to meet the population explosion, SBA is currently making more loans, for more dollars, than ever before in its history. This must continue and we here in the House must raise SBA's loan ceiling to meet this challenge. And please remember, I said loan ceiling; not a handout. And that is the American way of life.

Mr. ANNUNZIO. Mr. Chairman, important legislation regarding the future of the Small Business Administration is now pending before the House. I refer to H.R. 4604 which would increase to $3.1 billion the current ceiling of $2.2 billion on the Small Business Administration's loans, guarantees, obligations, or commitments which may be outstanding at any one time from its business loan and investment fund.

This fund is the backbone, the muscle, and the lifeblood of the Small Business Administration's business loan program.

It is used to bolster and strengthen small business in all parts of the country. It helps insure that they will grow and prosper.

It is used to help small firms that are faced with economic injury because of federally financed urban renewal or highway projects.

This fund can be drawn upon to help small firms suffering economic loss because of imports.

It is used to help small firms obtain subcontracts from prime Government contractors.

Finally, the fund is vital to provide opportunities for small businessmen who are socially or economically disadvantaged.

The request for an increase in the ceiling limitation is an emergency request. It must be approved quickly for without it SBA will soon be unable to continue providing financial help to small business.

It should be made clear that the emergency developed after legislation was enacted in December of 1970 which established the current $2.2 billion limitation.

The fact is that this limitation of $2.2 billion was based upon the fiscal year 1970 budget level and upon projections at the same rate for fiscal year 1971 and 1972. It was at that time estimated that the total for each of these 3 years was $705 million.

It now turns out that these estimates were too low. SBA's current approved budget plan for fiscal year 1971 is at a level of over $1 billion in approved loans.

It is reassuring to me, and I am sure it will also be reassuring to other Members of the House, to know that this increase is due in a large measure to a tremendous increase in SBA's guaranteed loan program.

SBA figures show that guaranteed business loans for fiscal year 1971 were originally projected at $500 million. New projections now place this estimate at more than $750 million and the estimate for fiscal year 1972 is over $850 million.

The Small Business Administration expects to reach its current ceiling limitation of $2.2 billion by the end of May 1971.

Unless H.R. 4604 is enacted before then, SBA will be virtually out of loan funds. We cannot let this happen.

With the new ceiling, SBA should be able to continue approving loans for the remainder of fiscal year 1971 and for all of fiscal year 1972.

Mr. ST GERMAIN. Mr. Chairman, last month when President Nixon proclaimed the week of May 16–22 as Small Business Week, he said that "19 U.S. firms in 20 are small businesses." These firms, he continued, "do nearly three-fourths of the total volume of sales and one-third of all manufacturing."

All of this in a nation founded on the principle of independent enterprise. All of this as this industrial Nation reaches the $1 trillion mark in gross national product.

Yet—the Small Business Administration which aids and counsels our 5,200,000-plus small businesses—needs some help itself to help our small businesses.

Thomas S. Kleppe, SBA's Administrator, is asking us to raise the ceiling on SBA's revolving fund from $2.2 billion to $3.1 billion.

Why? To help small businesses with loans, guarantees, management assistance, and aid in securing a fair share of Government contracts.

This increase is $900 million. In a $1 trillion economy, you say, this is a trifling amount. But to small businesses everywhere, this additional $900 million will enable SBA to do what Congress authorized back in 1953 when it established SBA: The fundamental purposes of SBA are to aid, counsel, assist, and protect the interests of small business; insure that small business concerns receive a fair proportion of Government purchases, contracts, and subcontracts, as well as the sales of Government property; make loans to small business concerns, State and local development companies, and the victims of disaster; license, regulate, and make loans to small business investment companies; and improve the management skills of small business owners, potential owners, and managers.

That is a large order but SBA has been doing it. Last fall, it ran out of money. Today, it is asking for a new loan ceiling of $3.1 billion instead of the present ceiling of $2.2 billion.

SBA needs this authority; small businesses everywhere need the help. After all, the American tradition of free enterprise is as old as our society itself and all small businessmen—be they white, black, or brown—need to know that this tradition will be maintained if they go to SBA for assistance.

Mr. BROYHILL of North Carolina. Mr. Chairman, I rise in support of this legislation to increase the outstanding loan ceiling of the Small Business Administration. In my opinion, it is essential that this legislation be approved by the Congress so that the Small Business Administration's program of financial assistance can be continued.

As it has been pointed out, this bill would increase from $2.2 billion to $3.1 billion the amount of total loans, including loan guarantees, which may be outstanding in the SBA loan and investment fund program.

From time to time, the loan ceiling for this program has been reviewed by the Congress and has been increased in accordance with the needs of the program. This is another one of these occasions and the present legislation is overwhelmingly favored by those who have studied the need for it. The Small Business Administration has justified the increase in the loan ceiling. The agency has indicated that within a short time it will reach its present $2.2 billion ceiling. Unless this legislation is agreed to, the SBA will have to cease its lending and guarantee programs until its revolving fund is replenished to support additional activity.

I want to point out that what is involved here does not mean the authori-

zation of additional funds for the Small Business Administration. Since the agency makes very few direct loans, its obligations in the lending program are in the form of guarantees. We can congratulate the agency for the excellence of the repayment record in the guaranteed loan program. Such guarantees, however, are counted against the loan ceiling in the same manner as is the case for direct loans. So long as the SBA is required to charge guaranteed loans against the ceiling, legislation of this type is necessary from time to time.

I want to urge my colleagues today to support this legislation so that the SBA can continue the great work it is doing to assist the small business segment of our economy.

Mr. ANDERSON of California. Mr. Chairman, I rise in support of H.R. 4604, which would increase the outstanding loan ceiling of the Small Business Administration.

The Congress last year enacted historic legislation designed to lessen the economic impact that a natural disaster might have on a community, a business, and a homeowner. This legislation, the Disaster Relief Act of 1970—(Public Law 91–606)—provides for the financial relief of communities hit by natural disasters, some provisions of which include funds for debris removal, temporary housing assistance for individuals, small business disaster loans, food coupon assistance, and Federal grants-in-aid.

Members of a special investigation subcommittee of the House Public Works Committee, immediately following the earthquake disaster that hit Los Angeles, surveyed the devastated areas, received briefings on the extent of the damage, held hearings on the events, and assured the officials involved, and the citizens who suffered such damage that the Federal Government was deeply concerned with their plight and resolved our desire to extend a strong helping hand.

To aid the homeowner, and the businessman in getting back on their feet, the Small Business Administration is charged with the responsibility of making available long-term, low-interest loans. Under Public Law 91–606, the Small Business Administrator:

> May grant any loan for repair, rehabilitation, or replacement of property damaged, or destroyed, without regard to whether the required financial assistance is otherwise available from private sources . . . may, in the case of the total destruction or substantial property damage of a home or business concern, refinance any mortgage or other liens outstanding against the destroyed or damaged property if such property is to be repaired, rehabilitated, or replaced, except that the amount refinanced shall not exceed the amount of the physical loss sustained.

As you know, congressional actions sometimes become ensnarled in bureaucratic redtape, and our programs are not carried out as we intended. Nowhere does this appear to be more evident than in the SBA's administration of their duties under Public Law 91–606.

The testimony before the Appropriations Committee on March 29, the Administrator of the Small Business Administration stated:

> The current estimate of the damages caused by this disaster (California earthquake) indicates that SBA will be required to approve loans in the neighborhood of $242 million.

As of May 3, Mr. Chairman, the Small Business Administration had approved only one-sixth of the loans totaling $38 million.

At this rate of approval, the Small Business Administration will be processing disaster loans for the next year and a half, in order to loan the full $242 million.

Mr. Chairman, the victims of the February 9 California earthquake need immediate relief. Many loan applicants would be quite frustrated at governmental bureaucracy by October 1972.

I call upon the Small Business Administration to cut the redtape and greatly speed up the process, and if they cannot then I suggest that Congress step in and make some changes to relieve the bottleneck that has occurred in the Small Business Administration.

Mr. BOGGS. Mr. Chairman, legislation proposed in H.R. 4604 would increase to $3.1 billion the current ceiling of $2.2 billion on the Small Business Administration's loans, guarantees, obligations or commitments which may be outstanding at any one time from its business loan and investment fund.

This fund is the backbone, the muscle, and the life blood of the Small Business Administration's far-reaching business loan program.

It is used to bolster and strengthen the small business community throughout the Nation.

It is used to provide assistance to small firms threatened with substantial economic injury as a result of the Federal bulldozer in construction projects.

It is used to help business concerns adversely affected by imported goods.

It is used in SBA's program to obtain prime contracts from the Federal Government for the purpose of offering subcontracts to small firms.

It is also used to provide opportunities for small businessmen who are socially or economically disadvantaged.

The requested increase in the ceiling limitation is an emergency request.

This emergency developed after legislation was enacted in December of 1970 which established the current $2.2 billion limitation.

But this limitation was actually based upon the fiscal year 1970 budget level and upon projections at the same rate for fiscal years 1971 and 1972. The estimated total for each of these 3 years was $705 million.

However, SBA's current approved budget plan for fiscal year 1971 contains a level of over $1 billion in loans approved.

This increase in loan approvals is primarily due to a tremendous surge of activity in SBA's guaranteed loan program.

Guaranteed business loans from fiscal year 1971 were originally projected at $500 million. Current projections place this figure above the $750 million mark and the estimate for fiscal year 1972 is over $850 million.

It is likely that SBA will reach the current limitation of $2.2 billion by the end of May 1971.

It will then become necessary for the Agency to curtail loan approvals, unless H.R. 4604 is enacted before that time.

The new ceiling will permit the Agency to continue approving loans for the remainder of fiscal year 1971 and for all of the succeeding fiscal year.

Mrs. HECKLER of Massachusetts. Mr. Chairman, small businesses are more than just important to the American economy—they are absolutely essential to its health and well-being.

Beyond that, I believe they are critical to the individual and the country as one of the last constructive outlets for courage and creativity. Small business ownership also represents an attractive alternative at a time in our history when size has become suspect and "doing your own thing" a desirable occupation.

In addition, many scientists and engineers jettisoned in the conversion of the economy, have turned to small business ownership as a restorative. Because of their backgrounds and knowledge they can make a contribution and should be courted as new constituents of Federal small business programs.

We all know how vital have been the activities of the Small Business Administration in encouraging and assisting the growth and development of thousands of American small businesses. Many would never have come into being or would have died on the vine without SBA.

Unless we approve the legislation before us to increase the ceiling on SBA loans, guarantees, and obligations, however, an excellent and wholesome program will be seriously hamstrung. And the country will be the poorer.

The new Administrator of SBA, our distinguished former colleague, Tom Kleppe, who, I am confident, will administer these funds effectively, has assured our committee that the increase in H.R. 4604 will be sufficient until June 1972.

I favor quick and unanimous approval of the increase. America's small businessmen need it, and America needs them.

Mr. PATMAN. 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,*

That paragraph (4) of section 4(c) of the Small Business Act is amended by striking out "$2,200,000,000" and inserting in lieu thereof "$3,100,000,000".

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KLUCZYNSKI, 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. 4604) to amend the Small Business Act, pursuant to House Resolution 423, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

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

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

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

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 383, nays 0, not voting 50, as follows:

[Roll No. 82]

YEAS—383

| | | |
|---|---|---|
| Abernethy | Collier | Grasso |
| Abourezk | Collins, Ill. | Gray |
| Abzug | Collins, Tex. | Green, Oreg. |
| Adams | Colmer | Griffin |
| Addabbo | Conable | Griffiths |
| Anderson, Calif. | Conte | Gross |
| | Corman | Grover |
| Anderson, Ill. | Cotter | Gude |
| Andrews, Ala. | Coughlin | Hagan |
| Andrews, N. Dak. | Crane | Haley |
| | Culver | Hall |
| Annunzio | Daniel, Va. | Halpern |
| Archer | Daniels, N.J. | Hamilton |
| Ashbrook | Danielson | Hammer-schmidt |
| Aspin | Davis, Wis. | |
| Aspinall | de la Garza | Hanley |
| Badillo | Delaney | Hanna |
| Baker | Dellenback | Hansen, Idaho |
| Baring | Dellums | Harrington |
| Barrett | Denholm | Harsha |
| Begich | Dennis | Harvey |
| Belcher | Dent | Hastings |
| Bell | Derwinski | Hathaway |
| Bennett | Devine | Hawkins |
| Bergland | Dickinson | Hays |
| Betts | Diggs | Hébert |
| Bevill | Dingell | Hechler, W. Va. |
| Biaggi | Donohue | Heckler, Mass. |
| Biester | Drinan | Helstoski |
| Bingham | Dulski | Hicks, Mass. |
| Blackburn | Duncan | Hicks, Wash. |
| Blanton | du Pont | Hillis |
| Blatnik | Dwyer | Hogan |
| Boggs | Eckhardt | Holifield |
| Boland | Edmondson | Horton |
| Bolling | Edwards, Ala. | Hosmer |
| Bow | Edwards, Calif. | Howard |
| Brademas | Eilberg | Hull |
| Brasco | Erlenborn | Hungate |
| Bray | Esch | Hunt |
| Brinkley | Eshleman | Hutchinson |
| Brooks | Evans, Colo. | Ichord |
| Broomfield | Evins, Tenn. | Jarman |
| Brotzman | Findley | Johnson, Calif. |
| Brown, Mich. | Fish | Johnson, Pa. |
| Brown, Ohio | Fisher | Jonas |
| Broyhill, N.C. | Flood | Jones, Ala. |
| Broyhill, Va. | Flowers | Jones, N.C. |
| Buchanan | Flynt | Jones, Tenn. |
| Burke, Fla. | Foley | Karth |
| Burke, Mass. | Ford, Gerald R. | Kastenmeier |
| Burleson, Tex. | Ford, William D. | Kazen |
| Burlison, Mo. | | Kee |
| Byrnes, Wis. | Forsythe | Keith |
| Byron | Fountain | Kemp |
| Cabell | Fraser | King |
| Caffery | Frelinghuysen | Kluczynski |
| Camp | Frenzel | Koch |
| Carey, N.Y. | Frey | Kuykendall |
| Carney | Fulton, Pa. | Kyl |
| Carter | Fuqua | Kyros |
| Casey, Tex. | Galifianakis | Landgrebe |
| Cederberg | Gallagher | Landrum |
| Celler | Garmatz | Latta |
| Chamberlain | Gaydos | Leggett |
| Chappell | Gettys | Lennon |
| Chisholm | Giaimo | Lent |
| Clancy | Gibbons | Link |
| Clark | Goldwater | Lloyd |
| Clawson, Del | Gonzalez | Long, Md. |
| Cleveland | Goodling | Lujan |
| McClory | Peyser | Staggers |
| McCloskey | Pike | Stanton, J. William |
| McClure | Pirnie | |
| McCollister | Poage | Stanton, James V. |
| McCormack | Podell | |
| McDade | Poff | Steed |
| McDonald, Mich. | Powell | Steele |
| | Preyer, N.C. | Steiger, Ariz. |
| McEwen | Price, Ill. | Steiger, Wis. |
| McFall | Price, Tex. | Stephens |
| McKay | Pryor, Ark. | Stokes |
| McKevitt | Purcell | Stratton |
| Macdonald, Mass. | Quie | Stubblefield |
| | Railsback | Stuckey |
| Mahon | Randall | Sullivan |
| Mailliard | Rarick | Symington |
| Martin | Reid, Ill. | Talcott |
| Mathias, Calif. | Reid, N.Y. | Taylor |
| Mathis, Ga. | Reuss | Teague, Calif. |
| Matsunaga | Rhodes | Terry |
| Mayne | Riegle | Thompson, Ga. |
| Mazzoli | Roberts | Thompson, N.J. |
| Meeds | Robinson, Va. | Thomson, Wis. |
| Melcher | Robison, N.Y. | Thone |
| Metcalfe | Rodino | Tiernan |
| Michel | Roe | Udall |
| Mikva | Rogers | Ullman |
| Miller, Ohio | Roncalio | Van Deerlin |
| Mills | Rooney, N.Y. | Vander Jagt |
| Minish | Rosenthal | Vanik |
| Mink | Roush | Veysey |
| Minshall | Rousselot | Vigorito |
| Mitchell | Roy | Waggonner |
| Mizell | Ruppe | Waldie |
| Mollohan | Ruth | Wampler |
| Monagan | Ryan | Ware |
| Montgomery | St Germain | Watts |
| Moorhead | Sandman | Whalen |
| Morgan | Sarbanes | Whalley |
| Morse | Satterfield | White |
| Mosher | Saylor | Whitehurst |
| Moss | Scherle | Whitten |
| Murphy, Ill. | Scheuer | Widnall |
| Murphy, N.Y. | Schmitz | Wiggins |
| Myers | Schneebeli | Williams |
| Natcher | Schwengel | Wilson, Bob |
| Nedzi | Scott | Wilson, Charles H. |
| Nelsen | Sebelius | |
| Nichols | Seiberling | Winn |
| Nix | Shoup | Wolff |
| Obey | Shriver | Wright |
| O'Hara | Sikes | Wyatt |
| O'Konski | Skubitz | Wydler |
| O'Neill | Slack | Wylie |
| Passman | Smith, Calif. | Wyman |
| Patman | Smith, Iowa | Yates |
| Patten | Smith, N.Y. | Young, Tex. |
| Pelly | Spence | Zablocki |
| Perkins | Springer | Zwach |
| Pettis | Stafford | |

NAYS—0

NOT VOTING—50

| | | |
|---|---|---|
| Abbitt | Downing | Pepper |
| Alexander | Edwards, La. | Pickle |
| Anderson, Tenn. | Fascell | Pucinski |
| | Fulton, Tenn. | Quillen |
| Arends | Green, Pa. | Rangel |
| Ashley | Gubser | Rees |
| Burton | Hansen, Wash. | Rooney, Pa. |
| Byrne, Pa. | Henderson | Rostenkowski |
| Clausen, Don H. | Jacobs | Roybal |
| | Keating | Runnels |
| Clay | Long, La. | Shipley |
| Conyers | McCulloch | Sisk |
| Davis, Ga. | McKinney | Snyder |
| Davis, S.C. | McMillan | Teague, Tex. |
| Dorn | Madden | Yatron |
| Dow | Mann | Young, Fla. |
| Dowdy | Miller, Calif. | Zion |

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Rostenkowski with Mr. Arends.

Mr. Ashley with Mr. Keating.

Mr. Green of Pennsylvania with Mr. Don H. Clausen.

Mr. Pickle with Mr. Gubser.

Mr. Shipley with Mr. Snyder.

Mr. Byrne of Pennsylvania with Mr. McKinney.

Mr. Teague of Texas with Mr. Young of Florida.

Mr. Henderson with Mr. Zion.

Mr. Anderson of Tennessee with Mr. Quillen.

Mr. Miller of California with Mr. Davis of Georgia.

Mr. Pucinski with Mr. Clay.

Mr. Roybal with Mr. Conyers.

Mr. Jacobs with Mr. Sisk.

Mrs. Hansen of Washington with Mr. Abbitt.

Mr. Alexander with Mr. Burton.

Mr. Fascell with Mr. Fulton of Tennessee.

Mr. Madden with Mr. Long of Louisiana.

Mr. Yatron with Mr. McMillan.

Mr. Pepper with Mr. Rooney of Pennsylvania.

Mr. Rangel with Mr. Rees.

Mr. Edwards of Louisiana with Mr. Downing.

Mr. Dorn with Mr. Dowdy.

Mr. Mann with Mr. Dow.

Mr. Davis of South Carolina with Mr. Runnels.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, pursuant to House Resolution 423, I call up from the Speaker's table for immediate consideration the bill (S. 1260) to amend the Small Business Act.

The Clerk read the title of the Senate bill.

The Clerk read the Senate bill, as follows:

S. 1260

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That paragraph (4) of section 4(c) of the Small Business Act is amended by striking out "$2,200,000,000" and inserting in lieu thereof "$3,100,000,000".

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

A similar House bill (H.R. 4604) was laid on the table.

## GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, and to include extraneous material.

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

There was no objection.

## PERSONAL EXPLANATION

Mr. PUCINSKI. Mr. Speaker, I was unavoidably detained, and missed the vote on the last rollcall on the bill H.R. 4604, to amend the Small Business Act. Had I been present I would have voted "yea."

## THE GOVERNMENT OF THE UNITED STATES IS NOT MADE OF SUGAR CANDY

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

Mr. WRIGHT. Mr. Speaker, 30 years ago, while England was undergoing the darkest hours of the Second World War, Winston Churchill gave heart to his countrymen with this unforgettable sentence:

We have not journeyed all this way across the centuries, across the oceans, across the mountains, across the prairies, because we are made of sugar candy.

Perhaps there is a profound lesson here for the frenetic mob that has rampaged through the streets of Washington this week—and for any others throughout the world who may think of this Government as a fragile, feeble institution susceptible to intimidation.

The leaders of the mob boasted hysterically that by massive physical disruption they would shut down the Government of the United States and prevent it from operating.

Well, the events have proven otherwise. As we all know by now, the demonstrations in Washington this week have been a total failure. The collection of purposeful conspirators, hedonistic demonstrators, and confused youth have utterly failed in their avowed purpose.

The Government did not stop. The Republic did not totter. The Congress did not cower. The thousands of Government employees—from Cabinet officers to file clerks—have gone as usual about the vitally important business of conducting the country's affairs.

And this is the lesson: The Government of the United States, deriving its strength directly from the will of the people of the United States, has not survived for nearly 200 years because it is made of sugar candy.

Nobody was really intimidated by the demonstrators, the rioters, and the anarchists. It is really a misnomer to refer to these malcreants as antiwar demonstrators, because it has been obvious that they are not genuinely, seriously concerned about the war. If they had been, they—like every other citizen in this country—could easily have spoken their piece. The doors of most officials in Washington—especially those of Congressmen and Senators—are always open. The leaders of the demonstration knew that.

But they were not interested in rational discussion. They were interested in disruption and destruction. They wanted to set fires, to overturn garbage cans, to block traffic, to let the air out of tires, to jerk loose engine wires of innocent motorists.

They were not interested in having their say; they were interested in getting their way. They did not want to express their own constitutional freedom; they wanted to interfere with the freedom of others. And it did not work.

None of us who have witnessed this shameful spectacle can help but be proud of the way in which the Washington police have met the challenge. Quietly, methodically, without an ounce of unnecessary force, they have met the lawbreakers and taken several thousand of them into custody. Many of these undoubtedly will face trial in the future. Perhaps—just perhaps—the lesson will sink in: The foreign and domestic policies of the United States cannot be formulated by throwing garbage into the streets.

The leaders of this foolish effort have committed again the historic fallacy of mistaking gentility for weakness and tolerance for indecisiveness.

In truth the Government of the United States is the freest, most approachable and most responsive instrument of public will ever to serve and bless a land under Heaven's canopy in the history of the human race.

It is the least oppressive and the most just, the least capricious and the most compassionate, the most worthy of homage yet the most tolerant of dissent, the most publicly reviled and yet the most profoundly respected institution ever created by the mind and purpose of man. With all its human flaws and mortal imperfections, it is—as governments go—the best there is. And it is not made of sugar candy.

## REFUSING TO RECYCLE

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

Mr. PODELL. Mr. Speaker, I was proud to join in the cosponsorship of what I consider to be an extremely important piece of legislation. I am referring to a bill calling upon the Federal Government to establish guidelines for the maximum use of recycled materials in the paper it purchases.

Urban centers are now beginning to choke in their own waste. Garbage dumps, polluted streams and rivers have become common sights in our urban landscape. Yet they are more than eyesores. They pose a very real threat to the health and well-being of our citizens.

There seems to be no end to the waste material that America continues to spew forth into the environment. And the problems of solid waste disposal are threatening to grow out of control.

About 90 percent of all collected refuse is disposed of on land, 8 percent is burned in incinerators, and 2 percent is composted, dumped at sea, or disposed of in some other manner. We put this collected solid waste in 14,000 open dumps, 94 percent of which are inadequate since the dumped waste is either not covered daily with dirt or is burned, or creates water pollution problems. Incineration is the second most frequently employed method. Yet, 75 percent of all municipal incinerators are inadequate because they are inefficient in reducing solid wastes or create air pollution problems, or both.

At the same time that our urban environment is being engulfed, our more rural environment is being ravaged too. Our forests are being cut down to provide more and more raw material for use in our paper mills.

Paper is the biggest single item in solid waste. According to statistics on municipal solid waste, paper products represent 40 to 54 percent of all waste by weight. In absolute figures, this means close to 40 million tons is being dumped on our land each year. Also, although the number of tons of paper containing recycled goods continues to rise, the amount containing unrecycled paper has grown more rapidly. Thus the ratio of recycled paper to nonrecycled paper has decreased. Finally, if we must continue with disheartening statistics, the effluent of pulp and paper mills is equal to approximately 15 percent of the aggregate effluent of American industry.

Why must this be? Why is not industry taking advantage of the technology of recycling for reuse much of the waste that now is dumped on our land? Because the Federal Government which is the largest single purchaser of paper in this Nation has not seen fit to exercise any leadership in this area. As the number one consumer of paper, this Government is in a position to lead others, and to give the needed tug to industry. If the Federal Government would lead, there would be a good chance that the rest of the Nation would follow. Paper producers, if they expected to compete, would have no choice but to use recycled material in their final product.

Until 1965, solid waste removal was thought to be a strictly local matter. In 1965, however, with the passage of the Solid Waste Disposal Act, the Federal Government became responsible for research, training, demonstrations of new technology, technical assistance, and grants-in-aid. In 1970, the Resources Recovery Act redirected the Federal emphasis from disposal to recycling. And this is where we sit at the present time.

President Nixon in his 1971 environmental program stated the following:

The Resource Recovery Act of 1970 recognizes the importance of recycling. It provides authority to develop and demonstrate recycling technology and provides for studies of secondary markets and economics.

Mr. Speaker, the Resource Recovery Act does in fact recognize the importance of such programs. In fact, the House Interstate and Foreign Commerce Committee authorized $80 million for the implementation of these programs. The administration is hiding its own inactivity behind a veil of idealistic verbiage. It asked for only $4,093,000 for 1972 to implement these programs. In my mind this constitutes no commitment to the solution of our solid waste problem.

As part of the environmental program, the President announced that the General Services Administration is revising Federal procurement specifications to require the use of recycled paper by the Government as a stimulus for further paper recycling. Some standards have been revised, but thus far changes have been negligible. The GSA has 122 specifications for purchasing paper, and thus far only 14 of these have been revised. In addition, it is disturbing to note that minimum standards are being set. From experience we know that when the minimum content is set, this has a tendency to become a maximum.

This fact combined with the negligible funding leads me to the inescapable conclusion: If there is to be a firm commitment to the recycling of waste, Congress must be the initiating body.

Still other factors discourage recycling: Freight rates encourage the shipment of raw materials as opposed to more heterogeneous goods; we provide large depletion allowances to accelerate the development of raw materials as well as recycled materials, all Federal regula-

tions combine to dishearten any potential recycler.

It is now up to us to decide whether this Nation's fast-disappearing open spaces will overflow with waste and garbage or whether we preserve such space for the enjoyment of our citizens. I believe that a firm Federal commitment to a policy of recycling—backed up by both funding and strict specifications for products purchased by our Government—must be instituted immediately. I urge Congress to waste no time in acting on this matter.

## UNITED STATES CELEBRATES TODAY A DECADE OF MANNED SPACE FLIGHT

(Mr. CASEY of Texas asked and was given permission to address the House for 1 minute, to revise and extend his remarks and to include extraneous material.)

Mr. CASEY of Texas. Mr. Speaker, today marks the 10th anniversary of our first manned space flight, and I consider it most fitting that we pause a few moments to reflect on the tremendous benefits this great program has brought the American people.

A whole new generation has grown up in the decade since that first flight by our great astronaut, Alan B. Shepard, Jr.

They have come to take as a matter of course our tremendous successes in space—and in fact, many of them have lost sight of the value and importance of this program, and the unbelievable potential yet unrealized that it holds for America and the world.

They do not remember the grim days that followed the successful launch of Sputnik 1 by the Russians on October 4, 1957. For the first time, the American people were forcefully brought face-to-face with the bitter fact that a nation most mistakenly believed to be "backward" had scored a spectacular success in space. And we, who prided ourselves on our science and technology and as the world leader in the field of aeronautics, were a second-rate power. They do not remember the bitter outcry for action which swept our people, and indeed, some of the current critics of our efforts in space were then among the most vocal in Congress for immediate action to overcome the Russian's lead.

And so it was, in 1958, because of the tremendous reaction of the American people, that Congress created the National Aeronautics and Space Administration. With full support of the people and the Congress—with ample authority and funding—we moved swiftly to try and recapture the lead in the space race. And let there be no mistake about it. It was then—and it is now—a race, for in spite of the so-called easing of the cold war tensions and the growing international cooperation in our scientific research programs our national defense effort and the security of the world are closely interlaced with our space program. We cannot afford, in 1971, or in 1981, to abandon control of outer space to the Communist world any more than we could have in 1961. And those who constantly decry our efforts in space as a questionable expenditure of our national resources fail entirely to take cognizance of the importance of this factor to our security, and indeed, our very survival.

And so it was in the late 1950's and early 1960's that we planned and progressed while the Russians launched Sputniks 1 through 10, sending probes to the Moon and to Mars until April 12, 1961. On that day, our prestige and our national pride suffered again as Soviet Cosmonaut Gagarin, riding Vostok 1, rocketed to outer space in a successful mission.

Needless to say, some 3 weeks later, the hopes, the aspirations, and the prayers of the American people were riding with Alan Shepard on May 5, 1961. It was estimated that an unprecedented audience of 45 million Americans watched in awe the launch of his Freedom 7 Mercury spacecraft, and its successful touchdown 15 minutes and 22 seconds later some 300 miles off the Florida coast.

In the decade past, this great scientific and technological team which sent Alan Shepard into space has continued to bring us one spectacular success after another, in full and open view of the world.

Here, then, our space program stands today. An acknowledged leader in the field—its potential yet to be realized. Neither time nor space would permit me to list the tremendous benefits realized by the American people from this program through technological "spin-offs" or "fall-out." In every field, such as electronics, medicine, communications, industrial tools and technology, weather forecasting, university support and research, geological research, environmental and pollution control, oceanography, and a host of others have benefited directly from our investment in this program. Indeed, not long ago, our House Committee on Science and Astronautics issued a study of more than 300 pages dealing solely with the great benefits realized from the space program, entitled "For the Benefit of All Mankind."

And yet, as I said, the potential from this great program is still to be realized. It should, and it must, have a prime role in the field of oceanography and environmental control, and I would strongly urge my colleagues on the appropriate committees to insist the administration give it increasingly important duties in these critical fields. The same great talent which took us safely to the moon and back is ready and available to tackle and resolve some of the major problems we face on earth, whether it be in the field of pollution control, or in seeking new food sources from the ocean to feed our ever-growing population.

To see this great scientific and technological team slowly dismantled due to lack of support by the administration, or by this Congress, or by the people, when so much remains to be done, is unbelievably false economy, and I urge my colleagues to correct it.

Mr. Speaker, on this great day marking the 10th anniversary of our first manned flight into outer space, I think it highly appropriate that we pause for a few moments to honor the men and women of NASA and the aerospace industry who made it possible. To each of them, I express my sincere congratulations on an outstanding decade of achievement. By your diligence and your efforts, you have brought our Nation pride and glory, and have earned the thanks of this Congress and of the American people. The history of our U.S. manned space flights is a story unequalled by any nation, and you made it possible. As one who fully supports this great program, I share your own pride in our successes, and am pleased to bring to the attention of my colleagues, and our people, the attached record of our manned spaced flights:

HISTORY OF U.S. MANNED SPACE FLIGHT

| | Date | Flight time (hours, minutes, seconds) | Revolutions | Spacecraft name | Remarks |
|---|---|---|---|---|---|
| **MERCURY** | | | | | |
| Alan B. Shepard, Jr. | May 5, 1961 | 00:15:22 | Suborbital | Freedom 7 | America's 1st manned space flight. |
| Virgil I. Grissom | July 21, 1961 | 00:15:37 | do | Liberty Bell 7 | Evaluated spacecraft functions. |
| John H. Glenn, Jr. | Feb. 20, 1962 | 04:55:23 | 3 | Friendship 7 | America's 1st manned orbital spaceflight. |
| M. Scott Carpenter | May 24, 1962 | 04:56:05 | 3 | Aurora 7 | Initiated research experiments to further future space efforts. |
| Walter M. Schirra, Jr. | Oct. 3, 1962 | 09:13:11 | 6 | Sigma 7 | Developed techniques and procedures applicable to extended time in space. |
| L. Gordon Cooper, Jr. | May 15–16, 1963 | 34:19:49 | 22 | Faith 7 | Met the final objective of the Mercury program—spending 1 day in space. |
| **GEMINI** | | | | | |
| Virgil I. Grissom, John W. Young | Mar. 23, 1965 | 04:52:31 | 3 | Gemini 3 | America's 1st 2-man space flight. |
| James A. McDivitt, Edward H. White, II | June 3–July 1965 | 97:56:12 | 62 | Gemini 4 | 1st "walk in space" by an American astronaut. 1st extensive maneuver of spacecraft by pilot. |
| L. Gordon Cooper, Jr., Charles Conrad, Jr. | Aug. 21–29, 1965 | 190:55:14 | 120 | Gemini 5 | 8-day flight proved man's capacity for sustained functioning in space environment. |
| Frank Borman, James A. Lovell, Jr. | Dec. 4–18, 1965 | 330:35:01 | 206 | Gemini 7 | World's longest manned orbital flight. |
| Walter M. Schirra, Jr., Thomas P. Stafford | Dec. 15–16, 1965 | 25:51:24 | 16 | Gemini 6A | World's 1st successful space rendezvous. |
| Neil A. Armstrong, David R. Scott | Mar. 16–17, 1966 | 10:41:26 | 6.5 | Gemini 8 | 1st docking of 2 vehicles in space. |

| | Date | Flight time (hours, minutes, seconds) | Revolutions | Spacecraft name | Remarks |
|---|---|---|---|---|---|
| Thomas P. Stafford, Eugene A. Cernan | June 3–6, 1966 | 72:20:50 | 45 | Gemini 9A | 3 rendezvous of a spacecraft and a target vehicle Extravehicular exercise—2 hours 7 minutes. |
| John W. Young, Michael Collins | July 18–21, 1966 | 70:46:39 | 43 | Gemini 10 | 1st use of target vehicle as source of propellant power after docking. New altitude record—475 miles. |
| Charles Conrad, Jr., Richard F. Gordon, Jr | Sept. 12–15, 1966 | 71:17:08 | 44 | Gemini 11 | 1st rendezvous and docking in initial orbit. 1st multiple docking in space. 1st formation flight of 2 space vehicles joined by a tether. Highest manned orbit—apogee about 853 miles. |
| James A. Lovell, Jr., Edwin E. Aldrin, Jr | Nov. 11–15, 1966 | 94:34:31 | 59 | Gemini 12 | Astronaut walked and worked outside of orbiting spacecraft for more than 5½ hours—a record proving that a properly equipped and prepared man can function effectively outside of his space vehicle. 1st photograph of a solar eclipse from space. |
| APOLLO | | | | | |
| Walter H. Schirra, Donn Eisele, Walter Cunningham | Oct. 11–22, 1968 | 260:8:45 | 163 | Apollo 7 | 1st manned Apollo flight demonstrated the spacecraft, crew, and support elements. All performed as required |
| Frank Borman, James A. Lovell, Jr., William Anders | Dec. 21–27, 1968 | 147:00:41 | 10 revolutions of moon. | Apollo 8 | History's 1st manned flight to the vicinity of another celestial body. |
| James A. McDivitt, David R. Scott, Russell L. Schweickart | Mar. 3–13, 1969 | 241:00:53 | 151 | Apollo 9 | 1st manned all-up Apollo flight (with Saturn V and command, service, and lunar modules). 1st Apollo EVA. 1st docking of CSM with LM. |
| Thomas P. Stafford, John W. Young, Eugene A. Cernan | May 18–26, 1969 | 192:03:23 | 31 revolutions of moon. | Apollo 10 | Apollo LM descended to within 9 miles of moon and later rejoined CSM. 1st rehearsal in lunar environment. |
| Neil A. Armstrong, Michael Collins, Edwin E. Aldrin, Jr | July 16–24, 1969 | 195:18:35 | 30 revolutions of Moon. | Apollo 11 | 1st landing of men on the Moon. Total stay time: 21 hrs., 36 min. |
| Charles Conrad, Jr., Richard F. Gordon, Jr., Alan L. Bean | Nov. 14–24, 1969 | 244:36:25 | 45 revolutions of Moon. | Apollo 12 | 2d manned exploration of the Moon. Total stay time: 31 hrs., 31 min. |
| James A. Lovell, Jr., John L. Swigert, Jr., Fred W. Haise, Jr. | Apr. 11–17, 1970 | 142:54:41 | | Apollo 13 | Mission aborted because of service module oxygen tank failure. |
| Alan B. Shepard, Jr., Stuart A. Roosa, Edgar D. Mitchell | Jan. 31–Feb. 9, 1971 | 216:01:59 | 34 revolutions of Moon. | Apollo 14 | 1st manned landing in and exploration of lunar highlands. Total stay time: 33 hrs., 31 min. |

## ARMY PAYS $10 MILLION FOR WHAT A COUNTY GETS FOR FREE

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

Mr. VAN DEERLIN. Mr. Speaker, hearings have been completed by the Communications Subcommittee on House Concurrent Resolution 215, to oppose the use of public funds to buy time for commercials on radio and television.

Meanwhile, the Army is lumbering to the conclusion of its $10.6 million broadcast ad campaign to increase enlistments enough to achieve the laudable goal of a "zero draft" by the middle of 1973.

Army and Defense Department witnesses at the House hearings maintained the time had to be purchased to get the recruitment messages aired when and where they would be most effective.

The agency witnesses pointed out that the current campaign, while unprecedented in the amount of public funds involved, is just an experiment, and that the other services will not be authorized to purchase time for their own commercials until the effectiveness of the Army's effort has been evaluated.

As is well known, broadcasters traditionally have contributed time as a public service for messages from the Defense Department and other governmental agencies. I was originally prompted to offer House Concurrent Resolution 215 by concern over the implications of the Army's rather abrupt departure from the well-established procedures followed at all levels of government in obtaining time from broadcasters.

As a result of the hearings, I became convinced that the Army had not really tried very hard to get better donated slots for the ads, before plunging into the costly campaign. The Defense Department conceded that no special effort was made to enlist the cooperation of broadcasters on a voluntary basis.

But regardless of the stance taken by the Army and other public agencies that now may be considering paid-for campaigns, one fact is inescapable: the considerable success enjoyed by some governmental entities in strictly public service dealings with broadcasters and other media.

A case in point is the county government of San Diego, my home. For a quarter of a century, local broadcasters have been making time available for spots produced by the county and deemed in the public interest.

Currently, the county health department is disseminating message on behalf of its Drug Education for Youth—DEFY—project—at no cost to the taxpayers. These spots, most featuring a "hot line" number for people with drug problems, are carried by all 23 of the county's radio stations and three commercal television outlets. Some 35 newspapers have published interviews and other articles about the program. All the broadcasters were contacted individually by the county, and asked to cooperate, as they have in the past.

The media thus were virtually blanketed, for a worthy cause, by diligence and sophisticated techniques that could well be emulated in Washington. To achieve maximum impact, special tapes were prepared for a half-dozen youth-oriented stations, while messages aimed at more general audiences went to other broadcast outlets.

County officials have expressed satisfaction with the timing, frequency—and, most important—the results of the airing of the DEFY ads. Since the media campaign was launched last summer the number of "hot line" has nearly tripled, to about 2,700 a month.

According to Mrs. Marion T. Bryant, a county officer who has been working with the media since 1947: "We have never been refused by any station."

Perhaps because the Pentagon has a public relations budget approaching $200 million a year, it doesn't feel such resourcefulness is really necessary in dealing with the media. Then again, it may just be easier to turn the whole campaign over to a hired agency, as the Army has done, rather than do it yourself.

But the accomplishments of San Diego and, I am sure, numerous other local governments, does tend to shoot holes in the argument that the media must be bought for optimum results.

Let us stick to the old way, to preserve the independence of broadcasters from unwarranted Federal influence and the public's access to the airwaves—and save some money in the process.

## LEAGUE OF RED CROSS SOCIETIES IN GENEVA OFFER SUPPLIES TO NORTH VIETNAM TO BE FINANCED FROM THE UNITED NATIONS CHILDREN'S FUND

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

Mr. ICHORD. Mr. Speaker, my attention has been called to a news item in the New York Times of April 24, 1971, reporting that the League of Red Cross Societies in Geneva, Switzerland, has offered supplies to North Vietnam to be financed from the United Nations Children's Fund.

Knowing that the United States is the largest contributor to the Fund and that the Fund is financed by voluntary contributions to UNICEF and not from the U.N. budget, I contacted the U.S. State Department to get more information.

I believe my colleagues in this House will be reassured, as was I, to learn that the United States is not participating in providing such assistance to Hanoi while North Vietnam's Communist regime refuses to permit even inspection of its

prisoner-of-war camps where American captives are being held.

The UNICEF Executive Board approved this program last year and merely reaffirmed it this year. It is awaiting a response from North Vietnam which has chosen to ignore the matter. This, according to the State Department, is largely because UNICEF has insisted on some suitable arrangement for inspection of policing of the aid items, primarily cotton cloth for children's clothing, so that it could not be used—for example—for military uniforms or equipment.

The proposed expenditure of $200,000 for such relief would result from line item grants from the Netherlands and Switzerland. The money would consist of Dutch guilders and Swiss francs and no U.S. contributions would be involved. It is for that reason that the State Department decided not to oppose the proposition. The absence of American dollars keeps the program from falling under the provisions of the Trading With the Enemy Act.

I now ask that the news item be inserted in the RECORD for the edification of the Members of this Congress.

[From the New York Times, Apr. 24, 1971]

RED CROSS IN HANOI ASKED TO LIST NEEDS

GENEVA, April 23.—The League of Red Cross Societies has asked the North Vietnam Red Cross Society to specify what kind of supplies it would like to obtain from a $200-thousand donation by the United Nations Children's Fund, it was disclosed today.

According to a well-informed source, once the North Vietnam Red Cross specifies what it wants, delivery of the long-discussed help from UNICEF will be almost automatic.

Henry R. Labouisse, director of the fund, will only have to be satisfied that the supplies will reach needy North Vietnamese and the league will then take responsibility for the delivery, it was explained.

The United States is the largest contributor to the Children's Fund, which is supported by voluntary donations rather than from the United Nations budget.

Mr. Labouisse said at a closed meeting of the fund's executive board today that he had asked the league to make the inquiry because the North Vietnamese Government had refused to have any dealings with the fund. It is expected that the North Vietnamese will ask mainly for various kinds of cotton cloth, in accordance with a list previously submitted to Henrik Beer, the league's president, for consideration by league members.

## PROPOSED BILL ON OIL DRILLING AT SANTA BARBARA

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

Mr. TEAGUE of California. Mr. Speaker, this week the administration's proposal concerning oil exploration in the Santa Barbara Channel was introduced by my respected colleague JOHN SAYLOR, ranking minority member of the Interior and Insular Affairs Committee. It calls for termination of 20 leases directly seaward of the city of Santa Barbara and 15 leases adjacent to the Channel Islands. This bill recognizes, as I long have, that the best use of this area is for other than oil exploration.

However, this bill calls for compensation to the oil companies by selling oil from the Elk Hills Naval Petroleum Reserve No. 5 near Bakersfield, Calif. I have no objection to this, but this will require the bill be approved by the Armed Services Committee as well as the Interior and Insular Affairs Committee. I feel this is an unnecessary complication. If we in Congress are really serious about settling the Santa Barbara Channel problem, then we should simply pay for it. The cost will be determined by the courts, but it is reasonable to assume just compensation will be approximately what the oil companies paid for these leases, $210 million. Let us admit the Government erred in leasing these lands and buy them back. I think this is a straightforward and simpler approach. I am introducing legislation today that asks we do just that.

My bill also includes a moratorium elsewhere in the Channel where a several billion barrel reserve has been discovered. As I stated before the House on the 2-year mark of the spill in January 1969, the aim should be to weigh the need to protect our environment against the need for energy resources. We should do this. The moratorium concept says the oil reserve in the other parts of the Channel can be developed when the development can proceed safely.

My bill today does basically three things: cancels the leases seaward of Santa Barbara, instructs the Congress to pay what it costs, and calls for a moratorium elsewhere in the Channel. At this point, I request the bill be printed in the RECORD.

## DO NOT JUDGE GI'S BY MYLAI

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

Mr. NICHOLS. Mr. Speaker, a great deal has been said, both pro and con, about the recent conviction of Lt. William Calley in connection with the Mylai incident. I am afraid there are some who feel that the verdict was a blanket indictment of all of our servicemen. Mr. Bob Poos, a correspondent for Associated Press for 12 years and now a staff member on the U.S. House Committee on Internal Security, has written an article published in the May 2 edition of the Birmingham News entitled, "Do Not Judge GI's by Mylai." Mr. Poos served as a correspondent in Asia for 4 years, including 16 months as a combat correspondent in Vietnam. I sincerely hope that my colleagues will take the necessary time to read this timely and thought-provoking article.

[From the Birmingham News, May 2, 1971]

DO NOT JUDGE GIS BY MYLAI

(By Bob Poos, special to The Birmingham News)

WASHINGTON.—The other day while discussing Mylai and the trial of Lt. William Calley (a much-over-indulged-in pursuit these days) a friend remarked "You were in Vietnam a long time. How many American atrocities did you see?"

That question not only startled me, it left me wondering if Americans have become so enamored with self-flagellation about Vietnam—and many other things—that it is now an accepted belief that American troops in Southeast Asia are and were a brutal, bloodthirsty collection of savages intent on slaughtering a helpless populace.

If so, it is not only unfortunate, it is tragic. And it is not true.

Let me say straight off that in almost a year and a half of covering the war in Vietnam and almost four years of covering all Southeast Asia plus Japan and Korea I did not witness a single atrocity by any American soldier, sailor or Marine or any collection of them.

And at the risk of seeming immodest I will add that the reason I did not was not because I was unexposed to situations lending themselves to the commission of atrocities. During my time in Vietnam I was either in close-in combat or on combat operations with: the First Cavalry Division, the First Infantry Division, the 25th Infantry Division, the First and Third Marine Divisons, the Special Forces, the Seabees, the 101st Airborne Division and the 173rd Airborne Brigade. Additionally I spent considerable time in the field with various regiments of the regular Army of Vietnam, the Vietnamese Airborne, the Vietnamese Marines and the Korean Army and Marines.

HUE WORST OF MANY

I did see South Vietnamese troops deliberately kill prisoners and I saw them torture captives in order to extract information. And I saw the results of North Vietnamese savagery against government soldiery and civilian population alike. There was no paucity of the latter. Terror, torture and political assassination were accepted weapons in the arsenals of both indigenous Viet Cong insurgents and the North Vietnamese.

Perhaps the best known of these was the horror at Hue during the great Tet offensive. One mass grave alone there yielded the bodies of more than 300 civilians executed by the Communists. It is estimated that possibly more than 2,000 innocent victims were slain for the crime of not joining the insurgents.

Hue was only the worst of a long history of similar brutalities. They have been occurring ever since the insurgents took the field and will continue until, one way or another, the agony of Vietnam is resolved.

Just a few specifics. In 1965 2,032 Vietnamese civilians were murdered by the Viet Cong and 6,929 kidnaped. The figures for 1966 were 2,613 slain and 893 kidnaped. Generally these victims are lower level officials such as police officers, village chiefs, agriculturists, medical aid workers and teachers. To be efficient for a Vietnamese can be to sentence oneself to murder, kidnaping, torture and mutilation.

But you do not read much about this. You read about My Lai.

However, I saw no atrocities by American troops in the field. And, of course, I was not the only correspondent who covered the war in Vietnam with the infantry at company level. There were many, many others and many of them spent a lot more time with troops than I did. Yet I have never heard one of them authenicate what could be construed as a deliberate atrocity by American forces.

SAGACITY BORNE OUT

There was no lack of looking for them either. I remarked to a fellow correspondent once that it was an unrewarding pursuit to write about Communist savagery because very little of it ever saw print for one reason and another. My colleague replied "you'll never win any prizes writing about Vietnam atrocities, bud. They're all Asians and everybody expects brutality and disregard for human life from Asians, whether that's their nature or not. But you find yourself a real honest-to-God American atrocity and you've got yourself a story."

The sagacity of this statement is, of course, borne out by the millions of words that have been written and spoken about My Lai. Lt. Calley and the Americal Division, Calley's parent unit.

Prior to My Lai, however, there was no lack of enterprise on the part of correspondents searching for "an honest-to-God American atrocity," much of it by newsmen who personally opposed American policy and endeavors in Vietnam.

What is rather astonishing is that the My Lai incident was not first turned up by a correspondent in Vietnam but was instead developed by a self-employed free-lance writer in the United States who has long been a critic of the American military and much of the United States' foreign policy, including that in Vietnam.

What has largely been ignored about the My Lai incident is that it was an aberration, not the norm. And aberrations make news, the normal does not. American troops have been furnished since the big buildup in mid-1965 with literally thousands of opportunities for indiscriminate slaughter that could easily have been disguised as simple reaction "in the heat of battle." But virtually none of them took advantage of it. The norm was just the opposite: men risking their lives in order to take prisoners.

TWO "HEAT OF BATTLE" INCIDENTS

Let us examine two such incidents where, due to the heat of furious battle, atrocities could have been committed or prisoners slain—but were not.

The first occurred in February, 1966, when elements of the Second Battalion, Seventh Cavalry, First Air Cavalry Division paid a visit to the tiny village of An Thi in the rolling hills of Central South Vietnam a few miles inland from the coast.

The Second of the Seventh Cav at the time was a tough and experienced outfit with the bloody Ia Drang Valley battle already written on its colors, and it was looking for a fight this day. It found one. What Alpha and Charley companies and later, one squad from Bravo Company found, captured North Vietnamese after-action reports later revealed was a reinforced regiment of North Vietnamese regulars—also tough and warwise.

The Americans soon found themselves surrounded, pinned down and punished by a heavy rainfall that precluded air support of any kind. An Thi soon became a desperate battle for survival by the Americans. By nightfall a long row of poncho-wrapped dead in an abandoned Communist trench taken by direct frontal assault testified to the ferocity of the battle, as did an even longer row of badly wounded troopers.

Just at dusk, through the rain, falling artillery and mortar shells and beneath the rifle and machinegun bullets snapping overhead, an entire Vietnamese family, including a whispy-bearded grandfather and a babe in arms, crept into the Cavalry's lines. Several of them, including the baby, were wounded.

SAME MEDICAL CARE OFFERED

Medic Thomas Cole of Richmond, Va., and a couple of other medics had plenty to do in saving the lives of a score or more of critically wounded Americans, but they rendered the same medical care to the hapless Vietnamese that they gave their comrades. The child died during the night despite the medic's frantic efforts, and young Tommy Cole wept bitter tears of frustration and anger that such a thing could happen.

Cole and his fellow medics saved the other wounded villagers, as they did most of the American casualties.

Next day, reinforced by the Fifth Cavalry, the Seventh's troopers broke the North Vietnamese lines and inflicted a severe defeat on the enemy. Because of the savage nature of the fighting, few prisoners were taken, but some were. I saw one of them. The Seventh Cavalry commanding officer, Col. Hal G. Moore, and a private crawled into a bunker and dragged out a wounded North Vietnamese machinegunner. They did not kill him. They turned him over to a medic, who treated him.

The next incident occurred a few months later and also involved the Cavalry, this time the First Battalion of the Seventh. It took place in a nameless, abandoned village near the coastal city of Bong Son, and the cavalrymen called it "the Second Battle of Bong Son."

The First Battalion achieved something seldom accomplished in Vietnam: they got a battalion of North Vietnamese surrounded in relatively clear country and proceeded to bring about its reduction. Here, too, the fighting was brutal, including exchanges of hand grenades, point-blank rifle fire and culminating in a savage duel of machineguns.

WOUNDED PRISONERS BANDAGED

Then a rare thing happened. The North Vietnamese collapsed and began surrendering. It was the only time I ever saw it occur. Soon more than 40 of them were rounded up, some unhurt, some wounded and a few burned by a napalm strike that had been called down. At one point, a sergeant in the Battalion Command post uttered an oath, crawled over to a clump of bushes, pushed it aside and peered into a hole that was revealed. He brandished his rifle and a North Vietnamese crawled out, and then another.

No cavalryman during the entire battle made any move to harm a prisoner. The wounded ones were bandaged and cared for by the medics.

If ever soldiers were justified in wanton killing through the rationalization of "the heat of battle," these two cases of combat with armed, uniformed regulars would have furnished the example. But the American troops, instead, went to the other extreme, perhaps risking their own lives to do so.

Those were examples of restraint in combat that I happened to witness. But contrary to the entire concept that seems to be arising that the American soldier is a savage brute swaggering around the Vietnamese countryside ravaging it with fire and sword, the American soldier or Marine, in field or out, on duty or off, generally exhibited warmth and kindness toward the Vietnamese that was sometimes difficult for the latter to comprehend. The American infantryman, in fact, exemplified that peculiar American trait of wanting everyone to like him.

The newsprint industry would find it a challenge to manufacture enough paper to record all the deeds of kindness and human compassion exhibited by American troops at all levels toward Vietnamese civilians.

MARINES BUILT HOSPITAL

In matters of policy, for example, the Marine Corps established its Civic Action Platoon program where squads of men moved into Vietnamese villages and lived among the peasants, furnishing at the same time protection and instructions on the rudiments of hygiene and simple medical care. Many a United States Marine has served as midwife at births in remote hamlets.

The 1st Cavalry Division built a "Nha thoung," which means at the same time hospital and "house of love in Vietnamese" at An Khe for the civilians of An Tuc District in Binh Dinh Province. The facility maintained 76 beds plus a 10-bed maternity ward. In 1967 alone more than 2,000 patients were treated and 350 babies delivered.

In 1969 the division turned the hospital over to the Vietnamese themselves but continued to assist in its operation as did later the 4th Infantry Division when it moved into the area.

Every unit in Vietnam accomplished something similar.

Once when the Viet Cong blew up a hospital facility near Da Nang one of the Sea Bees who built it remarked to me "I can't understand why the hell they did that. We're treating them too, no doubt."

But building hospitals and furnishing instructions in hygiene and health care and teaching Vietnamese farmers how to raise hogs and poultry and simply playing in the dust with the pretty little Vietnamese children was the norm for the American forces. And the normal doesn't make news.

CAPTAIN FEEDS CHILDREN

In closing I'd like to recall just one more brief example of common American behavior that I witnessed in Vietnam. Marine Capt. Phil Arman of Toledo, Ohio, an adviser to the Vietnamese Army, found himself trapped one day on a lonely bullet-swept hill near Hiep Duc with a company of the Vietnamese 4th Division.

As dusk fell, Arman watched an old Vietnamese woman and two children, perhaps 5 years old, crawling up the hillside, pushing their way through some old barbed wire, oblivious to the Viet Cong machinegun bullets spattering around them.

Arman beckoned them toward him and helped them into the crumbling old trench in which he crouched. This young captain's future was very uncertain at that moment and he had only one thing on him of material value: a lone can of C rations. Calmly he produced the little ration can openers called "P38s" by the troops, opened the can and proceeded to feed it to the children as the gunfire roared around him.

Perhaps most Americans will ignore or forget incidents like these I have mentioned and remember only My Lai. But I won't. Nor do I think will the Vietnamese who experienced them.

Americans would do well, I think, to ponder this inscription carved on a sentry box on the Island of Gibralter by some unknown, cynical British soldier.

God and the soldier
All men adore
In time of trouble
And no more;
For when war is over
And all things righted
God is neglected
The soldier slighted.

## NECESSITY OF CONGRESS MOVING SWIFTLY TO MEET PROBLEMS OF ADEQUATE POWER SOURCES AND SUPPLIES

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

Mr. COUGHLIN. Mr. Speaker, I am deeply concerned that the Congress recognize the necessity of moving swiftly to meet our problems of adequate power sources and supplies.

I need not recite the litany of power failures, blackouts, brownouts and voluntary curbing of power use to illustrate my point. What disturbs me is that with the problems so obvious to all of us, we are taking precious few steps to meet them.

To plan for our present and future needs, I think we must strive for two goals: First, a national energy policy, and second, a pollution-free source of unlimited energy.

In my judgment, the most critical problem we face in the coming decades in terms of pollution as well as in terms of need, is the supply of energy to heat, cool, and light our homes, power our

equipment and drive our transportation of all sorts.

We desperately need a national energy policy to prepare to meet our energy requirements with energy sources that are both an efficient use of our resources and pollution free. We have taken only the most miniscule steps toward this; we need a crash program.

It is estimated, for example, that utilities produce more than 50 percent of the deadly sulfur dioxide and 30 percent of the particulates in air pollution in our cities.

This national energy policy would evaluate for the near-term future our needs for energy, our potential sources of energy, the best sources of that energy and would seek to channel development into the best sources. It should consider the establishment of a national transmission grid which has the apparent potential of meeting peak electrical energy demands for the next few years by channeling electricity from areas of surplus to areas of shortage. This national network could take advantage of daylight and weather differentials across the country to ease peak-loading problems.

In addition to a national energy policy for planning and program purposes, I advocate an all-out crash program to develop a pollution-free source of unlimited energy by the end of the decade. This is within our grasp technologically if we are willing to make the kind of commitment we made to develop the atomic bomb or put a man on the moon.

We spend, for example, about $30 million annually on the fusion research that could produce a powerful and clean source of energy. This means we are devoting an amount equivalent to about 1 percent of our space budget to a peaceful project vital to all mankind—an unlimited, economical, clean source of energy. The Soviet Union is doubling our effort.

An all-out effort to develop a fusion plant could eliminate the intermediate step of fast-breeder nuclear reactors which present potential dangers and inefficiency.

The potential of solar energy, geothermal energy, and magnetohydrodynamics have hardly been scratched. Let us make it a national goal to accomplish this by 1980.

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## DEMONSTRATORS FOR PEACE

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

Mr. LLOYD. Mr. Speaker, today is the day it is reported that demonstrators for peace will come to the Capitol and take congressional hostages pursuant to their objective of temporarily disrupting the operation of Government and attempting to force a date-certain withdrawal of our military forces from South Vietnam. Thinking perhaps to make myself understand their point of view better if I walked to the Capitol for the opening of the session, I found the time for this activity had been postponed from noon until 2 or thereabouts.

During the last few days, I have read and observed much of the activity which has developed in the Nation's Capital City and have made a serious effort to understand the views of those apparently so dedicated to opposition of our Government's present military policy. Bearing in mind that President Nixon has adopted and administered the policy which has reduced the troop strength from 534,400 at the beginning of 1969 to 284,000 as of May 1, 1971, with a further objective of reducing this number to 184,000 on December 1, 1971, and further bearing in mind the emphasis, although unsuccessful, on peace negotiations in Paris, it has seemed to me that our military policy has been a sincere policy of disengagement at the fastest possible, responsible rate. I am hopeful that the President may conclude that the rate of disengagement may be materially accelerated.

Certainly the efforts of this administration are a good faith effort to disengage from military operations in South Vietnam in such a way that this disengagement does not constitute a surrender and retreat from the objective of giving the South Vietnamese a reasonable opportunity to protect themselves from invasion from the north and the further objective of assisting in the stability of that country to the point where the people of South Vietnam may make free determination of the type of government they prefer and those whom they freely choose to serve them.

There have been only two Utah students who have come to my office, and both are students at Harvard University. I had seen both of them before and respect their integrity and their dedication to what they believe is right. They take the position that our present military operations in South Vietnam, including the bombing of the enemy, is immoral. They further expressed the belief that President Nixon was stretching out the war so that a final disengagement date would coincide with his political advantage.

The proposition that President Nixon or any President is playing politics with a war involving human life of this country's citizens and of the people of other countries of the world is unthinkable to me, and on the basis of reason, I cannot accept such a proposition. The charge of immorality of this war itself certainly can be defended, and it is neither reasonable nor fair to assert that the United States is the guilty party and thus give support to Hanoi.

The thing which is particularly troubling to me is the fact that students whom I consider to be responsible and rational have decided that they must support this week's activities, which are devoted to temporary disruption of the Nation's Capital City, to forcing the adoption of the point of view of those involved in the disruptive activities. This is substitution of force for the rule of reason, and whether it comes from the political right or from the left, it is contrary to the best traditions of this country or of any civilization which gives due respect to the rights of others.

I have not been in the actual compounds, in Georgetown or other areas where the demonstrators have centralized much of their activity. It does appear, however, that in addition to the dedicated and sincere participants in these demonstrations, a great crowd of other individuals have been attracted to participate because of the excitement which has triggered some and by the opportunity to indulge in antisocial behavior which has attracted some others. The witnessed actions of some who have hurled human waste at law enforcement officers, and of others who have hoisted flags of the Vietcong to replace the American flag and such other evidences of mob action out of orderly control, will not influence responsible Members of Congress in their continuous consideration the facts of life and war.

This Nation must still retain the patience and resolve to follow an honorable goal and while opinions may differ as to the best methods of achieving an honorable goal (or what that goal may be), our best hope is still the rule of reason and not the chaos of disruption and force.

This demonstration of disruption of Government has apparently been successfully defended by a combination of effective local law enforcement officers backed by Federal assistants. This obviously took massive preparation and masterful execution. The hard core who planned the disruptive demonstrations, however, have obviously learned from this experience, and I do not doubt that they may be back. On this subject of what was learned, a significant statement was recorded in today's issue of the Washington Post. Quoting a demonstrator named Dennis, his quotation was:

> We lost. We got creamed. Any time you let your enemy know what you're going to do, you're in trouble. We can't let out the battle plan like that. There were CIA people who knew more than I did.

"Dennis" obviously does not believe even the tactics of disruption can successfully accommodate the policy which he now urges upon his country.

Members of Congress, and perhaps more significantly, members of the staffs of the Members of Congress who have demonstrated sympathy or encouragement to those whose objective is the unsuccessful disruption of Government, have a very serious responsibility to bear.

Certainly the right to dissent in a free country must be jealously guarded. The right of peaceful dissent is basic to our free system. The objective of disruption of Government and the encouragement of lawlessness is basic to its destruction.

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

Mr. HANLEY. Mr. Speaker, for many years Mrs. Rhea Eckel has stood out in the central New York community. A gracious and talented woman, she has become during her tenure as president of Cazenovia College the "First Lady of Education" in our area. I am proud to represent Cazenovia here in the House of Representatives and prouder still to call Rhea Eckel my friend.

After a lifetime of dedication to countless civic activities, Rhea decided a

short time ago to retire. I know it was not an easy decision; I know also that in the strictest sense of the word, Rhea Eckel will never be able to retire, for there are thousands of central New Yorkers who still seek her advice and counsel and there are thousands who still value her wise judgment. I am among them.

On March 30, Rhea was honored at a testimonial dinner in Syracuse by her legion of friends. The main address of the evening was delivered by Father William Reilly, president of Le Moyne College in Syracuse. I would like to include the text of Father Reilly's remarks because they speak eloquently and directly to a subject that is dear to Rhea's heart: the role of the private college in our educational pluralism.

(The text follows:)

ADDRESS BY FATHER WILLIAM L. REILLY, S.J.

To present a bouquet of roses would not seem to be a burdensome task. To present a bouquet of roses to Rhea, to be privileged to offer a tribute from so many hearts, is awesome, but not in the least a labor. I commend those who prepared this living bouquet that is our gathering of love, and I thank them for asking me to convey just a bit of the fragrance of our feeling to Rhea. The realization that fourteen years of service to Cazenovia College have passed and that the first lady of higher education in Central New York is moving into a new phase of leadership, stirs mixed feelings. I confess to a certain satisfaction that our Le Moyne alumna of 1961 will be more free to answer my calls for counsel and for just plain consolation. But I can read in your eyes the nostalgia, the wistfulness, even the melancholy that is to be expected. A tendency tonight would be all too understandable to look back. All too understandable perhaps, but how untrue to our Rhea. Who would associate her with looking back? For that matter, who would associate her with a chair?

Yet, I can't resist the temptation to look back. I look back, however, not from 1971 but *to* 1971. I deem it very much in the spirit of Rhea to take vantage at the year 2000 and to reflect in retrospect across the three decades that will have passed since tonight. It is more than idle fancy because only in 2000 will we really know whether we have learned from the prophetic leadership of Rhea. Allow me then the view of Cazenovia College and all higher education in '71 from the year 2000.

We discovered then (that is, tonight) that the gospel dictum—where your treasure is, there also your heart will be—really was the wisdom that endures.

Those were difficult times in '71—perhaps not the worst, surely not the best—and the difficulty caused us to assess our values. We pondered our priorities, what we would put first, what we would sacrifice last. Priorities do entail sacrifice. And our priorities were centered, fortunately, on the person. We gave centrality to human aspirations, human potential, human needs. On the centrality of the human person we assessed our priorities in education, to determine what the person needed in education whether as tot or as graduate student. And in following such priorities we showed that we were listening to Rhea Doyle Eckel.

For in 1971 we came to grips with "equality of opportunity in higher education." This was not a shibboleth for battle or a slogan for causes, but a principle of educational priority. It meant that education was related to the aspirations, the potential, and the talents of the educand. It meant the full spectrum of educational possibilities, planned and implemented with concern and commonsense: technical or non-technical, two-year or four-year or senior or graduate, inside walls or outside. If it was a need that could be met with competence and commonsense, it was met. The criterion was the need of the person to be educated. The purpose of the given institutional response, of Cazenovia College or of any other, was evaluated in relation to that need. Opportunity for higher education was gauged not by social pressure or rigid forms or far worse—by personal financial resources.

And "opportunity" in '71 meant "freedom of choice." In the previous decade ominous pressures had been building up; cultural, economic, political pressures threatened to dull the awareness in America of its heritage of pluralism, particularly the value of educational responsibility shared between the public *and* private sectors. Voices were heard in the land, voices of a Rhea Eckel or an Alan Pifer, as they pointed out in the latter's words: "the vital elements of diversity, free choice and heterodoxy" that are safeguarded in our pluralistic system.

"Private institutions are not the only contributors to pluralism. Public institutions can and do play a part in it; but their vulnerability in times of crisis places a special burden on private institutions for the preservation of diversity, of free choice, and of the capacity to tolerate heterodoxy—in short, for the preservation of an open society."

In 1971 Americans faced up to the only alternative to responsibility shared between public and private sectors. It was of course a single system of governmental schools. They saw this alternative and rejected it as alien to our American tradition. In the words of Alan Pifer:

"It has therefore seemed wise to many Americans to distribute the safekeeping of their nation's most precious asset, its intellectual freedom, among a variety of institutions under the control of private citizens as well as of public authorities. In a totalitarian state, where intellectual orthodoxy is of the highest imperative, this kind of arrangement would be unthinkable because it is one designed to produce a babel of intellectual and artistic claims in the name of truth, perpetual challenges to authority, and a seeming lack of a disciplined sense of national purpose. Despite the attacks on it today by young radicals, and despite the clearly evident imperfections of our present society, our system of shared responsibility is one that has served the American people well, and we would be foolish to abandon it by allowing our private institutions to fail."

Strong economic pressures distort vision. Distorted vision creates illusions and mirages. But to the credit of the American people in '71, they saw through a myth that threatened to feed upon the immediacy of a sagging economy. I refer to the myth of free education. Could there be a greater delusion abroad in our country? Free higher education! All education costs, and those costs must be met. The only question is how the costs will be met and by whom. Shortsighted and tragic indeed, and vain, would be the attempt to meet those costs by sacrificing, or even crippling, the presently prevailing shared responsibility. This supreme foolishness would not even be penny-wise. Can anyone seriously believe that a single governmental system would not mean soaring taxes?

In dispelling the myth of "free education" and in planning to meet the inevitable costs of higher education, the American people in 1971 responded with intelligence. They required cooperative planning of both public and private sectors, avoiding useless re-duplication, utilizing long years of experience and resources in private institutions. The American people recognized the public educational service rendered by the private institutions. Enlightened legislators directed institutional grants as partial subvention from public funds to enable the private institution to continue their service within the pluralistic tradition. Partial subvention was given, of course, with the awareness of the far heavier burden that would come with the tax costs of a single governmental system.

Throughout the struggle to control costs, however, the need of the individual student was never lost from sight. In eschewing the criterion of personal financial resources, programs of aid were fashioned for all who needed them. The all-too-long-delayed programs for the disadvantaged were strengthened and were implemented with sensitivity and respect. And the rapidly worsening situation in '71 of the middle-income student was finally realized and corrected. Recognition of the long-range burdens imposed on the middle-income student by long-enduring loan obligations brought about realistic direct assistance to such students and enabled each to choose freely between institutions in either sector.

Americans in 1971 preserved the tradition of philanthropy, the freely directed financial support that is essential to preserving the private institutions. Tax reform did not choke off but rather encouraged philanthropy to higher education, both corporate and individual. Under the enlightened leadership of the Council for Financial Aid to Education and other groups, corporate philanthropy made full use of its tax-related opportunity to support and to continue in vigor the private sector. And the individual citizen retained his right to direct some of his resources to the college of his choice.

In responding so intelligently to the needs of higher eduction in '71, and in assuring the continuance of shared responsibility through partial public subvention to private colleges, the American people laid to rest an irrational fear that cropped up occasionally in well-meaning but uninformed hearts. It was the fear of proliferation. Given the partial subvention base for private institutions, the cry went, all sorts of profiteering outfits, eager for the so-called handout, will spring up. Balderdash! Not only will the strong peer pressure of professional accreditation eliminate the fly-by-night profiteer. More importantly, the continuance and the vitality of the private institution will always depend on the cornerstone of personal dedication and sacrifice. Those of you whose hearts are with Cazenovia College realize that the treasure of your loving service and sacrifice is there too. Without that cornerstone, any private institution, even Cazenovia College, would crumble.

We have seen Cazenovia College for 14 years flourish as it rested on the living cornerstone who is Rhea Eckel. For us and for all who hold precious collegiate education in America, she epitomizes sacrificial dedication. Such dedication is the irreplaceable condition for continued shared responsibility in educating our youth of today and tomorrow. Because of her in 1971, not only Cazenovia College but every private institution in 2000 will have, must have "the vital elements of diversity, free choice and heterodoxy"—"for the preservation of an open society."

Tonight, aware of the fragrance of her service that will never fade, we salute and we thank our "red, red rose"—our love, Rhea.

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## AMTRAK SERVICE REDUCTIONS NEEDS IMMEDIATE ATTENTION

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

Mr. KEMP. Mr. Speaker, upon commencement of operations by the National Rail Passenger Corp. on May 1, intercity rail passenger service was slashed drastically in most parts of the Nation.

Excluding the northeast corridor—Boston, New York, Washington, D.C.—where minor adjustments were made in the pattern of service, the number of trains was cut by 67 percent and daily train-miles by 65 percent.

I have, therefore, written to the distinguished chairman of the House Committee on Interstate and Foreign Commerce, the gentleman from West Virginia (Mr. STAGGERS), respectfully requesting that he reconvene hearings in order to take prompt action on urgently needed service. I include a copy of that letter at this point and an article from the November 1970 Field and Stream:

WASHINGTON, D.C.,
*May 5, 1971.*

Hon. HARLEY O. STAGGERS,
*Chairman, House Interstate and Foreign Commerce Committee, House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: The announced framework of routes to be operated by Amtrak exclude several well-traveled and important lines linking major population centers in this Nation. It is unthinkable to establish a "national" network of passenger train operations while omitting these vital national rail connections.

If Amtrak is to be successful in its operation and improvement of passenger trains in this country, and if the public is to be served by dependable all-weather transportation and the spiraling costs of highway and airport construction slowed, then the House Committee on Interstate and Foreign Commerce must authorize additional appropriations for the purpose of expanding the urgently needed basic system into which other ancillary routes can be connected under Section 403C.

I feel the legislation I have proposed which has been cosponsored by 48 of my colleagues will provide the necessary passenger service, and establish a system that will provide a fair return to the taxpayer for his investment. My bill expands the basic system at no cost to the states and relieves the financial pressure on the states to connect ancillary routes under 403C with only a one-third contribution. These are necessary steps which must be taken promptly.

However, while Amtrak's route system has been the subject of intense discussion, it appears that other areas of Amtrak's operation (i.e., schedule for purchase of new equipment, retraining of employees, environmental impact of improved services, and other advantages for the consumer in the decades ahead) should receive Congressional attention.

Some go so far to say there is a plot to pave America and the advantages of trains will be ignored by the Congress. Certainly your committee has taken note of the fact that for four consecutive years, total U.S. commuter rail travel has increased. I feel that given good equipment, service, and proper promotion, trains not only can regain lost patronage but attract many people who today never think of train travel.

I therefore respectfully request that you reconvene hearings at the earliest possible date in an effort to report out legislation to strengthen Amtrak and to provide for research and development of rail passenger service leading to a better environment and balanced transportation service for the citizens of this nation.

Sincerely,

JACK F. KEMP.

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THE PLOT TO PAVE AMERICA

(By Richard Starnes)

What could be more redolent of righteousness than an organism which calls itself "Highway Users Federation for Safety and Mobility?" It's a title that fairly reeks of rectitude, home, mother, Plymouth Rock, and the American flag. Man, anybody who'd knock mobility and safety would as soon defame the sainted memory of Babe Ruth, or play hopscotch on the steps of the Lincoln Memorial.

But, sadly, as is so often the case, the "Highway Users, etc." is not all that virtuous. It is a principal tentacle of the highway lobby—a spokesman for a precious band of rogues whose ethics would cause a wave of revulsion in a Port Tewfik bagnio. These guys, whose antecedents we will vet in a moment, have control of $5 billion a year (your dough, Chum), and with it they plan to pave every square foot of the United States they can get their greedy hands on. They are predatory bureaucrats of such skill and rapacity that even the miserable Corps of Engineers, themselves knee-jerk concrete pourers, had better look to their laurels.

The highwaymen do their dirty work in the name of road building, a traditional American enterprise that is as difficult to assail as flood control, which is the oily phrase with which the Corps of Engineers cloaks their vile deeds.

Highways? Why, dad, ain't highways what enables you to take your tads 500 miles in one day for a whack at a whitetail? Or let you live in the country and work in town? And aren't they vital to hot dog—safety and mobility? Cheerfully we answer yes, indeedy, to each question. And before the hacks in the pay of the highway lobby rush to their typewriters to have at me *ad hominem*, let me admit that I use highways frequently and I like 'em wide, smooth, and straight. I dig mobility and safety as much as the richest highway contractor alive.

But the problem hasn't got anything to do with safe highways, really. What it has to do with is a very bad law (which like so many other bad laws looked very good when people first started talking about it). The law, enacted in 1956, established the Highway Trust Fund, an incomprehensible bundle of boodle (now actually running at about $5.3 billion annually) that is financed principally by a 4 cents per gallon Federal gasoline tax. This enormous sum is earmarked exclusively for highway building, and it is where the gaudy ribbons of concrete that crisscross the country have come from.

It is also the source of a great and growing ecological disaster. No state in the Union is without its superhighway horror story, for too often the huge program of road building has careened ahead with wanton disregard for recreational and environmental values. There is no space here to detail the ecological damage wrought by the highway system, but every locality in the land has its own atrocity tale of recreational areas jeopardized, game refuges threatened, and scenic values destroyed.

The proliferating skein of highways, moreover, has generated a pall of air pollution that threatens life itself. More and bigger highways have not eased auto traffic, they have meant more autos, more traffic congestion, and more air pollution. Other forms of transportation have been neglected (the biggest railroad in the country has just gone bankrupt) until it will take a generation for them to regain parity.

As bad as this is, it is going to get worse. That $5 billion Federal money (and nearly as much again in state-generated funds) is a temptation that no politico-contractor cabal can resist. The highway lobby is as tough, predatory, and ruthless (and God knows, as rich) as any in Washington, and it is fearsome to behold when it swings into action. Such a time is at hand now, for the Highway Trust Fund is due to expire in 1972 and the highwaymen are not about to relax their extortionate stranglehold on the nation's transportation budget. The highway lobby is cranking up a whole self-serving symphony of reasons why the Highway Trust Fund should be extended: It is vital to "national defense," the interstate highway system (which was to have been completed by 1972) is only 70 percent complete, other forms of transportation are trying to "raid" the Trust Fund, and having promised the 42,000-mile system, Congress has a moral commitment to finish it no matter how thundering a failure it has proved to be.

Although the law does not expire for two years the battle over extending it has already been joined, since there is an 18-month lead time for Federal grants under it. Barring a miraculous onset of good sense in Congress, the Highway Trust Fund will be extended; the only question to be debated is whether some of the swag can be diverted to more sensible projects. Although Department of Transportation Secretary John A. Volpe is already on record that the Nixon Administration is "firmly committed" to finishing the interstate system, he did propose sluicing off some $1 billion for forest roads, roads on Indian reservations and public lands, and beauty and safety programs. All of these have heretofore been funded from general tax revenues, and anyone who has ever ventured beyond the end of the car tracks knows what short shrift they've gotten.

Even Volpe's modest proposal has raised a howl from the voracious highwaymen and some of their well-placed lackeys. This highway lobby deserves to be the object of a doctorial thesis by some hard-nosed young man who doesn't mind personal abuse. It is a covetous gaggle of contractors, truckers, interstate busniks, auto, tire, oil, and allied interests. One has only to consider their twin rallying cries of safety and mobility (55,000 highway deads every year, 250,000 or more injured, and a traffic jam everywhere you look) to realize the magnitude of their arrogance. But one more example might be adduced to further illustrate just how dismal are the prospects for correcting this sorry miscarriage of creative democracy.

I introduce to all unsuspecting Americans a publication called "The Federation Reporter," which produces what it calls "news of the month in highway transportation," and which is—you guessed it—the mouthpiece of our euphemistically named friends, the "Highway Users Federation for Safety and Mobility." This propaganda organ is one of hundreds like it that are disgorged by as many different special interests around Washington to little purpose. They certainly don't con the hard-eyed journalists to whom they're sent (my friend Mike Frome gave me his copy, and his roar of outrage over it was something notable to behold), nor do they persuade the cynical old windbags in Congress.

But the Highway Users' house organ is interesting for the occasional insights into how these freebooters operate. Take the July number, which contains a piece entitled "No Time For Complacency!" I wish space permitted me to quote the whole of this piece, but I must content myself with using it to make the point that the highway lobby has a great many powerful, highly placed friends. Like Richard Sullivan, chief counsel of the House Public Works Committee, a man who will have a great deal to say about what form the extension of the Highway Trust Fund will take. Herewith some specimen extracts from what "The Federation Reporter" bills as Mr. Sullivan's "personal views":

"The highway program is at a critical point. And because the Administration has proposed a five-year extension of the Highway Trust Fund does not mean it is the time to be complacent and assume the battle has been won. There are many people who want to see the end of the Highway Trust Fund as we know it—influenctial people who propose instead an overall transportation fund.

"My advice would be for highway people to

stop being complacent, get out of their small spheres and sell—just the way the highway program was sold in 1956. You have to get out and sell the benefits of the highway program—just like you sell anything else. Too much effort is spent now on brush wars and more attention must be paid to the big picture."

Counsel Sullivan, who is far from being unique as a special pleader on the public payroll, notes that it will cost "close to $70 billion" to complete the interstate highway system (the original estimate in 1956 was $28 billion) and adds:

". . . this is going to be a tough year—we're going to make it, but it's not going to be easy and I don't think you should sit back and be the least bit complacent and say 'It's going to go.' There are a lot of people who don't want the Highway Trust Fund continued. There are a lot of people who want to get into that money one way or the other and divert it to other purposes."

I note for what it is worth that Public Servant Sullivan avers that he is "one who believes that the highway creates good social effects—good economic effects—and good ecological effects. And we should be positive about it and not negative."

But he concludes the interview he granted the busy scribe from the highway lobby with open and shameless advocacy of continuing a law that has had catastrophic effects economically and ecologically.

"I can wave the flag for the highway program," Sullivan says. "We know it's good. We know it's going to go but I want to emphasize the problems we do face.

"We need your help. We want it now. We want to make this Highway Trust Fund continue because the benefit to the country—the development of the future of this country—is intrinsically woven in a continuing, meaningful and effective highway program."

Not to belabor the point, but just bear in mind that speaking is a man on the public payroll who plays a major role in guiding the deliberations of the House committee that must pass on the highway controversy.

There is proof that the highway lobby is looking not only to finishing the voluptuous interstate system *but to continuing indefinitely an enormous endless program of road building.* Look at what these guys have done to the environment in fourteen years by spending around $4 billion a year on the average, and try to imagine the disaster that will befall the beleaguered ecology when they have a permanent highway building fund of around $7.5 billion a year, which is what the Trust Fund is expected to reach in another fifteen years. The road hogs have already built 42,000 miles of interstate highway and they want to go on and on and on even after the final 1,000 or so is wound up. Proof of this lies in their bitter opposition to a bill (S 3996) introduced by Senator Gaylord Nelson that would permit use of Highway Trust Fund money for other forms of transportation after the interstate system is finished.

The highwaymen want it all and they want it forever, and the only vision of the future that this can produce is an America where every tree and every blade of grass, every stream and every slough is eventually paved over. Senator Nelson's bill is a step in the right direction but actually it doesn't go far enough. What's needed is abolition of the Highway Trust Fund entirely and substitution of a general transportation fund. This would not mean the end of highway building, and shouldn't. But it would mean that future highways would have to be weighed against other transportation systems and against the environmental values that highways and expressways, with their built-in fumes and frustrations, inevitably destroy.

Nothing less than a great public outcry is going to stop the highway lobby. It is greedy and tough, and it has friends of great influence. Try writing your Congressman and Senators in behalf of Senator Nelson's bill (for starters) and see if I'm not right.

Mr. Speaker, I am also reintroducing my joint resolution today on which we have 48 cosponsors from 17 States. At this point, I include an up-to-date list of the cosponsors and an article from the April 12, 1971, issue of Traffic World.

COSPONSORS

Mark Andrews, Republican, North Dakota.
Les Aspin, Democrat, Wisconsin.
LaMar Baker, Republican, Tennessee.
Charles Bennett, Democrat, Florida.
John Brademas, Democrat, Indiana.
Charles Carney, Democrat, Ohio.
George Collins, Democrat, Illinois.
Barber Conable, Republican, New York.
Silvio Conte, Republican, Massachusetts.
Charles Diggs, Democrat, Michigan.
Harold Donohue, Democrat, Massachusetts.
John Dow, Democrat, New York.
Thaddeus Dulski, Democrat, New York.
John Duncan, Republican, Tennessee.
Hamilton Fish, Republican, New York.
Charles Gubser, Republican, California.
Seymour Halpern, Republican, New York.
Orval Hansen, Republican, Idaho.
Michael Harrington, Republican, Massachusetts.
Louise Day Hicks, Democrat, Massachusetts.
Frank Horton, Republican, New York.
William Keating, Republican, Ohio.
Carleton King, Republican, New York.
Norman Lent, Republican, New York.
Arthur Link, Democrat, North Dakota.
Paul McCloskey, Republican, California.
James McClure, Republican, Idaho.
James McKevitt, Republican, Colorado.
Stewart McKinney, Republican, Connecticut.
William Minshall, Republican, Ohio.
Bradford Morse, Republican, Massachusetts.
Alvin O'Konski, Republican, Wisconsin.
Bertram Podell, Democrat, New York.
Walter Powell, Republican, Ohio.
James Quillen, Republican, Tennessee.
Ogden Reid, Republican, New York.
Robert Roe, Democrat, New York.
J. Edward Roush, Republican, Indiana.
Edward Roybal, Democrat, California.
Fred Schwengel, Republican, Iowa.
John F. Sieberling, Democrat, Ohio
Henry Smith, Republican, New York.
J. William Stanton, Republican, Ohio.
Samuel Stratton, Democrat, New York.
John Terry, Republican, New York.
Al Ullman, Democrat, Oregon.
G. William Whitehurst, Republican, Virginia.

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BIPARTISAN HOUSE GROUP BACKS DRIVE TO INCREASE "RAILPAX" APPROPRIATIONS

A bi-partisan group of 27 House members, led by Representative Jack F. Kemp (R.–N.Y.), is co-sponsoring legislation that would authorize an increase in appropriations for the National Rail Passenger Corp. by $290 million in fiscal year 1972, 75 per cent of which is to be used to help finance operation of rail passenger service over certain routes not included in the initial "Railpax" operating scheme announced on March 22 (T.W., Mar. 29, p. 15).

The proposal, H. J. Res. 540, is the latest of many bills that have been introduced in both the House and Senate dealing with the "Railpax" system. It is the first, however, to include an increase in funds along with a mandate for expanded service.

The resolution calls for increased authorizations for the Department of Transportation of $289,965,000 in fiscal year 1972, approximately $218 million of which is to be used by the DOT "to make grants to the National Railroad Passenger Corp. for the purpose of initiating and operating urgently needed intercity rail passenger service around the nation. . . ."

The resolution further sets forth specific routes over which service would have to be provided by the NRPC in accordance with the proposed resolution. The routes are listed as follows:

Buffalo to Chicago via Erie, Cleveland, Toledo and South Bend.

Detroit to Toledo.

Denver to Portland, Ore., via Cheyenne, Ogden and Boise.

Fargo, N.D., to Portland, Ore., via Billings, Butte, Spokane and Hinkle, Wash.

Denver to San Francisco via Cheyenne, Ogden and Wells, Utah.

Washington, D.C., to Cleveland via Cumberland, Md., Pittsburgh, Youngstown, O., and Akron.

It is noted in the resolution that two of the routes specified had been "highly recommended" by the Interstate Commerce Commission (Buffalo—Chicago and Denver—San Francisco) and that all but one (Denver—San Francisco) had been similarly recommended by the National Association of Railroad Passengers.

The other 25 per cent of the total called for in the resolution is to be used by the Secretary of Transportation "to undertake research and development in high speed ground transportation" including such things as design, propulsion systems, guideway development and communications.

Although the funds to be made available for "Railpax" are called grants in the text of the resolution, the proposal contains a provision whereby, if the route over which service would be made available by the grant becomes profitable, the NRPC would repay the amount of the grant to the DOT "by means of installments until such time as the grant with respect to such route has been repaid in full."

The resolution also calls for amendment of the rail passenger service act of 1970 to reduce the amount which a state would have to put up in order to retain rail passenger operations over a route not included in the initial "Railpax" network.

The act presently specifies that a state would have to subsidize at least 66⅔ per cent of the amount of loss involved in such operation, with the balance to be provided by "Railpax." The Kemp resolution would halve the states' share to 33⅓ per cent of losses up to $5 million annually. Anything over $5 million would be subject to the 66⅔ per cent share.

Co-sponsoring the resolution along with Representative Kemp, were Representatives Baker (R-Tenn.), Carney (D-O.), Conable (R-N.Y.), Dulski (D-N.Y.), Fish (R-N.Y.), Gubser (R-Calif.), Halpern (R-N.Y.), Hansen (R-Ida.), Horton (R-N.Y.), Harrington (D-Mass.), Keating (R-O.), King (R-N.Y.), Lent (R-N.Y.), McKevitt (R-Colo.), McKinney (R-Conn.), Minshall (R-O.), Morse (R-Mass.), Powell (R-O.), Reid (R-N.Y.), Roe (D-N.Y.), Roybal (D-Calif.), Seiberling (D-O.), Smith (R-N.Y.), Stanton (R-O.), Stratton (D-N.Y.), and Terry (R-N.Y.).

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## LEGISLATION TO REGULATE POWERPLANT SITING

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

Mr. GUDE. Mr. Speaker, this Congress is being asked to meet the need for increased electric power and, simultaneously, to protect the environment from poorly located or designed power facilities. The people want their lights to light, but they want clean air and water too.

Yesterday I had the opportunity to testify before the Communications and Power Subcommittee of the Interstate and Foreign Commerce Committee on what is probably the most significant environmental bill proposed to this 92d Congress. The bill proposed by the administration, would provide for the orderly planning of powerplants. Other bills are also aimed at preventing electric blackouts and brownouts.

But the administration's bill has a unique second thrust: to provide that proper powerplant siting and design will prevent the browning and blacking out of the Nation's water and air too.

Thus the subcommittee is required to deal not only with the technicalities of power, the subcommittee's specialty, but also with the environment. I hope the subcommittee will take the same balanced approach as does the President. I hope it will not be misled by phony reports of alleged benefits from the thermal pollution of our waters.

Reports of benefit are few. Reports of damage are many.

Failure to provide environmental protections in powerplant legislation could irreversibly turn our rivers into putrid streams of death that would mock the development that electric powerplants are built to support.

I urge my colleagues to act in such a way that they will not one day have to explain to their constituents why their river has become another Styx. I ask them to examine with care the legislation and my amendment to it, both of which were discussed in my testimony of yesterday, which I am inserting in the body of the RECORD:

TESTIMONY OF HON. GILBERT GUDE

Mr. Chairman, I am most grateful for the opportunity to present my views on electric power plant siting, and in particular, to endorse the Administration bill which I introduced for Mr. Reuss and myself as H.R. 6526. This is the same bill which Mr. Staggers and Mr. Springer introduced as H.R. 5277.

Undoubtedly, the Administration witnesses have discussed the major provisions of the bill, so I will not repeat these points at length in my statement. The Administration's legislation applies to all bulk power suppliers, including investor-owned, federal, state, municipal, and cooperatively-owned systems. It provides for the establishment of State, regional, and federal certifying agencies to hold public hearings and certify power plant sites, facilities, and high voltage transmission lines well in advance of construction. The utilities would be required to publish plans for system expansions at least ten years in advance. Hearings would be held on proposed site acquisitions five years ahead of construction, and a second hearing would be held on construction permits two years in advance. A "one-stop" certification procedure would be established at the state level. Every effort should be made to coordinate federal approvals, too.

The need for comprehensive, long-range planning is acute. The nation faces the prospect of blackouts and brownouts together with haphazard consideration of the environmental issues raised by power plants and transmission lines—the worst of both worlds. The utilities need a framework that will enable planning with some confidence that projects will not be halted halfway through because environmental issues never received an adequate hearing. We have seen this happen in Maryland with the Calvert Cliffs nuclear plant. And the public needs a guarantee that environmental protection features will be considered when the utilities' plans are still fluid.

I support the concept of leaving primary responsibility for regulating power plant siting and transmission routing with the states, subject to the federal guidelines which would be established under the legislation. My own State of Maryland has enacted progressive legislation to require long range planning and preconstruction review of new power facilities, taking account of environmental as well as energy needs. The new law also creates an environmental surcharge to be levied on power generation to be paid into a trust fund for research and funding of a limited state site-acquisition program. The new law is certainly not perfect, but it is a responsible beginning. I believe that the role of federal legislation should be to support and strengthen progressive state action where it exists, and to require the states to act where they have not.

The open, long-range planning requirements of the Administration bill seem to me to offer a new opportunity for action to improve the use of our land and other natural resources. The long-range plans prepared and published by the utilities in a region can provide a focal point for regional economic and land use planning. To produce meaningful projections, the utilities will have to consult with business, government, and community leaders to obtain their views on future developments. Another benefit will be the ability of others to use the utility plans to guide their own activities.

Perhaps the most important benefit of the planning process will be to facilitate joint planning and use of sites and rights-of-way by several electric utilities or by electric utilities and others with similar needs. The most obvious would be multi-utility rights-of-way or utility corridors. Long-range electric utility plans would identify the need for new transmission lines between particular areas well enough in advance for those concerned with gas, water and sewer lines to make the arrangements for joint use of the rights-of-way.

Long-range planning can assure early and systematic review of the impact of new power facilities upon the environment. In addition, I believe the planning requirements can speed the development of advanced methods of pollution control and productive use of the waste heat generated by power plants. I urge that the Committee consider an amendment to Section 4 of H.R. 6526 which would require that electric utilities describe in their annually prepared long-range plans their research and development programs to minimize environmental degradation and to promote productive uses of waste heat.

Technology is going to be as critical as geography in resolving power plant siting problems. Today, there is really no good place for a facility that pollutes the air and heats our waterways. I think that the amendment I propose would help to focus the attention of the utilities, the regulatory agencies, and the public on what needs to be done to eliminate power plant pollution at the source.

Some impressive research has been done by individual utilities, their suppliers, the Edison Electric Institute, and the Federal Government, but it is not nearly enough. In the field of recycling pollutants and waste heat, very few pilot projects have been undertaken. And yet there are intriguing possibilities for joint use of power plant sites or the establishment of industrial parks adjacent to power plants.

For example, as fossil fuel power plants install sulfur oxide control technology, by-products will be generated which could be used by adjacent industries. Current calculations show that unless there is a market close by, the cost of transporting the by-products may exceed their worth. Therefore, if an industrial firm which uses sulphuric acid or another such by-product is able to plan its location near a power plant, the sulfur can become a useful by-product rather than a solid waste disposal problem. Fly ash is another power plant waste product which could be converted to bricks or other building material.

The heated water generated by power plants can upset natural balances of plant and fish life when discharged into a river or bay. The possibilities of converting so-called "thermal pollution" into a resource have been neglected in both research and planning efforts by most utilities. Plans could be developed to use the heated water for farm irrigation, fish and shellfish culture, heating of buildings, speeding of sewage treatment processes, and other useful purposes.

I understand that the Consolidated Edison Company of New York is planning to demonstrate the use of power plant cooling effluent for space heating in New York City. This is the kind of undertaking that can provide long-term solutions to some of our siting problems. Consolidated Edison has also decided to end advertising designed to stimulate the use of electricity and the purchase of electric appliances, and instead, to promote conservation of electricity by its customers. This new policy makes sense, at least as long as we are faced with the threat of blackouts and brownouts. Consolidated Edison was one of the first targets of citizens concerned about the environment, and its management has responded with some sensible decisions on reconciling energy and environmental needs. My proposed amendment requiring disclosure of research and development efforts in utilities' long-range plans is intended to encourage other utilities to do the same.

In summary, I believe that the Administration bill provides the tools for better siting of electric power plants and transmission lines, and will establish an institutional framework for improving the use of our land and other resources as well. I urge that you consider the bill in the broader perspective of contributing to the conservation and recycling of resources as well as meeting the immediate need of reconciling energy and environmental needs before the lights go out.

Thank you again for the opportunity to be heard on this vital legislation.

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## TRADE LEGISLATION IS INCREASINGLY URGENT

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 1 hour.

Mr. SIKES. Mr. Speaker, in the last session of Congress the House passed the Mills trade bill. Without going into detail about the contents of the bill it can be said that it would have improved greatly the hope of the remedy for American industries and their workers which have been seriously hurt by imports. The bill was designed to prevent the unimpeded takeover of our domestic market by imports and many Members of the House will attest this takeover is a serious threat.

It was passed by this body by a margin of 215 to 165. Because of time limitation the bill, while clearing the Finance Committee of the other body, did not come to a vote there.

On the first day of the present session of Congress, the chairman of the Committee on Ways and Means, the gentleman from Arkansas (Mr. MILLS) with

several cosponsors reintroduced the bill with no changes other than updating. Many other bills of similar nature have been introduced.

Mr. Speaker, nearly 4 months of this session have now passed but the reintroduced bill has not moved from the committee because of higher priority given to other legislation. While this delay is understandable, I do not believe that the problem of import competition can be allowed to be set aside much longer.

Imports are not declining. They are rising. The so-called favorable balance of trade is again declining, and is in fact a growing deficit. Obviously, the import problem is not going away. The longer we postpone action, the more difficult the remedial action will become.

Mr. Speaker, the United States has been losing out in world trade for years, as most of us now know. The Department of Commerce admits as much. American industries and American workmen know it best of all. They feel it directly.

The reason should never have been a mystery to those who kept their eyes open. Free-trade economists, on their part, would not recognize the facts even when these could no longer be brushed aside. The fact is, our unit costs of production in many industries and in agricultural pursuits are higher than those of most of our most serious competitors. We have much higher wages than other countries. This of itself is not new. What is new is the great technological advancement in other industrial countries in recent years. It is the fast-rising productivity in other countries, combined with their lower wages that gives them the competitive advantage they hold over us.

It will be said that foreign wages have in some instances risen more rapidly than our wages, and this is true in terms of percentage increases. The trouble is that foreign wages started from a much lower base than ours. A 50-percent wage increase in many instances would not mean more in actual dollars and cents than a 10-percent increase in this country.

The result has been deep penetration of our market by a variety of imports. The minimum wage itself in this country, as established by law, is higher than the top wage in some of the countries that compete with us. It probably will go higher here within the year.

Our imports have shifted heavily toward manufactured goods, which is to say the goods in the processing, fabrication, and finishing of which the maximum amount of labor has been applied. The share of our imports composed of finished goods has moved from less than a third to roughly two-thirds.

This type of import hits hardest at U.S. employment. In the case of Japan, for example, a very high percentage of our imports consist of manufactured goods, over 90 percent in fact, while Japan imports from us principally raw materials and partly manufactured goods. Our overall trade balance in 1970 with Japan ran a deficit of over $1.2 billion.

The only type of goods in which we still hold a handsome export lead consists of the general classification of machinery, including automobiles, trucks, and so forth, and aircraft, computers, and so forth; and beyond that, chemicals. Even this lead is shrinking badly. Imports of machinery have been rising much more rapidly than our exports. In the case of automobiles and parts, we have in recent years lost our favorable trade balance altogether. In aircraft, we have maintained a wide lead. How that will turn out in the next few years in view of recent developments, such as the SST, no one can say.

The goods in which we are in a deficit position is a long and growing list. We have lost our lead in textiles, steel, automobiles, typewriters, sewing machines, petroleum, and other products. Employment in the manufacture of the broad spectrum of goods in which we have a trade deficit is at least 2 million more than in the items in which we enjoy a lead.

Mr. Speaker, in view of the continuing encroachment of imports in more and more lines, such as electronics, footwear, steel, glass, hardware, tools, textiles, and so forth, it must be clear that the goal of full employment, which is the declared statutory objective of our economy, will become more and more difficult to reach and to hold, if we do not do something to halt the import invasion of our market. My home State has a big stake in this trend. Synthetic textiles, fruits and vegetables, meat, stand out as particular examples.

The European Common Market nations seem headed for a new day in trade expansion, embarking on this route supported by lower labor costs and increasing technological know-how. They are working effectively together.

Caught in this vise is American business which clearly is in deep trouble, and American labor which is feeling the direct impact of force reductions brought on by the growing flood of foreign imports.

Both business and labor now must look to government to help them extract from this difficulty over which they have no control and which will grow worse.

Despite efforts by business and labor to provide more goods at higher quality for competitive prices, foreign produced goods continue to erode the domestic market as well as our long-established overseas markets.

Almost daily, the United States loses ground in the import-export crisis.

In consequence, I am concerned about our economy as a whole. It is not only a question of this congressional district or this or that State. We are all concerned about our total economy.

It is for this reason that I supported the Mills bill last year. It is for this reason that I favor the earliest possible revival of sound trade legislation.

A few years ago, Mr. Speaker, our rising imports were attributed to the prevailing prosperity in this country. Yet if we look at the imports of the past 5 years we will see the continuing increase year after year.

U.S. GENERAL IMPORTS

[Dollars in billions]

| | Amount | Yearly increase | Percent increase |
|---|---|---|---|
| 1965 | $21.4 | | |
| 1966 | 25.6 | $4.2 | 20 |
| 1967 | 26.8 | 1.6 | 6 |
| 1968 | 33.2 | 6.4 | 23 |
| 1969 | 36.0 | 2.8 | 8 |
| 1970 | 39.9 | 3.9 | 11 |
| Total increase, 1965–70 | | 18.9 | 86 |

A comparison with exports shows a slightly different total trend, as follows:

DOMESTIC IMPORTS

[Dollars in billions]

| | Amount | Yearly increases | Percent increases |
|---|---|---|---|
| 1965 | $27.1 | | |
| 1966 | 29.9 | $2.8 | 10 |
| 1967 | 31.2 | 1.3 | 4 |
| 1968 | 34.2 | 3.0 | 10 |
| 1969 | 37.4 | 3.2 | 9 |
| 1970 | 42.0 | 4.6 | 12 |
| Total increase, 1965–70 | | 14.9 | 55 |

While exports increased 55 percent imports increased 86 percent. In other words, imports increased almost 40 percent more from 1965 through 1970 than exports.

This, it should be emphasized, is not the whole story. If we look at our machinery exports—exclusive of transport equipment—which represent the bright spot in our export effort, we find that exports increased from $6.934 billion in 1965 to $11.371 billion in 1970. This growth was largely in response to our growing investment in foreign manufacturing. These investments boosted our machinery exports. The increase from 1965 through 1970 was $4.43 billion, or 64 percent.

Imports of machinery during the same period, however, rose from only $1.8 billion to $5.288 billion in 1970. This represented an increase of 188 percent. In other words, our imports of machinery, exclusive of transport equipment, but including electrical machinery, increased nearly three times as rapidly as our exports in the past 5 years.

In the past 3 years, 1967–70, our machinery imports rose 71 percent while our exports increased only 37 percent.

This trend does not speak well of our vaunted lead in exports of machinery. How long will this lead last at that rate? Can we make up the narrowing of our lead in our front-running export product—machinery—by an increase in our exportation of other manufactured products? Which ones? Textiles, steel, footwear, petroleum, electronic goods? Look at shoes. A total of 115 shoe manufacturers have been priced to the wall in Massachusetts alone in the past 8 years. There is little hope of a turnabout in these products, and we know it.

The outlook is anything but bright. It looks to me ominously as if the handwriting on the wall tells us something very vital about our trade policy. We have lost out seriously in nearly all

manufactured products other than machinery and chemicals. Now we find imports of machinery, electrical and nonelectrical, the brightest star in our firmament, beginning to overcome the lead in our exports. The gap is still wide, to be sure, but the trend is very chilling, what with exports growing 64 percent in 5 years while the imports have grown 188 percent.

Mr. Speaker, our trade deficit in the items classified by the Department of Commerce under the two headings "Manufactured Goods Classified Chiefly by Materials" and "Miscellaneous Manufactured Articles," in which machinery and transport products are not included, is very serious.

In 1970, the exports in these two broad nonmachinery categories combined was $6.7 billion. Imports were almost double this total or $13.2 billion, leaving a trade deficit of $6.5 billion.

These two classifications include most of our principal industries that suffer from import competition. Among them are iron and steel, textile and apparel, footwear, toys, watches and clocks, plywood, glass and glassware, copper and alloys, musical instruments, including phonographs, recorders, records, and so forth.

They do not, however, include petroleum and products in which we suffered an additional deficit of $2.28 billion in 1970; nor meat and meat preparations in which the 1970 trade deficit was $840 million. Fruits and vegetables, fish and fishery products, both of which are considerable deficit items in our trade, are also not included.

Combined with the two broad classifications mentioned above, in which our trade deficit was $6.5 billion, we suffered a deficit of more than $10 billion in 1970.

Such a large deficit puts a heavy burden on the few items in which we have been enjoying a surplus. For example, by comparison, our surplus in machinery was only $6.1 billion. It is true that we enjoyed a surplus in a few other products, such as coal, grain, cotton, aircraft, and so forth. The overall surplus in 1970 is indeed given by the Department of Commerce at $2.7 billion; but this includes foreign aid shipments and similar items, such as subsidized farm exports and food for peace, which, if omitted, would have wiped out that surplus.

Beyond that we value our imports on the basis of their foreign value rather than what they really cost us laid down at our ports. This undervaluation is in the neighborhood of 10 percent. Since our total imports, as reported by the Department of Commerce, were $40 billion, the real cost was about $44 billion; that is, including ocean freight, marine insurance, and so forth. Thus we had an overall deficit of some $4 billion in our trade last year, so far as private competitive trade was concerned, instead of a surplus of $2.7 billion, as reported by the Department of Commerce.

Mr. Speaker, I am not alone in my anxiety over trade legislation. Our trade trends are unmistakable. They represent a clear warning. Other Members of this body, I know, are equally concerned. Many of them have in their districts industries that are sorely pressed by imports.

American business is in trouble. A very considerable part of this is due to our own Government's lax attitude toward foreign imports. The U.S. market is fair game for the overseas manufacturer but in most countries his government has found ways to hedge against U.S. imports. Thus the American manufacturer and the American workingman are doubly discriminated against. This has been going on for years and the situation gets worse. There have been spasmodic efforts on the part of some U.S. officials to carry out President Nixon's commitments to provide relief in this field. They have been unavailing. It should be clear that Congress may be the last hope if the American manufacturer is not to be driven to the wall. Congress must accept the challenge and accept it now.

I yield to my distinguished colleague from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Speaker, I want to thank the distinguished gentleman from Florida (Mr. SIKES) for yielding. I want to express my appreciation to him for a comprehensive statement which involves the welfare of American business and American jobs. He is to be commended for having approached this matter as one which is in no way selfish on his part. It does not involve some provincial interest of his down in Florida. It involves the welfare of the economy and the future prosperity of the business and the working man in this country.

The tragedy is that too few people want to view it in this light. I remember last year when I lent my support to this proposal, which passed the House of Representatives, a Member of the House of Representatives asked me if I could support it because of the problems of textiles. I said to that individual then, "Certainly I could, but there were other reasons, too."

And I asked this particular Member of the House if I could support it on behalf of textiles, which happened to be the concern of this individual, if they could support it for reasons which were a predominant interest to people down in my part of the country, and I was told quickly that, no, textiles was the basis of the concern. We could not approach it from that point of view.

The gentleman has said we are going to have to do something soon, and we are going to have to do something soon because every day we wait the problem becomes more complex and more difficult. Anyone who seeks free trade as an ideal is on solid ground, but anyone who is not pragmatic enough to know that free trade is one thing in theory and another thing in practice just has not looked at what is going on in this country.

We have come to the point in time that we cannot sell anything we here in America produce for the competitive—I stress the word "competitive"—world market without protection of some sort.

I, for one, have concluded that, wherein American businesses are going to be affected and wherein American jobs are going to be lost, I am going to try to provide the protection American industry and American jobs must have if we are to preserve jobs and industries in this country.

I thank the gentleman again for, by the mechanism of this special order, bringing this problem to the attention of the Congress today. I wish to tell him I as a member of the Ways and Means Committee will, when the time comes when this action does come before the committee, be on his side.

Mr. SIKES. I am most appreciative of the comments of my distinguished friend from Louisiana.

Mr. Speaker, I yield to the distinguished gentleman from Georgia (Mr. STEPHENS).

Mr. STEPHENS. Mr. Speaker, I would like to congratulate my friend, the distinguished gentleman from Florida (Mr. SIKES), for the fine presentation which he has made on the necessity for controlling imports and especially the emphasis which he has placed on textile imports. He has presented this problem in a very impressive way and I would like to join him in reemphasizing the urgency of initiating a textile import control program which will realistically come to grips and resolve this problem.

I share his disappointment that the bill which the House passed last year was not enacted into law. The provisions of this bill would have set up the necessary machinery for bringing textile imports under control and it would have been an effective and urgently needed measure. I was especially pleased that manmade fiber and all manmade fiber products were included in the bill as passed by the House. This bill would have provided relief to this important segment of the textile industry and would have given its employees assurance that the Congress would not stand idly by and see thousands of jobs lost as a result of the overwhelming flow of imports.

Imports of manmade fibers, including all products, have increased from 84 million pounds in 1961 to 614 million pounds in 1970. Imports in 1970 increased by 30 percent over the previous year. At the end of 1970 imports represented 11.6 percent of the domestic consumption of manmade fiber and the end is not in sight unless we act now to impose meaningful controls.

I am pleased that President Nixon has rejected the voluntary plan submitted by the Japanese Textile Association as unworkable and unrealistic. We are also happy that President Nixon plans to use his executive power to bring textile imports under control. While this effort on the part of the administration is most commendable, I am more of a realist and feel that the solution to this problem is through legislation, similar to the bill passed by the House last year. I have been extremely concerned at the total lack of cooperation of the Japanese textile industry to resolve this problem through government-to-government negotiations. The Japanese have on several occasions given the impression that they are willing and eager to negotiate a voluntary control program for textiles when legislation is actively under consideration by Congress, but their enthusiasm cools when the legislative

process slows down. The time has come when we must again take the initiative and provide legislation which will be responsive to this import problem. I hope that the House Ways and Means Committee will reevaluate this serious problem and report a new bill, designed to bring textile imports into proper balance.

Mr. SIKES. My distinguished friend always makes sound contributions. I appreciate his participation.

Mr. Speaker, I yield to the distinguished gentleman from North Carolina (Mr. LENNON).

Mr. LENNON. Mr. Speaker, I thank the gentleman for yielding to me at this time.

I commend the gentleman, Mr. SIKES, again for his leadership, and express my disappointment at the lack of interest apparently being shown by so many Members of Congress not only in respect to the textile area and the shoe area but also in respect to the electronics industry, the steel industry and the automobile industry.

I could stand here and enumerate dozens and dozens of categories in which this country is adversely affected as reflected by our employment figures today.

I recall when this matter was debated in depth here last year. The House passed a bill limiting it to two categories, the textile and shoe industries.

I am now reliably advised by a gentleman who certainly has the esteem and respect of every Member of the House of Representatives as well as of the other body that he has good reason to believe if the Senate had passed the bill identical to the one we passed the President would have vetoed it. I have some feeling to believe that is the reason why the matter is hanging in the Ways and Means Committee now and we have not faced up to this situation.

We used to talk about less aid and more free trade. Certainly we must consider the statistics we have for 1969 related to the shoe imports. My distinguished friend from Pennsylvania, Mr. JOHN DENT, made the statement on the floor last year that in 1969 there were in excess of 221 million pairs of shoes imported from Spain, Italy, or Japan. That is more than a pair for every single human being in this Nation of ours.

I remember the figures given for 1969 related to textiles, both cotton and man-made fibers; 3,629 million square yards of apparel or bolt goods.

I remember the figures that were quoted in the field of electronics. While we do not have definitive figures for 1969, we do have them for 1968. We know they are in excess of 67 percent. In 1968, not 1971, 67 percent or more of the table radios used in the United States were imported. The figures quoted on the floor here for 1969 almost approach 91 percent. In every field of electronics this is happening.

Mr. Speaker, what disturbs me so much is when people talk about thinking in terms of the consumer. I believe if we do not protect the producer, how in the name of high Heaven will they ever be able to purchase any which would make it possible for goods to be manufactured in this Nation of ours?

I say to you quite frankly that I am disturbed about the importation of motor vehicles because of its impact on the steel industry at every level. You go down into the Rayburn Building, G–1, G–2, and G–3, as I have done, and you go over into the other building where we park our cars. You walk around in the District, in an area of five or 10 blocks from the Capitol and I will venture the assertion that three out of every seven automobile vehicles that you see there are imported. Human nature is the same all over the world. It is very simple. We recognize that you may have a dear friend that you have known and enjoyed every Saturday night with, and whose wife and children are close to you, but human nature being what it is, when that same family goes downtown to look for a dress or a shirt or a skirt, or a radio or a car, or whatever, something for the husband or for the family, they buy this product even though they know that ultimately it costs their best friend and neighbor his job. Something has to be done about this.

I wish I could bring myself to the acceptance of free trade without any limits, but as the gentleman from Louisiana so eloquently put it, you cannot relate that any more.

I do urge the gentleman and I urge the other Members to act on this. I do not see anybody here except the gentleman who has left now, but who is a member of the Committee on Ways and Means here. I hope that we will petition the Committee on Ways and Means seriously to consider this matter. It is getting to the point where it is really desperate in some sections of our country as the gentleman from Florida so well knows. I know the impact in my own State when we talk about the textile industry, but at the same time I come from a farm economy, too. They say that if you vote for this bill, you will restrict our exports to Japan in soybeans, and this, that and the other. But you have to remember that they are going to protect their own interests in that country. Every nation in the world will do that, but we do not seem to be willing to protect our own people. We are going to have to protect our people, Mr. Speaker.

Mr. SIKES. Mr. Speaker, the gentleman's statement is timely and so much needed. I now yield to the distinguished gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, first I want to say that over the years I am always happy to have the support and collaboration of the gentleman from Florida in the many futile attempts that we have made to have this Congress understand that the problem which we face is one of our own making, and one which cannot be wished away or swept under any rug. For instance, the President just named a council made up of five members of the Cabinet and five high White House officials. Heading it is a Mr. Peterson, an economist. In his statement to the press he made this statement:

> In terms of total jobs all the evidence I have seen says we end up with more new jobs as a result of our trade than if, for example, we were to put up a high tariff wall on our products and thereby reduce both exports and imports.

I am glad the gentleman has taken this time to give an opportunity today after this appears in the paper to brand it for what it is. It is the usual type of propaganda put out during the years of indecision in this country on this important subject. Just yesterday I had before me a witness.

This is part I of two identical thicknesses of books covering the third edition of the employment output and foreign trade of the U.S. manufacturing industries from 1958 to 1968–69.

In this particular study there is a summary, but I will not put it in the RECORD until I have an opportunity to talk with the Speaker of the House at some later time, but here we have the complete record. We will just take one or two items at random. I can say to this House of Representatives that the statement by Mr. Peterson is a lie from the first word to the last and the man who uttered it is a falsifier.

Let me just pick one in which you are interested. For instance, vitreous china utensils. In 1968, 52.6 percent of the American domestic market was taken by imports. The change in imports from the year before was a 65-percent increase. The ad valorem equivalent in import duties on that particular product was 5.5 percent.

In 1968 labor intensity ratio was 66 percent of every dime of production cost in that area.

All through this picture one will find other items such as, for instance, rubber footwear; 25.1 percent of the total American consumption in 1968 was imported, but by 1970 that had grown to 39 percent of the American consumption.

But, let me see what the change was from the year before, 113.2 percent.

Let us see what the labor intensity was of that particular product, 61.5 percent.

Let us see what the job loss was. In 1968 alone—and remember this is a 1-year study and, so, it was based upon the job losses from the previous 5 years, and so the industry had already been down some 40,000 jobs from its original strength in 1964, but in 1968 10,097 jobs were lost in that industry alone; 10,029 jobs were lost in the sugar industry; 4,847 jobs were lost in the textile machinery production industry, representing 13 percent of the total jobs in the industry at that time.

We find that while we were experiencing a growing economy, while the industry itself had picked up 1,000 new jobs, we lost 13 percent of the jobs in that year.

Mr. Speaker, this is computerized, a computerized study at my suggestion and started 3 years ago. The people who made this study did not have the money with which to provide the Members of Congress with the full information reflecting its full import. Every kind of number and figure dealing in trade, every type of statistic, was put into the computer and it comes out negative to the United States.

Mr. Speaker, I think it is about time that we get the truth from the departments of Government responsible to the

people of the United States and that we demand to know what is the truth with reference to our trade picture. Very simply, the truth is that 63 percent of these industries produced 67 percent of all the manufacturing businesses in America and each one of these industries has sustained job losses.

The figures with reference to the automobile industry have not been brought up to date. The only figures we can get from the Department of Labor, the Department of Commerce, and the Customs Office are for 1968. The figures for 1969 are going to show an increase from 9 percent impact on the American automobile market to 22 percent in 1969. And, if it does not stop soon, if we do not do something, you will find that in 1971 some 40 percent of the American market will go to foreign corporations. Why? Because the Dodge is being built by the Mitsubishi Co. in Japan, but is now called the Dodge Colt. The Plymouth is being made in Great Britain, but it is called the Plymouth Cricket. The Ford Pinto is also made outside of this country and the only thing that goes into the Pinto that is American is the American money behind it. Not one cent of American wages is in that equipment, because the parts are made in foreign countries also.

We cannot find, I do not believe, one manufacturer in the United States in the automobile industry—I do not want to take the time of the gentleman who has taken this moment to talk to the few of us who have either the conscience to listen, or the willingness to hear the truth, but as you know I have talked to you for some 12 years. My voice will not be heard much longer, and maybe some will be happy, but there is one thing I do know, and that is that I would pray that before the Lord stills this voice forever that there will be a body of men in this Congress that will recognize one solid truth, and that is that the economy of America is worth all of the protection and all the support of this Congress.

I say to industry that while today you may move across the oceans and today you may have a guarantee of your investment by your own Government as to losses, because of confiscation of your properties, that the day will come when you will not be able to ship back to the United States, because there will not be enough customers here for you to sell to.

I further state, and I state this without any fear of contradiction, that in 5 years this Nation will not be able to sustain itself in peace or in war.

Mr. Speaker, I ask unanimous consent to put in the RECORD at this time a history concerning the specialty tool steels, and without specialty tool steels no nation can survive.

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

There was no objection.

Mr. DENT. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a statement that covers a summary, may I say to the Speaker and to my good friend, the gentleman from Florida (Mr. SIKES), a summary of the contents of this computerized study. I recommend it to you for your reading.

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

There was no objection.

The material referred to follows:

REMARKS OF CONGRESSMAN JOHN DENT

Once again, I find myself compelled to voice the concern of my constituency for the disasterous consequences which inevitably will strike this country's wage earner absent an immediate and drastic change in existing U.S. trade policy.

Last year, this body formally recognized the dire necessity of positive action to prevent the demise of essential U.S. manufacturing industries under onslaught of low wage produced foreign goods.

This recognition took the form of this body's passage of the Trade Act of 1970. Unfortunately, this necessary piece of trade legislation was allowed to die in the other chamber.

Since the untimely demise of this legislation, the import problem has taken on greater dimensions. Specifically, key U.S. manufacturing industries such as glass, steel, footwear, textiles, and electronics have increasingly felt the effects of the unsatiable appetite of foreign producers for greater and greater shares of the U.S. market place. We must put the foreign producers on immediate notice that we will no longer tolerate this wholesale usurpation of our market place at the expense of our own U.S. wage earners. To this end, I strongly urge that the legislation embodied in the Trade Act of 1970 be again placed before this chamber for prompt consideration.

Let me examine for a brief moment the plight of the U.S. specialty steel industry which is just one of the many import-effected manufacturing sectors.

The U.S. specialty steel industry encompasses those establishments producing stainless steel, tool steels and certain other sophisticated high cost specialty steels. In contrast to the basic carbon steel, the specialty industry is characterized by low volume—high cost shipments.

In calendar year 1970, no less than 21.5 percent of the total U.S. demand for specialty steel products was supplied by foreign mills. This market penetration represents an increase of 22 percent over calendar year 1969 when foreign specialty steel producers supplied 17.5 percent of U.S. demand for specialty products. In short, 1 out of every 5 pounds of specialty steel consumed in the United States today was produced in foreign mills.

However, this does not tell the entire story. While volume imports of specialty steel remained relatively static during the 1969–1970 period, the U.S. market or demand for specialty products dropped 19.8 percent in 1970 over 1969. The burden of this depressed market, attributable primarily to the general economic climate, was shouldered entirely by our domestic specialty industry which experienced a 22 percent decrease in shipments in 1970 over 1969.

Further, during calendar year 1970, this country experienced a deficit balance of trade of specialty steel products in the amount of $81.4 million—up from 1969 deficit of $70.3 million.

The consequences of this foreign usurpation of our specialty steel market are idyl steel capacity and resultant unemployed or furloughed steel workers at a time of record unemployment in this country.

Mr. Speaker, we must act now to stem this import tide. Four months have now passed since the Trade Act died in the other chamber. It was expected that this session of Congress would promptly call up and act upon similar trade legislation early in the session. To date, this has not been done.

I Therefore, Mr. Speaker, I strongly urge that this necessary piece of legislation be afforded top priority in the legislative business of this chamber.

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STATEMENT OF EUGENE L. STEWART, GENERAL COUNSEL, TRADE RELATIONS COUNCIL OF THE UNITED STATES, BEFORE THE GENERAL SUBCOMMITTEE ON LABOR, COMMITTEE ON EDUCATION AND LABOR, HOUSE OF REPRESENTATIVES, MAY 4, 1971

Mr. Chairman and members of the subcommittee: Thank you for the opportunity to appear before you this morning and to present updated information pertinent to your consideration of Title III of H.R. 7130.

On June 6, 1967, I appeared before this Subcommittee to present a computer analysis of Government statistics concerning employment, output, and foreign trade of U.S. manufacturing industries. That presentation was based upon an analysis of all available Government statistics which are maintained in a data bank by the Trade Relations Council of the United States. Pertinent excerpts of that testimony were incorporated in the report of the Committee on Education and Labor, H. Rept. No. 638, which approved H.R. 478 for House consideration without amendment.

The Subcommittee is therefore familiar with the program of the Trade Relations Council of the United States of undertaking to assist the Congress by a systematic compilation and analysis of all available Government data pertinent to employment, output, and foreign trade of U.S. manufacturing industries.

This morning it is my pleasure to present to the Subcommittee the Third Edition of our report, Employment, Output, and Foreign Trade of U.S. Manufacturing Industries, 1958–68/69. This two-volume work expands the scope of the earlier study by adding many new industries, and it updates the information previously presented through the year 1968 for employment and output, and the year 1969 for foreign trade. The 1968 data published in the Annual Survey of Manufactures are the latest available, and the 1969 foreign trade data are the latest available on computer tapes suitable for analysis in our data bank.

These volumes are too bulky to be reproduced in the Committee's printed hearings. I request, however, that they be made a part of the Committee's official record of its hearings so that they may serve as support for the conclusions which it reaches in regard to Title III of H.R. 7130.

Title III of the bill reflects the concern of its sponsors with the impact on the welfare of American workingmen and women of excessive imports of manufactured goods made abroad under wage and hour conditions which would violate the public policy expressed in the Fair Trade Standards Act and its amendments, including those proposed for enactment in H.R. 7130.

The logic of the sponsors of the legislation in incorporating a means for protecting the standard of living necessary for the health, efficiency, and general well-being of workers in the United States from harm due to unregulated imports is unassailable. It has been the public policy of the United States since the enactment of the Fair Labor Standards Act in 1938 to protect that standard of living through positive regulation of the flow of goods in commerce within the United States.

The basic legislation outlaws the manufacture and sale of goods in the United States under such conditions as to wages and hours as would undermine the minimum standard of living required to support the general well-being of workers in this Nation. When goods move in commerce, their capacity for undermining that standard of living is every bit as great in the case of goods made abroad

under substandard wage and hour conditions as from goods made in the United States in violation of the standards contained in the Fair Labor Standards Act, as amended.

If the Congress is serious about the protection of the standard of living of American workers from the damage which would be caused by the unregulated sale in the United States of merchandise whose price advantage is based primarily on the failure to observe the wage and hour standards of our domestic legislation, it must of necessity provide for the regulation of all goods moving in commerce in the United States which would have that effect regardless of their origin.

To penalize the domestic production and sale of such goods while extending the open door of welcome to the same class of merchandise made under substandard labor conditions abroad is a clear and open breach of faith on the part of the Congress with the American workingmen and women whose welfare the Congress ostensibly seeks to protect through the wage and hours legislation.

Accordingly, it is high time that this double standard of economic morality be terminated and that the Congress face up to the full consequences of its proper desire to place an economically realistic floor under the income of workers and a safeguarding ceiling over the hours which they are required to work at straight-time wages. Title III of H.R. 7130 is a straightforward attempt by the sponsors of the legislation to end that double standard and to keep faith with the American workingmen and women subject to the Fair Labor Standards Act, as amended.

The need for legislation to close the gaping loophole in the Fair Labor Standards Act was never greater than it is today. To illustrate this fact to you, I should now like to summarize the data which are contained in the new and updated study which I have presented to the Subcommittee.

The study includes data on 329 of the Nation's 425 manufacturing industries defined at the 4-digit level of the Standard Industrial Classification, and on 634 of the 1,280 product classifications of U.S. manufacturing industries defined at the 5-digit level of that Classification.

There are 321 industries at the 4-digit level of the Standard Industrial Classification for which complete data are available, either alone or in combination with other industries. These 321 industries accounted in 1968 for 70% of total employment in all U.S. manufacturing industries. The 321 industries supplied 82% of the value of shipments of maufactured goods in 1968. Products like or competitive with the output of these 321 industries accounted for 92% of total U.S. imports of manufactured goods in 1969, and for 83% of U.S. exports.

Within this group of 321 4-digit industries, there were 147 which experienced a balance of trade deficit in 1969, even when imports are taken at the value reported by the Department of Commerce (f.o.b. origin) and exports at their reported value (f.a.s. port). These 147 4-digit industries accounted for 37% of total employment in all manufacturing industries in 1968, and for 46% of the value of shipments. Most significantly, however, imports of articles like or competitive with the output of these 147 industries accounted for 78% of total imports of manufactured products in 1969, while the exports of these industries accounted for 34% of total U.S. exports of manufactures.

The balance of trade deficit (imports, landed cost; exports, valued mill) of these industries in 1968 was equivalent, at the value of shipments per worker in each of the 147 industries, to a net loss of 408,268 jobs. This figure does not represent an absolute loss of jobs in the sense of a one-for-one decline in total employment in these industries; however, the negative figure derived from the report of the job equivalent of foreign trade in these industries, of 408,268, does reasonably represent the aggregate of jobs lost and employment opportunities lost in these industries. Since the 147 industries preponderantly have comparatively high labor-intensive ratios, it may also be said that the lost job opportunities represented lost employment opportunities for comparatively unskilled workers who, in manufacturing, are chiefly employed by such industries.

The effect of foreign trade in the product categories of these 147 industries on the U.S. balance of payments was even more dramatic than the adverse employment effects described above. Taking imports and exports at the values reported by the Department of Commerce, foreign trade in products like or competitive with the output of these 147 industries resulted in a foreign trade deficit of $11.4 billion in 1969.

In marked contrast with the position of the 147 industries referred to above, analysis of the data in the report indicates that there is a separate group of 174 industries for whom foreign trade has had the opposite effect of that described for the 147 industries. This separate group of 174 industries accounted in 1968 for 34% of the total employment in all manufacturing industries, and for 36% of the value of shipments. Imports of products like or competitive with the output of the 174 industries accounted for only 14% of total imports of manufactured articles in 1969, whereas these industries supplied 49% of total U.S. exports of manufactures in that year.

Calculated at the Department of Commerce values, foreign trade in the product categories of these 174 industries resulted in a foreign trade surplus of $10.9 billion in 1969. Because the 174 industries are, in general, less labor intensive than the separate group of 147 industries previously described, the job equivalent of the foreign trade surplus (imports, landed cost; exports, valued mill) in 1968 in the product categories of the 174 industries was equivalent to 185,650 jobs, considerably smaller than the job loss represented by the job equivalent of the foreign trade deficit resulting in the product areas of the 147 industries.

Up to this point in our analysis, the following lessons of importance to your Subcommittee's consideration emerge:

1. The industries in the United States with strong export potential were unable in 1969 to create a foreign trade surplus in their product lines great enough to overcome the foreign trade deficit which was experienced by the more labor-intensive, import-sensitive industries. The $10.9 billion foreign trade surplus earned by the 174 export-capable industries failed to match the $11.4 billion foreign trade deficit of the import-sensitive industries by a half billion dollars.

2. More importantly, the employment generated by the export performance of the capital-intensive, technologically superior export-capable industries fell far below the job losses attributable to the excessive imports which impacted the product lines of the import-sensitive, labor-intensive industries. Thus, the 185,650 jobs generated by the net export performance of the export-capable industries were seriously inadequate to make up for the loss of 408,268 jobs resulting from the net foreign trade deficit in the import-sensitive industries. The net shortfall in jobs resulting from our Nation's foreign trade in manufactured products was 222,618.

For the 223,000 Americans who lost out on meaningful employment because of the net impact of foreign trade on manufacturing industries in the United States, the public policy expressed in the Fair Labor Standards Act proves to be a hollow promise. These lost employment opportunities resulted precisely because of labor conditions abroad which are substandard under the guidelines established in the Fair Labor Standards Act, and which by the magnitude of the job losses are shown to be clearly detrimental to the maintenance of the minimum standard of living necessary for the health, efficiency, and general well-being of the affected workers.

To corroborate the accuracy of our findings, there is now available from a governmental source, for the first time, a measurement of job losses in U.S. manufacturing industries resulting from foreign trade. In a paper en- Ways and Means of the House of Representatives last year, the Secretary of Labor indi- with his testimony before the Committee on Ways and Means of the House of Representatives last year, the Secretary of Labor indicated that in the year 1969, the employment equivalent of imports of manufactured articles was 1,600,000 while the employment related to merchandise exports was 1,432,000.[1] The net balance of employment attributable to foreign trade in 1969 was thus a deficit of 168,000 jobs. Moreover, this is to be compared with the similar data supplied by the Secretary for the year 1966 which indicated a net surplus of 79,000 jobs. Thus, the total change in employment attributable to foreign trade between 1966 and 1969 was a loss of 247,000 jobs in manufacturing industries.

To indicate the changes in the foreign trade position of U.S. manufacturing industries which have occurred since my last appearance here in 1967, I present for your consideration three tables of data.

In Table I, there are presented for each of 643 industries for which complete data were available, data measuring the balance of trade in the products of those industries for the years 1967 and 1969. These data are shown in the table under four columns, each of which is designed to provide a relative measurement of the competitive strength or weakness of U.S. manufacturing industries in foreign trade. Thus, the columns are headed:

I. Industries whose trade deficit grew larger;

II. Industries whose trade surplus was reduced;

III. Industries whose trade surplus grew larger; and

IV. Industries whose trade deficit was reduced.

The theory of these four subdivisions is that the measurement provided by the concept expressed in the column heading will identify industries in accordance with their relative strength or weakness in competing with their foreign counterparts. Thus, industries which had already experienced a trade deficit by 1967 and which experienced an intensification or enlargement of that deficit by 1969 can reasonably be regarded as industries which are suffering a continued deterioration in their competitive position vis-a-vis total foreign trade. Because they are in a deficit position, imports are the dominant factor in the foreign trade position of these industries.

The second column expresses a concept under which industries which enjoyed a trade surplus can nevertheless be seen as undergoing a weakening of their competitive strength vis-a-vis foreign competition. The fact of a trade surplus in 1967 distinguishes these industries from those which experienced a deficit, but the added fact that the magnitude of the surplus is dimishing as shown by the 1969 balance of trade position identifies this second group of industries as those becoming less competitive in foreign trade but not yet characterized by dominating import injury.

In contrast to these two classifications, the concepts stated in the third and fourth col-

[1] Hearings on Tariff and Trade Proposals Before the House Ways and Means Committee, 91st Cong., 2d Sess., pt. 2, at 608, 613 (1970).

umns of Table I measure industries which possess competitive strength vis-a-vis their foreign competition, and whose ability to compete is strengthening. This growing competitive strength is shown by the increase in the balance of trade surplus of industries which already enjoyed a trade surplus in 1967, or by the reduction in the size of the trade deficit in the case of industries which were in a deficit position in 1967.

In the latter case (industries which enjoyed a reduction in the balance of trade deficit), it is reasonable to conclude that the persistence of a trade deficit indicates that the affected industries are suffering in some degree from import competition, but that the pressure of such import competition is lessening or being counterbalanced to a significant degree by increased exports.

The data in Table I are grouped in numerical order under the 2-digit major industry descriptions of the Standard Industrial Classification. Wherever complete information was available, data are also presented for the 5-digit subdivisions of the 4-digit industries.

In order to achieve a matching of the differently classified import and export data under Standard Industrial Classification product classification concepts, it was necessary frequently to combine two or more 4-digit industries, and often to combine with one or more 4-digit industries, one or more 5-digit industries. These combinations are indicated in the industry description in the table.

The data presented in Table I appear to justify the following general conclusions in regard to the competitive position of the major 2-digit industry groups:

1. The industries which comprise the food and kindred products group (SIC 20) predominantly have experienced a weakening of their competitive position in world trade, though 24 of the 64 industries included within that group have improved their competitive position.

2. The tobacco industries (SIC 21) have strongly increased their competitive position.

3. The textile mill products industries (SIC 22) have experienced a strong downward turn in their competitive position in world trade, with 21 of the 36 industries which comprise that group experiencing a decline in their balance of trade position in 1969.

4. The apparel industries (SIC 23) experienced a dramatic and major deterioration in their foreign trade position, with all but 3 of the 27 industry groups characterized by a balance of trade deficit in 1969.

5. The lumber and wood products industries (SIC 24) preponderantly are noncompetitive, with less than a fifth of the individual industries in a trade surplus position.

6. The furniture and fixtures industry (SIC 25) suffered a major decline in its competitive position.

7. The paper and allied products industries group (SIC 26) has experienced a worsening in its competitive position, with nearly half of the 22 industry subdivisions and the industry group as a whole persisting in a balance of trade deficit position.

8. The *printing and publishing* industry (SIC 27) is not significantly affected by import competition.

9. The *chemicals and allied products* industries group (SIC 28) has demonstrated increasing strength in its foreign trade position, though the dyestuff and pigment industries as a dramatic exception to that strength have suffered a major deterioration in their noncompetitive foreign trade position.

10. The *petroleum and coal products* industries group (SIC 29) is preponderantly noncompetitive and sustained a major enlargement of its trade deficit.

11. The *rubber and plastics products* industries group (SIC 30) experienced a dramatic increase in its trade deficit, with over two-thirds of the industry subdivisions moving to less favorable trade positions.

12. The *leather and leather products* industries group (SIC 31) is predominantly noncompetitive and suffered a major enlargement of its trade deficit.

13. The *stone, clay, and glass products* industries group (SIC 32) suffered a major shift from a strong trade position to a strikingly large deficit position. Only 11 out of the 38 industry subdivisions included increased their competitive strength vis-a-vis foreign imports.

14. The *primary metal industries* (SIC 33) increased their competitive position on an overall basis, though many sectors of the steel and nonferrous primary industries are in a growing trade deficit position.

15. The *fabricated metal products* industries group (SIC 34) is predominantly characterized by increased vulnerability to foreign competition, though 10 of the 30 industry divisions enlarged their trade surplus.

16. The *nonelectrical machinery* industries group (SIC 35) has many sectors which experienced a worsening of their trade deficit position, a greater number of sectors which saw their trade surplus reduced, but sufficient industry subdivisions which were able to boost their trade surplus to characterize the industry group as a whole as moderately competitive in foreign trade.

17. The *electrical machinery* group (SIC 36) on an overall basis experienced a decline in its trade surplus of major proportions, resulting principally from a very great deterioration in the trade deficit position of the radio, TV, and other consumer electronic product industries.

18. The *transportation equipment* industries group (SIC 37) suffered a major reduction in its trade surplus due to a strong increase in the trade deficit of motor vehicles, especially passenger cars, and a reduction of the trade surplus in other transportation equipment categories.

19. The instruments and related products industries group (SIC 38) is strongly competitive, as shown by a substantial increase in the trade surplus, though a number of sectors including ophthalmic goods, watches, and clocks sustained a continued deterioration in their trade deficit position.

20. The miscellaneous manufacturing industries group (SIC 39) is predominantly noncompetitive as measured by the number of industry sectors with a growing trade deficit, though the major industry group on an overall basis experienced a strong corrective shift in its deficit balance of trade position.

From this overview it will be seen that nearly two-thirds of the Nation's major industry groups are essentially weak in foreign trade competition, while the other third are essentially strong. Each group, however, has many industry sectors which have the opposite experience from the group as a whole.

The lesson of this assessment is that U.S. manufacturing industries appear by a preponderant margin to be vulnerable to foreign competition. Notably, more than half of all U.S. manufacturing industries are seen to be strongly and adversely affected by foreign competition as measured by enlarging trade deficits and reducing trade surpluses.

Thus, there is a real basis for concern as to the effect of the unregulated importation of goods produced by industries in foreign nations on employment in manufacturing industries in the United States. With roughly half of U.S. manufacturing industries in a position of increasing vulnerability to import competition, it would seem evident that policies permitting selective regulation of imports will be required if the Nation is to maintain the strength of its manufacturing industries in the domestic market as a source for continued employment and economic growth in the manufacturing sector.

Notwithstanding the lessening of import pressures attributable to the recession in the United States and the stimulation of export demand traceable to the stronger economic conditions abroad, a large number of U.S. manufacturing industries experienced a strong increase in imports and the enlargement of the balance of trade deficit in the products of their industries, market disruption as measured by a substantial increased penetration of the domestic market by imports, and the absolute displacement of workers and the underemployment of their work force as shown by reduced hours of work.

To help you take a closer look at particular industries which have experienced these adverse developments, I invite your attention to the data in Table II. From the 643 industries for which data are presented in Table I, a selection has been made of 110 U.S. manufacturing industries which are being significantly and adversely affected by import competition. These industries and data pertinent to a consideration of their position are shown in Table II.

The following points regarding these industries are believed to be significant from the point of view of trade policy consideration:

1. Nearly 75% of the deficit involves U.S. trade with developed rather than the less-than-developed countries.

2. The developed countries accounted for 90% or more of the foreign trade deficit of 63 of the 110 industries; the aggregate deficit accounted for by the developed countries of these 63 industries in 1969 of $7,861.3 million was equal to 59.0% of the total deficit of the 110-industry group.

3. There are only 19 of the 110 industries in which less-developed countries accounted for more than 50% of the total trade deficit; the aggregate deficit accounted for by the less-developed countries in the trade of these 19 industries in 1969 of $3,215.0 million was equal to 24.1% of the total deficit of the 110-industry group.

4. In view of these points, the adjustment of imports to relieve the excessively injurious pressure on the domestic industries would affect the less-developed countries in only a minor way.

This conclusion is emphasized by a consideration of the relative proportion of the total exports of less-developed countries consisting of manufactures. While this proportion has been increasing, manufactures still account for less than 25% of the total exports of less-developed countries, whereas nearly 75% of the exports of developed countries consist of manufactures.

Both from the point of view of the actual composition of U.S. foreign trade in the products of the 110 industries which are seriously impacted by excessive imports, and from the point of view of the composition of the total export trade of other nations, efforts by the United States Government to adjust the volume of imports in the products of these 110 industries to relieve the excessive pressure would primarily affect trade with the developed countries rather than the developing countries.

A study of the data in Table II in relation to employment changes in those of the 110 manufacturing industries for which employment data are available discloses that an increase of employment of less than 2% or an absolute loss of employment during the period 1967–1969 is associated with either a relatively high ratio of imports to new supply in the year 1967, a strong increase in the trade deficit, 1967–1969, or both. This is shown by a recapitulation of such industry data in Table III.

During the period 1967–1969, the aggregate foreign trade deficit of the 52 industries listed in Table III increased by $2,510.8 million. At the value of shipments per worker for the average of all manufacturing industries in 1968, just this increase in the trade deficit of the 52 industries represented the

equivalent in output of 81,193 workers. This is reasonably close to the actual loss of employment sustained by the 52 industries during that period of 119,896 workers.

The loss of employment by the 52 industries for which data are presented on Table III is not intended as an indication of the total loss of employment due to foreign trade by import-impacted industries. It simply represents an indication that for those 52 industries for which complete data were available to permit analysis, the actual job loss was roughly equal to the job loss attributable to the deterioration in the foreign trade position of the industries concerned.

For the entire group of 110 selected U.S. manufacturing industries shown by the 1967–1969 changes in foreign trade balances to be especially sensitive to foreign competition, as presented in Table II, the net change in foreign trade was an increase in the aggregate trade deficit of the group by $5,322.1 million. At the value of shipments per worker for the average of all manufacturing industries in the year 1968, this increase in the trade deficit of the 110 industries represents the loss of the equivalent of 172,103 jobs.

Even this calculation is an incomplete indication of the displacement of employment by the net adverse impact of foreign trade on U.S. manufacturing industries because the group of 110 industries only included those for which complete data were available which were judged to be especially sensitive to foreign competition. Job losses occurred in other industries as well.

For example, the indication of the job loss in that apparel industry presented in Table III does not include the related job loss in the textile mill products industry as a result of the displacement of fabric sales to U.S. apparel manufacturers represented by the competitive impact of imported apparel. Similarly, the job loss shown for the radio and TV set industry does not include the separate job loss sustained in the industry producing electronic components of the type used in radios and TV's, the market for which is reduced as a result of the increase in imports of the finished items which displaced domestically produced radios and TV's.

When the Congress mandates an increase in the minimum wage through legislation, it is not merely the wage rates at the bottom of the wage structure which are affected, but, rather, the entire array of rates applicable to manufacturing jobs. This has both good and bad consequences. From the point of view of the workers, the upward adjustment of the wage rate structure through the mandated increase in the minimum wage is, of course, a welcome event.

From the point of view of their employers, however, the upward adjustment of manufacturing wages has an arbitrary aspect which is quite disassociated from any increase in productivity which would prevent an inflation of manufacturing costs. The manufacturer has three choices: He can increase the degree of automation practiced in his manufacturing process in order to reduce wage costs by eliminating labor; alternatively, he may attempt to increase prices to cover the increased labor costs; or, he may do neither but simply absorb the increased costs in his operating profit.

Each of these choices is subject to severe constraints. It is obviously not the intention of the sponsors of this legislation to trigger a new wave of automation which would result in a significant net reduction in manufacturing jobs. Nor could it be the intent of the sponsors to aggravate the conditions which make inflation such an intractable problem for the Nation's economy.

Finally, the great majority of manufacturing corporations in 1970 experienced their worst year from the point of view of profits. Sharply reduced earnings, absolute operating losses, and the collapse of many businesses have been the legacy of the economic recession on manufacturing industries in 1970. Everyone hopes for an upturn, and for many companies the results of the first quarter of 1971 appear promising. Yet it is too early to predict that manufacturing profits will strengthen to such a degree in 1970 as to absorb the increased costs which would result from the enactment of the pending legislation.

From the point of view of those industries who are especially import-sensitive, the mandated increase in the minimum wage will serve primarily to widen the gap between costs and prices which characterize the unfavorable competitive position of those industries in respect to imports. Therefore, it is a responsible act for the sponsors of the legislation and this Committee to consider the enactment of Title III of H.R. 7130 to provide for a mechanism to protect the workers in manufacturing industries from injury caused by imports manufactured abroad under labor conditions which are below the standard prescribed for domestic producers by the pending legislation.

To help you understand the extent to which manufacturing industries in the United States and their workers would be subject to such injury, I have prepared my final tabulation of industry data taken from our data bank. In Table IV, I have identified those industries which experienced a net loss of jobs due to foreign trade, ranked in accordance with the degree of import penetration in 1968, the latest year for which the necessary data are available to make such calculations. As you study this list of industries, I predict you will be startled by the following aspects of the listing:

1. There are a very large number of industries who have experienced a net loss of employment due to foreign trade;

2. There is a strong and direct correlation between the depth of the import penetration and the extent of the job loss;

3. Very few of the industries on the list have been the recipient of Government action to bring the excessive imports under control. For your convenience, I have identified in italics those industries which have received some Government assistance.

The data in Table IV demonstrate why it is necessary for your Committee to include in the pending bill some meaningful provisions to protect American workers from the impairment of their standard of living from manufactured goods made abroad under substandard labor conditions, and imported into the United States comparatively free of restraint under the double standard of economic morality to which I have referred.

Please bear in mind that the calculation of the import penetration ratios in Table IV is based on the dollar value of the imports compared with the dollar value of sales in the American market. The use of dollar value as the basis of the calculation understates the import penetration to a significant degree in comparison with the results that would be achieved if each industry's ratio were calculated in terms of the units of imported articles compared with the units sold in the domestic market. Data as to the units are simply not available on a consistent basis in Government statistics; accordingly, we have no choice but to use the dollar value.

In all, there are a total of 132 industries listed on Table IV. The total loss of jobs due to foreign trade in the products of these industries in 1968 was 386,499.

Where the data were available from the statistics of the Bureau of Labor Statistics, I have indicated on Table IV the change in employment of the listed industries between 1968 and 1970. You will find that in most instances the job loss due to foreign trade, measured in 1968, is generally consistent with the absolute loss of jobs which has occurred in those industries between 1968 and 1970.

Mr. Chairman, I believe that the study of the Trade Relations Council which I have presented to you this morning and the various tabulations of data taken from the study which I have submitted for your further enlightenment in regard to the impact of imports on employment in U.S. manufacturing industries provide the strongest possible foundation for the enactment of Title III of H.R. 7130. This concludes my testimony. Thank you for your attention.

Mr. SIKES. Mr. Speaker, I do not know anyone who has contributed more to the knowledge of our country and our colleagues in this important field than the gentleman from Pennsylvania (Mr. DENT). The gentleman is an expert, and his leadership has been invaluable.

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

Mr. SIKES. I am happy to yield to my very good friend and colleague, the gentleman from New Hampshire, Mr. WYMAN.

Mr. WYMAN. Mr. Speaker, I thank the gentleman for yielding, and I want to associate myself with the gentleman's leadership and his remarks, and with the remarks of my colleagues that have been made so pointedly and so effectively here today.

Mr. Speaker, I want to comment first that in regard to what the gentleman from Pennsylvania has just said about the Pinto, and about the turning to industrial capacity abroad on the part of American industry, that this is understandable, and largely true, and the reason of course is money. It is prices. You cannot blame people in America for going out and buying a car that they think is just as good, and sometimes better, if it is made abroad and costs a whole lot less—and this is true of all of the industries that are involved here, from shoes, textiles, to electronics, and there are many others.

The problem is simply that we have a standard of living in the United States of America that so greatly exceeds the standard of living available in most other countries of the world, and thrives upon escalating wage negotiations and minimum wages, and escalating prices that prevail all over America, many of them by Government subsidy, that we are living in a fool's paradise if we think we can maintain this high standard of living and these wages and these prices without guaranteeing a fair share of the American market to the American working men and women. That is the problem we face.

That is the problem that was before this Congress last year. That is why this body passed legislation designed to impose quota restrictions on foreign imports in the textile and shoe industries, and it is a shame that that legislation died aborning in the other body. I hope that the capable leader of the House Committee on Ways and Means, regardless of administration's views on this subject, will report out promptly a new bill that is designed to give to the American working men and women protection against the mounting floods of foreign imports. This will not cause a price rise

in America. This will not, as many of the gentlemen who represent districts that do not have these industries in them direly predict, distress the economy by upping the prices to consumers of shirts and shoes and other products.

What it will do is stop the loss of tens of thousands of jobs in America and the consequent resort to the welfare and unemployment rolls with huge increases at taxpayer's expense in unemployment compensation. It will mean a tremendous increase in the tax bill of this country in consequence of the losing of these jobs abroad.

The cost of that to the consumers in the United States will so vastly exceed the cost of paying for shoes or textiles or other products that there is not any valid comparison. If there is anything that needs to be done at this time, it is to explain to all the people in this country that the legislation we passed last year and the proposals that my colleagues and myself are making here today and that the distinguished gentleman from Florida is making is not to shut off imports into the United States, not to build a fence around this country, not to deny the American market to foreign trade to come in here and compete. Rather it is merely to provide a reasonable measure of protection to the industries in this country against the dumping of huge quantities of goods made abroad that they cannot compete against.

The figures show that in the shoe industry for example, that in 1970 the imports of leather vinyl footwear was 235,584,000 pairs representing 42 percent of U.S. footwear production while in January and February of 1971, this year, there were 56,013,000 pairs imported representing 62.4 percent of U.S. production in just these 2 months.

The reason for this is because the shoes over there are made at a labor cost but a fraction of that in the United States. If they are then to be available for sale here without any restrictions, we simply cannot compete. This is an economic fact.

The State of New Hampshire is the seventh ranking in U.S. footwear production, but conditions have reached such a point that something must be done if the footwear industry in that State is to survive.

I would like to cite several factors that show beyond a doubt what is happening. In 1970, the level of imports reached 42 percent of our domestic production and through the first quarter of 1971 this level has increased to 64 percent of domestic production.

The employment picture in New Hampshire has become particularly grim. In 1962, there were some 18,550 workers in our footwear plants. By the end of 1970, this figure had dwindled to an estimated 15,500 workers.

Twenty-four shoe factories have closed in New Hampshire during this period. In the past 3 years, 11 shoe plants have closed. This is a particularly sad commentary when you realize that approximately 31 percent of all manufacturing employment in the State is in the textile-footwear-apparel fields.

The main problem is the labor-wage differential existing between our country and our trading partners in Europe and the Far East. How can we compete with an hourly wage rate of $0.19 in South Korea and $0.29 in Taiwan, to mention only a few examples? Domestic manufacturers now pay a wage rate including fringes of $3 per hour.

The only way to combat this situation is the introduction and passage of an orderly marketing act based on flexible import quotas that will enable our industry to have a share in the growth of our American footwear market. In this manner, foreign suppliers can continue to grow in our market without destroying U.S. producers. Only in this manner can we proceed toward the goal of liberalized trade which we all seek. To ignore this approach is to ignore the human problems that accompany abrupt economic dislocations—under the illusion that we are operating in a free trade environment.

Several years ago I signed the petition to the President urging relief for our domestic footwear industry and last year I sponsored a companion bill to the Mills bill. Mr. MILLS, himself, then said:

> I shudder to think what kind of legislation this Congress will pass in two years' time if we don't act now to help solve these problems.

Mr. MILLS showed tremendous insight of this problem, as was to be expected.

The time to act is now and I wholeheartedly support any measure that will insure viable, healthy U.S. footwear and textile industries.

The following is a fact sheet on New Hampshire's footwear industry which tells the sad story of domestic industry allowed to fall prey to imports unlimited.

Mr. Speaker, I include the following figures showing the impact of imports on the New Hampshire footwear industry:

IMPACT OF IMPORTS ON THE NEW HAMPSHIRE FOOTWEAR INDUSTRY—1971 FACT SHEET

[New Hampshire is the 7th most important footwear-producing State in America]

1. PRODUCTION

| Year | Production (pairs) | Value of shipments |
|---|---|---|
| 1968 | 46,369,000 | $205,343,000 |
| 1969 | 38,618,000 | 183,471,000 |
| 1970 | 34,652,000 | 182,091,000 |

2. EMPLOYMENT

| Year | Footwear—nonrubber | | Total leather products | |
|---|---|---|---|---|
| | Number of employees | Taxable wages | Number of employees | Taxable wages |
| 1962 | 18,570 | $67,884,000 | 21,986 | $81,576,000 |
| 1965 | 16,523 | 62,076,000 | 19,199 | 73,564,000 |
| 1968 | 17,980 | 81,964,000 | 20,792 | 95,252,000 |
| 1969 | 16,348 | 75,376,000 | 18,989 | 88,280,000 |
| 1970 [1] | 15,500 | 72,850,000 | 17,850 | 83,895,000 |

[1] Estimate.

Note: Ratio of New Hampshire production to U.S. total is 6.2 percent.

3. PLANT CLOSINGS

[The effects of imports in terms of factory closings has been devastating in New Hampshire. From 1962 through 1970, 24 plants have closed their doors with no end in sight. The attrition has been particularly severe during the past 3 years when 11 plants were forced out of business]

4. IMPORTS

[In 1970 imports of leather-vinyl footwear equaled 235,584,000 pairs, representing 42 percent of U.S. footwear production. In January and February 1971, there were 56,013,000 pairs imported representing 62.4 percent of U.S. production in those months]

[In pairs]

| Year | Imports | Exports | United States shoe production | New Hamsphire shoe production |
|---|---|---|---|---|
| 1959 | 22,277,000 | 3,505,000 | 637,364,000 | 49,470,000 |
| 1960 | 26,617,000 | 3,244,000 | 600,041,000 | 48,480,000 |
| 1961 | 36,668,000 | 3,035,000 | 592,907,000 | 47,370,000 |
| 1962 | 63,019,000 | 2,867,000 | 633,238,000 | 49,844,000 |
| 1963 | 62,820,000 | 2,843,000 | 604,328,000 | 45,926,000 |
| 1964 | 75,372,000 | 2,836,000 | 612,789,000 | 44,603,000 |
| 1965 | 85,632,000 | 2,491,000 | 626,212,000 | 45,642,000 |
| 1966 | 96,135,000 | 2,737,000 | 641,700,000 | 46,052,000 |
| 1967 | 129,134,000 | 2,200,000 | 600,000,000 | 39,539,000 |
| 1968 | 175,438,000 | 2,400,000 | 642,427,000 | 46,369,000 |
| 1969 | 195,673,000 | 2,300,000 | 576,961,000 | 38,618,000 |
| 1970 | 235,584,000 | 2,154,000 | 559,416,000 | 34,652,000 |
| 1975 [1] | 468,400,000 | 2,000,000 | 518,800,000 | 32,165,000 |

[1] Projected.

Mr. Speaker, I do not wish to transgress upon the time of other Members who may wish to speak. But I wish everyone were here this afternoon to hear these things so we could again get some action at least in this body for the protection of American working men and women.

Mr. THOMSON of Wisconsin. Mr. Speaker, I fully share the concern that has been expressed here this afternoon over the delay in trade legislation. The import problem continues to be a very serious concern.

In my home State of Wisconsin dairying is a major source of income for the people. Fortunately, imports were put under control some years ago, at first under section 104 of the Defense Production Act of 1950 and subsequently, in 1953, under section 22 of the Agricultural Adjustment Act—AAA. Further restrictions have been imposed under section 22 in order to close loopholes that developed over a period of time.

I believe it is safe to say that our dairying industry, not only in Wisconsin but throughout the country, has been substantially strengthened and its competitiveness maintained through import legislation. Domestic costs are much higher than the foreign, making difficult unprotected competition with foreign cheese, butter, milk, and the like. Therefore, I can appreciate fully the concern of other industries over imports. Because they also have high production costs, their competitive position is equally weak.

We have a variety of other industries in Wisconsin, such as footwear, some textiles, machinery, motorcycles, fur, plywood, and so forth. I recognize their claim to a reasonable degree of import controls. While section 22, to which I have referred, is not a part of the usual trade legislation, it has been expressly safeguarded by such legislation. Therefore to the extent I have a direct interest in the legislation.

There is other important legislation that is presently taking up the time of the Ways and Means Committee; but trade legislation should not take up much of the committee's time. Extensive hearings were held by the committee less than a year ago. The House passed the bill by a handsome margin less than 6 months ago.

Because the import problem is a pressing one, we should not hold up action on the legislation any longer in this session. As I say, moving the trade legislation should not delay other legislation materially. After consuming weeks and even months of the committee's time last year, it was passed after only 2 days on the floor.

So, Mr. Speaker, I join the many others who feel strongly that the trade legislation should be moved out of committee and onto the floor without further delay.

Mr. SIKES. Mr. Speaker, I yield to my distinguished colleague from Pennsylvania, Mr. GAYDOS.

Mr. GAYDOS. I thank my friend in the well.

Mr. Speaker, I would like to take this opportunity to commend Congressman SIKES for what I believe is the beginning of a coordinated effort. We are the victims of foreign penetration of our domestic markets by those nations whom we have helped over the years.

I believe you and I attended a meeting of the textile people, a meeting which included representatives of labor unions, industry, and also Members of Congress. At that time I asked whether or not the proposed trade bill would include steel. Of course, the answer was, "Well, this is a textile bill." I believe if we are going to hang, we might as well hang together, because otherwise surely we will hang separately. I think we are beginning today, this afternoon, to finally coordinate all of the victims of foreign competition whether they be in steel, shoes, textiles, electronics, or what-have-you, into one concentrated effort to get behind an effective trade bill.

I have in my hand an article published in The Washington Post on April 26, 1971. This, I believe, should encourage our colleagues and all industries which have been adversely affected by our foreign trade policies that this country has pursued for the past 40 or 50 years. The article quotes our Secretary of the Treasury, John D. Connally. He is quoted as saying—

> We can't continue to hold a military, economic and political umbrella over the free world by ourselves as we have been doing.

He also goes on to point out how unfair our good friend, Japan, has been, how she maintains her indirect methods of taxation and tariffs by requiring special-entry permits, licensing permits, and other nontariff trade barriers.

Mr. Connally is further quoted as saying—

> We need "a radical change" in our basic trade position. The United States is in bad shape in world trade. . . . The standard of living in the United States is at stake—no less than that.

I recommend that Members read the article, because it is right on the point.

I ask unanimous consent that the entire article be included in the RECORD at the conclusion of my remarks.

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

There was no objection.

Mr. GAYDOS. Mr. Speaker, I also ask unanimous consent to include in the RECORD certain letters, one dated April 12, 1971, from Allegheny Ludlum Industries, Inc., to the President, a second dated April 6, 1971, from Allegheny Ludlum Industries to the Hon. Nathaniel Samuels, Deputy Under Secretary for Economic Affairs, Department of State, and a third letter dated April 21, from Crucible Stainless Steel Division of Colt Industries to Hon. Paul W. McCracken, Chairman, Council of Economic Advisers.

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

There was no objection.

Mr. GAYDOS. In one of these letters, the April 12 letter, to the President from Mr. Ahlbrandt, he sets forth in very concise language the problem confronting the specialty steel producers.

I believe our distinguished colleague has performed a most meaningful service this afternoon.

(The newspaper article and letters referred to by Mr. GAYDOS are as follows:)

[From the Washington Post, Apr. 26, 1971]

CONNALLY URGES TOUGH TRADE STANCE

(By Don Oberdorfer and Frank C. Porter)

Secretary of the Treasury John B. Connally has suggested that the United States withdraw its overseas support for countries that fail to give it a fair break on trade opportunities.

"We can't continue to hold a military, economic and political umbrella over the free world by ourselves as we have been doing," Connally said during a luncheon at The Washington Post last Thursday. We need "a radical change" in our basic trade position, he said.

Connally made clear this is not necessarily the official government view but that he is pushing it hard within the Nixon administration.

The only Democrat in Mr. Nixon's cabinet and a former governor of Texas, Connally even suggested that this was one of the reasons for his surprise appointment to the Treasury post.

He said he and Roy Ash, president of Litton industries and chairman of a presidential commission on governmental reorganization, had presented strong arguments for this thesis while conferring with Mr. Nixon at San Clemente last summer. Connally took office about two months ago.

"The United States is in bad shape" to world trade, Connally said, and will reach "a point of decision fairly soon on how we're going to proceed in this decade and hereafter."

Getting down to specifics, the Secretary cited trade concessions made by Western European nations to smaller states in North Africa and the Middle East—concessions that presumably would discriminate against American exports.

When the United States protested the action, Connally said, the European countries explained apologetically that the concessions were made to neighbors within the Mediterranean family of nations.

If that's the way they feel, Connally said with some feeling, the United States should pull its Sixth Fleet out of the Mediterranean and let the Europeans arrange for their own defense.

He was similarly blunt about the rising industrial giant of the Pacific. "We're going to have to say to Japan 'My friends, no more.' We've got to get tough with those countries," the Secretary said.

Japan has been increasingly criticized for violating the rules of the General Agreement on Tariffs and Trade by maintaining illegal barriers to scores of imported commodities while pushing its export penetration of freer markets, such as that of the United * * * fierce competition," Connally said "We're not facing up to it . . . The standard of living in the United States is at stake—no less than that.

"We did well when we were a lean, hungry nation. There are lean, hungry nations around the world. They're going to be wanting what we have."

The Secretary explained that he didn't begrudge other nations wanting or attaining the affluence reached by the United States nor did he blame them for pressing any trade advantage against this country. But the United States must defend its own interests, he maintained.

Connally said the United States depends upon four categories for export earnings; farm products, raw materials and fuels, simple manufactured goods, and products with a high technology input. The nation suffers a trade deficit on the first three, he said, and the $9 billion annual surplus in the high technology sector "saves us."

"That has kept our head above water," he said, but Japan, West Germany and a number of other nations are hard on our heels now in this sector.

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ALLEGHENY LUDLUM INDUSTRIES, INC.,
*Pittsburgh, Pa., April 12, 1971.*

The PRESIDENT,
*The White House,*
*Washington, D.C.*

DEAR MR. PRESIDENT: On behalf of the domestic specialty steel industry, I am writing to request a meeting with you to discuss a situation of the utmost gravity to our industry and one which adversely affects the national security and defense of the United States.

I refer, Mr. President, to the rapidly rising imports of stainless and tool steels which accounted for approximately 22% of apparent U.S. consumption in 1970, and which continue to increase in 1971 from 1970 levels. Our industry is in the unenviable position to having experienced the worst raw materials cost inflation in two decades, while

at the same time losing almost one quarter of our domestic market to foreign specialty steel producers. In certain of our most important product lines, imports now account for a disastrous share of our domestic market, i.e., 34% in stainless cold rolled sheets; 60% to 65% in stainless wire rod and cold drawn wire; and 16% in tool steel. Because of their labor cost advantages and government incentives to export, foreign producers are selling these products in our markets at discounts of 18% to more than 50% of our published prices.

As a result, Mr. President, the stainless and tool steel producers of this country are currently operating many of their most important plant facilities at a loss. If relief from current levels of import penetration are not forthcoming almost immediately, some of these plants may be closed. The consequent loss of jobs in areas where these plants are located will severely impair economic recovery in those areas, already adversely impacted by imports.

The combined impact of excessive imports of specialty steels and government policies affecting certain critical materials vital to our industry already has placed the security and defense of the United States in a precarious position.

We very much appreciate the decision you made, Mr. President, to press for the extension and improvement of the export restraints announced in January 1969 by European and Japanese steel producers. Through the efforts of our Government, a Voluntary Limitation Arrangement was negotiated with the Japanese and Western European Steel Community and became effective in January 1969. This Arrangement included a rollback of the 1968 rate of steel imports from those nations amounting to a 22% reduction as a base for the year 1969. It further provided for a 5% growth factor for the subsequent two years, through 1971.

Unfortunately, the Japanese producers involved have not adhered to their commitment to reduce their exports of specialty steel products. Instead, they have increased such imports each year since 1968. Thus in 1970, stainless steel imports were 31% above the voluntary export restraint level and tool steel imports were 77% over this level. These are products which are used in jet engines, in other aerospace applications, and in other essential components of many products vital to our national security.

Research conducted by specialty steel companies and paid for out of company funds, not by Government grants, has been responsible for the development of materials for the jet engine and gas turbine; for hardware for the aerospace industry; commercial wrought uranium and zirconium for the nuclear age; titanium; exotic electronic materials and many other lightweight, high strength, corrosion resistant materials.

Unless we can hold our ability to maintain up-to-date production and research facilities, we believe irreparable damage will occur to the specialty steel industry, essential as it is to our economy, national defense, and security. Our nation must maintain an adequate level of self-sufficiency in specialty metals, not only in production and supply capability, but also in a contemporary reserve of research technology, skilled management, and a skilled and experienced labor force.

Accordingly, Mr. President, we urgently request an opportunity to meet with you to discuss steps which may be taken to effect an improvement in the specialty steel import situation. We are most grateful to the highly competent officials of the Department of State for their appreciation of this problem and for the considerable efforts they have undertaken to obtain improvement in the specialty steel situation while negotiating for an extension of the arrangement.

We are concerned, however, that unless foreign steel producers know that this Administration at the highest level expects a successful outcome of these negotiations, only token measures of improvement will occur.

We hope we may discuss this in a meeting of specialty steel company chief executives with you, Mr. President. We hope the gravity of the problem and the critical situation facing our industry will warrant your personal attention.

Sincerely,

ROGER S. AHLBRANDT.

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ALLEGHENY LUDLUM INDUSTRIES, INC.,
*Pittsburgh, Pa., April 6, 1971.*

Hon. NATHANIEL SAMUELS,
*Deputy Under Secretary for Economic Affairs, Department of State, Washington, D.C.*

DEAR MR. SAMUELS: Three newspaper reports have been published in recent days which are greatly disturbing and which, if their contents truly indicate a trend of thinking in the Japanese specialty steel industry, should be of interest to you at this time.

In the daily newspaper, the American Metal Market, of April 5, under the headline, "Japanese Stainless Makers Said Ready To Hold Line on Exports to U.S. Marts," a story says:

"Tokyo—Japanese stainless steel makers have decided to maintain their voluntary restraints on exports to the United States at last year's level of 93,500 metric tons this year, Kyodo News Service said.

"Kyodo said Nathaniel Samuels, U.S. Deputy Undersecretary of State for Economic Affairs, asked the director of the Japan Steel Exporters Association, Yoshiro Inayama, for cooperation in restricting Japanese exports of stainless steel. These exports rose in 1970 to 93,500 metric tons from 78,300 metric tons in 1969."

In the "Japan Metal Bulletin" dated March 23, we noted the following:

"In compliance with the U.S. Government's request that Japanese steel exports to the USA be controlled, the steel industry is determined to impose stricter voluntary curbs on exports of steel products to that country, according to a reliable source.

"The industry has decided to extend for another two years the current voluntary export restraint which is terminating at the end of this year. In line with this decision, the industry will lower the 5% annual increase in ordinary steel exports to about 3%, *place stainless steel in a different category, and bring its annual growth lower than ordinary steel, and also restrict stainless steel exports from this year without waiting till next year.*

Also, the Japan Economic Journal, dated March 30, confirmed the above and added the following:

"The United States recently asked Japanese steel manufacturers to hold exports of stainless steel products to the United States market in fiscal 1971 at the same level as in fiscal 1970 (around 90,000 tons) according to steel circles here."

This article further indicated that the Japanese are understood to be inclined toward accepting the U.S. request.

These stories are disturbing because they seem to center on the central theme that the Japanese will attempt to bargain that 1970 shipments should be made the base tonnage for future reference.

This is a position which cannot be condoned or accepted by American specialty steel makers.

It is now widely known that the Japanese have totally disregarded the original intent of the voluntary arrangement in specialty steel total tonnage shipped. And in certain product classifications, the violations have been greater, as you know.

For the years 1969 and 1970, stainless and tool steel imports from Japan should have been as follows (net tons):

| | 1968 actual | 1969 VRP [1] | 1969 Actual | 1970 VRP [1] | 1970 Actual |
|---|---|---|---|---|---|
| Stainless | 82,664 | 65,162 | 86,236 | 67,060 | 103,077 |
| Total steel | 1,576 | 1,242 | 1,460 | 1,280 | 2,329 |
| Stainless C/R sheets | 56,584 | 44,135 | 50,547 | 46,342 | 58,103 |
| S/S wire | 5,704 | 4,449 | 8,697 | 4,671 | 11,908 |
| S/S wire rod | 1,527 | 1,191 | 2,219 | 1,251 | 3,600 |

[1] Voluntary restraint program.

The above figures clearly show increases over the voluntary restraint program of 32% and 54% for stainless, and 18% and 82% for tool steels. This compares with an average of only 5% over the voluntary restraint program for EEC countries in stainless; with an average of 70% to 80% over the voluntary restraint program in tool steels by these same countries.

The restraint import tonnage for the Japanese specialty steel makers in 1971 to the United States should be:

[In net tons]

| | |
|---|---|
| Stainless | 70,413 |
| Tool Steel | 1,344 |

It is thus apparent that the Japanese should reduce imports of stainless steel to the United States by 32,664 tons, or 32% below the 1970 shipments.

Relief for the specialty steel industry in our country is required immediately, as we have indicated to you, sir, and to others in Government on several occasions, always attempting to support our statements with the most recent available figures, as we are doing in this letter.

The February 1971 edition of Fortune Magazine carried an article titled "Japan Will Have To Slow Down" in which Nobutane Kiuchi, the distinguished economist and executive director of the Institute of World Economy in Tokyo, noted that the excessive growth rate and expansion in the Japanese steel industry may be the cause of pressures growing in some countries for trade restrictions. He ended by saying, "While I am all for free trade, I would regret to see economic union proceed at too rapid a pace" (referring to defensive economic union of advanced industrial nations). "It seems to me best to leave the judgment as to the pace and extent of liberalization to the importing country, and that to deprive it of such freedom is not conducive to the building of a truly free economic world order."

I agree with this view of Mr. Kiuchi and I hope you, your Department and our Administration can bring some "economic order" back into our Specialty Steel Industry. It is imperative, however, to bring to the attention of each other any misunderstandings or potential inequities as they arise, which is the reason for this letter to you.

My associates and I in the specialty steel industry stand ready to visit with you and your aides at any time for the further exploration of this problem, which is of great seriousness to all in the specialty steel industry in our country, to our national defense posture, and hopefully to our Government.

Sincerely,

ROGER S. AHLBRANDT,
*President.*

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IMPORTS—SPECIALTY STEEL INDUSTRY

COLT INDUSTRIES,
*Midland, Pa., April 21, 1971.*

Hon. PAUL W. MCCRACKEN,
*Chairman, Council of Economic Advisers, Washington, D.C.*

DEAR MR. MCCRACKEN: You were kind enough to have a meeting with Mr. E. A. March, Mr. B. Bolles and me regarding the import problem on October 21, 1970. To keep your office informed, I am enclosing up-to-

date figures and charts on the effect of imports on the specialty steel industry.

You will note that in 1970 there was a continued rise of imports into this badly distressed market. The 1971 data is a projection of the imports for the first two months of 1971, projected on a yearly basis if this level is maintained. It is startling to note that all imports of steel in January and February are "record" for this period of time, and are 71½% greater than they were for the same period of time in 1970. On Chart No. 7, you will note that imports for stainless and tool steels exceeded the voluntary levels that had been projected by 39%, and that based on the first two months extrapolation, they are at a rate of 56% in 1971 over the projected voluntary quota. The effect upon the capability of members of this industry to stay alive and the possible effect upon our defense industry for the future cannot be ignored.

Besides the loss of jobs and the revenue to the government on taxes, imports have been absorbing all the growth development and potential in this industry. Imports have depressed prices to the extent that in addition to a serious possibility of many of the companies in this industry failing rather soon, those that do survive cannot expend funds for capital improvements and developments necessary to keep the industry whole and viable. These problems, coupled with the tremendous sums of money necessary for pollution control, sharply diminish the chances of survival of many of the companies involved.

Serious efforts are being made through the State Department for quick action. However, it is startling to read, as on April 20, a dateline from Tokyo stating that a separate quota for special steel exported to the United States is being set up at the 1970 level. This is highly unacceptable and will not permit the specialty steel industry to survive. Further, the imports of stainless steel and tool steel imports to the United States should be 32% below the 1970 shipments to be at the level of the voluntary restraint agreement.

Mr. Roger Ahlbrandt, President of Allegheny Ludlum Industries, has written directly to the President on behalf of the domestic specialty steel industries, requesting a meeting, and we would appreciate any efforts on your behalf to impress upon the President the need for such a meeting so that the industry can clearly demonstrate and amplify the problems involved.

For your information, I am enclosing a copy of Mr. Ahlbrandt's letter to the President.

Sincerely yours,

MARTIN N. ORNITZ.

Mr. SIKES. Mr. Speaker, my distinguished friend has brought out a very important point. This is a nationwide problem. It affects many industries. It affects most of them very seriously. We must stand together in this country.

I yield to the distinguished gentleman from Mississippi (Mr. ABERNETHY).

Mr. ABERNETHY. Mr. Speaker, I thank the gentleman from Florida (Mr. SIKES) for yielding and wish to compliment him for taking this time that we might discuss the import problems being visited upon American workers and American industry.

The problem of apparel and textile imports has reached a level where we must act now, not after additional lengthy discussions, if we are to help one of this country's most vital industries. We have had the discussions many times before; we know the reasons these industries must not be lost from our economy. We must do something to show that we mean business.

We have gotten to the point where the level of employment in the apparel industry throughout the United States has been stationary for the last 4 years. All the growth in consumer demand for apparel has been satisfied by imports, while our domestic apparel industry has produced an almost unchanged number of garments each year. If imports continue to enter the United States at the same fast-growing pace that they are now, very soon the apparel industry, representing 1.4 million workers, will begin to employ fewer and fewer people.

The areas in which imports have made important market penetration are growing. Men's suits are among the newest to be hit hard by imports. Sweaters, men's trousers, and men's shirts are some of the other important markets which have significant percentages of imported goods.

The effect of this tremendous import penetration is, of course, to decrease the number of jobs available in the domestic apparel industry. As I said, employment has not increased in the last 4 years. As more imports enter this country, the industry will no longer stand still, it will lose employment. This means that the apparel industry can no longer provide the hundreds of thousands of jobs for people of lower skills—one of the vital roles it now plays in our economy. It will no longer be able to employ the 20 percent of the women in the manufacturing work force, as it does now. And these people will have no place to turn for employment. Lower skilled workers and women workers traditionally have higher than average unemployment rates, and the situation in the apparel industry will have the effect of raising their unemployment levels.

In my own State of Mississippi, 36,200 workers are employed in the apparel industry. This is the largest manufacturing employer in the State, and accounts for 21 percent of all our manufacturing employment. The apparel industry provides a $132 million payroll annually in Mississippi and this is vital to the growing economy in my State.

The two most important areas of apparel production in Mississippi are among the hardest hit by imports—men's and boys' shirts and separate trousers. We have 11,000 workers making men's and boys' separate trousers and 6,800 making men's and boys' shirts and nightwear. These people constitute almost half of our apparel work force, and their jobs are being very seriously threatened by imports. I know that we in Mississippi cannot afford to see these jobs lost to foreign apparel workers just because we pay our workers far more than the Japanese, Korean, and other Asian countries do. We need these workers to keep our American economy and American way of life strong.

There is no doubt that continuing to permit unchecked apparel imports will give foreign producers a tremendous stronghold in our economy and will lead to inroads in other areas. We must check the flow of apparel and textile imports now so that we can retain our apparel-textile-fiber complex as a basic force in our economy.

Are we so shortsighted that we will not stand up to the foreign producers and say that we want orderly markets that they can share with us? We have never wanted to close our markets to foreigners; we just want the chance to benefit from the growth in demand which is provided by American consumers. We must provide this opportunity for our producers now.

Mr. Speaker, my district is also a large producer of raw cotton. My cotton farmers are equally hard hit by textile and apparel imports because they depend heavily on the U.S. textile and apparel industries as the primary markets for their cotton.

Last season nearly three-fourths of the cotton sold in this country went to domestic mills; which buy practically all their cotton requirements from U.S. sources. If this industry is destroyed by textile imports—and it will be if present trends continue—then U.S. cotton growers will be forced to look to the export market for all their sales. And in the export market we have to compete with more than 65 cotton growing countries. As a result, we now hold only 10 percent of the market for cotton in the non-Communist world.

When textile imports are measured in terms of the raw cotton that would be required to make them, we find that in 1970 they were equal to 2.6 million bales, or one-third of the domestic cotton consumption. Only 6 years earlier these imports were at the 1.1 million bale level. Thus, the increase since 1964 has been roughly equal to the annual cotton production of the State of Mississippi, which ranks second only to Texas in that respect.

The alarming thing about these imports is the way they have been accelerating. In the 4 years from 1964 to 1968 when the whole economy and especially the textile market was very strong, textile imports grew by 900,000 bale equivalents. From 1968 to 1970, a much weaker period when domestic fiber consumption dropped slightly, textile imports moved up another 600,000 bales.

If this sort of thing continues, the fiber market in this country is headed downward to oblivion and with it will go the cotton industry. The impact on farm people would be severe. Per capita income of farm people is now only about three-fourths of that of nonfarm people, and this would make it far worse.

Last year this body passed a very reasonable piece of legislation—the trade bill—that would have resulted in negotiated agreements between our Nation and textile exporting countries. As you know time ran out before the Senate could act on it. This legislation brought forth loud cries of retaliation, especially from the Japanese, who are the largest foreign customers for U.S. cotton. But cotton people know that the Japanese are hard-headed businessmen who buy wherever they can get the best deal. They know that in spite of a virtual prohibition on textile imports into Mexico, the Japanese buy as much, or more, cotton there as

from the United States. So the textile retaliation talk is not aimed at raw cotton people.

Instead, the opponents of the trade bill have aimed their propaganda at soybean interests. Does it seem likely that Japanese soybean importers will go against their own best interests in seeking other sources of oil and meal because Japanese textile interests are upset with the U.S. policy? This seems highly unlikely. Besides, consider the fact that the United States produces 76 percent of the world's soybeans and supplies 91 percent of world exports. The Japanese Government would have to take the lead if retaliation were to become a reality.

Japan depends far more heavily on our exports than most countries. Nearly one-third of her exports go to the United States—nearly $6 billion worth—while she buys only about $4.6 billion in goods from us. Would Japan risk upsetting a market of this size by retaliating against the extremely mild restrictions on the textiles she sends us? Textiles, incidentally, comprise less than 10 percent of all Japanese exports to the United States. The Japanese Government knows that retaliation is a two-way street, and she has far more to lose than she has to gain from it.

Cotton farmers recognize the Japanese threats as a bluff. It is time to call that bluff and take action to keep the vital fiber-textile apparel industry complex in this country from being destroyed.

Mr. SIKES. Mr. Speaker, I yield to the distinguished gentleman from South Carolina (Mr. GETTYS).

Mr. GETTYS. I thank the gentleman.

Mr. Speaker, the gentleman in the well (Mr. SIKES) knows that I have great admiration and respect for him, and I commend him and congratulate him on the special order he has taken today, in which he is permitting some of us who feel the same way he does to express our opinions. I recognize, Mr. Speaker, that industries other than the textile industry have problems along this line, but I would like to confine my remarks to the textile industry for the reason that I have some special figures in that regard.

The textile import situation has worsened to the point where it can be summed up in one word: survival.

Last year the flood of imports in the form of basic fiber and intermediate and finished goods amounted to 4.5 billion pounds. That compares to 2.8 billion pounds in 1966.

In the case of manmade fiber textiles last year these imports increased by 30 percent over 1969—accounting for nearly 12 percent of U.S. consumption.

Existing U.S. import controls on cotton textiles have resulted in an increasing shift in the character of U.S. textile imports—from the controlled cotton items to uncontrolled imports of manmade fiber and blended textile articles.

Domestic production has proven to be little competition to textile imports from the Far East. The primary reason is the enormous wage differentials that exist. Japanese textile wages are only a fourth or fifth of those in our country. And the impact becomes apparent when you realize that the Japanese wages are still double the levels in Hong Kong and four times those textile wages that prevail in Taiwan and South Korea.

The weakened U.S. competition position in textiles is underlined by our country's experience in the world export market. During 1964–68, the most recent 5-year period for which data was available, the value of U.S. textile exports increased a mere 3 percent while those of other industrial nations increased 33 percent, with Japan registering a solid increase of 41 percent.

Our trading partners have devised, through nontariff and other mechanisms means by which they limit their own textile imports. They thereby preserve their domestic market. As a consequence a disproportionate share of Japanese textile exports are prevented from entering these and other markets and find in the United States an open market into which this increasing volume is imported.

In Western Europe government policies support and in some cases subsidize textile exports through systems of taxation. In Japan export trade in textiles and other commodities is rigidly controlled by systems of cartels and by government establishment of export prices. These prices are generally much lower than the cost of identical goods in the Japanese market.

The United States is thus being denied increased access to the world market for the production of textiles. Which means that our domestic market provides the sole opportunity for our own textile industry to maintain or even expand its employment.

These facts spell out some unavoidable truths, the most critical of which is that uncontrolled imports threaten jobs. Right now we are experiencing tough enough employment problems here at home. Unregulated imports will just add to our woes. They have already. And we have only just seen the beginning if no action is taken to restrain them.

The manmade fiber, fabric and apparel industries have been and are a major source of American jobs. Today they employ 2½ million people or one out of every eight manufacturing workers. And they provide indirect employment for a million more people. That's a total of over 3½ million textile-related jobs—jobs that are in jeopardy if no protective action is taken.

Our Nation is in danger of losing many of these jobs. The current level of imports is equivalent to over 340,000 textile apparel jobs. A total of 85,000 employees have already lost their jobs in the last 18 months alone. These are losses we can ill afford.

Total foreign textile imports have doubled since 1965. If this trend continues thousands of additional U.S. textile jobs will be lost.

These stark realities make it urgent that U.S. legislators take immediate and effective action to control textile imports.

Let me close, Mr. Speaker, by again congratulating the gentleman from Florida, the gentleman from Pennsylvania, the gentleman from North Carolina, the gentleman from Illinois who was about to speak on this subject, the gentleman from Alabama and others who have taken time this afternoon to try to impress upon this body and upon the public the grave importance of the problem facing our textile and other related industries.

Mr. SIKES. The gentleman's comments are very timely.

Mr. Speaker, I am happy to yield to the distinguished gentleman from Illinois (Mr. PUCINSKI).

Mr. PUCINSKI. Mr. Speaker, I join in commending the gentleman from Florida for taking this time and focusing attention on the fact that this is a nationwide problem.

I remember some 10 years ago when my good friend from Pennsylvania (Mr. DENT), the chairman of the House Subcommittee on Labor, tried to sound the alarm. I remember a decade ago that he was pretty much a lone voice in the forest, and he was belittled and ridiculed and maligned by much of the eastern press and called all sorts of invectives, because he dared to look down range and see the growing dangers to the American economy if we did not control imports here.

Today I am delighted to note more and more people all over the country are becoming aware of the fact that unless we deal with this problem and do it effectively, as my colleague from Pennsylvania said, in 5 years, the United States will not have enough production to sustain itself as an economic entity. The time has come when we must start looking at these imports and exports, not in terms of dollar volume as we do now, but in terms of man hours displaced and industry jobs displaced.

For instance, the State Department always says, "Why are you fellows getting so worked up? We are exporting $24 billion worth of American goods and services and only importing $20 billion, so you have a favorable balance of trade, and, therefore, there is no cause for alarm." If the gentlemen in the State Department and the Tariff Commission would reduce the dollar volume to a matter of man-hours and job-hours displaced, they would see why we are so deeply concerned. Of course, we export from this country $24 billion of raw materials, commodities such as scrap iron, steel, and other things, but we import into the United States the kinds of consumer goods which destroys jobs in industry after industry after industry.

My own city of Chicago a decade ago was the electronics capital of the world. The electronics industry provided the largest single number of jobs in the entire city and its surrounding areas. Today the electronics industry is a disaster area with foreign competition quietly and steadily chewing away and cutting away at company after company. One of the things that distresses me, Mr. Speaker, is that so many of our big American companies now watch this phenomena with complete impunity because they and the international banks have now invested in foreign countries and are sharing in the profits that this competition is creating here, which is eroding our ability to provide a livelihood for our people.

Mr. Speaker, I am getting weary of listening to those who say America has

to learn to do what she knows how to do best, which is to produce services, and to become a service-oriented nation.

I was astounded by arguments made by the free traders when we had legislation before this House saying with complete conviction that if we can provide services best, then that is what we should be doing. I wonder what these people are doing now who think that America will make enough money to be able to afford the service industries. They say that you will have television technicians and repairmen and others working, but Mr. Speaker, there has to be a production base in order to have the ability to make money through production in order to keep the service industry going.

Mr. Speaker, I believe that the gentleman placed this in the proper perspective. This debate today clearly shows that we must devise a system of bookkeeping in international relations which will give us a month-by-month figure on the jobs displaced and the man-hours displaced by foreign competition. The dollar-volume figure is meaningless. In my own State, I have been criticized for the strong position I have taken in giving some protection to our industries and our manufacturers. In my own State some of the leading newspapers have said Illinois is one of the biggest exporters. And, you really should not be trying to hurt these great exports.

Mr. Speaker, it is true that Illinois does export a tremendous amount of soybeans. This exportation of soybeans, perhaps, puts us as the No. 1 exporter of this product in this country. But I say to my good friends who produce soybeans in Illinois that the first chance these foreign countries get to replace the soybeans now being imported into their countries through, synthetics the soybean markets will disappear. We know that as soon as these foreign countries develop a substitute for soybean byproducts that the soybean industry will suffer the same consequences that the textile industry is suffering, that the electronics industry is suffering, that the steel industry is suffering, and everyone else.

So, it is my judgment and my suggestion that simply because we are today in a good export position we ought not to be concerned about what is happening to the rest of the country.

Mr. Speaker, I think the time has come to devise some system whereby the American people will have a measure or some information other than dollar volume. That system ought to be based on man-hours and job displacement by this foreign competition.

Mr. Speaker, I congratulate the distinguished gentleman from Florida for starting what I hope will become a national dialog because as the gentleman has said this is a national problem of enormous consequences.

Mr. SIKES. The gentleman has made an excellent contribution.

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

Mr. SIKES. I am pleased indeed to yield to my warm friend and colleague, the distinguished gentleman from West Virginia, chairman of the Committee on Interstate and Foreign Commerce.

Mr. STAGGERS. Mr. Speaker, I thank the gentleman from Florida for yielding and I wish to congratulate and commend the gentleman for his taking the time this afternoon to bring this very serious matter to the attention of the Nation, this very serious problem.

Mr. Speaker, I wish to associate myself with the remarks of the gentleman and with the remarks of those who have spoken before me.

Mr. Speaker, a year ago I introduced a trade bill that provided for the establishment of ceilings on imports under specified conditions. Some 75 other Members also introduced the bill.

While that bill was not acted on by this body a bill that aimed at a tighter control over imports than exists under present law was reported out by the Ways and Means Committee and was passed last November. The vote was 215 to 165.

As all of us know, the bill did not make its way through the other body for lack of time. Those of us who supported that bill, including myself had reason to believe that we would have the same or similar legislation before us at this session. Indeed the chairman of the Ways and Means Committee (Mr. MILLS) did reintroduce the bill on the first day of our return. That was January 21. The bill was H.R. 20, cosponsored by the gentleman from Wisconsin (Mr. BYRNES) and others.

It is now three and a half months later and no action has been taken to move the bill. It is true that other urgent legislation has been taking the time of the committee. This is understandable. On the other hand trade legislation also has high priority in the view of many of us. I have in my district several industries that have a big stake in trade legislation, namely, footwear, textiles, and glassware.

Mr. Speaker, since hearings running over 6 or 7 weeks were held by the Ways and Means Committee less than a year ago, it should not occupy too much time of the committee to give consideration to the trade bill at this time. Nor should it take much time on the floor. During all the trade bills of the past 20 years not over 2 days have been consumed by this body in its debate on the legislation on any occasion.

Those of us who are deeply concerned over the import situation have been waiting patiently for the second shoe to drop, so to speak, but we have heard no sound to date.

I do not believe that it is necessary to call further attention to the weak competitive position of this country in world trade. It has been thoroughly documented and sustained by irrefutable trade statistics. We simply cannot go on as we have in the past 10 years and ignore the handwriting on the wall. We should keep in mind that the final installment of the tariff reductions of the Kennedy round is still to take place; that is, January 1, 1972. Instead of reversing the present intolerable situation, this further duty restriction will aggravate the difficulties.

I think it is quite well known now that contrary to the official Department of Commerce statistics regularly given to the press, we are actually experiencing a serious trade deficit rather than a surplus. This is one of the realities we must keep in mind as we think about legislative priorities.

Mr. Speaker, I wish to range myself along with those who feel strongly that we need trade legislation without further delay. I say this in full awareness of the burden on the Ways and Means Committee, but also keeping in mind that trade legislation need not consume much time and further keeping in mind the pressing need for it.

Therefore, I urge sincerely and strongly that H.R. 20 be given its due consideration very soon and be started on its way.

Mr. NICHOLS. Mr. Speaker, will the distinguished gentleman from Florida yield?

Mr. SIKES. I am very pleased to yield to my warm and close friend, the distinguished gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Mr. Speaker, I, too, congratulate the distinguished gentleman in the well, the gentleman from Florida (Mr. SIKES) upon the timeliness of the subject that he has brought to the attention of the Congress at this time.

Mr. Speaker, I appreciate this opportunity to join with my colleagues in the special order arranged by my esteemed colleague, BOB SIKES, to call the attention of this Congress to the continuing threat of imports to the textile and allied industries throughout America. Let me begin by saying that I am privileged to represent a district where textiles have traditionally provided the backbone of our economy. I am proud to represent such a district and equally proud to say to the Congress that I live in a textile town.

My first employment, as a 15-year-old boy, was in Avondale Mills, which is the largest single employer in my home community of Sylacauga, Ala. I worked with the overhaulers tearing down and repairing spinning frames in the old central mill and I later packed spools of yarn and handled reams of cloth in the packinghouse, going to such far-off destinations as Worcester, Mass., and Providence, R.I. So I have vivid memories of the textile industry, for it was in this industry where I learned to appreciate the dignity of work, the value of a dollar, and perhaps most important, the ability to work and get along with my fellow employees.

Mr. Speaker, what is happening to the textile industry today is despicable and unless the trend is reversed as I see it, by this 92d Congress, I am extremely apprehensive about the future of this vital industry and of the thousands of American jobs at stake. In this context it becomes impossible for me to agree with those who have elected to rely on the Japanese trade offer which is as hollow as the proverbial clanging cymbal and offers no measure of relief to an industry which has borne for too long the oppression of competing in a fixed American economy with textile goods produced by low-wage competition from Asia. My friends in position of leadership say "Let's try it for at least a year—let's give it a chance to work."

Mr. Speaker, I see no way that such

agreement can work on a voluntary basis. Giving it a trial is like waiting to see what the fox will do when given access to the chicken house. While the textile industry bears the direct brunt of competing with textile imports produced in low-wage countries there are other industries which will most certainly feel the impact of the loss of textile jobs. I refer to, of course, the garment industry and there is scarcely a small town in my area of the country that does not have some sort of a garment plant. There are a million or more cotton farmers and agri-business people who are directly dependent and who support their families by growing and producing the cotton fiber which is certain being surplanted by foreign imports. Some have argued that there is no loss here since the Japanese will buy American cotton. Yes, they will buy American cotton, provided Mr. Speaker, that they can purchase it cheaper from the American grower than they can purchase it from Africa, Mexico, Brazil, and other low-wage countries of the world.

Not so with the American mills however, for the American textile industry will buy American cotton because they are prohibited by law from buying from other countries except for a small quota amounting to less than 1 day's supply. It is not less than tragic to see American jobs lost to mills some 10,000 miles removed from the American economy.

It is with further regret that I have learned that in desperation and in despondency some of our larger textile producers are now toying with the idea of establishing their own plants in Japan and other low-wage countries to produce on their looms and spinning frames goods under their label in order to be shipped back to this country in order to meet foreign competition. While this is nothing short than tragic, I can understand how the chairman of the board of directors of a large corporation, through the insistence of his board of directors that he show a profit or else, would seriously consider the alternative of either going out of business or producing goods in a low-wage country.

Such moves, of course, spell the economic death of an American industry and Department of Labor figures estimate that the southern textile industry lost more than 27,000 jobs in 1970 alone. What we are talking about here, of course, is American jobs and we simply cannot agree to a proposition which is bound to bring economic destitution to textile towns in many sections of the country.

Such a town is Roanoke, Ala.; and what has happened in this small Alabama city in my congressional district should not happen to one's worst enemy. In October of last year, I campaigned at the mill gates of Handley Mills, a textile mill which has operated continuously for the past 70 years. This was the town's largest industry. I saw the workers as they came off their shift, with their lunch pails in hand, totally unaware of what the next few weeks would bring. On November 23, the management announced that Handley Mills was closing its doors forever—bankrupt after 70 years of operation—and 844 textile employees were out of work and began drawing their small weekly unemployment compensation. This Congressman called the New York office of Handley Mills and talked with its owner, Mr. Frank B. Cavanaugh, who told me that, despite spending more than $6 million for new machinery, that it had been a continual struggle to keep ahead of the import competition, and that in 1969 the matter reached tragic proportions.

Then, in January of this year, the second largest industry, Rolane Manufacturing Co., announced that in mid-March they would close their operations of manufacturing women's panty hose, forcing another 440 textile workers out of work. Again I called the company's president and I was again told that the plant closing was due largely to imports of panty hose coming into this country which were being sold at considerable less money than he could manufacture panty hose in any of his plants in America. So there are now more than 1,200 productive jobs lost in this small city, with one reliable source estimating that more than 60 percent of the total available employment being out of work.

Mr. Speaker, the Roanoke story, entitled "Twilight of a Textile Town," which appeared in the New York Times' edition of March 28, presents a picture reminiscent of the worst of the depression days of 1933. Unemployment compensation has now run out, there are taxes to be paid, there is food to be secured for the unemployed textile families, and a thousand and one other needs, with no productive jobs in sight. It is indeed a sad sight to see career employees, skilled at their trade, who have been productive workers all their lives at a trade they understand and know best, but who now walk the street, picking up odd jobs and living off the generosity of relatives, friends, and whatever assistance is available through the commodity and food stamp programs of the Federal Government. I am placing this article in the RECORD, as it depicts the true picture in a town which is trying desperately to attract new industry—to little avail—for what textile plant has an interest in expanding in the face of the present impossible import situation?

Mr. Speaker, the time is now, in this Congress, when we must prevail on each Member who believes in the free-enterprise system, to endorse and support responsible trade legislation. I see no other way to save American jobs. Should we fail in this responsibility, then I predict there are many other Roanokes ahead. The story follows:

[From the New York Times, Mar. 28, 1971]

TWILIGHT OF A TEXTILE TOWN—MILLS SHUT, 62% OF JOBS ELIMINATED IN ALABAMA COMMUNITY

(By Ray Jenkins)

ROANOKE, ALA.—While the United States and Japan debate the complex issues of trade quota agreements, this Alabama city of 5,000 is feeling the economic squeeze on the American textile industry in more dramatic and human terms.

Roanoke's second largest industry, the Rolane Manufacturing Company, will cease production of women's panty hose at the end of this month. A total of 440 workers will be out of jobs.

Rolane's closing comes only a few months after an even more devastating blow struck Roanoke, which is in east-central Alabama near the Georgia line. Last November, Handley Mills, Inc., which had been the town's leading industry for 70 years, went bankrupt and put 844 textile workers out of work.

One source estimated that 62 per cent of all jobs in Roanoke had been eliminated by the double blow. And many of the Rolane workers were the wives of men who worked at Handley.

Handley and Rolane are among 50 textile plants in the South that have shut down since 1969 because of bad market conditions, higher prices, high interest, but, above all, competition from foreign textile producers. The Department of Labor has estimated that 27,200 Southern textile workers lost their jobs in 1970 alone.

"And a hundred more plants will close next year if something isn't done," a Handley executive predicted.

Clyde Hartley, manager of the local state employment service, predicts that when Rolane is shut down, the joblessness rate may go above 25 per cent here.

Clyde Pike, 56 years old, is typical of Roanoke's unemployed, except that his situation is complicated by illness. Mr. Pike went to work at Handley Mills in 1930 at the age of 16. At the time the mill closed he was a "slubber tender"—mill jargon for a worker who tends a machine in the yarn-making process.

Mr. Pike was paid according to his output, earning about $18 a day. For almost two years he had worked seven days a week. "I didn't take off but four Sundays in 20 months," he said.

As did many of his fellow workers, he sought employment in a mill in a nearby textile town. But it was discovered that he was suffering from a hernia, and had to have surgery. As a result, he lost his $50-a-week unemployment compensation because he was no longer available for work. His savings are down to about $100. He thinks his two sons—both of whom have moved from Roanoke—will help out if it becomes necessary.

As do many of his fellow employes, Mr Pike lives in a small white frame house that was once owned by the mill. He bought the house in 1954 and since then he and his wife have added two rooms, working in their spare time.

Since 1920, financial control of Handley Mills has been in New York. Its last owner was Frank B. Cavanagh, who acquired the mill in the early nineteen-sixties and began to modernize its machinery and marketing policies.

In 1966 Mr. Cavanagh brought James R. Eichelberger to Handley as general manager Mr. Eichelberger, whose parents had worked in the mill, went to Auburn University, where he earned a degree in textile engineering.

Mr. Cavanagh spent $6.5-million over a six-year period upgrading the mill's antiquated machinery. At times the interest cost was as high as $800,000 a year.

"We did real well in 1966 and 1967," Mr. Eichelberger said. "But we began to hurt in 1968. It was always a struggle to stay a jump ahead of the import competition. Then in 1969 the bottom sort of fell out. We took a real bath."

Last October the bank notified Handley Mills that no more money would be advanced. The corporation went into bankruptcy in New York, listing debts of $8,440,188 and assets of $4,996,328. Mr. Cavanagh, the company president, also filed personal bankruptcy, having put up some $3.5-million of his own to guarantee the obligations of the mill.

As Prof. Cleveland L. Adams, head of the department of textile engineering at Auburn, sees it: "Our mill owners are trapped. If they don't modernize, they can't compete. If they do modernize, they can't bear the high interest rates of short-term loans."

Mr. Eichelberger said he felt Handley had

"turned the corner" and was on its way back to prosperity when the closing came. "But I guess everybody just sort of lost faith." And he added a rueful footnote: "We were just getting ready to move the corporate headquarters down from New York. It would have been the first time in fifty years that control of the mill would have been in the hands of the people living in Roanoke."

The import situation is blamed for the closing of both plants. "Indian imports put us out of business," a Handley executive said. "There was one big mill in India putting out the same duck (a heavy cotton fabric similar to canvas) that we were making—the duck used in tennis shoes and sneakers. And it's beautiful duck, better even than we made. It's made with better cotton. Our Government gives them the cotton, by the way."

"I predicted nine months ago that Rolane would close," the Handley executive continued, "because I knew Germany was getting into the pantyhose production in a big way."

Recently Jonathan Logan Company announced it would open a plant in Roanoke to manufacture women's wear, but it will employ less than 300 and will not be in operation for another three months.

As the expiration of unemployment compensation in May approaches, anxiety is growing. "If I walk downtown to get a haircut, it takes me two hours to get back," said Roy Reeves, president of the City Bank of Roanoke. "Everybody's asking, 'What can we do? When will the mill reopen?' I tell them we're doing everything we can."

Almost every institution has felt the economic disaster. Church collections are down; savings accounts are rapidly being depleted; city revenues are short, and some businesses are closing.

Churches in neighboring towns have organized a "Samaritan Fund," which now stands at more than $3,000, to handle emergencies among Roanoke's unemployed. Alabama has no general welfare assistance for such people. Moreover, Roanoke has no food stamp program, but does distribute surplus commodities.

Among the mill people one finds a calm, austere fortitude and a stubborn faith that the mill will somehow run again.

One such man is Lumos Looser, who spent his life in Handley Mills. He went to work there in 1918 at the age of 14. His pay was around $9 a week for 60 hours, "and you never really did know when you were going to get paid," he said.

"Sometimes we had to go to the office two or three times a week to get our pay," he recalled. Mr. Looser was among those working at Handley when the mill closed for 13 months in 1920. Although his own future is now secure because he draws Social Security, he shares the faith that the mill will reopen soon. "I just don't believe the mill will be closed as long as it was in '20," he said. "I just got that feeling."

The Rev. Ralph Worley, whose Congregational Christian Church is made up largely of unemployed mill workers, thinks the experience "has drawn people closer together." He said: "In all this crisis the greater concern has been for the other person. It seemed like everybody was concerned about somebody else. Of course there has been anxiety, but there hasn't been any despondency. It caused people to become more spiritually minded.

"You know, it might not be a bad experience for the whole country. I don't mean a depression, mind you. But just a little reminder that we can become too dependent upon material things."

Mr. SIKES. Mr. Speaker, I thank the gentleman for his contribution.

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

Mr. SIKES. I am very pleased to yield to the distinguished gentleman from North Carolina.

Mr. FOUNTAIN. I thank my distinguished friend and colleague, the gentleman from Florida, for yielding, and I want to associate myself with what the gentleman has said and with what so many others have said with reference to the textile import problem.

Congressman LENNON, my distinguished colleague from North Carolina, has already spotlighted this problem as it relates to my own State of North Carolina. He and I both come from a State which produces textiles in abundance. As a matter of fact, the textile industry in North Carolina provides more jobs than any other industry in our State.

It is no secret that tens of thousands of textile jobs have been eliminated in the last year or so because of the unfair competition of low-wage textile imports. Textile imports have increased fantastically in the last decade.

It is no secret that dozens of textile mills have been forced to shut their doors, affecting workers and stockholders alike.

Many of these jobs and these mills were located in North Carolina. But now these mill gates are shuttered and their former workers are jobless, at a time when jobs are especially hard to come by.

Ten years ago our annual imports of textiles amounted to less than 1 billion square yards of cloth—and that was a lot, but today the figure is many times greater.

The result has been a tragedy for many, many small communities whose entire economies are dependent on textiles. Millions of our people are being hurt because little or nothing has been done to properly regulate the flood of textile imports from the low-wage countries of Asia.

How can American textile mills paying American wages compete with modern, highly mechanized Asian mills, some of which pay only a few cents per hour in wages? It is well nigh impossible to do so, despite the ingenuity and productive creativity of the American textile industry.

Proper action must be taken to regularize our trade relations with the countries producing low-wage textile products which are dumping their products on the American market.

American prosperity is dependent on a proper balance between imports and exports. We want to produce both for home consumption and for the world market and we expect to buy from abroad as well as to sell.

But there must be limits beyond which we will not go. And surely we have reached that limit when one of our most basic and important industries—one with a payroll of 2.4 million workers—is being destroyed.

The American textile industry must not be sacrificed on the altar of free trade.

Of course, world trade should flow as freely as possible and ought to be subject to as few regulations and restrictions as possible. But, at the same time we ought never to allow our national interests to be ignored in such a way as to close down a vital and important industry.

Other countries, both European and Asian, do not hesitate to restrict trade in a particular item—whether agricultural commodity or manufactured product—when necessary for their own well-being. Look at the way the proposed European common agricultural policy is proposing to place additional restrictions on its tobacco imports, which, of course, come primarily from the Southeastern States. And the same thing is true of manufactured goods of all kinds.

Japan, for example, throws all kinds of roadblocks in the way of Americans doing business in Japan. But, when it comes to textile sales to America, apparently the shoe is on the other foot.

I think it is entirely natural and proper for a nation to look after its own national interests. If it does not do so, then it will not survive for long in a hostile world.

The time has long since come for a fair and reasonable solution to the acute and growing problem of textile imports. Our jobless textile workers will testify to that.

Mr. Speaker, just a week or so ago I had the pleasure of escorting our own Governor, along with the gentleman from South Carolina (Mr. DORN) and the gentleman from Georgia (Mr. LANDRUM), who escorted their Governors, and one or two others, to confer with the distinguished chairman of the House Committee on Ways and Means on this subject to get the benefit of his thinking and to give him the benefit of theirs.

I am hopeful we can continue to spotlight this problem to the end that not only people in our own country, but also the people and governments wherever we may be confronted with this problem, will come to realize that trade is a two-way street, and that we all have to live.

Mr. Speaker, I want to commend the gentleman from Florida (Mr. SIKES) for again spotlighting this very serious problem of imports. Let us keep it up until we get something accomplished one way or the other.

Mr. SIKES. Mr. Speaker, I do appreciate the participation of my good friend, the gentleman from North Carolina (Mr. FOUNTAIN), in this discussion.

Mr. BURKE of Massachusetts. Mr. Speaker, I am getting used to playing the role of "Cassandra" at regular intervals and bringing to the attention of the Members of this House the plight which is facing this Nation's shoe industry in the absence of any action by Congress along the lines of the Trade Reform Act of last session. The longer we wait to do something, as I have said before, seems to make it inevitable that when we do do something, it is going to be either too late or much more drastic than necessary if we were to act now. Simply wishing the problem away is not enough. The recourse that unemployed shoe workers have to trade adjustment assistance is woefully inadequate as provided by the Trade Expansion Act of 1962, and to make matters worse, the Tariff Commission and the White House are dragging their feet and displaying a determination to go slow where shoes are involved.

In other words, not only is the assistance available under present legislation woefully inadequate, but to make matters worse, the administration and the Tariff Commission appear reluctant to grant whatever assistance there is. We have been waiting for months now for a Presidential decision on industrywide relief because of the flood of imports. This is something which has been kicked around from an interagency panel to the Tariff Commission, to the White House, to a newly created Commission on International Economic Development—and where it will finally stop, no one knows. Even the supporters of the present arrangements are losing confidence and becoming increasingly convinced that what is really needed is new legislation with built-in quota protection.

The President keeps indicating his preference for trade legislation each time he is reminded of his 1968 campaign promises. But this is always followed by more study of the problem and no action. It now appears that the administration will excuse a long period of inaction on this matter on the grounds it has to wait for reports from Ambassador at Large Kennedy and Secretary of Commerce Stans when they return from their long, vaguely defined exploratory junkets abroad. As I have said before, Secretary Kennedy and Secretary Stans could probably more profitably spend their time touring Brockton and other cities in this country to see firsthand what this inaction is costing the workers of this country. Just recently, another shoe company has been forced to close its doors in my district; another 200 workers are living on relief. When the problems facing the shoe and textile industries are combined, we find that this past year has witnessed the loss of over 100,000 jobs in what I like to call the apparel industry. In the end, the problem always boils down to the impossibility of surviving the continued flooding of low-wage imports from abroad.

Everyone is always talking about the threat of foreign retaliation if we were to do anything. Just look at what is being done against us now. There is hardly a trade partner that does not maintain higher tariff barriers against our exports than we have against theirs. There are not too many foreign currencies which have not been depreciated at one time or another to help foreign countries gain balance-of-payment surpluses at our expense. Then there is the whole host of nontariff barriers, Government regulations, and licensing requirements which make it almost impossible for the American exporter to do business in a wide variety of foreign countries. Meanwhile, our own balance of payments is already in serious trouble. The current imbalance of imports over exports of footwear is, from present indications, going to add at least a $750 million deficit to our 1971 balance of trade.

In my State, the Commonwealth of Massachusetts, the third most important shoemaking State, the effect of factory closings has been devastating. From 1962 through 1970, 115 plants have closed their doors, with no end in sight. The attrition has been particularly severe during the past 3 years when 45 plants were forced out of business.

Between 1962 and 1970, over 20,000 workers were laid off in the footwear and related leather industries in my State. Since 1968, nearly 10,000 workers have lost their jobs. These, plus more in other supplying industries, have lost their jobs due to imports.

The unique hand and eye skills involved in shoemaking, combined with the desire of New England people to keep their roots in New England, has resulted in no exodus of the industry to the South, or elsewhere in America, to replace the lost industry capacity. I mention this because some of you feel this has happened. It has not. The jobs have simply been exported overseas.

I submit the enclosed fact sheet, which is self-explanatory, for the RECORD:

IMPACT OF IMPORTS ON THE MASSACHUSETTS FOOTWEAR INDUSTRY—1971 FACT SHEET

1. PRODUCTION

[Massachusetts is the 3d most important footwear-producing State in America]

| Year | Production (pairs) | Value of shipments |
|---|---|---|
| 1968 | 85, 210, 000 | $408, 792, 000 |
| 1969 | 71, 167, 000 | 371, 181, 000 |
| 1970 | 65, 000, 000 | 336, 736, 000 |

Note: Ratio of Massachusetts State production to U.S. total is 11.6 percent.

2. EMPLOYMENT

| Year | Footwear—nonrubber | | Total leather products | |
|---|---|---|---|---|
| | Number of employees | Taxable wages | Number of employees | Taxable wages |
| 1962 | 38, 849 | $147, 500, 000 | 57, 211 | $224, 108, 000 |
| 1965 | 32, 479 | 127, 768, 000 | 48, 959 | 198, 912, 000 |
| 1968 | 30, 100 | 148, 928, 000 | 46, 161 | 232, 804, 000 |
| 1969 | 26, 765 | 131, 904, 000 | 41, 987 | 215, 040, 000 |
| 1970 [1] | 22, 450 | 116, 867, 000 | 36, 500 | 198, 697, 000 |

[1] Estimate.

3. PLANT CLOSINGS

[The effect of imports in terms of factory closings has been devastating in Massachusetts. From 1962 through 1970, 115 plants have closed their doors with no end in sight. The attrition has been particularly severe during the past 3 years when 45 plants were forced out of business]

4. IMPORTS

[In 1970 imports of leather-vinyl footwear equaled 235,584,000 pairs representing 42 percent of U.S. footwear production. In January and February 1971, there were 56,013,000 pairs imported representing 62.4 percent of U.S. production in those months]

[In pairs]

| Year | Imports | Exports | Shoe production | |
|---|---|---|---|---|
| | | | United States | Massachusetts |
| 1959 | 22, 277, 000 | 3, 505, 000 | 637, 364, 000 | 102, 322, 000 |
| 1960 | 26, 617, 000 | 3, 244, 000 | 600, 041, 000 | 95, 626, 000 |
| 1961 | 36, 668, 000 | 3, 035, 000 | 592, 907, 000 | 91, 878, 000 |
| 1962 | 63, 019, 000 | 2, 867, 000 | 633, 238, 000 | 86, 701, 000 |
| 1963 | 62, 820, 000 | 2, 843, 000 | 604, 328, 000 | 85, 204, 000 |
| 1964 | 75, 372, 000 | 2, 836, 000 | 612, 789, 000 | 85, 290, 000 |
| 1965 | 87, 632, 000 | 2, 491, 000 | 626, 212, 000 | 91, 817, 000 |
| 1966 | 96, 135, 000 | 2, 737, 000 | 641, 700, 000 | 85, 368, 000 |
| 1967 | 129, 134, 000 | 2, 200, 000 | 600, 000, 000 | 79, 190, 000 |
| 1968 | 175, 438, 000 | 2, 400, 000 | 642, 427, 000 | 85, 210, 000 |
| 1969 | 195, 673, 000 | 2, 300, 000 | 576, 961, 000 | 71, 167, 000 |
| 1970 | 235, 584, 000 | 2, 154, 000 | 559, 416, 000 | 65, 000, 000 |
| 1975 [1] | 468, 400, 000 | 2, 000, 000 | 518, 800, 000 | 60, 180, 000 |

[1] Projected.

I also wish to include in the RECORD at this point an article which I wrote for the Shoe Products and Leather Daily, April 15, which I think is still relevant to the situation today. It only remains for me to say in closing that the purpose of these special orders is not to get remarks in the RECORD, expressing one's concern for 1 whole day with other colleagues and then to walk away and feel that one has done all one can about a serious problem. The purpose of these special orders is to try to convince those who remain unconvinced of the seriousness of the problem, of the little time that is left for us to do something constructive and to get this body and the other body off dead center. And I do not mean tomorrow, but today.

I wish that what I have to say was more optimistic and more encouraging news than it is. The hard fact is that in the past year the picture has not improved for the shoe industry. The Trade Reform Act of 1969, having passed the House after several months of hard fought battles, ended up left to die on the Senate side. Those of us who based our hopes on this bill were subjected to constant pressure and criticism in the national press, described as protectionists and lineal descendants of Smoot-Hawley. The free trade lobby refused to judge the bill on its merits. If they had, they would have discovered it for what it really was—a trade expansion bill. Its so-called protective features would have enabled the President to impose "quotas" in the absence of any meaningful agreement with foreign nations for the imposing of a measure of self-restraint. These "quotas", however, would have taken nothing away from foreign competitors. What would have happened was they would be "limited to" the annual quantities imported during the 3 calendar years 1967 through 1969 with provision for orderly increases determined by the President in the future. In other words, our foreign competitors were retaining the share of the market

that they had achieved. All the act essentially would have done was to curtail further unregulated growth of their share of the domestic market, something which, to my way of thinking is an entirely reasonable request. What we requested was "stop overexpansion and be satisfied with the tremendous share of the market you already have." At the time, we said if an agreement was not reached, and soon, the results would be disastrous and nothing would be left of the shoe industry for which to fight.

As we all know, nothing was done and our predictions came true. Even at the risk of appearing to be a prophet of doom, just let me recite the litany of decline and damage which seems to highlight what could be the final dying moments of a once-proud industry. Since last we met: We know another 85 shoe plants closed their doors; in 1970 a further 8,000 in the industry were made jobless. In contrast to the 1970 estimated output of 560 million pairs of domestically produced shoes, the 1971 estimated forecast has dropped to 550 million pairs, for a 10 million pair drop in the space of 12 months. Meanwhile, foreign imports are increasing at a staggering pace to an all-time high. The volume of imports in 1970 jumped 20.4 percent.

At the retail level, the American market absorbed $1,779,200,000 worth of nonrubber imported footwear. Discouraging news? And the tragedy is that the news will probably get worse before it gets better, unless something is accomplished now, and I do not mean 2 years from now. As one of my valued and constant letter-writing constituents said the other day in one of her letters: "Congressman, I think you are to be complimented on your heroic effort to save the shoe industry. The only thing I wonder is whether you are wasting your time. I mean, is there anything left worth fighting for?" If present trends continue unchecked, then this lady might be all too correct. We may see the demise of the shoe industry.

What bothers me the most about this and something which has become increasingly noticeable in the past year is that one of the chief contributing factors to the present sad plight of the American shoe industry is the new kind of foreign competition we are faced with. What we have experienced in the last 2 years is that, increasingly, the foreign exporters are, in fact, American firms who have relocated overseas. Some of the groups are major U.S. corporations such as Genesco. Others are small individual entrepeneurs. Whether large or small, all have gone overseas with but one aim—to take advantage of a cheap foreign labor market. Not too long ago the New York Times did a special study of two towns—one in Italy and one in the United States. The Italian town was experiencing a boom and there were enough jobs for everyone. New buildings were going up and new found prosperity was everywhere. In sharp contrast, the American town was dying, unemployment was at an all-time high, shops were closing and welfare rolls were rising. What did the two towns have in common? An American company had decided to build a new shoe plant in the Italian town and gradually phased out its operations in the American town where it had been located for decades. Why were the Italians enjoying new prosperity? Because they presented a pool of comparatively inexpensive labor for the American corporation. Why was shoe production up in that town? Because the shoes were being sold to American customers under the same brand name they had been when they were made in this country.

In other words, the American consumers are not necessarily selecting a foreign shoe in all cases knowingly. In many cases they are continuing to support American brand names. The only trouble is that many of these shoes are not, in fact, being made in this country, but being made overseas.

Is the consumer really better off under this arrangement? One of the arguments of the free traders is that people should be allowed to buy the cheaper product and thereby stretch their pay envelopes farther. The fact is that very little in the way of real savings have been passed on to the consumer. Shoes which can be made overseas for as little as a dollar in some parts of the Far East are not sold in this country for $2 or $3.

On the contrary, in most cases, especially when the brand names are American, the American consumer continues to buy at nearly the same price as an American-made shoe. Who gains? The shareholders. Profit margins in some cases border on the fantastic. The salesmen dealing with small shoe outlets around this country not surprisingly find it to their advantage to push the foreign-made product with the fantastic profit margin which can be shared by all the middlemen. No wonder the multinational corporations of this country, not only in the shoe industry, but in the textile and electronics industries also, support the free trade movement. They have the best of both worlds—an American market with franchise operations in many cases, salesmen who are familiar with their territory, and at the same time, foreign manufacturing facilities which can produce what most accept as the same product at considerably less cost—not to the consumer but to the corporation.

And what are we expected to do—we the elected representatives of the people, who represent districts where we see one plant after another close down? Since December, five shoe plants, to my knowledge have closed in Massachusetts. Two were in my own district. What am I supposed to do about the 600 people laid off in Brockton recently and the others who were laid off before them? Some of these people are close to exhausting their unemployment benefits. Some of them have given the best years of their lives to an industry which has, in the end, chosen to shift operations overseas. Am I supposed to take comfort and hope that they will find the reason in the writings of Adam Smith or some other free trade economist? The economists say that people should adapt. That is wonderful in theory, but as anyone who has tried to adapt will verify, it can be one of the most painful and trying experiences an individual can endure, especially late in life. Sure, retraining sounds good. But have you ever tried to retrain and relocate and get a new job? This is a relatively new effort on both the Federal and State levels. But the task of the agencies involved is almost superhuman and is woefully underfunded. To complicate matters, this country is now going through a serious recession. The unemployed shoe workers are competing for jobs in other fields with thousands of other people who are also unemployed because of the economic slowdown throughout the economy this past year. Competition is keen for the few available openings.

So at best, retraining is a long-term proposition. It does not—today, at least—offer a short-term solution to the unemployment caused by the tremendous glut and unbridled increase of foreign imports into this country. I always get a kick out of some of our economists and free traders who never hesitate to advocate government intervention in the economy in all kinds of areas—health projects, social security benefits, industrial development, nationalization of industry, and Federal subsidies to Lockheed and Penn Central. What the Trade Reform Act would do would be to reaffirm the right of the Government to intervene in the economy at a critical juncture. Why should that kind of Federal intervention in the economy be forbidden?

Apparently, the one area where we are supposed to be completely laissez-faire is in foreign trade. At a time when so much of the domestic market and economy is inextricably bound up with the Federal Government, foreign trade is supposed to be the roped-off arena where capitalists can still slug it out, win new markets, increase their profits, whatever the results, whatever the hardship for the workers, whatever the dislocation for the cities and towns that lose their industry. I think the Government should use every tool at its command to improve the lot of the population of this Nation, and that includes the neglected shoe industry, the textile workers, and the electronics industry.

I am tired of being told that relief is already available to the unemployed shoeworkers and the closed-down firms. I am tired of being referred to the Tariff Commission for assistance under the Trade Expansion Act of 1962. Since the inception of petitions for relief before the Tariff Commission in 1967, there have been a total of 42 separate cases initiated by the United Shoe Workers of America, only five of which, by my calculations, have been decided favorably. And this after months and months of investigations and delay. The five approved actually were not decided favorably by the Tariff Commission, but required a Presidential decision, which again necessitated further review, further delay.

Last June, the President, apparently bothered by the unfavorable trend in the industry and increasing evidence of the effect of imports in all of this, requested a decision from the Tariff Commission which would make available to the men and women's leather and footwear in-

dustry, its firms and its workers, the various forms of relief and assistance prescribed by Congress in the 1962 act on an industrywide basis. We all know the Tariff Commission was hopelessly split on the question, and in the end the ball was thrown back into the President's court, in January of this year. Since then, the President has referred it to another newly created Government Committee on International Economic Developments for their advice. Prior to referring it to the Tariff Commission, the President had the matter researched by the interagency task force, which again failed to give any precise guidance to the President on how to act. It seems to me that the administration has demonstrated a complete inability to act with decisiveness where shoes are involved. Yet, this same administration never seems to be indecisive where other industries are concerned.

Protection against foreign trade has been granted for years to the oil industry. American airlines are very carefully protected against competition from foreign air carriers in this country. Apparently, though, there is a mental block about the shoe industry. But above and beyond the failure of the administration to act decisively and provide relief under the terms of the 1962 act, I really question whether the relief permitted by that act is what is needed. Long-term loans to help a plant modernize does not meet foreign importation here and now. Yes, the firm is given a new lease on life; yes, there are funds for modernizing but the reason Americans are not competitive is not because our equipment is totally inadequate.

The most modern machinery according to the best estimates still will not make up for cheap foreign labor. Again, under the 1962 act, relief is available to the workers who are left jobless or laid off by shoe companies who failed because of foreign competition. But to provide a man assistance who is now out of work hardly gets his job back and fails completely to attack the problem at its source.

After financial adjustment assistance is used up, there is always the welfare department to look to, I suppose. I do not really mean to be completely negative about this, but on the other hand, I do not want anyone to be lulled into any false sense of security by a promise of adjustment assistance under existing legislation. I think that payment of the burial costs of an industry is hardly the way to keep it alive. The point I am trying to make is that we are not asking for handouts for the shoe industry. What we are asking for is action here and now which will have the effect of giving the shoe industry time to modernize and adapt, but above all, to exist, as a viable industry in this country. Given some support, we can pull ourselves up by our own bootstraps. I do not think this country can afford to face the prospect of ever becoming totally dependent upon foreign countries for any supply as vital as footwear. Hopefully, there is still time to act.

Mr. HALL. Mr. Speaker, I thank the gentleman from Florida on holding this special order relating to the flood of imports that threatens our economy, and for yielding.

The effect of imports in terms of factory closings and footwear employment has been devastating in the State of Missouri. As you know, footwear manufacturing is important in our State, being the fourth in production with its shipments over $342 million last year. Missouri produces nearly 9 percent of the total leather footwear output of the entire United States.

However, in the last 3 years, from 1968 to 1970, footwear production has dropped from nearly 57 million pairs to 49 million pairs, and employment in shoe manufacturing has dropped from over 22,000 to 19,000. Based on first quarter imports this year, that are 27 percent higher than the 236 million pairs imported last year, it appears that this downtrend is just the beginning of a very sharp downturn, unless something is done quickly by the Congress to alleviate the situation. We can wait no longer for the continuous delaying actions of the administration to run their course.

Liberalized trade is the goal of all of us in the long run, but it is in the long run, as the British economist Keynes pointed out, that we all die!

The American footwear industry is dying at a somewhat faster rate. The industry has forecast that by 1975, imports will constitute nearly 50 percent of the market. However, in the years 1969 and 1970, imports of shoes rose far above the forecast expectations. In those years, imports represented 30 percent and 39 percent, respectively, of the total footwear supply in this country. At these rates, imports could exceed 50 percent of the market by 1975.

Unless you have seen firsthand the effects of imports in your own district, you cannot imagine the depressing impact on the morale of the community and on local business. In my State, I have seen 30 plants close their doors since 1962. During the past 3 years, 15 plants were forced out of business. Because so many of these plants are in rural areas, where farming employs fewer and fewer workers, the end result is to force many families to the city where they only add to the weight of the urban problem.

Last congress, I sponsored a companion bill to the Mills' bill and in a previous year, along with many of my colleagues here, I signed a petition to the President asking for import relief. You all know what has happened since that time.

Finally, Mr. Speaker, I am submitting for the RECORD, a fact sheet that sets forth the recent history on the impact of cheap labor imports on the production and labor of the shoe manufacturers in my State. These statistics attest to the general statements I have made before you.

IMPACT OF IMPORTS ON THE MISSOURI FOOTWEAR INDUSTRY—1971 FACT SHEET

PRODUCTION

[Missouri is the 4th most important footwear-producing State in America]

| Year | Production (pairs) | Value of shipments |
|---|---|---|
| 1968 | 56,528 000 | $355,412,000 |
| 1969 | 49,525,000 | 332,706,000 |
| 1970 | 49,133,000 | 342,110,000 |

Note: Ratio of Missouri production to U.S. total is 8.8 percent.

PLANT CLOSINGS

[The effects of imports in terms of factor closings has been devastating in Missouri. From 1962 through 1970, 30 plants have closed their doors with no end in sight. The attrition has been particularly severe during the past 3 years when 15 plants were forces out of business]

EMPLOYMENT

| Year | Footwear—nonrubber | | Total leather products | |
|---|---|---|---|---|
| | Number of employees | Taxable wages | Number of employees | Taxable wages |
| 1962 | 25,572 | $84,476,000 | 31,187 | $104,340,000 |
| 1965 | 22,104 | 73,584,000 | 27,984 | 94,636,000 |
| 1968 | 22,325 | 95,996,000 | 29,208 | 125,416,000 |
| 1969 | 21,307 | 98,464,000 | 27,790 | 127,264,000 |
| 1970 [1] | 19,325 | 101,024,000 | 25,800 | 129,173,000 |

[1] Projected.

IMPORTS

[In 1970 imports of leather-vinyl footwear equaled 235,584,000 pairs, representing 42 percent of U.S. footwear production. In January and February 1971, there were 56,013,000 pairs imported representing 62.4 percent of U.S. production in those months]

[In pairs]

| Year | Imports | Exports | Shoe production | |
|---|---|---|---|---|
| | | | United States | Missouri |
| 1959 | 22,277,000 | 3,505,000 | 637,364,000 | 63,859,000 |
| 1960 | 26,617,000 | 3,244,000 | 600,041,000 | 57,729,000 |
| 1961 | 36,668,000 | 3,035,000 | 592,907,000 | 56,238,000 |
| 1962 | 63,019,000 | 2,867,000 | 633,238,000 | 56,880,000 |
| 1963 | 62,820,000 | 2,843,000 | 604,328,000 | 54,005,000 |
| 1964 | 75,372,000 | 2,836,000 | 612,789,000 | 53,794,000 |
| 1965 | 87,632,000 | 2,491,000 | 626,212,000 | 52,813,000 |
| 1966 | 96,135,000 | 2,737,000 | 641,700,000 | 54,227,000 |
| 1967 | 129,134,000 | 2,200,000 | 600,000,000 | 50,572,000 |
| 1968 | 175,438,000 | 2,400,000 | 642,427,000 | 56,528,000 |
| 1969 | 195,673,000 | 2,300,000 | 576,961,000 | 49,525,000 |
| 1970 | 235,584,000 | 2,154,000 | 559,416,000 | 49,133,000 |
| 1975 [1] | 468,400,000 | 2,000,000 | 518,800,000 | 45,655,000 |

[1] Projected.

Mr. HATHAWAY. Mr. Speaker, I represent a State which is the fifth most important footwear producing area in the United States. The demise of the domestic footwear industry has increased in intensity beginning in the middle 1950's and has increased today to a level at which imports account for approximately 64 percent of domestic production through the first quarter of 1971.

What does this really mean in terms of employment? It means that more and more people are being put out of work in Maine. It means that many small towns that depended entirely on the footwear industry have collapsed. In other words everyone suffers—the clothing stores, druggists, and the local diners.

This situation is particularly aggravated by the wide wage differential existing between the United States footwear industry and those in foreign countries. Average hourly labor costs including fringe benefits show the marked difference—United States, $3.00; Italy, $1.30; Japan, $.85; Spain, $.70; Taiwan, $.28; and South Korea, $.19. Conditions exist in these countries which are considered intolerable in the United States. Many countries still employ child labor, which is forbidden in the United States with youngsters of 10 or 11 operating machines as so-called apprentices.

All of these factors taken into consideration have been reflected in factory closings. In the past 11 years some 492 plants have closed their doors with a severe acceleration occurring during the past 3 years: 1968—23 exits; 1969—72 exits; and 1970—75 exits. In the first quarter of 1971, four companies—the B. E. Cole Co., of Norway, Maine; Bruce Shoe Co., of Biddeford, Maine; the Livermore Falls Shoe Co. of Livermore Falls, Maine; and Louis H. Salvage Shoe Co.—were closed after many decades of business. Each of these plants were closed as a result of direct import competition from low-wage countries.

So the problem is a clear and well defined one. People are being thrown out of work. After using up their unemployment pay many of them end up on welfare which means higher taxes for everyone. Something can and must be done about it.

Reasonable legislation that will bring about some measure of relief to the domestic industry is of first priority. My suggestion is the immediate enactment of flexible quotas which will not shut off imports but will allow both foreign countries and ourselves to share in our market growth. If this is done, the U.S. footwear industry will have a future not only in Maine but the rest of the Nation.

I enclose a fact sheet for the record which describes the grim declines in production and employment in the footwear industry in Maine from 1968 to 1970, as well as the statistics on imports that are responsible for the declines.

IMPACT OF IMPORTS ON THE MAINE FOOTWEAR INDUSTRY—1971 FACT SHEET

[Maine is the fifth most important footwear-producing State in America]

1. PRODUCTION

| Year | Production (pairs) | Value of shipments |
|---|---|---|
| 1968 | 58,364,000 | $310,117,000 |
| 1969 | 50,406,000 | 302,178,000 |
| 1970 | 47,106,000 | 293,361,000 |

Note: Ratio of Maine production to U.S. total is 8.4 percent.

2. EMPLOYMENT

| Year | Footwear—nonrubber | | Total leather products | |
|---|---|---|---|---|
| | Number of employees | Taxable wages | Number of employees | Taxable wages |
| 1962 | 21,757 | $74,752,000 | 25,367 | $88,180,000 |
| 1965 | 23,253 | 87,016,000 | 26,253 | 98,988,000 |
| 1968 | 25,243 | 114,088,000 | 28,552 | 130,160,000 |
| 1969 | 24,789 | 110,992,000 | 27,868 | 126,524,000 |
| 1970 [1] | 24,200 | 107,995,000 | 27,100 | 122,981,000 |

[1] Estimate.

3. IMPORTS

[In 1970 imports of leather-vinyl footwear equaled 235,584,000 pairs representing 42 percent of U.S. footwear production. In January and February 1971, there were 56,013,000 pairs imported representing 62.4 percent of U.S. production in those months]

[In pairs]

| Year | Imports | Exports | Shoe production | |
|---|---|---|---|---|
| | | | United States | Maine |
| 1959 | 22,277,000 | 3,505,000 | 637,364,000 | 54,467,000 |
| 1960 | 26,617,000 | 3,244,000 | 600,041,000 | 52,904,000 |
| 1961 | 36,668,000 | 3,035,000 | 592,907,000 | 52,707,000 |
| 1962 | 63,019,000 | 2,867,000 | 633,238,000 | 52,892,000 |
| 1963 | 62,820,000 | 2,843,000 | 604,328,000 | 52,950,000 |
| 1964 | 75,372,000 | 2,836,000 | 612,789,000 | 56,108,000 |
| 1965 | 85,632,000 | 2,491,000 | 626,212,000 | 58,656,000 |
| 1966 | 96,135,000 | 2,737,000 | 641,700,000 | 62,854,000 |
| 1967 | 129,134,000 | 2,200,000 | 600,000,000 | 57,499,000 |
| 1968 | 175,438,000 | 2,400,000 | 642,427,000 | 58,364,000 |
| 1969 | 195,673,000 | 2,300,000 | 576,961,000 | 50,406,000 |
| 1970 | 235,584,000 | 2,154,000 | 559,416,000 | 47,106,000 |
| 1975 [1] | 468,400,000 | 2,000,000 | 518,800,000 | 43,580,000 |

[1] Projected.

No less critical than the shoe situation, Mr. Speaker, is the present position of the New England textile industry. On the last day of March, I called the attention of this body's Members to the closing of the Hill Division of Bates Manufacturing in Lewiston, Maine. The shutdown was then the latest in a long series of 45 New England textile plant closings over a period of little more than 2 years. New England textile workers affected by these closings numbered 10,563 as of the end of March.

There is no question about the cause of these closings—it is clearly the ever-increasing flow of foreign imports. These imports, unless controlled soon, pose the very real threat of making two of New England's most vital industries extinct.

For many months there have been promises of a brighter economic picture, but the layoffs and the closing of plant doors continue, and the families of many thousands of Americans face an uncertain future.

I know many of the Hill Division employees; I know many of the employees of the many other textile and shoe factories which have severely limited or ended altogether their production. I know that these good people find little solace in the kind of rhetoric which promises an upturn in the American economy, but takes no steps to fulfill its promises.

It is my belief that this Congress has a responsibility to the American people to provide an impetus for our economy. I can think of no better way to begin than for us to provide relief for our shoe and textile industries from unfair, low-cost, foreign competition.

Mr. CLARK. Mr. Speaker, last November I supported the trade bill which passed the House by a vote of 215–165. The bill did not pass the Senate before adjournment but did receive support in committee. It appeared that the bill would have passed the Senate by a handsome margin if it had come to a vote.

This legislation has been reintroduced by the chairman of the Ways and Means Committee on the opening day of the new Congress. Unfortunately, that is as far as the bill has moved. Other matters have taken up the committee's time. That these are important matters goes without saying. Nevertheless, since the Trade bill was passed so readily by the House less than 6 months ago, and since the same bill has been reintroduced, with no changes other than appropriate updating, it should be possible to move this legislation with the least amount of time. It would not be necessary for the committee to hold long hearings, as it did last year.

Therefore, Mr. Speaker, I believe that immediate action should be taken to break this bill loose and let it come to the floor at an early date.

I am concerned about the delay, as I know many other Members are, because imports are still rising. The competitive outlook so far as imports are concerned continues to be one of further encroachment by imports on domestic production and employment.

Two industries in my district are hard hit. One is specialty steel. Imports have been on a rampage in spite of the arrangement by which Japan and other countries undertook to limit their exports. Steel imports began to shift more and more to the higher grades, such as alloy and tool steel, which are higher cost items. This represented a means of evading the limitation on the tonnage under the export restriction. The total value of imports in 1970 exceeded that of 1969 because of this shift to higher

priced steel. The tonnage cutback from 18 million to 14 million tons was more than offset by the higher grade of steel.

Another item in my district is pottery. The pottery industry has long been battered by imports and employment has shrunk over the years along with the number of manufacturers remaining in business. This industry is important to a number of towns that depend on it for employment. Unless imports are controlled to keep them within reasonable bounds the industry will all but disappear.

Mr. Speaker, we are all greatly concerned about the unemployment rate. As matters stand today, with so many industries menaced by imports, this situation will not improve. The outlook for expansion is not good enough. With veterans returning from Southeast Asia we have enough to do finding places for them to work without further pressure from rising imports.

We need trade legislation very badly to improve the sales outlook in the face of import competition, which, if left as it is, will make re-employment of laid-off workers a remote probability.

I cannot urge too strongly the need to act on trade bill in the House and get it underway toward passage. I am in full accord with the sentiment expressed here this afternoon. We cannot tolerate much more delay.

Mr. SLACK. Mr. Speaker, when the trade bill passed this House last year, there was a reasonable hope that it could be enacted by the Congress as a whole. However, the other body did not complete action on the bill, generally known as the Mills bill. The bill passed this body by a handsome margin, 215 to 165.

It was hoped that on our return in the 92d Congress early action would be scheduled on the bill. It was indeed reintroduced in updated form on the first day of this session. Unfortunately the bill has not moved since its reintroduction.

Mr. Speaker, there is no question that the need for legislation is at least as pressing as it was last year, and indeed more so. Imports have not let up. On the overall average they increased over 10 percent in 1970 compared with 1969. This is greater than the increase in our domestic business activity. The latter continued to decline after the first half of the year and averaged only 4 percent over 1969 for the whole year. This was actually accounted for by price increases, so we had no physical expansion.

It is, however, not altogether the increase in imports that matters. It is the future outlook that determines the activity of our industries. If imports are free to supply an ever increasing share of our market there is little or no incentive to expand production at home. On the contrary, the pressure will be on reducing costs by introduction of more productive machinery so that the payroll can be reduced by cutting down the number of workers. That is where the accent inevitably falls under these circumstances; and it is something we cannot tolerate.

Mr. Speaker, this country has run on the free-trade track now for over 35 years. This is a long time for a program to show its value. So far as my district is concerned this value has remained invisible. The glass industry, especially the handmade glassware branch, has not been on the receiving end of any improvement. There has been a decline of some 75 percent in the number of skilled workers in handmade glass plants. The semiskilled workers have been reduced by some 50 percent. The cause of this decline has not been the failure of public demand for handblown glassware but the persistent increase in imports from low-wage countries. Our government has reduced the tariff from time to time, thus reflecting a greater devotion to the "free-trade" philosophy than to the glass industry and its workers. The heaviest cost element is in labor.

If imports are permitted to continue as in the past our industry will disappear. The industry is located in great part in the Appalachian region, especially in West Virginia, eastern Ohio and western Pennsylvania. Unemployment in these areas is very serious. Glass and glassware are important employers in a number of communities. Rising imports will continue to aggravate the employment problem.

I hope that we can get on with our trade legislation. We need a new law to replace the Trade Expansion Act of 1962, which was a nullity so far as relief from injurious imports is concerned. The principal emphasis has been and is on adjustment assistance. This means that a company, an industry or a group of workers must already be on the verge of disaster before a remedy may or may not become available.

Mr. Speaker, I do not agree with the idea that imports are such a precious operation that we must sacrifice our workers and industries to them. Why should we make sacrificial offerings to the gods of imports when these come from foreign producers who pay their workers so little that the whole work force does not have sufficient income to buy the output of all their factories? They look to us to take their surplus products off their hands. Why do these foreign producers not pay their workers high enough a wage to absorb the output of their farms and factories? They would not then be so dependent on our market to help them dispose of their goods.

It is preposterous that because we do have wages high enough in this country to assure sufficient purchasing power to buy the goods we manufacture, our industries and their workers should be obliged to move over to make room for the foreign surplus. I do not believe that we owe this kind of sacrifice to our foreign competitors.

So, Mr. Speaker, I trust that we will soon break loose our trade legislation and do not wait to a point so late in the session that we run the same risk as last year. We need action and should not let many more weeks get away from us. I hope that the chairman of the Ways and Means Committee in accord with the House leadership will act to move the trade legislation without unnecessary delay.

Mr. ESHLEMAN. Mr. Speaker, thank you for this opportunity to speak on foreign trade matters.

Several years ago we petitioned the President for aid in the matter of slowing down imports on the basis of live-and-let-live. Twenty-four of my colleagues in this House and I signed this petition. I also sponsored an orderly marketing bill and 24 of my colleagues submitted companion bills. In 1970, a total of 16 Pennsylvania Congressmen, including myself, submitted companion bills to Mills bill (H.R. 16920).

It is evident where we in Pennsylvania stand on the matter of trade legislation.

In our State, 17 percent or 217,000 of our 1,556,000 manufacturing workers are employed in textile-apparel-footwear production. Imports are increasing at a mounting rate and, conversely, employment in these industries is decreasing.

I urge you to consider reasonable and fair legislation that will enhance the role of our own workers, as well as that of our trading partners, in this bountiful American market.

Mr. RUTH. Mr. Speaker, as everyone knows, the textile industry and its working men and women are being squeezed to death by the unfair competition of Japanese imports.

An American textile firm does not compete against a Japanese textile firm, but against the whole nation of Japan. Besides its low-cost labor, Japanese industries have an envious protection from their government. Japan finances studies of overseas markets for its industries, it provides low-interest development loans for them, and has the lowest corporate taxes in the industrial world.

Under these conditions and others, fair trade with Japan is impossible. These advantages are not available or part of our way of life.

While we argue about protections for the textile industry, the actual problems increase and become more and more serious.

In my State of North Carolina, almost 9,000 workers in textile mills have lost their jobs in the past 12 months. Thousands of other workers are losing wages through the reduction of shifts. Many plants have reduced working hours from 48 hours a week to 3 and 4 days per week. The necessity for further cutbacks in employees and hours is mounting, especially in smaller mills.

And while foreign competition increases in the production of fine goods, the American mills are being forced to turn to production of coarse goods—such as jeans. But as an industry spokesman said, the markets can stand just so much of the coarse goods, and then another mill reduces production and employees. And again, the foreign competition has brought another plant to its knees.

Not long ago hosiery mills were flourishing in the industry. But today, foreign products command 10 percent of the hosiery market.

Unless something is done, the damage to people and profits will continue. Passage of some form of trade act to protect

the textile industry is urgent. We can go into great detail concerning the causes of this problem, but I am 100 percent concerned about the effects.

In many small communities in the Eighth Congressional District, the mill is not only a way of life but its payroll is vital to the life of the community. The loss of profits, taxes, and payrolls have a disastrous effect on these small communities. A man without a job in a period of high prices and inflation is unable to meet his customary responsibilities. His family faces a crisis, and it is years before the problems brought about by unemployment are corrected.

To this man, a trade act or agreement is not worth the paper it is written upon, unless it permits him to work, and to produce fairly in the marketplace.

Enough American jobs have been sacrificed. It is time that we take action to prevent the further loss of jobs and the erosion of a historic American industry.

Mr. WHALLEY. Mr. Speaker, I am glad to join with those who have expressed their concern this afternoon about the delay in trade legislation. No doubt other legislative matters are important, but I do not believe that trade legislation should be assigned so low a priority that it will become doubtful that we can act on it this year.

Imports continue to press on our production and to place many of our industries in jeopardy.

Mr. Speaker, our official trade statistics do not tell the whole story by any means—in fact, far from it. Our exports for 1970 are shown as reaching $42.7 billion, not including defense materials. Imports are shown as right at $40 billion. The balance would be a surplus in exports amounting to $2.7 billion.

If we take into account the lower prices prevailing abroad in most lines of goods we are safe in concluding that in terms of quantity each dollar of imports equals a good deal more than each dollar of exports. For example, if we export a million dozen shirts valued an average, say, of $18 per dozen wholesale, our exports would be $18 million. If at the same time we should import a million dozen shirts, they would cost, possibly, $9 per dozen, foreign value, or $9 million for the whole lot.

It would then appear that we enjoyed an export surplus of $9 million in shirts, whereas in terms of quantity we had broken even.

If we translate this transaction into man-hours of work involved in manufacturing the shirts we can see that we have imported a much higher number of man-hours of work than we have exported. In the same example given here, which is used as an illustration only, we would have to import 2 million dozen shirts in order to have an even trade balance in terms of dollars. The workers in our textile factories would then suffer a reduction of 1 million dozen shirts in their production schedule.

What kind of a bargain is that? I may ask. If we are trying to increase employment in this country that kind of a foreign balance will not help us very much.

The same situation exists in other products. Steel is made more cheaply abroad than here. The same goes for footwear and electronic goods, such as TV and radio sets. If exports and imports are evenly balanced in dollars, we will have imported quite substantially more labor than we exported. The man-hours required to produce the exports will fall far short of the man-hours devoted to producing the imports.

Of course, if we have a deficit in our trade balance it is worse yet; and the fact is that in nearly all broad commodity or product lines, other than machinery, aircraft, computers, and chemicals, we are in a deficit position. That means that we are importing many more man-hours of work than we are exporting. This is not good for our employment outlook. When we keep in mind that each year we have nearly 2 million net additions to our work force, we can appreciate the problem caused by an excess of imports of man-hours of work over what we export. Where—in what industries—will we find jobs for these recruits to our work force?

There is a further point, Mr. Speaker. The $42.7 billion in exports in 1970 include all foreign aid shipments as well as food for peace exports. It also includes our shipments of farm products, such as wheat and cotton in which we are not competitive on the world markets and which we would find it hard to export at all without subsidy. This simply means that our costs are too high compared with our foreign competitors. Should we leave out these so-called exports our total exports would be reduced to close to $40 billion, which is the level of our 1970 imports.

On top of that, our imports of $40 billion represent the foreign value of our imports and not what they actually cost us, laid down at our ports of entry before duty payment. The $40 billion therefore represents an undervaluation of what the imports actually cost us. This is estimated at an average of 10 percent, covering ocean freight, marine insurance, and so forth. If 10 percent is added to our imports the $40 billion rises to $44 billion. Compared with true commercial exports, as distinguished from giveaways and subsidized exports, of $40 billion, we come up with a deficit in our 1970 trade balance, of about $4 billion instead of a surplus of $2.7 billion, as given out by the Department of Commerce. The difference in the two bases of calculation is $6.7 billion.

If we add this deficit to the difference in quantity already referred to, it would not be an extreme to say that in terms of man-hours, we may import 50 percent as much again as we export. If therefore we try to face up to our trade deficit by the device of increasing our exports we do not face a very good prospect. What is needed is a control of imports so that our industries can look ahead with confidence rather than fear and uncertainty.

We should shape our trade policy accordingly. I hope that we get at it without further delay.

Mr. ANDREWS of Alabama. Mr. Speaker, never before did our Nation's foreign trade policies so cry out for change—cry out for some good old fashioned backbone in standing up to those nations who are determined to build their industrial empires on the rubble of our own.

In the name of free trade and some strange kind of diplomacy, our Government is looking disaster in the face and doing precious little to avoid it.

What gains, material or otherwise, can be expected from a policy which allows domestic industry to be outpriced and outproduced by a foreign competitor are simply beyond the scope of my imagination.

I cannot speak authoritatively about the effects of a policy of unrestricted imports on all industries in this Nation, but I am thoroughly familiar with the crisis such a policy has created in the American textile industry.

When I speak of textiles in my own State of Alabama, I am speaking in terms of a $200 million annual payroll and jobs for 42,000 people.

On a national scale, the textile industry employs some 2.3 million people in 49 of our 50 States. The size of this industry is significant and so is its role in our national defense.

The Department of Defense has called the textile industry second only to steel in military importance. The textile industry alone, including both fibers and apparel, supplies more than 23,000 items for our defense forces.

Our Government has repeatedly drawn on the research skills and production expertise of our great textile industry. The research that the industry has done has produced new fibers, new fabrics, and new techniques, many of which have both military and civilian application.

For example, in addition to the development of protective devices against enemy weapons, the industry has produced flame resistant clothing and made advances against mildew and rot, thereby aiding our soldiers and our people in civilian occupations as well.

It is clear that this is a vital industry. It is equally clear that this industry is threatened today because Japan, primarily, is flooding our markets with her cheap textile articles, made by labor paid near starvation wages, in such quantity that her products are entering this country at an all-time annual record rate of 4.4 billion square yards.

The record level of 4.5 billion square yards was reached in 1970—a point not to be forgotten when we consider the most recent proposal by the Japanese.

We import $800 million more in cotton, wool, and synthetic fibers than we sell abroad, and one-half of this trade deficit comes from Japan. She has built up a trade advantage over the United States of $525 million.

And what price have we paid for this spectacular rise in the textile fortunes of Japan? Well, for starters, textile and apparel employment in this country declined by 100,000 jobs during 1970, and more than 50 textile mills have closed in the last 18 months.

Mr. Speaker, any figures that I or any

representative of the textile industry might give are necessarily temporary, because we can only speak of damage that has been done. The important thing that my colleagues must realize is that it is being done right now, and every day that the Japanese drag their feet in trade talks means more damage—the loss of more jobs, sales, profits, and capital investment.

It does not take a Ph.D. in economics to ascertain the heart of the problem where the threat of Japanese imports is concerned. The Japanese textile worker makes about 36 cents an hour, while the American textile worker receives, on the average, $1.99 per hour.

The American textile industry is required by law to pay the minimum wage of $1.60 per hour, while the Japanese not only have no minimum wage but enjoy a government subsidy for their exporting efforts.

We obviously cannot force the Japanese Government or its textile industry to raise the wages of its workers, and we cannot and would not think of lowering the wages of American textile workers.

The solution, then, clearly is some measure of restriction on the amount by fiber and by category of textile imports. Ideally, the establishment of import quotas on a voluntary basis would be desirable.

That approach to solving the problem has been placed before the Government of Japan for more than 2 years, and she has refused any measure of self-regulation, and indeed, has stepped up her textile exporting efforts at such an accelerated pace that in 1970, this country suffered its peak year in textile imports.

The recent proposal offered by the Japanese Textile Federation merely substantiates that their government's failure to come to an agreement on a government-to-government basis was calculated.

These Japanese industrialists have held up progress in the trade talks all along, so it should not have come as a complete surprise that their offer would be nothing more than a sham.

It is unacceptable to the President. It is unacceptable to most supporters of the textile industry in Congress, and it is unacceptable to both management and labor in the industry.

The Japanese proposal to put an overall limitation on textile imports, but no limitation by products or by fiber, makes it possible for them to shift at will their imports from one product to another, thereby damaging practically all segments of the textile industry.

As a reward for their delaying tactics, the Federation's declaration sets the base year for its import quotas on the level of imports from Japan in the 12 months ending March 31, 1971, a period of record-breaking imports from that country.

As my colleagues may recall, the Trade Act of 1970, which passed the House but died in the other body, called for annual quotas, based on the amount imported during 1967–69, for all categories of textile articles and footwear articles which may be imported during each calendar year beginning after December 31, 1970.

Suffice it to say, any agreement reached between a few Japanese textile tycoons and the distinguished chairman of the Ways and Means Committee would be virtually impossible to enforce.

Such an agreement made at a level other than government to government would quickly place the American textile economy at the mercy of private textile empires in Japan.

It will be suggested, no doubt, that we should give the proposal a chance to work. But it will not work, and we cannot afford to wait.

As Avondale Mills Board Chairman J. Craig Smith put it:

> Giving it a trial is exactly like waiting to see what a fox will do which has been given access to the hen house.

Mr. Speaker, we must stop this flood of cheap imports before we have no domestic textile industry to protect. We must impose realistic quotas. And by that, I mean quotas on imports by fabric and by category, and based on the amount imported during the period, 1967 through 1969.

These provisions are contained in the Trade Act of 1971, of which I am a cosponsor. I urge my colleagues to support a trade policy that gives consideration to American industry. I urge immediate passage of the Trade Act of 1971.

Mr. Speaker, the 2.3 million-strong textile industry is not being unreasonable, and is certainly not asking the impossible. The Japanese Government, for example, has entered into bilateral textile agreements with 11 other nations. She simply refuses to do so with the United States.

As I said earlier, let us have some of that good old-fashioned backbone and do something that is rarely done in this Government's conduct of foreign affairs—let us protect our own interests.

Mr. BEVILL. Mr. Speaker, the second largest steel plant in the Southeastern United States is located in my district. It is Republic Steel's plant at Gadsden, Ala., This plant in recent years has stopped producing steel bars, rods, wire, and wire products due largely to the high imports of these products into the Southeast.

The plant has continued to melt more than 1 million tons of steel annually by concentrating on the production of steel plates and sheets, in addition to large diameter pipe. The market for plates and sheets in the Southeast has shown an encouraging growth. However, foreign imports of these products into this area have increased sharply. For example, imports of hot rolled sheets grew from 20,000 tons in 1960 to 370,000 tons in 1969. Imports of galvanized sheets climbed from 17,000 tons to 229,000 tons while plate imports grew from 115,000 tons to 461,000 tons.

From these figures it is obvious that foreign producers of steel are finding the Southeastern United States a favorite market, and are taking unto themselves much of the market growth which would otherwise be available to domestic producers such as the one in my district. The effect of these soaring imports on future steel plant growth and job development in Alabama is equally obvious.

Mr. HENDERSON. Mr. Speaker, once again, I welcome the opportunity to express my views on the very real and present danger we face as a result of continuing huge quantities of imports of foreign-made textile products.

In my district, not only do we have some basic textile processing plants, but we have a large number of small garment manufacturing plants. Many of these plants employ women whose work outside the home supplements the earnings of their husbands and helps their families to break even with inflation and increasing costs of living.

You might well argue that these women and their husbands are "consumers." They buy clothing and shoes and groceries and automobiles and countless other manufactured products. They must count their pennies and shop wisely.

One could argue that it is to their advantage to be able to buy imported products at a cheaper rate than domestic ones, but when the continued importation of these products finally results in the loss of their job, who has benefited?

We do not have a favorable balance of trade now. The value of our imports exceeds the value of our exports and I am afraid that the only thing we are exporting in larger quantites than we did a year ago is jobs.

I am for the consumer. I am a consumer and all my constituents are consumers. But when the consumer loses his livelihood, his rate of consumption drops sharply.

There is a point beyond which we cannot go in any industry in continuing to increase imports without seriously crippling or finally destroying the domestic industry. In textiles, we are well into the crippled stage and are approaching the complete destruction stage.

We must get action and action beyond whatever voluntary restraint Japan might choose to give us. It is time the Congress of the United States stood up for the textile industry and told Japan and other countries what we will accept from them.

Mr. PIRNIE. Mr. Speaker, my State is the second most important footwear-producing State in the Nation. The impact of imports in this industry, which began in the middle 1950's, has continued to rise until it reached 42 percent of domestic production by year-end 1970. Reports of the first quarter of 1971 reveal that the situation has become worse. Imports for this period increased 27 percent over a year ago.

The effect which concerns me most is the contribution to the already high level of unemployment in New York State. Over the past 8 years some 8,000 workers have lost their jobs and in the past 3 years, 34 plants in New York State have been forced to close their doors. Production of footwear has dropped over 23 million pairs since 1962, with a total of 3,300 workers losing their jobs for every 10 million pairs of reduced production.

These employees are mostly middle-aged people with special shoemaking skills. Where do they go? For what can they be retrained? In many cases, they end up on the welfare rolls where all of us indirectly support them.

Why are imports so critical? The very simple answer lies in the disgracefully low labor rates in various European and Far Eastern countries. The hourly rates in the following countries are illustrative: South Korea, $0.19; Taiwan, $0.29; and Spain, $0.65. The current hourly pay in the United States industry, including fringe benefits, is $3. With such a rate differential, our ability to compete with imports is lost.

New York State is also the leader in terms of people employed in the textile-footwear-apparel fields. We seek appropriate actions to preserve a fair share of this market. We cannot believe the only answer is to continue exporting our jobs.

An approach to this problem was embodied in legislation similar to the Trade Act of 1970, which passed the House in the 91st Congress. I, along with many of my colleagues on both sides of the aisle, sponsored this program contained in House-passed legislation and also signed a petition to the President urging relief for our domestic industry. The main thrust of this legislation does not exclude foreign footwear, but seeks to restrict its volume to a fair share of our domestic market. This Congress must protect our economy and a fair deal for our domestic footwear industry will be a step in the right direction.

I append a fact sheet which describes the devastating decline in production and employment in our domestic footwear industry, while imports have soared.

IMPACT OF IMPORTS ON THE NEW YORK FOOTWEAR INDUSTRY—1971 FACT SHEET

1. PRODUCTION

[New York State is the 2d most important footwear-producing State in America]

| Year | Production (pairs) | Value of shipments |
|---|---|---|
| 1968 | 76,598,000 | $245,008,000 |
| 1969 | 62,627,000 | 206,702,000 |
| 1970 | 66,675,000 | 205,799,000 |

Note: Ratio of New York State production to U.S. total is 11.9 percent.

2. EMPLOYMENT

| Year | Footwear—nonrubber | | Total leather products | |
|---|---|---|---|---|
| | Number of employees | Taxable wages | Number of employees | Taxable wages |
| 1962 | 22,566 | $83,996,000 | 56,068 | $205,224,000 |
| 1965 | 18,750 | 68,764,000 | 51,268 | 191,236,000 |
| 1968 | 16,812 | 80,280,000 | 48,643 | 224,068,000 |
| 1969 | 15,601 | 79,888,000 | 44,823 | 218,140,000 |
| 1970[1] | 14,500 | 75,400,000 | 42,000 | 210,000,000 |

[1] Estimate.

3. PLANT CLOSINGS

[The effect of imports in terms of factory closings has been devastating in New York State. From 1962 through 1970, 83 plants have closed their doors with no end in sight. The attrition has been particularly severe during the past 3 years when 34 plants were forced out of business]

4. IMPORTS

[1970 imports of leather-vinyl footwear equated 235,584,000 pairs representing 42 percent of U.S. footwear production. In January and February 1971, there were 56,013,300 pairs imported representing 62.4 percent of U.S. production in those months]

| Year | Imports | Exports | Shoe production | |
|---|---|---|---|---|
| | | | United States | New York State |
| 1959 | 22,277,000 | 3,505,000 | 637,364,000 | 90,200,000 |
| 1960 | 26,617,000 | 3,244,000 | 600,041,000 | 81,238,000 |
| 1961 | 36,668,000 | 3,035,000 | 592,907,000 | 77,105,000 |
| 1962 | 63,019,000 | 2,867,000 | 633,238,000 | 83,641,000 |
| 1963 | 62,820,000 | 2,843,000 | 604,328,000 | 71,738,000 |
| 1964 | 75,372,000 | 2,836,000 | 612,789,000 | 75,326,000 |
| 1965 | 87,632,000 | 2,491,000 | 626,212,000 | 70,416,000 |
| 1966 | 96,135,000 | 2,737,000 | 641,700,000 | 74,101,000 |
| 1967 | 129,134,000 | 2,200,000 | 600,000,000 | 66,366,000 |
| 1968 | 175,438,000 | 2,400,000 | 642,427,000 | 76,598,000 |
| 1969 | 195,673,000 | 2,300,000 | 576,961,000 | 62,627,000 |
| 1970 | 235,584,000 | 2,154,000 | 559,416,000 | 66,675,000 |
| 1975[1] | 468,400,000 | 2,000,000 | 518,800,000 | 61,740,000 |

[1] Projected.

Mr. CARNEY. Mr. Speaker, I have listened with great attention to the remarks of my esteemed colleagues today regarding the impact upon the U.S. wage earner of massive inflows of low-cost foreign goods. It is becoming abundantly clear that, absent any positive form of relief from this rising tide of imports, the ultimate price to be paid by this country is to be calculated in terms of hundreds of thousands of U.S. jobs.

I, for one, intend to do all in my power to assure that this price is not exacted.

Coming from a steel district, I am well aware of the drastic implications of unrestricted foreign participation in our steel marketplace. I am responsible for the well-being of workers in the steel mills of U.S. Steel, Republic Steel, and Youngstown Sheet & Tube Co. which are located in my district.

Let us examine for one moment the plight of just one segment of the overall steel family—that of the specialty steel industry which includes the U.S. producers of stainless steel—a product well known to us all.

During 1970, foreign producers supplied no less than 21 percent of this country's total demand for all specialty steel products. This aggregate figure includes foreign domination of 22.5 percent of the U.S. stainless steel market. I might add that in 1970 the specialty steel market share supplied by foreign mills represented a 22-percent increase over the market share the offshore mills held in 1969.

It is interesting to note that these imports originate in the same countries which, either by virtue of executive fiat or other contrivance, effectively preclude participation by our steel producers in their marketplace. In short, to these countries, the doctrine concept of "free trade" is interpreted as strictly a one-way street.

It is not precisely known how many thousands of specialty steel workers or how many thousands of potential specialty steel jobs have been displaced or destroyed by this onslaught of foreign steel. It is, however, apparent to everyone associated with the specialty steel industry, be they an elected legislative representative such as myself or a steel worker on the hot strip line at Youngstown Sheet & Tube Co., that imports have exacted a heavy toll in terms of steel wage earners.

I strongly suggest that a hard look be taken at our present-day foreign trade policy which allows offshore producers to freely appropriate vast shares of our U.S. marketplace to the extent of jeopardizing the very existence of certain basic U.S. manufacturing industries.

Mr. Speaker, the voluntary steel import quota agreements should be extended, improved, and strictly enforced. If efforts to limit foreign steel imports into the United States by means of a voluntary agreement fail, Congress will have no recourse but to enact legislative quotas immediately.

Mr. GOODLING. Mr. Speaker, one of the most important industries in my congressional district is the manufacture of bicycle tires and tubes in Carlisle, Pa. This plant employs 1,027 persons and is now one of only two remaining plants in the United States for manufacturing bike tires and tubes.

In 1957, 5.4 percent of the bicycle tires sold in the United States were brought in from abroad, and by 1970 foreign tires accounted for 56.4 percent. Innertube imports have followed much the same pattern. If this disastrous trend is allowed to continue, soon there will be no more bicycle tubes and tires manufactured in the United States.

Plainly, we are exporting our jobs to other countries, increasing unemployment here, and dealing fatal blows to American production and manufacturing.

A major change must be brought about and soon, if this and many other industries presently plagued by imports are to survive. I strongly urge the House Committee on Ways and Means to expedite legislation designed to provide the protection so sorely needed by these industries.

Mr. Speaker, I insert at this point tables showing the steady expansion of imports for bicycle tires and tubes from 1957 through 1970.

LOOSE BIKE TIRE SHIPMENTS

| | Domestic | Percent domestic | Imports | Percent imports | Total market |
|---|---|---|---|---|---|
| 1957 | 8,799,839 | 94.6 | 506,305 | 5.4 | 9,306,144 |
| 1958 | 8,569,190 | 88.4 | 1,122,471 | 11.6 | 9,691,661 |
| 1959 | 9,092,969 | 73.7 | 3,245,037 | 26.3 | 12,338,006 |
| 1960 | 8,167,824 | 68.7 | 3,718,570 | 31.3 | 11,886,394 |
| 1961 | 9,033,813 | 75.0 | 3,009,713 | 25.0 | 12,043,526 |
| 1962 | 9,804,615 | 67.0 | 4,839,735 | 33.0 | 14,644,350 |
| 1963 | 10,163,681 | 64.4 | 5,608,802 | 35.6 | 15,772,483 |
| 1964 | 11,622,274 | 60.0 | 7,748,639 | 40.0 | 19,370,913 |
| 1965 | 10,448,299 | 55.2 | 8,469,804 | 44.7 | 18,916,103 |
| 1966 | 10,503,575 | 58.6 | 7,415,629 | 41.4 | 17,919,204 |
| 1967 | 10,424,063 | 55.7 | 8,298,125 | 44.3 | 18,722,188 |
| 1968 | 10,940,425 | 47.8 | 11,932,520 | 52.2 | 22,873,045 |
| 1969 | 8,278,509 | 43.9 | 10,560,303 | 56.1 | 18,838,812 |
| 1970 | 7,876,663 | 42.6 | 10,611,994 | 57.4 | 18,488,657 |

Note: Imported tires that come into this country on bicycles are excluded from the above.
Sources: Domestic figures are shipments of bicycle tires as reported to the Rubber Manufacturers Association by 100 percent of the domestic producers. Import figures are as reported by the U.S. Department of Commerce.

LOOSE BIKE TUBE SHIPMENTS

| | Domestic | Percent domestic | Imports | Percent imports | Total market |
|---|---|---|---|---|---|
| 1957 | 9,497,084 | | (1) | | |
| 1958 | 8,838,216 | | (1) | | |
| 1959 | 9,551,487 | | (1) | | |
| 1960 | 8,703,423 | | (1) | | |
| 1961 | 9,561,293 | | (1) | | |
| 1962 | 10,205,795 | | (1) | | |
| 1963 | 10,602,326 | | (1) | | |
| 1964 | 12,784,331 | 60.0 | 8,519,724 | 40.0 | 21,304,055 |
| 1965 | 11,325,473 | 55.3 | 9,165,966 | 44.7 | 20,491,439 |
| 1966 | 11,960,647 | 59.5 | 8,158,105 | 40.5 | 20,118,752 |
| 1967 | 12,221,603 | 57.5 | 9,020,390 | 42.5 | 21,241,993 |
| 1968 | 13,181,282 | 49.4 | 13,527,255 | 50.6 | 26,708,537 |
| 1969 | 9,946,702 | 44.5 | 12,387,950 | 55.5 | 22,334,652 |
| 1970 | 9,910,581 | 43.6 | 12,843,763 | 56.4 | 22,754,344 |

[1] Not available.
Note: Imported tubes that come into this country on bicycles are excluded from the above.
Source: Domestic figures are shipments of bicycle tubes as reported to the Rubber Manufacturers Association by 100 percent of the domestic producers. Import figures are as reported by the U.S. Department of Commerce.

Mr. BRAY. Mr. Speaker, it is 9 years since the Trade Expansion Act of 1962 was passed. It was a very unsatisfactory act. Under its sway imports have risen about twice as fast as exports and they continue upward. Industries that were not menaced by imports in the past have come under heavy pressure.

In the past decade the Kennedy round of tariff restrictions was negotiated. It provided for the most drastic cut yet in our tariff, and it has not yet run its full course. The last installment of the cuts will take place January 1, 1972. Certainly that event will not improve our trade position.

Mr. Speaker, we have opened up our market to imports willy-nilly, as if we could absorb goods from all over the world without an impact on our own industries and agriculture. It has turned out quite differently. Imports can now come in more easily than ever before because our tariff is down some 80 percent from its highest level, and today averages only about 10 percent on the foreign value of the goods we import. Beyond that some 37 percent of our imports are on the free list. In product after product imports have started coming in, at first in modest volume only to rise to very serious and injurious levels in a few years.

Not only steel and textiles and footwear imports have done this. The list is long: Watches, typewriters, radios, television, bicycles, glass, bicycle tires, hand tools, novelties, toys, musical instruments, athletic goods, and many others, including fruits and vegetables such as strawberries, tomatoes, melons, olives, citrus products, honey, and so forth.

Our whole industrial front is open to assault, and there is little in the way to stop the penetration of our market. Imports are free to run wild.

I do not have to tell those of you who have kept up with our trade trends that more and more of our industries during the past 10 or 12 years have opened production abroad. This was natural and continues to be natural because of the severe competition offered from abroad by low labor costs.

Natural or not, the trend hurts us at home in terms of employment. As more of our production is shifted abroad our employment suffers. Our capital employs foreign workers abroad rather than American workers at home. We shrink our export markets in this fashion; possibly not immediately, because we export more machinery to equip our foreign plants, but inevitably in the long run. This means that higher exports will not offset our rising imports.

The fact is that even today we import more than we export in terms of competitive goods. Some $2½ billion of our exports are shipped not because we are competitive but because we either give the goods away or subsidize their exports heavily. Also, we do not, in striking our trade balance, compute our imports on what they actually cost us, but on their foreign invoice value, at point of exportation. This method undervalues our imports by $3 to $4 billion.

So, Mr. Speaker, we are already in a serious deficit position in our merchandise trade.

We need not go down that road any farther. We have already gone too far in some instances. What we need now is legislation that will keep our market from being penetrated ever deeper by imports of this or that product, particularly consumer goods.

We cannot wait much longer. If we do, drastic action will become imperative. Therefore, we should move now to put reasonable limits on the imports that are threatening the very existence or the future of many industries.

Mr. FULTON of Tennessee. Mr. Speaker, I represent the State of Tennessee which is among the top 10 shoe manufacturing States in the country and reflects what is going on in that industry today.

The industry, as we all know, is suffering at the expense of imports. Imports, which began as a mere 4 percent of domestic production in 1960, have continued to entrench themselves into the U.S. market over the past 10 years. In 1969, imports represented 34 percent of domestic production and last year, in 1970, amounted to 42 percent of U.S. production. If imports are left alone to increase freely in the next 4 years, we will see in 1975 domestic production down to around 500 million pairs and imports up to more than 500 million pairs. An alarming projection, to say the least, when you consider the lost jobs and forsaken job opportunities.

The problem has been festering for more than 10 years and clearly, something must be done to correct this unfair situation. A realistic trade bill is needed immediately if the U.S. shoe industry is to survive. To be more exact a realistic quota bill such as last year's Mills bill is desperately needed.

Employment in the industry has dropped by more than 8,000 workers since 1969. Employment in Tennessee alone shows more than a 14-percent decrease in 1970. Production in Tennessee has dropped 4 percent since 1968. Production of footwear for the entire country has dropped drastically since 1968 when 642 million pairs of shoes were produced. In 1969 we saw a 10-percent decrease in production from 1968; and 1970 saw a 3-percent decrease from 1969. At the same time imports increased 12 percent in 1969 from 1968, and shows a catastrophic increase of 20 percent in 1970 from 1968 when 235 million pairs were dumped onto the U.S. market. I do not say "dumped" in a legal sense, but I must admit I am puzzled as to how average costs of footwear imported last year could be as low as $2.33 per pair, a full $2.80 below the U.S. factory selling price of $5.13.

In any case, Mr. Speaker, it is virtually impossible for this country, where hourly wages are averaging $3, to compete with the wages in foreign countries like Italy, Spain, Japan, and Taiwan where average hourly wages including

fringe benefits amount to $1.30, $.70, $.85, and $.29, respectively.

If the footwear industry is to continue as a viable force in our economy offering job security and well-being to individuals and economic stability to areas in general, we must act now to slow down the impact of imports.

I would like to submit for the RECORD a fact sheet on the footwear trade problem of my State, which is self-explanatory:

IMPACT OF IMPORTS ON THE TENNESSEE FOOTWEAR INDUSTRY—1971 FACT SHEET

1. PRODUCTION

[Tennessee is the 6th most important footwear-producing State in America]

| Year | Production (pairs) | Value of shipments |
|---|---|---|
| 1968 | 40,857,000 | $227,474,000 |
| 1969 | 38,432,000 | 240,434,000 |
| 1970 | 39,211,000 | 241,947,000 |

Note: Ratio of Tennessee production to U.S. total is 7.0 percent.

2. EMPLOYMENT

| Year | Footwear—nonrubber | | Total leather products | |
|---|---|---|---|---|
| | Number of employees | Taxable wages | Number of employees | Taxable wages |
| 1962 | 13,182 | $41,296,000 | 15,718 | $49,376,000 |
| 1965 | 13,959 | 47,332,000 | 16,740 | 57,096,000 |
| 1968 | 14,513 | 60,948,000 | 18,267 | 76,436,000 |
| 1969 | 14,162 | 66,788,000 | 17,600 | 82,012,000 |
| 1970 [1] | 13,550 | 73,200,000 | 16,800 | 87,999,000 |

[1] Estimate.

3. IMPORTS

[In 1970 imports of leather-vinyl footwear equaled 235,584,000 pairs representing 42 percent of U.S. footwear production. In January and February 1971, there were 56,013,000 pairs imported representing 62.4 percent of U.S. production in those months]

| Year | Imports | Exports | Shoe production | |
|---|---|---|---|---|
| | | | United States | Tennessee |
| 1959 | 22,277,000 | 3,505,000 | 637,364,000 | 28,798,000 |
| 1960 | 26,617,000 | 3,244,000 | 600,041,000 | 27,558,000 |
| 1961 | 36,668,000 | 3,035,000 | 592,907,000 | 30,819,000 |
| 1962 | 63,019,000 | 2,867,000 | 633,238,000 | 33,518,000 |
| 1963 | 62,820,000 | 2,843,000 | 604,328,000 | 33,919,000 |
| 1964 | 75,372,000 | 2,836,000 | 612,789,000 | 34,705,000 |
| 1965 | 85,632,000 | 2,491,000 | 626,212,000 | 37,338,000 |
| 1966 | 96,135,000 | 2,737,000 | 641,700,000 | 41,641,000 |
| 1967 | 129,134,000 | 2,200,000 | 600,000,000 | 39,539,000 |
| 1968 | 175,438,000 | 2,400,000 | 642,427,000 | 40,857,000 |
| 1969 | 195,673,000 | 2,300,000 | 576,961,000 | 38,432,000 |
| 1970 | 235,584,000 | 2,154,000 | 559,416,000 | 39,211,000 |
| 1975 [1] | 468,400,000 | 2,000,000 | 518,800,000 | 36,315,000 |

[1] Projected.

Mr. SAYLOR. Mr. Speaker, many of us have industries in our home districts reeling from the impact of unrestricted imports into this country. Very little has been said in this Congress about the import situation anticipating action on a measure similar to the bill passed by the House last year. Four months have passed and no trade legislation has been scheduled for consideration. This delay is causing great concern. We appear to be at a standstill on the legislative front but imports keep pouring into the American market.

This Nation continues to be at a competitive disadvantage in the face of imports. Year after year imports penetrate various segments of our market deeper and deeper. Without appropriate legislation, the future looks very bleak for many industries and jobs.

Our foreign competitors have become highly productive with the use of modern machinery while their wages continue to lag far below the levels prevailing in this country. There was a time 5 to 10 years ago when hope was voiced that foreign wages would catch up with American wage levels or at least come within shouting distance. That hope has disappeared. The wage disparity remains enormous. That disparity, combined with high productivity, creates a competitive advantage for the foreign producer.

Unfortunately, the Department of Commerce has systematically concealed the depth of our competitive disadvantage with the world. Slowly, too slowly, the facts of our competitive weakness are surfacing.

The outstanding fact is that we are running a deficit in our trade rather than a surplus. This has been true for several years, but no one would have known had he referred to the official trade statistics published by the Department of Commerce.

It is only now becoming generally known that so far as private competitive trade is concerned, this country has suffered a deficit of several billion dollars in the past 4 or 5 years. This fact is hidden by the device of including in our export figure, shipments made abroad under foreign aid, food for peace, and/or highly subsidized agricultural products such as wheat and cotton in which we could not compete on the world market without subsidizing the exports. Also, we value our imports on the basis of their foreign invoice value without adding ocean freight and marine insurance—"c.i.f."

On the latter point, this undervaluation amounts to an average of about 10 percent. Therefore we end up with a spurious surplus that does not reflect our weak competitive position. In 1970, the official trade surplus is given as about $2.7 billion—that is, imports at $40 billion and exports at $42.7 billion. However, if one looks at the numbers as they exist in the real world, one discovers a trade deficit of about $4 billion.

In order to show the reality of our trade position with the rest of the world, I have included below a "reconstructed" chart of export and import statistics. The terms "net commercial exports" and "c.i.f. imports" are not new to the debate on trade, however, because of the picture they show, they have not been used by the Federal Government. The chart follows:

TRADE BALANCE ON C.I.F. IMPORTS AND NET COMMERCIAL EXPORTS

[In millions]

| | Net commercial exports | C.I.F. imports | Trade balance |
|---|---|---|---|
| Year: | | | |
| 1965 | $25,236 | $23,411 | [1] $835 |
| 1966 | 26,888 | 28,178 | [2] 1,280 |
| 1967 | 28,405 | 29,620 | [2] 1,115 |
| 1968 | 31,829 | 36,400 | [2] 4,571 |
| 1969 | 35,321 | 39,614 | [2] 4,293 |
| 1970 | 40,108 | 43,941 | [2] 3,833 |

[1] Surplus.
[2] Deficit.

At least nine-tenths of the industrial products as classified by the Department of Commerce are incurring trade deficits, even by the Department's own method of casting the balance. The deficits are not confined to minor products. They engulf some of our leading exports such as steel, textiles, apparel, footwear, petroleum, automobiles, typewriters, athletic and sporting goods, fishery products, vegetables, sewing machines, watches, and a variety of miscellaneous products.

The only bright spot to be found in our export trade is in the shipment of machinery, including computers and aircraft and chemicals. But all is not well even here. In 1970, these items—combined—represented 50 percent of our total exports which, in one sense, clearly indicates that we have too many of our eggs in one or two baskets.

In spite of the size of our export market for these products, the trend over the past few few years is alarming. From 1960 to 1970, exports of machinery—including transport—and chemicals increased 147 percent compared with an import increase of 454 percent. The trend held in the second half of that decade, 1965–1970; exports grew by 73 percent while imports rose 230 percent. Breaking it down still further, the picture remained constant in the 1967–1970 period as exports rose 43 percent while imports increased 87 percent. Certainly, while there was a substantial surplus in 1970, it is clear how the trend has been running and that is not very reassuring.

Mr. Speaker, the adverse trade trend is not a "flash in the pan." It has been underway for at least a decade and there is no visible sign of an early turn-about. In fact, the factors that determine our competitive prowess nearly all appear to be set against a reversal of the present trend.

We only have to look at the trend of imports in the nonrubber footwear industry to understand what can happen to any other industry that is not presently heavily pressed by imports. Imports rose

from 26.6 million pairs in 1960 to 242 million pairs in 1970—that is, 30 percent of the domestic consumption. When imports can rise so rapidly in an industry as well established as the footwear industry, there can be little confidence that imports may not rise with equal rapidity with respect to other products. In the case of steel, this country changed from a net exporter to a net importer of steel in 1958. Exports then declined while imports rose to a level several times as heavy as exports. By 1968, about 14 percent of our steel consumption was supplied by imports.

Once imports have gained a share of the market in excess of 10 percent their progress seems assured while the domestic industry stagnates or goes backward in terms of employment. The textile and apparel industries offer another example of a reversal of trade trend. A few years ago our textile and apparel exports exceeds imports. In 1970 the deficit was $1.6 billion. The take-over by imports of household electronic goods such as radios, television sets, tape recorders, record players, et cetera, was rapid. The same experience, with variations, also applies to typewriters, and sewing machines. Imports are also making rapid inroads in glass, machine tools. Now rubber tires are feeling the pressure not only for automobiles but especially bicycle tires. Over half of the bicycle tires are now imported whereas in 1957, such imports were only 5.4 percent of the total sold in this country. In 1970, 56 percent of these tires were imported.

This country is highly vulnerable to import competition; should we seek to become competitive it would be necessary, in the absence of import restrictions, either to become more efficient or reduce wages. Since the latter alternative is a practical impossibility, the only recourse would be greater efficiency. This inevitably calls for heavy labor displacement by more productive machinery. Should we seek to follow this course we could succeed and thereby cancel efforts to achieve full employment, or we could fail because the necessary technological advancements were not at hand. In either case, we would continue to be at the mercy of imports as these would naturally increase. And as we have seen in the past, as those imports increase, domestic employment suffers.

If we restricted imports to existing levels while granting successive increases year by year in proportion to our domestic market's expansion, we need not displace our workers. At the same time, imports would share fairly in our market. If we could only forget the free-trade mania that has led to the competitive over-exposure to imports, our industries could look to the future with confidence. With realistic ceilings on imports, there is no need for domestic industries to fear total displacement of their workers and their products from the American market.

Mr. Speaker, we must act now to stem the flow of employment-displacing imports before the situation worsens. The vehicle is at hand—H.R. 20—introduced on the first day of the 92d Congress by the chairman of the House Ways and Means Committee. This bill should be brought to the floor at the earliest possible moment. The future of hundreds of domestic industries and the jobs of thousands of American workingmen hinge on early, favorable action which I am sure the measure will receive from the full House of Representatives.

Mr. BARING. Mr. Speaker, I have for years been opposed to further tariff reductions. I felt that the effects of the drastic reductions made in the past 35 years had not yet been fully felt by our economy. I thought the time would come when the adverse effects would be felt and felt keenly.

Time has borne out the correctness of this view. During the past several years imports have come into their own. Once the other industrial nations recovered from the devastations of war and rebuilt their industrial plant, vastly upgraded with modern machinery and equipment there was no longer any doubt where the competitive advantage lay.

What these countries had done, Japan, West Germany, joined by Italy, was to build according to the American system, which is to say, instituting mass production on a large scale. With modern machinery, much of it obtained from us under foreign aid, their productivity advanced rapidly, in some instances catching up with us, or coming very close to our level.

This great spurt in productivity, moving much faster than the upward level of their wages, naturally improved their competitive position in their trade with us. For a time their wages went up faster than wages in this country, but in the past 2 or 3 years our wage levels went up very rapidly and left us with a cost gap that has not been narrowed, much less closed.

The other industrial countries really only copied our system in part, not all the way. They recognized the great economic advantage of mass production, but did not follow through to mass consumption, which rests on wages high enough to buy the mass-produced goods.

For this reason they have a great need for export markets to take their surplus production off their hands. The United States offers a very attractive market. Our high costs and low tariff make penetration of our market easy. At the same time our exports do not fare well at all. With few exceptions we are in a deficit in our export-import account.

Our machinery exports have thrived but mostly because of our greatly expanded foreign investments. When our firms build branch plants abroad they install American machinery. Hence our lively export trade in machinery. Yet imports of machinery have been coming up very fast. Since 1960 our machinery imports have grown twice as rapidly as exports. In a few years' time, if the trend continues, we will lose our export surplus.

The situation is very serious already; but the outlook, Mr. Speaker, is worse. The competitive margin is against us and there is nothing on the horizon that would indicate a reversal. Our production within foreign countries will have the eventual effect of shrinking foreign markets for our exports since we will be selling those markets more and more from within rather than by exporting from this country. Therefore the outlook for our trade, to repeat, is not bright.

That is why we need trade legislation now. This House passed a bill last year. It has been introduced again. In fact it was introduced by the chairman of the Ways and Means Committee on the opening day of the new Congress; but the bill seems to be stuck there. I hope and strongly urge that it be brought to the floor for early action. The trade situation does not justify any further delay.

Mr. ST GERMAIN. Mr. Speaker, how many jobs have to be lost before the Congress puts some limits on imports? How many businesses have to close down? How many workers have to be on the welfare rolls?

Last year 33 textile mills closed in New England. Rhode Island alone lost 2,100 jobs. Imports are the No. 1 problem. Something must be done, and done fast, to reverse this trend.

The promise of negotiations has been used too often to stall off the firm course of action which this Government must take to set reasonable restrictions. Meanwhile our industry declines and jobs go down the drain.

Why should this House hesitate to act immediately on import legislation? We had the sense to do so last year. The situation today is worse, not better. In January of this year imports of man-made fiber textiles and garments were up 67 percent over January a year ago. The Congress must legislate some effective limits now, before more of our mills stand empty.

At this point I would like to include in the RECORD an excellent article by Joseph L. Goodrich in the Providence Sunday Journal of April 4. It tells the story of how 8,300 textile jobs were lost in New England last year, and it explains why the Japanese industry plan is unsatisfactory. The article follows:

REGION'S TEXTILE INDUSTRY DECLINE ACCELERATES

(By Joseph L. Goodrich)

The long term decline of New England's textile industry accelerated last year under pressure from an unusual combination of adverse forces which so far this year continue unabated.

Textile mills in the six-state region, many of which are woven goods producers, are being pressed on all sides.

They face almost overwhelming competition from foreign-made goods. They have been victims of a fashion swing to double-knitted fabrics. And their markets have been depressed by the recession.

For much of last year the high cost and scarcity of money placed a burden on mills which, for some, proved to be the last straw. Pressure from this source appears to have eased somewhat this year, however, with the increase in the money supply and the decline in interest rates.

8,300 JOBS LOST

The upshot of all this was a shrinkage of 8,300 jobs in the New England textile work force last year, based on the monthly average job total.

Massachusetts suffered the largest decline, losing 3,300 textile jobs. Rhode Island was next with 2,100 workers.

The Northern Textile Association reports that 33 textile mills were closed in New England last year. Of that number, 14 were in Massachusetts, nine in New Hampshire and six in Rhode Island. The 33 mills repre-

sent about 6,200 jobs or 74.7 per cent of New England's textile job loss last year.

Textile industry attrition hasn't been confined to New England. There has been a rash of mill closings in the South. During 1970, the U.S. Labor Department reported that 24,000 textile jobs were lost in the Southeastern area which includes North Carolina, South Carolina, Alabama, Florida, Georgia, Virginia, Mississippi and Tennessee.

At the year end, Rhode Island was still the second largest textile employer in the New England states, ranking below Massachusetts in terms of textile workers, but the region's smallest state is first in the proportion of its total manufacturing work force employed in textiles.

16.2 PERCENT IN TEXTILES

At the end of last year, Rhode Island counted 16.2 per cent of its total manufacturing workers employed in textiles. That compares with 4.7 per cent for Massachusetts 9.9 per cent for Maine; 8.5 per cent for New Hampshire, and three per cent for Connecticut.

That means Rhode Island continues to have a big stake in the textile industry's future. It also means that Rhode Island could very well see its present serious unemployment situation aggravated unless something is done to correct or neutralize some of the adverse forces now at work.

The Nixon administration already has initiated a program designed to stimulate the economy, and there has recently been considerable furore but no positive action to bring about some reasonable control over the textile import problem. There is little that can be done to offset the effects of a switch in fashion. And the swing to double-knits has been devastating to the weavers.

The demand for double-knit fabrics has been spectacular. The big textile manufacturers can't buy the knitting machines fast enough. The fabric caught on quickly in women's wear, and this year is making inroads in men's wear, capturing a sizable chunk of the fabric market that normally is supplied by woven cloth.

EASY CARE FABRIC

A double-knit is a fabric knitted with a double stitch, giving it a double thickness. Most double-knits are made with textured polyester yarn, giving them stretch characteristics that impart wearing comfort to a double-knit garment plus all of the easy care qualities of polyester.

The double-knits are already strong in women's wear, and this year are in increasing demand for men's slacks and sport jackets. Down the road are warp knits for men's suitings and coatings. A warp knit is a flatter, tighter knit more applicable for suit cloth.

This switch to knits has reduced the demand for a wide range of woven worsted blends and synthetic fabrics made by mills in Rhode Island, the rest of New England and the South.

It has been a particular hardship to a number of wool fabric mills in New England which had managed to survive the contraction in the wool textile industry over the last five years by switching to cloth woven of three-run acrylic yarn and other fabric constructions adaptable to their looms.

The Northern Textile Association compilation of textile mill closings shows that nine New England wool fabric weaving mills have closed their doors in the period between Jan. 1, last year and the present.

High cost and scarce money last year and high overhead costs in the face of depressed prices contributed to these closings as did wool textile imports in a declining wool fabric market. For some mills, the fashion shift away from wovens was the coup de grace.

On the other hand, the shift to knits has been a boon to some segments of New England's textile industry. Cranston Print Works is building a substantial addition to its Cranston screen printing plant, already a major printer of cotton and synthetic single-knit fabrics. Newport Chemical Industries will build a new plant in Fall River to dye and finish double-knits.

SHIFTS EMPHASIS

There are also knitting mills in the region which have been caught up in the knitwear boon. Genesco's Lebanon Knitting Mill Inc. in Pawtucket has shifted the major emphasis of its production from wool jersey to polyester knits. It is now in the process of reducing its yarn spinning operations in favor of expansion in knitting and dyeing.

Wool system yarn spinners are hurting. The shift of men's fashion away from casual sweater apparel about two years ago coupled with the high level of imported sweaters resulted in the closing of two worsted wool yarn spinners in Rhode Island in 1969. Six others have folded in New England in the last 15 months, including two in Rhode Island.

From the start of 1969 to the present, the Northern Textile Association counts 45 textile mills closing in the New England region for a loss of 9,961 jobs.

Of that total, nine closings were synthetic textile weaving mills, most of which took place in 1970. As late as 1969, synthetic textile weaving mills in Rhode Island were aggressively skilled labor to fill out shifts. During last year most of these mills experienced sharp declines in profits or losses as a relatively long period of prosperity abruptly came to an end.

IMPORTS "ONLY PROBLEM"

The switch to double-knits has made a dent in the woven synthetic fabric market, but one Pawtucket synthetic fabric weaver said last week that while knits are causing a problem, "it is not our biggest problem. Knits will taper off when they find their level. Imports are our only problem."

Most manufacturers of cloth of man-made fiber agree that competition from imported goods is their number one problem. Figures compiled by the Northern Textile Association show that synthetic textile weavers have every reason to feel that way.

Despite the recession last year, imports of man-made fiber textiles and apparel jumped 54 per cent to 2.75 billion square yards equivalent, from 1.78 billion in 1969, for a record.

Broken down, these synthetic textile imports included 1.1 billion square yards equivalent in apparel, up 24 per cent from 915 million in 1969; 1 billion s.y.e. in yarn, up 161 per cent from 386 million in 1969; 507 million s.y.e. in fabric, up 29 per cent from 392 million in the prior year, and 105 million s.y.e. in miscellaneous synthetic textile products, up 8 per cent from a year ago.

The 2.75 billion s.y.e. in total synthetic textile and apparel imports represented more than half of the 4.45 billion s.y.e. in textile and apparel imports by this country last year. Their rise continued while cotton textile and apparel imports declined seven per cent to 1.5 billion s.y.e. and wool textile and apparel imports fell off by 12 per cent to 168 million s.y.e.

NO LET UP

There was no let up in import competition for synthetic textile mills in January. The U.S. Commerce Department reported that man-made fiber textiles and garments reached 314 million s.y.e. for a new record for that month and up 67 per cent from January, 1970, and 22 per cent from December.

This was the setting on March 8 when the Japan Textile Federation, central organization of Japanese textile manufacturers, announced its plan for limiting its exports of cotton, man-made fiber and wool textiles to the United States.

The significance of such a concession, if it can be called a concession—and the U.S. textile industry argues that it is not—is in the fact that Japan is the major exporter of textiles to this country.

Last year Japan accounted for 1.15 billion s.y.e. or 25.9 per cent of the 4.45 billion s.y.e. in textile exports to this country.

Its share of the U.S. market is almost twice that of West Germany which last year became the second ranking textile exporter to the U.S. by running its textile exports up 142 per cent to 616 million s.y.e.

INDUSTRY SORE SPOT

What has been a sore spot for the domestic industry has been the Japanese tendency historically to concentrate their exports in one sector of the U.S. textile market and then another, focusing on a target long enough to all but overwhelm domestic competition with their lower priced, good quality yarn and cloth before taking aim at another sector.

Since last December, negotiations had been in process between the Japanese and U.S. governments in an effort to work out a voluntary arrangement for limitation on Japanese textile exports to this country.

Japan had consented to negotiations when it appeared that textile quota legislation, which had the blessing of Rep. Wilbur D. Mills, chairman of the powerful House Ways and Means Committee, might be passed by Congress.

Negotiations made little progress, particularly after the initial quota legislation threat evaporated in the closing days of the congressional session last year. But, with Congressman Mills' blessing, the quota legislation was reintroduced in the House this year.

WELCOMED BY MILLS

Then the Japan Textile Federation made its textile export limitations announcement. Congressman Mills responded to it with an immediate welcome and declared that if other foreign textile makers follow the lead of the Japanese industry there would be no need for U.S. textile quota legislation. Mr. Mills, who is being boomed in his home state as the Democratic Presidential nominee, is reported to have been consulted by the Japanese Textile Federation prior to the limitations announcement.

The Japanese textile industry declaration made it clear that on the basis of its limitation plan there is no need to continue the formal negotiations between the U.S. and Japanese governments for voluntary quota legislation. The Japanese government took the same position with President Nixon's textile quota negotiator, Peter Flanigan, bringing negotiations to an end.

But the reaction of President Nixon and the U.S. textile industry was swift. Mr. Nixon summarily rejected the unilateral Japanese industry plan as an acceptable solution and threw the full support of his office behind textile quota legislation in Congress.

The U.S. textile industry, through its largest trade organization, the American Textile Manufacturing Institute, and the Northern Textile Association and other groups immediately endorsed the President's stand. The group condemned the Japanese plan as "the wrong approach" and said the Japanese "have no interest in agreeing to a fair and reasonable negotiated settlement without legislation."

The Japanese unilateral export plan completely ignores the export limitations proposed by the U.S. negotiator. These would set specific import ceilings for a limited number of textile categories, covering about half of Japan's textile exports to this country.

The ceilings would be based on U.S. imports of Japanese textiles for the year 1969 plus a growth factor. Shifting of these imports among the categories would be permitted in order to reflect changing U.S. market conditions, but would be subject to limitations to avoid excessive concentrations in any of the sensitive categories.

These conditions are regarded as absolutely essential by the U.S. textile industry.

The Japanese industry plan, on the other hand, would provide no limitations by categories. It proposes an overall limitation on cotton, synthetic and wool textiles, but excludes yarn which is a sizable Japanese export to this country. It contains nothing to prevent Japan from shifting large concentrations of textile exports from one category to another.

HIGHEST BASE

In addition, the base period selected for the plan is the 12 month period ending three months before the unilateral restraint program becomes effective. Hence, if it becomes effective three months hence, the base period would be the 12 months ending March 31, a time when Japanese textile exports to this country have been at a historic high.

The Japanese propose that their quota for the first 12 months be the export total for the base period plus five per cent. For the second 12 months, the overall quota would be six per cent higher than the previous period, and in the final 12 months, the quota would be six per cent higher than the second period. The voluntary restraint would last for 36 months.

Furthermore, the start of the plan is conditioned on the acceptance by other textile exporting nations of similar restrictions on their exports to the United States. The Japanese have indicated they are principally concerned about exports from Hong Kong, Taiwan and South Korea and that European nations could be included later.

Negotiating such agreements with the other textile countries would impose a considerable burden on the U.S. South Korea, for example, is reported by the Daily News Record, a textile trade daily newspaper, as planning to seek a formula that would incorporate a 40 per cent annual growth factor in its textile exports to the U.S.

Along with his rejection of the Japanese industry plan, President Nixon ordered the Secretary of Commerce to monitor Japanese synthetic and wool textile imports and analyze the results in terms of the differences from what the results would be under the import limitations proposed by the U.S. in recent negotiations with the Japanese.

Mr. Nixon also indicated he would give "fullest consideration" to other alternative solutions to the textile problem.

NEW ENGLAND TEXTILE EMPLOYMENT AND RATIO TO TOTAL MANUFACTURING JOBS, 1968–1970

[Monthly average basis]

| | 1970 | | | 1969 | | | 1968 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total manufacturing jobs | Total textile jobs | Textiles as percent of total manufacturing | Total manufacturing jobs | Total textile jobs | Textiles as percent of total manufacturing | Total manufacturing jobs | Total textile jobs | Textiles as percent of total manufacturing |
| New England | 1,450,800 | 81,700 | 5.6 | 1,530,700 | 90,000 | 5.9 | 1,555,900 | 94,500 | 6.1 |
| Massachusetts | 641,000 | 30,000 | 4.7 | 675,900 | 33,300 | 4.9 | 690,400 | 35,500 | 5.1 |
| Connecticut | 448,000 | 13,300 | 3.0 | 470,500 | 13,900 | 3.0 | 475,900 | 14,000 | 2.9 |
| Rhode Island | 119,200 | 19,300 | 16.2 | 127,100 | 21,400 | 16.8 | 126,400 | 22,700 | 18.0 |
| Maine | 109,400 | 10,800 | 9.9 | 115,900 | 11,800 | 10.2 | 118,000 | 12,400 | 10.5 |
| New Hampshire | 92,200 | 7,800 | 8.5 | 97,900 | 8,800 | 9.0 | 99,600 | 9,100 | 9.1 |
| Vermont | 41,000 | 550 | 1.3 | 43,400 | 600 | 1.4 | 43,800 | 630 | 1.4 |

Totals for States and New England may not correspond due to rounding.

TEXTILE JOB LOSSES, NEW ENGLAND STATES, 1968–70
(BASED ON MONTHLY AVERAGE EMPLOYMENT IN EACH YEAR)

| | 1970 | 1969 | 1968 | Three-year totals [1] |
|---|---|---|---|---|
| New England | 8,300 | 4,500 | 700 | 13,500 |
| Massachusetts | 3,300 | 2,200 | 700 | 6,200 |
| Connecticut | 600 | 100 | [2] 100 | 600 |
| Rhode Island | 2,100 | 1,300 | 200 | 3,600 |
| Maine | 1,000 | 600 | 100 | 1,700 |
| New Hampshire | 1,000 | 300 | [3] | 1,300 |
| Vermont | 50 | 30 | [2] 10 | 70 |

[1] Totals for States and New England will not correspond because of rounding.
[2] Gain.
[3] Unchanged.

Mr. DORN. Mr. Speaker, this is a most timely discussion and I am pleased to join my colleagues in considering the foreign trade policy of the United States. Those of us interested in the problem of cheap, low-wage textile imports have for years pointed to the fact that we need to reexamine our entire approach in the area of foreign trade. More and more, Mr. Speaker, other segments of our economy are coming to the same realization. We believe we must soon have a complete rethinking of our foreign trade policy.

And it will not come a moment too soon, Mr. Speaker, for the employees of our great textile industry and for the other business and professional people so heavily dependent in our area on the textile payroll. It should have long since been apparent to everyone, Mr. Speaker, that the highly competitive U.S. textile industry cannot survive against foreign competition that utilizes the most modern of capital equipment and the cheapest labor. A substantial source of these low-wage imports is Japan, which is now the world's second or third most vigorous economy, and a country where government and industry work hand in glove in penetrating and dominating foreign markets. Due to economic, historical, and cultural reasons, the Japanese simply do not play by the same rules as this Nation does in its foreign trade. While we may respect their economic power, we cannot be expected to preside over the export of American jobs and American industries which would result from continuation of current trade practices.

This is a complex area with no easy solutions. But one eminently fair and equitable approach is represented by the Trade Act of 1971, the same legislation which passed the House in November 1970. This legislation actually encourages voluntary negotiations, since its statutory limitations are expressly not applicable to imports covered by agreements. This bill would guarantee to our foreign trading partners a share of the American market and promote more orderly and stable trade relationships.

We are hopeful also that the Government will act administratively under the authority of existing legislation to accord relief to the textile industry under the provisions of the national security clause of the Trade Expansion Act.

The emphasis must be on speed, Mr. Speaker, for the problem is urgent. Daily our people hear of more plant closings and curtailments due to the flood of imports. I urge my colleagues to consider carefully the problem of cheap, low-wage imports and to support the legislation now before the Congress designed to remedy this problem.

Mr. KYROS. Mr. Speaker, I join with my colleague from Maine and some 350 other Members of this House, in a plea for up-to-date trade legislation that corrects the gross inequities that now exist in this area. As a Representative from Maine, I am particularly concerned with the serious dilemma being faced daily by our shoe and textile industries.

I entered a companion bill to the Mills bill, the Foreign Trade Act of 1970, last year along with many of you. Earlier I had signed the petition to the President that requested administrative consideration in this matter.

Footwear is the ranking employer in the State of Maine. Together with textiles and apparel, 35 percent of the 116,000 manufacturing workers in my State are at the mercy of the mounting flood of imports. Already during the first quarter of this year, there has been a dramatic increase of more than 25 percent in foreign shoe imports entering this country.

Congress can no longer delay some reasonable action to lessen this deluge of imports which are greatly reducing our domestic industries. I concur with you today that we, in Congress, must act to halt the irreparable damage being done to job opportunity in this country.

Mr. MOLLOHAN. Mr. Speaker, I join with other Congressmen today in support of trade legislation to protect our domestic industries endangered by foreign imports.

Of particular concern to me is the glassware industry because West Virginia is one of the leading glassware-producing States in the Nation. Four of the 13 domestic plants producing sheet glass are located in West Virginia and there are about 25 glassware and pottery manufacturing plants in my district of northern West Virginia.

This industry is vital to West Virginia and any forces which harm this industry harm the economy of the State.

Increased foreign imports of glassware are causing significant harm to the glassware industry in my State. Over the past several years employment in this vital industry has dropped sharply, and this

decrease can be traced to a corresponding increase in foreign imports.

Entries of foreign sheet glass at most-favored-nation rates in 1968 were nearly 11 times the volume of average annual imports in 1950–52.

Consider that fact with this: the average number of employees in the sheet glass industry in 1965 was 11,018. That figure dropped to 9,288 in 1969.

During the period from 1964 to 1968, four sheet glass furnaces were dismantled. And only 26 of the 30 furnances available for production in mid-1969 were in operation.

At a time when the Appalachian States are trying to forge healthier economic foundations, it is ironic that administration policies are undermining this foundation. It is ironic because, on one hand, the administration and the Congress have been working for the revitalization of Appalachia.

But tariff regulations have opened the gate for a flood of glassware imports.

The question is: Where are our priorities? Free trade or Appalachia?

This may not be an either-or proposition, for we can still have a relatively free trade policy with selective quotas to protect Appalachian glassware industries.

It is up to Congress to decide what industries should be shielded from undue foreign competition. In making this policy decision, Congress should look at the overall economic condition in those areas which are supported by industries currently endangered by foreign imports.

And if this is done, it is apparent that there can be no clearer case for protective legislation than in the Appalachian glassware industry.

Mr. FISHER. Mr. Speaker, because of the importance of import controls at this time, I wish to associate myself with others who have discussed this subject here today. I join in urging the distinguished chairman of the Ways and Means Committee (Mr. MILLS) to arrange for hearings on import legislation which is now pending.

It will be recalled that last year a bill by Mr. MILLS, in which a number of us joined, was approved in the House but did not clear the Senate. The urgency of this legislation is more vital today than it was a year ago.

In my own district the depressing effect of excessive competitive imports is apparent. That includes textile plants, hosiery mills, ceramic tile output, lamb meat, and the domestic wool industry.

DOMESTIC WOOL

In enacting and extending the National Wool Act of 1954, the Congress declared production of raw wool to be essential within this country for reasons of national security. But wool has no security value unless the capacity to manufacture it into usable textile products exists.

The U.S. market for wool textiles has been penetrated far more deeply by imports than has the market for any other segment of the domestic textile industry. Wool textile imports have taken in excess of one-fourth of our domestic textile industry. It is a frightening picture to behold. Many mills have been forced to close their doors, and many others cannot survive unless relief from excessive imports is forthcoming in the near future.

In the case of worsted cloth, for example, imports have grown to the point where they are not in excess of 50 percent of our domestic production, and one of every two regular weight men's suits produced in this country is made of imported cloth. More than one woman's knit sweater is imported for each one made in the United States.

I have already pointed out that this influx of ever-growing volume of imports from countries with wage and production costs substantially below ours, has had a serious impact on our mills, where our domestic wool marketed.

In my native State of Texas, where 20 percent of the domestic wool is produced, the market for raw wool is now at its lowest ebb in 30 years. Much of this is traceable to excessive imports.

Mr. Speaker, reasonable import controls are in no sense inconsistent with a generous international trade policy. But trade policies should be a two-way street. By and large, our restrictions and controls are far less than is the case with most competitors abroad. The time to level off is past due. Thousands of jobs are involved. Vast investments are being jeopardized. Simple justice requires that the Congress face up to this problem and put a stop to the dumping practices which characterize importation of woolen textiles at this time.

Mr. STEIGER of Wisconsin. Mr. Speaker, I appreciate the effort of the distinguished gentleman from Florida (Mr. SIKES) to bring to the attention of the House the continuing problem of imports. I believe that the footwear problem, especially, has become crucial and that there is a need for more responsible action in the period ahead to alleviate it.

Wisconsin is the hub of a four-state area that has a concentration of footwear, leather, and leather products production. In the Sixth District we are fortunate to have outstanding men and women involved in the shoe and leather industry in the cities of Sheboygan, Fond du Lac, New Holstein, Waupun, and Ozaukee County. The other States in this area are Illinois, Minnesota, and Michigan.

In 1970, Wisconsin footwear manufacturers produced nearly 16 million pairs, just the amount produced 11 years earlier in 1959. No Wisconsin's shoe industry has stood still.

But where can it go from here? It is apparent that as the national industry goes, so eventually will Wisconsin. And, in fact, this is already borne out by production figures for the first 2 months of 1970. Production of 2,526,000 pairs in that period is 5.1 percent below the same period a year ago. I submit for the RECORD a report that summarizes these facts.

Before the year is out, at current rates, imports will attain nearly 40 percent of the total available supply, that is, domestic production plus imports combined.

I believe Congress should consider immediate, appropriate steps for dealing with imports. While the material I am submitting, Mr. Speaker, deals specifically with the shoe and leather industry, I want to note that persons in the snowmobile, small engine, electrical equipment, and mink industries are also expressing deep concern regarding foreign imports of their products.

The report follows:

TABLE 2.—PRODUCTION, QUANTITY AND VALUE OF SHIPMENTS OF SHOES AND SLIPPERS, EXCEPT THOSE WITH SOLE VULCANIZED TO FABRIC UPPER, BY GEOGRAPHIC DIVISIONS AND STATES

[Pairs in thousands]

| | February 1971 p. | January 1971 r. | February 1970 | Two months 1971 | Two months 1970 | Percent change, 2 months 1971–70 |
|---|---|---|---|---|---|---|
| United States, total | 44,954 | 44,864 | 47,450 | 89,818 | 95,060 | −5.5 |
| New England, total | 12,642 | 11,860 | 13,523 | 24,502 | 27,157 | −9.8 |
| Maine | 3,543 | 3,789 | 3,908 | 7,332 | 8,046 | −8.9 |
| New Hampshire | 2,776 | 2,921 | 3,236 | 5,697 | 6,167 | −7.6 |
| Massachusetts | 5,856 | 4,712 | 5,792 | 10,568 | 11,766 | −10.2 |
| Other | 467 | 438 | 587 | 905 | 1,178 | −23.2 |
| Middle Atlantic, total | 12,018 | 12,035 | 13,281 | 24,053 | 26,085 | −7.8 |
| New York | 4,657 | 4,483 | 5,433 | 9,140 | 10,345 | −11.6 |
| New Jersey | 1,282 | 1,347 | 1,312 | 2,629 | 2,693 | −2.4 |
| Pennsylvania | 6,079 | 6,205 | 6,536 | 2,284 | 13,047 | −5.8 |
| East North Central, total | 5,505 | 5,449 | 5,441 | 10,954 | 10,749 | +1.9 |
| Ohio | 1,771 | 1,793 | 1,253 | 3,564 | 2,571 | +38.6 |
| Illinois | 2,566 | 1,514 | 1,726 | 3,080 | 3,438 | −10.4 |
| Wisconsin | 1,273 | 1,253 | 1,423 | 2,526 | 2,663 | −5.1 |
| Other | 895 | 889 | 1,039 | 1,784 | 2,077 | −14.1 |
| Other Divisions, total | 14,789 | 15,520 | 15,205 | 30,309 | 31,069 | −2.4 |
| Missouri | 3,932 | 4,086 | 4,507 | 8,018 | 9,179 | −12.6 |
| Tennessee | 3,249 | 3,509 | 3,234 | 6,839 | 6,531 | +4.7 |
| Arkansas | 1,570 | 1,549 | 1,606 | 3,119 | 3,227 | −3.3 |
| Other | 6,038 | 6,295 | 5,858 | 12,333 | 12,.32 | +1.70 |

TABLE 2B.—SHIPMENTS (PAIRS IN THOUSANDS)

| | February 1971 p. | January 1971 p. | February 1970 | Two months 1971 | Two months 1970 | Percent change in 2 months 1971–70 |
|---|---|---|---|---|---|---|
| United States, total | 45,529 | 45,868 | 47,331 | 91,397 | 96,558 | −5.3 |
| New England, total | 12,412 | 12,567 | 13,838 | 24,979 | 28,012 | −10.8 |
| Maine | 3,716 | 3,658r | 4,171 | 7,374 | 8,329 | −11.5 |
| New Hampshire | 2,998 | 3,703 | 3,188 | 6,701 | 6,843 | −2.1 |
| Massachusetts | 5,328 | 4,897 | 6,106 | 10,225 | 12,060 | −15.2 |
| Other | 370 | 309 | 373 | 679 | 680 | −12.9 |
| Middle Atlantic, total | 12,604 | 12,034 | 13,148 | 24,638 | 26,493 | −7.0 |
| New York | 4,779 | 4,598 | 4,914 | 9,337 | 10,124 | −7.4 |
| New Jersey | 1,198 | 1,128 | 1,131 | 2,326 | 2,290 | +1.6 |
| Pennsylvania | 6,627 | 6,308 | 7,103 | 12,935 | 14,079 | −8.1 |
| East North Central, total | 5,494 | 5,569 | 5,386 | 11,063 | 10,809 | +2.3 |
| Ohio | 1,670 | 1,759 | 1,441 | 3,429 | 2,949 | +16.3 |
| Illinois | 1,654 | 1,587 | 1,690 | 3,241 | 3,460 | −6.3 |
| Wisconsin | 1,206 | 1,242 | 1,375 | 2,448 | 2,449 | nc |
| Other | 964 | 981 | 880 | 1,945 | 1,951 | −0.3 |
| Other divisions, total | 15,019 | 15,698 | 14,959 | 30,717 | 31,244 | −1.7 |
| Missouri | 4,519 | 4,265 | 4,414 | 8,784 | 9,904 | −3.4 |
| Tennessee | 3,222 | 3,591 | 3,104 | 6,813 | 6,681 | +2.0 |
| Arkansas | 1,513 | 1,542 | 1,374 | 3,055 | 2,847 | +7.3 |
| Other | 5,765 | 6,300 | 6,067 | 12,065 | 12,622 | −4.4 |

Mr. RONCALIO. Mr. Speaker, the ranchers and farmers who grow lambs and wool are not only witnessing a very depressed wool market but the future outlook for selling their wool is bleak. While some of the medium grade wools are selling this year, at lower prices than a year ago, the so-called fine wools are going begging, with little or no buying activity.

One of the chief reasons for this is the contraction in the capacity of our domestic mills due to foreign competition they are facing on wool textile imports and their consequent lack of interest as well as ability to buy our domestic wools for manufacturing into cloth. If this situation is allowed to continue, not only will it cause a further liquidation in the U.S. sheep industry but I shudder to think what will happen if our mills are forced out of business and we should experience an emergency situation where we need mills to manufacture wool for our defense needs.

The trade bill which passed this House in the last session is certainly one important answer to the problem and the sooner it passes both Houses and is signed into law, the sooner will the economic picture change for our domestic woolgrowers and domestic wool manufacturers.

It is important that prompt consideration and action be given to this vital legislation.

Mr. JAMES V. STANTON. Mr. Speaker, the negative impact of foreign-made steel on our domestic economy is more severe in the Great Lakes area than anywhere else in the country. More foreign steel came through ports on the Great Lakes and the Canadian border in 1971 than any other U.S. port of entry.

Of the 13 million tons that came into the United States last year, 4.6 million tons came through these ports. The tonnage could be even larger in 1971 and could well reach a record high.

Port authorities estimate that some 450 foreign vessels will dock in Cleveland this shipping season. This is an average of more than two ships per day during the normal mid-April to mid-November shipping season. While we are pleased to note a high level of commerce at our Cleveland docks, we must view such activity with mixed emotions because this is largely one-way traffic. Considerably more cargo is coming in than going out in our area.

When so much of the foreign cargo consists of products which are not in short supply in this country, it must be recognized as a serious problem for our economy. When those products are unloaded at U.S. locations long renowned for producing great quantities of the same product being imported, the problem is compounded and magnified.

Such is the case with steel imports coming through the Great Lakes, and particularly through Cleveland—long the water gateway to the huge concentration of steelmaking capacity located in northeastern Ohio and a vital link with important producers elsewhere in the State.

Ohio has long been one of the Nation's key steel-producing States, ranking second only to Pennsylvania, and a major steel consumer, ranking only behind Michigan. Some 90,000 persons in Ohio are on steel industry payrolls which pump some $750 million a year into the State's economy. The rippling effects which result from these payrolls extends to thousands of other persons in the State in many different ways.

The ability of steel producers to continue as a dominant economic force in our State is being threatened by steel made abroad. Not only do foreign producers enjoy substantially lower employment costs, they also have the added benefit of assistance from their governments. This assistance takes several forms including tax rebates, subsidies, tariffs, and trade policies that encourage exports and discourage steel imports into their countries.

Our longstanding trade policies are not working in our own best interests. The policies must be updated to deal with the economic realities of today.

Mr. MIZELL. Mr. Speaker, it is always a privilege for me to speak in behalf of the textile workers and industries of America.

The plight of our textile industry has been of great concern to me throughout my tenure here as representative of the people of the Fifth District of North Carolina.

Textiles are vital to our local economy, and they must be safeguarded against the onslaught of grossly unfair foreign competition.

I believe that some statistics released recently by the Department of Commerce are quite convincing evidence of the fact that foreign textile imports are flooding our country at ever more dangerous levels.

The figures were compiled for January of this year, and the situation is sure to have grown worse by now, since we have taken no action to alleviate the crisis.

Manmade fiber, cotton, and wool textile imports in January were at an all-time high, totaling 453 million square yards equivalent. These imports were 21 percent more than was the total for December 1970; 30 percent more than the level for January 1970, and 4 percent above the previous record established in July 1970.

The value of the January 1971 imports of these textiles was $177 million. Exports were valued at $53 million. The trade deficit was $124 million, compared with $88 million in January 1970, when imports were valued at $142 million and exports at $53 million.

Compared with January of last year, yarn imports were up 120 percent, apparel imports rose 19 percent, and fabrics increased 4 percent. Imports of made-up and miscellaneous textiles were only slightly higher than January 1970.

Textile imports from Japan, Hong Kong, and the Republics of China and Korea increased 22 percent over the levels of January 1970 and represented 58 percent of total imports.

January 1971 imports of manmade fiber textiles reached a new record level of 314 million square yards equivalent, 67 percent greater than in the same month of 1970, 22 percent greater than December 1970, and 18 percent above the former record level of July 1970. Imports of manmade fiber textiles from Japan, at 106 million square yards, represented more than one-third of this trade.

The value of manmade fiber textile imports in January 1971 was $109 million, up substantially from the $69 million reported in January 1970. The value of exports increased slightly from $29 million in January of last year to almost $31 million in 1971. The trade deficit of $78 million was almost double the $40 million deficit of January 1970.

Imports of cotton textiles from all countries in January were 131 million square yards, 13 percent less than in January 1970 but 22 percent above the level of December 1970.

The value of cotton textile imports during January 1971 was slightly more than $49 million or very near the level of $50 million reported in January 1970. Exports were valued at $21 million in January of this year, and $23 million during the same month in 1970. The trade deficit increased from $27 million in January 1970 to $28 million this year.

It is an often-quoted statement, Mr. Speaker, that "figures don't lie," and these figures plainly tell us that the textile situation is not getting any better. They tell us instead that it is getting worse and worse.

I thank my distinguished colleague, Mr. SIKES, for this opportunity to speak out on this timely and important issue, and I once again urge this house to move swiftly in enacting the legislation which I have proposed to place badly needed quotas on the textile products being imported to this country.

Mr. JONES of Alabama. I congratulate and support Congressman SIKES and Congressman BETTS on the perceptive and strong stand they have taken on the need to protect jobs in this country.

This country has waited too long now to correct the unfair impact of Asian imports on our manmade fiber, textile, and apparel industries. It is almost unbelievable that 1970 imports of manmade fiber products were 54 percent over the record high imports of the previous year.

The Ways and Means Committee of the House deserves our congratulations for the excellent Trade Act of 1970 which this House approved in the 91st Congress. That bill provided a halt to the extremely rapid growth of manmade fiber imports, including all manmade fibers, and manmade fiber products, but still allowed a fair share of growth of this market to imports.

However, the Senate failed to pass its version of the same bill before adjournment of the 91st Congress, and the problem remains.

The attempts to gain voluntary export limitations from the Japanese for 2 years have been defeated by a series of delaying tactics. The latest one is the unilateral voluntary export plan by a Japanese trade association—another ploy to delay action in this Congress.

I join others in this Congress who are concerned about jobs for our constituents in urging that the Ways and Means Committee immediately repeat its 1970 action on a Trade Act. The people should expect no less from us than protecting the jobs of American workers. And we must do this in spite of the selfish interests of those in the United States and abroad who seek to further increase imports and cause unemployment here.

Mr. YATRON. Mr. Speaker, much has been said today regarding the plight of many basic U.S. manufacturing industries under the increasing pressure of low-wage foreign imports.

A basic question regarding our Nation's foreign trade policy must be answered in the very near future. Specifically: Can we afford to continue to sacrifice U.S. jobs and U.S. job potential in essential manufacturing industries without irretrievably weakening this country's basic economic fiber? I answer this question with an emphatic "No."

I further submit that this "No" extends not only to the large import-beleaguered industries such as textiles, electronics, and shoes, which we hear so much about regularly, but also to the numerically smaller U.S. industries, such as bicycles, ball bearings, specialty steel, and many, many other similarly situated.

The import problem to these industries is just as real, just as acute, and just as potentially disastrous as it is to their larger brothers in the U.S. industrial complex.

For example, let us consider the case of the U.S. specialty steel industry. By overall steel standards, the specialty steel industry is rather small, accounting for approximately 1 percent of the total domestic steel shipments. However, the shipments of the specialty steel industry account for approximately 7 percent of the total steel industry dollar volume. In short, the specialty industry is traditionally and appropriately characterized as a low-volume, high-cost industry.

During calendar year 1970, no less than 21 percent of the specialty steel consumed in the United States was supplied by offshore mills. In the two largest segments of the specialty industry, foreign producers supplied 22.1 percent of the U.S. steel market and 17 percent of the U.S. tool steel market.

In 1970, the foreign share of the U.S. stainless steel market, although remaining relatively static on a volume basis, increased 22 percent over their 1969 market share. At the same time, total U.S. demand for stainless steel dropped 20.1 percent and shipments by domestic stainless producers dropped 22 percent.

The situation is no better in the tool steel segment of the specialty steel industry. Specifically, in 1970, while U.S. total steel demand dropped 17.9 percent over 1969 levels, U.S. imports of tool steel increased approximately 15.6 percent. This absolute increase in tool steel imports at a time of rapidly declining market, allowed the foreigners to increase their market share to 17 percent compared with a market share in 1969 of 12.1 percent.

From an objective point of view, there can be no question of the importance of this industry to our Nation's national security. I would add, however, that considerations of national security are of little solace to the individual steelworker who has already been deprived of his livelihood by these unrestrained imports.

Mr. Speaker, this problem must be confronted and it must be confronted now—not 6 months from today and not a year from today—but now. Last year, after lengthy hearings in committee and extended debate on this floor, this body saw fit to pass and forward to the other Chamber the Trade Act of 1970. This extensive piece of trade legislation provided the mechanisms for alleviating the drastic import problem with which we are faced today. Unfortunately, this bill was allowed to die in the other Chamber. The workers at Carpenter Technology need help now, in this session, to protect their jobs.

This legislation has been reintroduced this session, but to date has not been brought to this floor for consideration. We cannot allow the continued sapping of the vitality of our American industry by these unrestrained imports. Therefore, Mr. Speaker, I strongly urge that Mr. MILLS' trade legislation be promptly called before this body for due consideration.

## GENERAL LEAVE

Mr. SIKES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their own remarks, and to include extraneous material on the subject of trade legislation.

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

There was no objection.

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## THE PURE DRINKING WATER ACT

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. ROBISON) is recognized for 10 minutes.

Mr. ROBISON of New York. Mr. Speaker, we have not held hearings this session on the subject of national drinking water standards, but when these hearings commence, and we have before us the most noted and knowledgeable water hygiene experts in the country, I would like to propose that the following questions be asked:

First, how many chemical agents presently find their way into our drinking water supply?

Second, how many viruses are present today in our drinking water?

Third, how many metallic elements are there in our drinking water sources?

Fourth, what are the long-range health effects of the chemicals, organic elements and biological agents now known to be in our water supply?

Fifth, what are the genetic effects of these agents, which we now know are present?

Mr. Speaker, I do not profess to be one of those noted, knowledgeable authorities who could respond to these questions. Yet, I can, with full confidence, give you the answer to each of these questions. Very simply, the answer is: "We do not know."

With the same certitude, Mr. Speaker, I can state to my colleagues: We can know. We have priceless expertise and technology in this Nation which can give us answers to these questions. All that is needed is the proper national resolve and concentration of resources. To answer these questions with the research capabilities we now have, is to give our selves and future generations the assurance that our drinking water meets the highest standards of hygiene.

As I have tried to demonstrate during these past several days, we do not have such assurance now. Yet, I would hope that H.R. 437, the Pure Drinking Water Act, will serve in part to release us from the ignorance which now surrounds the question of drinking water contaminants.

Any confusion or lack of information which may have existed last September, when I first introduced this measure, has been answered voluminously during the past months by concerned authorities directly responsible for the safety of our drinking water. I submit now two documents for the information of my colleagues which represent the active concern of both the parties responsible for supplying drinking water, and those professional and research organizations interested in the quality of our drinking

water. In the following letter to Acting Commissioner David P. Dominick, Water Quality Office, Environmental Protection Agency, dated February 16, 1971, these individuals urge maximum support for new legislation to strengthen the Federal water hygiene program.

DEAR COMMISSIONER DOMINICK: We, as individuals concerned with the Nation's public water supplies and as representatives of the major professional organizations in this field, wish to thank you for the opportunity you gave us on January 13 to discuss with you and your staff the need for strengthening the Federal water hygiene program.

Our discussion focussed mainly on three important issues:

The need for new legislation extending and reinforcing the current Federal program of public water supply protection.

The need to give visibility to the program of water hygiene in the Environmental Protection Agency.

The need to increase the funding base for the water hygiene program.

The points we wish to stress are summarized below.

We urge that you provide maximum support to legislation which will be introduced into the Congress to strengthen the water hygiene program. Essential elements of this legislation include research, training, technical assistance, technology transfer, surveillance and encouragement of State programs. A system of Federal grants for construction of treatment works is not considered necessary, nor is any change recommended at this time in Federal enforcement procedure. The new legislation should recognize in particular the new hazards associated with trace metals, organic and inorganic compounds, and viruses in water. We emphasized that current water treatment practice does not remove these impurities. New legislation should recognize also the strains being placed on existing urban water distribution systems by metropolitan area growth.

The need for an increased appropriation for the Federal water hygiene program is evident in the fact that the current 1971 appropriation, 2.8 million dollars, frankly is incredibly small given the importance of this National program and the potential threat to the public health associated with inadequate and overextended public water supply systems. We recognize, of course, that a significant increase in appropriations must be compatible with an effectively staged growth rate of the Federal program. However, we should like to point out that a substantial basis for growth exists in the current professional resources of the program. It is not a program that will start out from scratch. There is, in fact, an extensive professional experience, a high level of professional competency, and a proven leadership capability. These program resources are supported by parallel intellectual and research resources at many universities of the country. In this latter connection, we wish to point out that the combination of institutional and categorical grants would be most valuable in utilizing the university resource.

It is reasonable to expect that the water hygiene program will be very closely involved with the water pollution control program of EPA. We feel, however, that care must be taken that the water hygiene program does not lose its identity. This, in effect, happened when the Federal Water Quality Administration was established. Many individuals in Congress and in the Administration assumed that the very substantial growth of the Nation's water pollution control program also covered the Federal responsibility for protection of public water supplies. This, it must be emphasized, was not the case.

Again, we wish to express our appreciation to you for the time you gave us and for your understanding of the need to strengthen the Federal water hygiene program. We and our professional organizations propose to do all we can to assure that this program is strengthened in accordance with the Nation's need. Your help in this matter in critically important. Further, you may feel free to call upon us individually or collectively for any assistance we may be to you or your staff.

Sincerely yours,

E. ROBERT BAUMANN,
*P.E., Past President, American Association of Professors in Sanitary Engineering (Professor of Civil Engineering, Iowa State University)*

BERNARD B. BERGER,
*Chairman, Committee on Environmental Quality Management, American Society of Civil Engineers (Director, Water Resources Research Center, University of Massachusetts)*

JAMES B. COULTER,
*Chairman, Council on Environment, American Public Health Association, and Past Chairman, State Conference of State Sanitary Engineers (Deputy Secretary, Maryland Department of Natural Resources)*

LEONARD B. DWORSKY,
*Chairman, Universities Council on Water Resources Committee on Education and Research in Water Quality (Director, Water Resources and Marine Sciences Center, Cornell University)*

ERIC F. JOHNSON,
*Executive Director, American Water Works Association*

JAY H. LEHR,
*Executive Director, National Water Well Association*

DANIEL A. OKUN,
*Past President, American Academy of Environmental Engineers (Head, Department of Environmental Sciences and Engineering, University of North Carolina)*

In addition, Mr. Speaker, I would like to include Resolution No. 9 of the Federal Water Pollution Control Advisory Board, dated February 9, 1971, which urges the enforcement of strengthened National Drinking Standards:

RESOLUTION NO. 9—NATIONAL DRINKING WATER STANDARDS

Whereas, about 12,000 different toxic chemical compounds are in industrial use today, with more than 500 being added each year; and

Whereas, these compounds present known and recognized hazards to human health and beneficial organisms; and

Whereas, the Community Water Supply Study revealed that many systems are delivering drinking water of marginal quality due to pollution by viruses and hazardous substances, deficient physical plants, and poor plant operations by inefficient or inadequately-trained operators; and

Whereas, increasing demands are making the efficient reuse of water of mounting importance;

Now, therefore, be it resolved that the Federal Water Pollution Control Advisory Board, in regular session assembled February 9, 1971, at Washington, D.C., hereby strongly recommends that the Administrator of the Environmental Protection Agency seek adequate funds to accelerate existing programs of surveillance, technical assistance, and research and training to remedy deficiencies identified in findings of the Nationwide Survey of Community Water Supply Systems; and

Be it further resolved that this Board urges that the Administration seek authority to set and enforce strengthened National Drinking Standards which will cover all types of water pollution.

Mr. Speaker, the men who have made these statements represent virtually the entire water distribution network and water hygiene research effort. Their verdict is unanimous: We must direct increased resources toward water hygiene research and control.

I offer H.R. 437, the Pure Drinking Water Act, as one attempt to meet these needs. I am hopeful that this proposal will soon receive congressional attention.

H.R. 437

To improve and implement programs to assure that United States residents have adequate quantities of safe drinking water by protecting them from chemical, biological, and physical contaminants in public water systems which may adversely affect their health

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act shall be cited as the "Pure Drinking Water Act".

DECLARATION OF FINDINGS

SEC. 2. The Congress finds—

(1) that increasing quantities and types of pesticides, organic chemicals, toxic metals and other contaminents are entering the public water systems that serve as sources for supplying the Nation's drinking water; that many of these new contaminents are either not detected or not removed by established water testing and treatment methods; and that these contaminants are consumed daily by the public, thereby presenting a potential hazard to the health of the Nation's water users;

(2) that all public water users should be served by adequate quantities of water that are safe for drinking and other human uses and that public water supply systems should provide water service which meets minimum public health requirements;

(3) that due to the interstate nature of many water supplies and natural sources, the origins of various contaminants, the sale and shipment of such contaminants or products made through the use or production of such contaminants through interstate commerce, and the danger to the public of consuming water containing such contaminants, the Federal Government has the responsibility of establishing a body of National Drinking Water Standards (hereinafter called "standards") and of assisting and encouraging State and local governments to enforce such standards; and

(4) that State and local governments are in need of assistance in supplying the quantity and quality of water required by this Act, and to that end the Federal Government should supply technical assistance, research and development information, testing information, and other forms of technical assistance compatible with the purposes of this Act.

DECLARATION OF POLICY

SEC. 3. The purposes of this Act are—

(1) to assure that all water users will be served by adequate quantities of water that is safe for drinking;

(2) to initiate and accelerate a national research and development program to achieve a high level of safety and adequacy in public drinking water supplies of the Nation;

(3) to establish and enforce national drinking water purity health standards, and to recognize that the implementation of such standards should be the primary responsibility of State and local governments; and

(4) to provide financial and technical assistance to State, regional, and local governments in connection with the planning, development, and operation of comprehensive water hygiene programs.

NATIONAL DRINKING WATER HYGIENE ADVISORY COMMITTEE

SEC. 4. (a) There is hereby established a National Drinking Water Hygiene Advisory Committee (hereinafter called the "Committee"), within the Environmental Protection Agency (hereinafter called the "Agency"), which shall consist of the Administrator of the Environmental Protection Agency (hereinafter called the "Administrator"), who shall be chairman, and fifteen members appointed without regard to the civil service laws by the President by and with the advice and consent of the Senate. The fifteen appointed members of the committees shall be selected from among members of various State, interstate, regional, and local government agencies, of public or private interests contributing to, affected by, or concerned with the quality and quantity of water for drinking and other human uses, and of other public and private agencies, universities, organizations, or groups demonstrating an active interest in the field of water hygiene and public water supply, as well as other persons who have demonstrated an expertise in the area of water quality and quantity, except that persons employed by the Federal Government may not be appointed to the Committee. Each appointed member of the Committee shall hold office for a term of four years, except that—

(1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and

(2) the terms of the members first taking office shall expire as follows: Four shall expire four years after such date, four shall expire three years after such date, four shall expire two years after such date, and three shall expire one year after such date, as designated by the President at the time of the appointment. The appointed members of the Committee shall be eligible for reappointment.

(b) The Committee shall advise, consult with, and make recommendations to the Administrator on matters relating to activities, functions, and expenditures of the Agency in the field of drinking water quality and quantity control pursuant to this Act. The Administrator is authorized to utilize the services of any member or members of the Committee, in connection with matters relating to the work of the Agency in the field of water quality and quantity control, for such periods, in addition to conference periods, as he may determine.

(c) Members of the Committee appointed under this Act shall, while attending meetings or conferences of such Committee or otherwise engaged in business of such Committee, receive compensation and allowances at a rate to be fixed by the Administrator, but not exceeding $100 per diem, including traveltime, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5704 of title 5, United States Code, for persons in the Government service employed intermittently. The Administrator shall not receive any extra compensation for his services above and beyond that which he receives from his employment with the Environmental Protection Agency.

RESEARCH, TECHNICAL ASSISTANCE, AND INFORMATION

SEC. 5. (a) The Administrator shall conduct in the Agency, and encourage, cooperate with, and render assistance to other appropriate public authorities, institutions, and individuals in the conduct of, and promote the coordination of, applied and theoretical research, investigations, experiments, demonstrations, and studies relating to the provision of the adequate quality and quantity of water that is safe for drinking, including—

(1) improved methods and procedures to identify and measure the existence of pesticides, toxic metals, organic chemicals, radioactive substances, and other contaminants in water used for drinking;

(2) improved methods and procedures to identify and measure the health effects of pesticides, toxic metals, organic chemicals, radioactive substances, and other contaminants in water used for drinking;

(3) new methods of treating raw water to prepare it for drinking, so as to improve the efficiency of water treatment and to remove contaminants from the water including biological substances, pesticides, organic chemicals, toxic metals, radioactive substances, and other potentially harmful substances; and

(4) improved methods for and approaches to the provision and delivery of adequate safe water to all users of public water systems.

(b) The Administrator shall cause to be conducted research dealing with the identification of contaminants found in water used for drinking, an assessment of the maximum safe limits of such contaminants, methods of detection of such contaminants which could be employed by State and local health and water officials, methods of eliminating such contaminants, the identification of the sources of such contaminants, and other matters consistent with the purposes of this Act.

(c) In carrying out this section, the Administrator is authorized to—

(1) collect and make available, through publications and other appropriate means, information pertaining to, and the results of research, investigations, and demonstrations relating to the provision of adequate quality and quantity of water for drinking, together with appropriate recommendations in connection therewith;

(2) make available research facilities of the Agency to appropriate public authorities, institutions, and individuals engaged in special study; and

(3) make available funds to assist public authorities (including water hygiene agencies), institutions, and individuals in the conduct of research in such instances and amounts which the Administrator determines will promote the purposes of this Act.

(4) make grants to, and contracts with, any State or interstate agency, municipality, educational institution, and any other organization, in accordance with procedures prescribed by the Administrator, which may be made to pay all or a part of the costs, as may be determined by the Administrator, of any project which is designed—

(A) to develop, expand, or carry out a program (which may combine training, education, and employment) for training persons for occupations involving the public health aspects of raw water sources, water treatment and purification works, and distribution systems; or

(B) to train instructors and supervisory personnel to train or supervise persons in occupations involving the the public health aspects of raw water sources, water treatment and purification works, and distribution systems.

(5) make grants and loans to municipal, cooperative, private, or corporate water systems for the purpose of improving and updating the detection, purification, and delivery mechanisms of said systems, which grants and loans may cover all or part of the costs of such projects.

(d) There is authorized to be appropriated to carry out the provisions of this section: $10,000,000 for the fiscal year ending June 30, 1972; $20,000,000 for the fiscal year ending June 30, 1973; $30,000,000 for the fiscal year ending June 30, 1974; $30,000,000 for the fiscal year ending June 30, 1975; and $30,000,000 for the fiscal year ending June 30, 1976.

NATIONAL DRINKING WATER STANDARDS

SEC. 6. Part B of title III of the Public Health Service Act is amended by adding the following new section:

"NATIONAL DRINKING WATER STANDARDS

"Publication of Standards

"SEC. 318. (a) Within ninety days after the date of enactment of this section, the Administrator shall publish proposed national drinking water standards which shall prescribe the minimum quality of water allowable for drinking which can exist in any public water system in the United States, and shall publish the maximum permissible levels for any chemical, biological, physical, radiological, or other contaminants which have been or may be found within such water. Such standards shall pertain to all component parts of the water supply (including but not limited to, the raw water source, the treatment works, and the storage and distribution system, and the adequate construction, maintenance, and operation thereof) and shall include any substance or matter which may cause or transmit infectious disease, chemical poisoning, chronic disease, or other physical impairment to man which has or may have any other effect on the public health or which may affect the esthetic appearance, odor, or taste of such water. In establishing such standards, the Administrator shall take into consideration the recommendations of the National Drinking Water Hygiene Advisory Committee.

"Comment on Standards

"(b) After the proposed standards have been published pursuant to subsection (a) of this section, the Administrator shall allow thirty days for comment on such standards by interested parties. After considering these comments and other relevant information, the Administrator shall by regulation promulgate and publish such standards with such modifications as he deems appropriate within sixty days after comments have been made pursuant to this subsection. Such standards shall be effective upon the date of such publication. He may from time to time thereafter, by regulation similarly prescribed, revise standards promulgated under this section.

"Records

"(c) Every department, agency, and instrumentality of the Federal Government and of a State, of any interstate agency, or of any privately owned water delivery system, and every person applying for or receiving assistance under this section shall establish and maintain such records, make such reports, and provide such information as the Administrator may reasonably require to assist him in establishing such standards and regulations under this section and in determining whether such department, agency, instrumentality, or person has acted or is acting in compliance with such standards. Officers or employees duly designated by the Administrator, after having furnished written notices, upon presenting appropriate credentials to the appropriate department, agency, instrumentality, or person in charge, are authorized to enter any establishment or facility or other property of such department, agency, instrumentality, or person in order to determine whether such department agency, instrumentality, or person has acted or is acting in compliance with this section including for this purpose, inspection, at reasonable times, of records, files, papers, processes, controls, and facilities, and for the purpose of testing any raw water source of other feature of the public water systems. A separate notice shall be given for each such inspection, but a notice shall not be required for each entry made during the period covered by the inspection. Each such inspection shall be commenced and completed with a reasonable promptness. All information reported to, or otherwise obtained by, the Ad-

ministrator, or his representative, pursuant to this subsection which contains or relates to a trade secret or other matter referred to in section 1905 of title 18 of the United States Code shall be considered confidential for the purpose of that section, except that such information may be disclosed to other officers or employees concerned with carrying out the provisions of this section.

"Noncompliance

"(d) Whenever on the basis of surveys, studies, or reports, the Administrator determines that any raw water source or public water system, including but not limited to water treatment and purification works and the water distribution system, within a State or between two or more States is below or fails to comply with any standards or regulations promulgated under the provisions of this section, or if the Administrator determines that any State or interstate agency has not provided for adequate enforcement procedures for requiring compliance with such standards and regulations, the Administrator shall notify the affected State or States, persons not in compliance, and other interested parties of such failure to comply with Federal standards, regulations, or procedures. Between thirty and ninety days after such notification the Administrator shall call a public hearing, to be held before a Hearing Board of five or more persons appointed by the Administrator. A majority of the Hearing Board shall be persons other than officers or employees of the Agency. At least three weeks prior notice shall be given to the violators and interested parties. On the basis of evidence presented at the hearing, the Hearing Board shall make findings as to whether such public water system is out of compliance with the standards and whether effective progress toward compliance with such standards is being made. If it is determined by the Board that effective progress is not being made it shall make recommendations to the Administrator concerning the measures, if any, which it finds to be reasonable and equitable to secure abatement of the contaminants and compliance with such standards. The Administrator shall send such recommendations and findings to the violators, together with a notice specifying a reasonable time (not less than six months nor more than one year) to secure abatement of such contaminants and compliance with such standards, and shall also send such findings and recommendations of remedial action to the appropriate water hygiene agency, if any, of the State or States where the contaminants are polluting such public water system.

"Enforcement

"(e) The Administrator shall allow violators at least six months but not more than one year from the date he sends them recommendations as described in subsection (c) to effectuate the recommended action. If at the conclusion of such period such remedial action or action which in the judgment of the Administrator is reasonably calculated to secure abatement of such contaminants and compliance with such standards has not been taken, he shall request the Attorney General to bring a suit on behalf of the United States to secure abatement of the contaminants and compliance with the standards, unless he determines that the violator is attempting in good faith to comply with the standards but that considerations of physical and economic feasibility make immediate compliance unduly burdensome.

"(f) The district courts of the United States shall have jurisdiction to restrain violations of this section and to enter appropriate orders and judgments. Actions to restrain violations shall be brought by, and in, the name of the United States in the district court of the United States for any district in which such person is found or resides or transacts business. Upon application by the United States and after notice to such person, the district court shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce documents, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(g) The court shall receive in evidence in any such suit a transcript of the proceedings before the Board and a copy of the Board's recommendations and shall receive such further evidence as in its discretion the court deems proper. The court, giving due consideration to the practicability and to the physical and economic feasibility of securing abatement of the contaminants and compliance with the standards, shall have jurisdiction to enter such judgment, and orders enforcing such judgment, as the public interest and the equities of the case may require.

"(h) If the Administrator finds that a public water system is contaminated to an extent dangerous to the health or welfare of the users thereof and that the procedures outlined in subsections (c) and (d) of this section would not be adequate to protect the users thereof from imminent danger, then he shall submit a request in writing to the Attorney General asking that he seek a court order instructing the violator to supply water in conformity with the standards, or, if that is not feasible, to seek a court order to cause the abatement of the use of such water.

"(i) Members of any Hearing Board appointed pursuant to this section who are not regular full-time officers or employees of the United States shall, while participating in the hearing conducted by such Board or otherwise engaged on the work of such Board, be entitled to receive compensation at a rate fixed by the Administrator, but not exceeding $100 per diem, including travel time, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5704 of title 5, United States Code, for persons in the Government service employed intermittently."

INTERSTATE COOPERATION

SEC. 7. (a) In recognizing that providing adequate quantities of safe drinking water is a responsibility most logically vested in State and local governments, and further recognizing that the State and local governments are best able to implement the standards in order to insure an adequate supply of safe drinking water, the Administrator shall encourage cooperative activities by the States and by local governmental units for the provision of adequate quantities of safe drinking water that meet or exceed the national drinking water standards.

(b) The Administrator shall, in cooperation with the appropriate water hygiene agencies, assure that all public water systems providing drinking water meet the standards.

(c) The Administrator shall draw on the expertise of water hygiene agencies to amend and update the standards as may from time to time be necessary.

(d) The Administrator shall work closely with the various water hygiene agencies to provide them with information and technical assistance so as to facilitate the providing of drinking water which conforms to the standards.

ADMINISTRATIVE REGULATIONS

SEC. 8. The Administrator is authorized to prescribe such regulations as are necessary to carry out his functions under this Act.

APPROPRIATIONS

SEC. 9. There are hereby authorized to be appropriated to the Administrator such sums as may be necessary to enable him to carry out its functions under this Act other than those provided for under section 5.

DEFINITIONS

SEC. 10. When used in this Act:

(a) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(b) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(c) The term "public water system" means any supply of water used for delivery or any system of delivery of drinking water to the consumer by any supplier of water or other public body created by or pursuant to State, territorial, or Federal law and having authority over the provision of drinking including an investor-owned water utility regulated by State law and an Indian tribe or an authorized Indian tribal organization.

(d) The term "water hygiene agency" with respect to any State means the State health authority, except that in the case of any State in which there is a State agency other than the State health authority charged with responsibility for water hygiene, it means such other State agency.

(e) The term "national drinking water standards" means standards for water quality and for other factors which are essential to the provision of safe and potable water for drinking, including the setting of maximum permissible levels for biological, chemical, and all other substances of public health or esthetic importance found therein; and they shall take into account the effect of the construction, maintenance, operation, and surveillance of the drinking water supply system from the raw water intake to the free-flowing tap of the ultimate consumer.

(f) The term "Agency" means the Environmental Protection Agency.

(g) The term "violator" includes only a supplier of water and/or water hygiene agency.

(h) The term "supplier of water" means any person who controls any public water system.

(i) The term "person" includes a corporation, company, association, firm, partnership, society, joint stock company, individual, municipality, and political subdivision of a State.

(j) The term "municipality" means a city, town, borough, county, parish, district, or other public body created by or pursuant to State law.

SEPARABILITY

SEC. 11. If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the application of such provision to other persons or circumstances, and the remainder of this Act, shall not be affected thereby.

## CHANNEL CHANGE THROUGH LAW AND REASON

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. HALPERN) is recognized for 5 minutes.

Mr. HALPERN. Mr. Speaker, Justice Benjamin N. Cardozo once defined law as being "the expression of the conviction of the present, not the convictions of the past." Cardozo: Growth of the Law, 104.

This year the American Bar Association's theme for Law Day, "Channel Change Through Law and Reason" echoes those words of Cardozo and provides a particularly meaningful directive

to young attorneys. As a nonlawyer, I would like to offer an outsider's observations and thoughts regarding changes that are occurring in the legal profession.

No one doubts that we have become a highly complex, technical, and industrial Nation. We have grown to expect that technology has the answer to a better life for all. Any country that can put a man on the moon in less than a decade of concentrated effort is said to be capable of any effort it seriously undertakes.

But, many are beginning to doubt just how seriously we as a country are dedicated to finding the solutions to the great social questions we presently face. We have found that the advent of our great technical society has been accompanied with unprecedented social turmoil. As never before the goals and motives of society are being questioned. And we have found ourselves at a critical junction in history. Can we chart a course for the future of our country which will emulate the high ideals we have inherited?

To a very large extent, the success of our course for the future will rest with the legal profession, for clearly the attitudes and ambitions of the legal profession will reflect themselves in society.

It was not until Ralph Nader personally lead the charge against corporate indifference and consumer exploitation that many of us first realized the approach of new legal horizons. In his article in the Minnesota Law Review—(volume 54, page 493, 1970)—Ralph Nader blasted the legal profession and law schools as the culprits in perpetuating outmoded attitudes and preventing a badly needed evaluation of the entire legal system. Nader observed that—

> This system faithfully nourished and fundamentally upheld a developing legal order which has become more aristocratic and less responsive to the needs and strains of a complex society. In turn, the established legal order controlled the terms of entry into the profession in ways that fettered imagination. Inhibited reform and made alienation the price of questioning its assumptions and proposing radical surgery.

Ralph Nader has not been alone in the call to the legal profession. Spokesmen for more traditional legal organizations have recognized the demands which will face the legal profession. Bernard G. Segal, former president of the American Bar Association noted is an address before a group of Pennsylvania lawyers, that this next decade would require the clear and solemn obligation of the legal profession to provide leadership in a reexamination and reevaluation of the substance of our law and of the agencies which interpret and enforce it, and in effecting the necessary, far-reaching changes which the present critical situation requires.

He continued:

> And *every lawyer* [emphasis added] individually should show his involvement and his concern; he should assume significant responsibilities for service in the public sector. Rarely has the need been so great for the lawyer's skill and craft to be applied in the interests of society." ("A Blueprint for the Bar for the Seventies—Our Higher Calling", 41 Pa. Bar. Assoc. Q. 362, 362 (1970.)

Today, increasing numbers of attorneys, particularly young lawyers, are answering the call to public service. Graduating law students of the highest abilities are avoiding Wall Street for positions with public interest law firms, governmental programs and law firms which are guaranteeing time for pro bono publico causes. A recent article in the Washingtonian, November 1970, lists new firms and legal organizations which constitute the so-called legal antiestablishment, which is endeavoring to serve public interest with legal expertise.

You may also be aware of a recent development in Washington legal practice. The bar association of the District of Columbia has recently ruled that the Stern community law firm, a public interest law group, could place certain advertisements in various media. In announcing the decision Fred Vinson, vice president of the District of Columbia Bar Association said:

> Such advertising is a new phenomenon which, if permitted, must be done in a manner which does not undermine in any way the ethical traditions of the legal profession which are protective of the public interest.

Although I am advised that there are a number of ethical problems involved in such a decision, it seems to be an appropriate issue for consideration by bar associations across the country. Too many of those in greatest need of legal assistance are uninformed of the services available to indigents.

Law schools are responding too. Many schools are now offering courses in environmental and consumer law with other relevant courses. Many are encouraging work-study in cooperation with legal aid and public defender projects. The bar associations in Pennsylvania are encouraging third year law student participation in public service assistance programs under the guidance of practicing lawyers. All of these efforts are to be wholeheartedly commended, for they have offered a tangible response to so many of our present social ills.

Governmental programs to offer legal assistance to indigents are succeeding. For fiscal 1970 the Office of Economic Opportunity through its Neighborhood Legal Services handled in excess of 900,000 legal matters for indigents.

But the important fact is that all of the efforts are being rewarded with tangible achievements in the reform of substantive law. One small example, which has a direct impact on every poor tenant in the country, are the recent successes in withholding rents for basic repairs. Although the procedure is hardly a concrete rule of law, it has had judicial sympathy in the District of Columbia and may rewrite traditional landlord-tenant law.

Other areas of legal activity are numerous. Innovative legal theories are being advanced for consumer class actions, new corporate responsibility, better environmental restriction, and in general new remedies for old injustices. There is no question that a multitude of causes remain to be championed. And one of the principle orders of unfinished business is judicial reform.

Roscoe Pound in 1906, then dean of the Law Department of the University of Nebraska, complained in his address before the American Bar Association:

> Our system of courts is archaic and our procedure behind the times. Uncertainty, delay and expense, and above all, the injustice of deciding cases upon points of practice, which are the mere etiquette of justice, direct results of the organization of our courts and the backwardness of our procedure, have created a deep-seated desire to keep out of court, right or wrong . . . (See, 57 A.B.A.J. 348, at 351 (1971).)

Chief Justice Burger, in his state of the judiciary address last year struck a similar chord. Clearly the time has come to throw away the old wine and the old bottles. We have too long preached judicial reform without taking the initiative. We need better procedures and processes in the courts, particularly in those courts to which everyday controversies are brought.

We need speedier methods of resolving those conflicts so that access to the courts is available to all. And we need a system of justice which evidences judicial and governmental concern. But most of all, we need a judicial system which can deliver, a system which does provide "Equal Justice Under Law."

Your role in this process must not be indifference. You must assume the responsibility, the leadership and the initiative. You will shape the social institutions of tomorrow and you will be called upon to implement policies and give tangible meaning to the law.

These awesome responsibilities have only to be exercised with the purest of motives and the noblest of ambitions. You, as a new breed of lawyers must develop this "social conscience."

## TO IMPROVE THE WHOLESOME MEAT ACT OF 1967

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, the Wholesome Meat Act of 1967 has measurably improved the image of America's meat production and processing industry. When it was passed by the House by the overwhelming vote of 403 to 1, Congress was speaking clearly for the Nation's consumers who were demanding an improved meat inspection system in the States.

Today I am introducing a bill which recognizes the progress made in meat inspection since the enactment of the Wholesome Meat Act.

The major thrust of the Wholesome Meat Act was to encourage States to upgrade their meat inspection system to a point where their health and sanitation requirements were equal to the Federal inspection requirements. To date, some 43 States have qualified for this "equal to" Federal status. It is time to encourage the other States to also qualify. My bill provides encouragement in this direction.

One thing missing from the Wholesome Meat Act was a provision which will permit meat which has been proc-

essed in a State which has qualified for "equal to" status to enter interstate commerce. Before States had met the "equal to" provisions, there was obviously no reason to permit such meat to move freely across State lines. Now that 43 States have met the qualifications, a change is needed.

My bill provides that meat processed and inspected in a State holding the "equal to" Federal inspection status is free to move across State lines into other States which also hold the "equal to" Federal designation, providing that the individual meat processing plant shipping the meat has been certified by the U.S. Secretary of Agriculture as meeting the requirements of Federal inspection.

The Wholesome Meat Act, approved by President Johnson on December 15, 1967, authorized the Secretary of Agriculture to cooperate with the States in developing and administering a State meat inspection program that imposes mandatory ante mortem and post mortem inspection, reinspection, and sanitation requirements that are at least "equal to" those under the Federal Meat Inspection Act.

The responsibility of the Secretary requires that he determine which States are operating a program which is at least "equal to," and designate those States which do not have such a program as States in which Federal meat inspection regulations shall apply. States certified as "equal to" the federal system are permitted to retain the integrity and identity of their State meat inspection system.

As originally conceived, the determination of "equal to" State status was to have been made according to a three-step plan:

First. USDA was to determine the adequacy of the: a, state law; b, appropriations; and c, administration and enforcement of the State program.

Second. Require that each of the more than 15,000 intrastate slaughtering and processing plants be reviewed for conformity with Federal requirements. Under this procedure, which has since been adjusted and modified, a State program could not be certified as "equal to" the Federal program until all plants in the State were reviewed and certified as being in conformity with Federal requirements and standards. Recognizing the impracticality of attempting to review for conformity each and every plant within a State, and because of the time, money, and manpower that would be entailed in individual plant review, USDA modified step two as outlined in its "Instructions and Procedures for Reviewing and Certifying State Meat and/or Poultry Inspection Programs." Review of intrastate plants will now be done by statistical sampling.

Third. Determine that the State law and regulations fully meet the requirements of the Wholesome Meat Act, and that the State program fully meets the "at least equal to" status, including the outcome of the statistical plant sampling.

Since the enactment of the Wholesome Meat Act, the question has arisen as to whether meat and meat products prepared under a State system which has met the "equal to" standards and is duly certified by the U.S. Secretary of Agriculture should be allowed to move in interstate commerce.

In my view, there are several compelling reasons why such movement should be permitted:

Quality standards will be assured. The U.S. Secretary of Agriculture has sole authority to grant "equal to" certification. He also has the power to withdraw such certification.

The procedures followed in determining "equal to" status are comprehensive stringent, executed by experts, and cannot be circumvented.

"Equal to" States will be applying laws and regulations accepted by the Secretary of Agriculture as assuring that State inspected products are wholesome, not adulterated, and properly marked, packaged, and labeled. This is the very purpose and objective of the Wholesome Meat Act. If these products are fit for consumption within the State, they should be deemed fit for distribution and consumption in interstate commerce.

Imported meats, which do not have the benefit of a continuous inspection by USDA—USDA certifies a foreign government's laws and regulations and makes periodic checks at the plant level—now travel freely in interstate commerce.

USDA is not opposed to the concept of interstate shipment of products prepared in an "equal to" State, but in the past opposed a change in the law as premature, observing that after the States have clearly established to all concerned; producers, packers, consumers, and regulatory agencies that the State meat inspection systems are clearly and fully equal to the Federal system, this will be the time, in our opinion to consider permitting the product of such inspection to move in commerce.

My bill provides the opportunity for States and individual meat plants clearly to establish that they are operating fully "equal to" the Federal inspection system.

Some have argued that because of the statistical sampling of plants in certifying a State as "equal to" the Federal system, there may be individual plants which are, in fact, not "equal to" the Federal system. My bill provides that each plant whether it was part of the statistical sampling or not, which desires to ship meat in interstate commerce from one "equal to" State to another must first be certified as having an inspection system and fully complying with the Federal inspection regulations.

With 43 States now designated as having an inspection system "equal to" the Federal program, and many others working hard toward that goal, it is time to permit the freer flow of meat which is processed and inspected in the "equal to" States. The Consumer and Marketing Service of USDA, the National Independent Meat Packers Association, and the Illinois Department of Agriculture have informally endorsed the concept of my bill. The National Grange, in testimony before the Livestock and Grains Subcommittee of the House Committee on Agriculture on March 25 called for the changes in the meat inspection act which my bill proposes. The American Farm Bureau Federation also endorses the concept of permitting meat processed in "equal to" States to flow freely in interstate commerce.

I am hopeful for early hearings on the measure so that States which have developed an inspection system "equal to" the Federal program may receive some benefits for their efforts, and those States which have not yet received "equal to" certification may be encouraged to step up their efforts toward this end.

## TAKE PRIDE IN AMERICA

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

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.

Today, 5 million more American families own stock than in 1963, while 23 million more have savings accounts. Home ownership has gone up from 33 million to 37 million since 1960. Multicar ownership has gone up from 9.5 million to 14.7 million during the same time.

## DEPRECIATION ALLOWANCES

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. COLLIER) is recognized for 5 minutes.

Mr. COLLIER. Mr. Speaker, I appreciate having this opportunity to present my views on the subject of depreciation allowances.

Many of the residents of the completely urbanized district which I represent in the Congress are engaged in manufacturing and other businesses, either as owners of such establishments or as employees, and are directly affected by changes in depreciation allowances. As a member of the Committee on Ways and Means of the House of Representatives, I have made an exhaustive study of the subject of depreciation as it relates to Federal taxation.

My study has included attendance at public hearings and participation in executive deliberations of the committee, consideration of the pros and cons expressed during debate on the floor of the House, and visits with industrial leaders in my district and neighboring Chicago.

I was pleased when the Treasury Department announced, on January 11, that the Internal Revenue Service would adopt a modernized and simplified system of depreciation allowances for equipment and machinery. I cannot agree with those who have designated this action as an unwarranted windfall for business, because the immediate loss in revenue would be more than offset by the higher investment, greater productivity, and increased economic growth that would result. With corporate income tax rates as high as the traffic will bear, if not beyond that point, corporations are merely getting back some of the excess taxes they pay, rather than receiving a windfall.

Although I am most jealous of the

Congress' constitutionally established jurisdiction in this area and acutely aware of the fact that all revenue measures must originate in the popular branch, I do not look upon the Internal Revenue Service's recent action as an usurpation of the powers of the legislative establishment. We, in the Congress, have authority and responsibility when it comes to writing necessary revenue legislation, but obviously cannot dot every i and cross every t in the regulations that are necessitated by the Internal Revenue Code that we have enacted into law. While reserving to ourselves the right to pass corrective, remedial, or other pertinent legislation, we must delegate some authority to the executive branch. Inasmuch as changes have been effected by administrative action for almost half a century, the most recent by President Kennedy in 1962, I am forced to turn a deaf ear to those who castigate President Nixon for taking similar action.

I wholeheartedly support the Department's proposal, not only because it would help secure equity for those engaged in business and industry, but because it would help reduce unemployment in the machine tool industry. By increasing the number of employed persons, we will simultaneously increase the income tax revenues through withholding and reduce governmental expenditures for unemployment relief.

Implementation of the proposed depreciation guidelines would not only reduce unemployment, but would also benefit those who are already employed. An increase in productivity brought about by the substitution of modern equipment for obsolescent machinery would benefit both employer and employee. The former would be in a better competitive position, both at home and abroad, while the latter's wage increases would not be devoured by inflation.

Mr. Speaker, I hope that the Internal Revenue Service will note that amounts set aside for replacement of wornout machinery and other equipment are subject to the ravages of inflation, which means that additional money must be procured when the time comes for replacement. Accelerated depreciation will help to offset such extra expenditures.

Thank you for your courtesy, Mr. Speaker.

## HEW PEACE ACTIVITIES

The SPEAKER. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 10 minutes.

Mr. HOGAN. Mr. Speaker, we are all generally aware of the variety of anti-Vietnam war activities which have taken place during the past month in the Washington area. I support every American's constitutional right to free speech and assembly, but during this past month that right has been abused by interfering with the rights of others.

I would like to call to the Members' attention one area of this activity that disturbs me greatly. At this point in the RECORD I would like to insert a flyer which describes the "HEW Peace Activities" scheduled for the month of April.

HEW PEACE ACTIVITIES

April 17 (Wed.) Indochinese film festival (first of three weekly films to be shown each Wednesday) 12 noon to 1:00 PM Room 1137–North Title: "And Time Is Running Out" (45 minutes). This film portrays the effects of the war on the Indochinese civilian population and presents the May Day Movement's demand: "If the Government won't stop the war—we'll stop the Government."

April 8 (Thurs.) Rennie Davis, National Coordinator of the People's Coalition for Peace and Justice 11:45 AM North Auditorium. He will speak on the spring anti-war activities and how HEW employees can become involved.

April 14 (Wed.) Indochinese film festival (film No. 2) Title: "People's War" Rm. 1137-North. This film shows the North Vietnamese people under war conditions (August 1969) organizing to defend their country.

April 15 (Thurs.) Vietnam veterans against the war (11:45 AM Room G-751 North. Representatives of the estimated 5,000 Vietnam veterans who will be marching on Washington April 19–23 will speak about the war.

April 21–22 (Wed.-Thurs.) Referendum: The war in Indochina. All HEW employees will be asked to participate by voting on several national issues.

April 21 (Thurs.) Indochina 1971: How is the war different? 11:45 AM Rm G-751 North. A panel of Washington activists, including individuals who have recently met with Vietnamese and Laotians, will speak to the changing characteristics of the war.

April 24 (Sat.) Peace rally and march. The Federal employee's contingent will meet at 10:30 AM in McPherson Square (15 & K Streets, N.W.).

April 28 (Wed.) "The Advocate": Special issue. This issue of The Advocate will focus entirely on HEW and its relationship to the war.

April 28 (Wed.) Indochinese film festival (last of 3) 12 Noon to 1 PM Rm. 1137–North. Title: "Struggle for Life." This film was produced by the National Liberation Front (NLF) to show the struggle for liberation in South Vietnam and to show the health services provided by the NLF.

April 29 (Thurs.) People's lobby HEW will be the all-day focal point of the anti-war activities. Representatives from NWRO and SCLC will discuss the war and oppression here at home with HEW employees at 12 noon in the Auditorium.

Among the events listed on the schedule, you will note Rennie Davis, national coordinator of the People's Coalition for Peace and Justice, speaking on April 8 in the North Auditorium regarding the "Spring anti-war activities and how HEW employees can become involved." Representatives of the Vietnam Veterans Against the War were to address employees about the war on April 15 in the North Building. The Indochinese Film Festival included three films; one portraying the effects of the war on the Indochinese civilian population and presenting the May Day Movement's demand:

If the Government won't stop the war—we'll stop the Government.

Another film, identified as being produced by the National Liberation Front, showed the struggle for liberation in South Vietnam and health services provided by the NLF. A third film, which I presume was also produced by the National Liberation Front, showed the North Vietnamese people under war conditions organizing to defend their country.

These "peace activities" certainly were not designed to promote loyalty or harmony within the Government, and I frankly am at a loss to understand why they were permitted to take place on Government property. I am sure there are those Government employees who have personal convictions against the war in Vietnam and would like to attend activities such as these. But it is totally incomprehensive to me why the Department of Health, Education, and Welfare is accommodating these protest groups in presenting their message by making Government space available to them to show Communist-produced films and speak to Government employees about how they can actively work to halt the operations of the Government.

The American public has elected a President to direct our Government's operations and dictate our country's policies. Although some Americans disagree with the policies of the administration, they undoubtedly expect the Government structure itself to remain loyal to the policies of the President. For the most part Americans accept the policies laid down and fully expect the employees of the Government itself to do so. Regardless of the banner under which these activities are permitted—employee relations, employee activities, or other—I see no reason why Government space should be allowed to be used to promote sentiment against the Government's policies, particularly in a matter as serious as the Vietnam war.

How do I explain to my tax-paying constituents who have lost sons and husbands in this war that we are allowing facilities supported by their tax money to be used this way.

I have written to President Nixon and to Secretary Richardson expressing my concern over this action, seeking an answer to this question, and urging that this type of activity not occur again in Government buildings.

## U.S.S.R., U.S.A., AND THE PANAMA CANAL

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 15 minutes.

Mr. FLOOD. Mr. Speaker, in recent years various Members of the Congress in both Senate and House have warned of the long range Soviet program for wresting control of the Panama Canal from the United States. To meet this danger my distinguished colleague from Missouri (Mr. HALL) and I have introduced identical resolutions expressing the sense of the House of Representatives that the United States should maintain its undiluted sovereignty and jurisdiction over the Canal Zone and canal. Many other Members of the House have joined us in this effort.

The fact that the time has come for the House to act on the indicated resolutions is evidenced by the publication in the September 1970 issue of the New Times of Moscow of a most revealing article by Ruben Dario Souza, the General Secretary of the People's Party of Panama, who visited the Soviet capital at that time. This Soviet support of Panamanian objectives is most significant.

In an article in a recent issue of East Europe, a distinguished international magazine published in New York, Joh P. Speller, its executive editor, quotes a major portion of the Dario Souza article, interprets its thrust as regards Soviet objectives at Panama, and urges a three point program to safeguard the vital interests of the United States. As stated by author, Speller, this program, which does not acquire new treaties with Panama, consists of the following:

First, reaffirmation of U.S. sovereignty in perpetuity over the Canal Zone;

Second, increase of security precautions as regards the employment of aliens in security positions in the maintenance and operation of the canal; and

Third, the major modernization of the existing Panama Canal.

The previously mentioned resolutions to reaffirm U.S. sovereignty over the Canal Zone and canal, although introduced in the House, have not yet been acted upon. Proposed legislation for the major modernization of the canal has been introduced in both House and Senate but hearings have not been held. The question of the employment of aliens in Panama Canal security positions is of prime importance for such employment could paralyze the operation of the canal in a time of crisis.

In regard to the last matter it was the holding by U.S. citizens of security positions that enabled the canal to operate without interruption to transit during the January 1964 Panamanian mob assault on the Canal Zone, which fact won the admiration of the shipping world.

The recent visit of Robert B. Anderson to Panama in connection with a resumption of treaty negotiations emphasizes the importance of prompt action by our Government in the premises.

As the indicated article is most timely and should be of high interest to all Members of the Congress and others concerned with canal problems, I quote it as part of my remarks:

[From the East Europe, Feb. 1971]

RUSSIA, AMERICA, AND THE PANAMA CANAL

(By Jon P. Speller, Executive Editor of East Europe, has been interested in Panama Canal matters for more than a decade. For the past two years he has been working on a book, The Panama Canal: Heart of America's Security, devoted to analysis supporting the major modernization of the Panama Canal proposed by Congressional Panama Canal experts Congressman Daniel Flood (Dem., Pa.) and Senator Strom Thurmond (Rep., S.C.)

In recent years the Russians have vigorously entered into a race for naval supremacy over the United States. Except for the fact that they were foolish to throw down the gauntlet to a competitor with a superior geo-political and industrial base for seapower, the Russians have evidenced a high degree of professionalism in their strategic positioning. Many seapower analysts believe that Russia's naval strategists have placed a high priority on the objective of depriving the United States of use of the Panama Canal.

Recent months have disclosed construction activities essential for the establishment of a Russian submarine base at Cienfuegos, Cuba. A Soviet survey ship has been sighted at South Georgia in the South Atlantic, a potential site for a base controlling the eastern approaches to the only fully navigable passageway other than the Panama Canal connecting the Atlantic and Pacific Oceans in the Americas. The new regime in Chile, should it cooperate with the Russian Navy, could also provide bases suitable for control of the western approaches to these inter-oceanic straits.

Russian strategic planning related to the Southern Hemisphere is cause for alarm. But even more alarming is Russian strategic planning related to the Panama Canal.

The Panama Canal not only represents an essential maritime link for our commerce, but, more importantly, an indispensable supply channel for our Armed Forces. The present locations of our Armed Forces heighten the importance of the Canal as related to our capability for flexible response.

Last September Moscow's *New Times* published an article entitled "New Trends in Panama" disclosing support for the government of General Torrijos in Panama. The views expressed in this Soviet publication are aimed at:

(1) gaining international support for the Panamanian Government in its attempts to get control of the Canal;

(2) a pretense of opposition to the proposed new Panamanian-American treaties in order to obfuscate the very real danger these treaties represent to the vital national interests of the United States.

The vital national interests of the United States—its defense from all enemies, present and potential—prescribe that we:

(1) reaffirm our undiluted sovereignty over the Panama Canal Zone granted in perpetuity by Panama in the treaty of 1903;

(2) increase security precautions related to the operation and maintenance of the canal in regard to the employment of aliens in security positions;

(3) immediately proceed with major modernization of the existing canal.

Steps are now being taken in the Congress that aim to implement this program, which does not involve the negotiation of any new treaties with Panama and safeguards United States interests as well as the security of the entire Western Hemisphere, including Panama.

The *New Times* article (September 30, 1970) attributed to Ruben Dario Souza, Russia's *sputnik* in Panama, is reproduced in full:

"Earlier this month the Panama government officially announced that the draft treaties on a new status for the Panama Canal, drawn up in Washington in 1967, were unacceptable as a basis for resuming negotiations on this question. The Panamanian authorities declared that the United States must turn over the Canal Zone to Panama.

"What prompted the Panamanian government's decision, which has come as a surprise to many? What are the roots of this turn in the country's foreign policy? *New times* correspondent Juan Cobo put these questions to Ruben Dario Souza, General Secretary of the People's Party of Panama, who visited Moscow in September.

"At one time," Souza said, "press comment on developments in Panama was largely influenced by the fact that the National Guard, the only armed force in the country, which came to power after the coup of October 11, 1968, had been organized and trained by the Pentagon. Morover, the Panamanian army leaders arrested a great many representatives of the opposition at the time. The Communists incidentally suffered most from the repressions. I myself was in prison until November last year.

"All this caused the world press to conclude that a conservative military dictatorship had taken over the reins of government. And to some extent, especially at that particular moment, this was indeed the case. However, as time went on, there were increasing signs that the ruling junta was by no means united, that a constant struggle was going on within it between the different views as to the direction the country's development should take.

"It is symptomatic that Washington was in no hurry to recognize the military regime. In the first place, the old order, under which the various clans of the corrupt pro-American oligarchy had alternated in government as a result of elections, suited the U.S. down to the ground. Secondly—and this is more important—the United States was informed by its intelligence agents of the existence of diverse tendencies among the Panama military, including progressive nationalist tendencies, and feared that the latter might take the upper hand. Washington evidently took into account the fact that the National Guard had been created only in 1953, that it was not a caste army, that it consisted of a large percentage of men from the lower and middle strata, who yearn for changes."

*"How widespread are such sentiments in the Panama army at present?"*

"Today after some reshuffling of the junta leadership, the nationalists are setting the tone. They are led by General Omar Torrijos, the actual leader of the junta and the commander-in-chief of the National Guard. The general described the evolution of his views in a letter to U.S. Senator Edward Kennedy which was published in July in the newspaper *Estrella de Panama*. Torrijos wrote that for a long time the Panama oligarchy had used him personally and the army generally for one purpose only—repressions against the people. This gradually opened his eyes to the cynicism of the former ruling elite and to the needs and demands of the popular masses. The same sort of evolution is taking place in the armed forces of many Latin American countries, and Torrijos attaches much significance to the emergence on the continent of a 'new type' of the military, to which he considers himself as belonging."

*"Could the same not be said for the Peru military?"*

"Certainly. More, some of Torrijos' colleagues, who have been clearing the country and the National Guard itself of CIA agents, studied at the Centre for Higher Military Studies in Lima and heard lectures by General Velasco Alvarado, now President of Peru. They speak of this with unconcealed pride and voice admiration for Peru's officers. Thus, the nationalist wing of the Panama army is influenced, not only by the sentiments of the Panamanian masses, but by the general shift to the Left in Latin America as manifested, among other things, in the present policy of the Peru military."

*"In that case Washington's cautious attitude towards the Panamanian junta is indeed understandable . . ."*

"Washington not only displayed caution, it did everything possible to get rid of Torrijos and his followers, whose position throughout last year grew steadily stronger. On December 15 four junta colonels took advantage of Torrijos' absence in being a Communist and allowing Leftists to penetrate the government. One of the conspirators, Colonel Sanjur, tried to induce the army officers to join in the putsch by assuring them over and over again that 'everything is in order; don't worry, the CIA guarantees us full support.' Official documents published after the conspiracy was exposed and Torrijos had regained control of the situation, charged the CIA with direct complicity in the putsch. And there is ample evidence to support the charge. Here is one fact. Three of the rebel colonels who escaped from jail shortly after their arrest were given asylum in the Zone and later, despite the protest of the Panamanian authorities, were sent on to the United States."

*"What happened after that?"*

"Judging by everything, the CIA-engineered putsch acted as a sort of catalyst of

the processes that have long been maturing within the junta. It was this evidently that induced Torrijos and his group to take resolute action. And this was logical enough. Finding themselves in a political vacuum after the December 15 events, Torrijos and his followers appealed for support to the lower and middle sections of the population. And this naturally forced the army to give more attention to the aspirations of these sections.

"At the beginning of January this year Juan Antonio Tack, a man known for his progressive views, was appointed to the post of Foreign Minister. At a session of the Organization of American States, Tack delivered a speech denouncing imperialist policy.

"Certain changes have taken place in the internal life of Panama as well. This summer nearly all the political prisoners from progressive parties and organizations, including Communists, were released from jail. The government has recognized the National Labour Centre, formed this year as a counterweight to the old trade union confederation whose leadership was completely under the control of the Americans and the local oligarchies. Under pressure from the peasant masses, the agrarian reform has been speeded up. Student organizations, which have quite a revolutionary tradition in our country, have been restored.

*"Then the Panamanian government's position on the question of the Canal may be seen as a logical manifestation of these new tendencies?"*

"Of course. But I should like to make it clear that Panamanians are concerned at present less about the question of the Canal itself, than about the extensive zone which adjoins it and which has become a 'state within a state.' The Pentagon has turned the zone into a powerful base of operations located far south of the U.S. borders and spearheaded not only against Panama but against all of Latin America. That area should by rights belong to Panama—on this the bulk of the population of the country is unanimous.

"Now about the Canal itself and its exploitation. . . . Until quite recently there was a good deal of talk in Washington about the possibility of building a new waterway between the Atlantic and the Pacific, a sea-level canal cutting across Panama, Colombia or Nicaragua, big enough to accommodate modern vessels. But of the 25 million dollars allocated by the U.S. Congress for surveying the new routes, $18 million were earmarked for work in Panama. And not long ago it transpired that the Americans had decided simply to expand and reconstruct the existing canal. In violation of all legal norms, they proceeded to put their project in operation without even informing the Panamanian authorities of their intention. The Panama government protested the action and the National Guard occupied the neighboring Rio Hato area, formerly a Pentagon artillery range.

"After that the draft treaties on a new status for the Canal, drawn up to the detriment of our country's interests back in 1967, were in effect declared invalid by Torrijos. It was at this point that the *Christian Science Monitor* wrote about Washington's concern over indications of General Torrijos 'wanting to follow a more independent, nationalistic course.'"

*"What was the reaction of the Panamanian democrats to this?"*

"The Left forces, and particularly the Communists, regard the present developments as positive. The Panamanian democrats do not close their eyes to the fact that the policy of the Torrijos government is a variety of bourgeois reformism, that in many respects it is dictated by objective circumstances and is none too firm. Nevertheless, we are convinced that in the interests of the democratic forces we must make use of the specific nature of the present period which we regard as transitional.

"The principal task, the Communists hold, is to build an alliance of all the anti-imperialist forces in Panama and secure the establishment of a truly democratic system which would make it possible to intensify the struggle for genuine independence. We fully realize that this is by no means an easy task. Washington will of course continue to seek allies in the armed forces in order to achieve its ends with their help. If it fails, it is not excluded that the CIA will try to build up reactionary terrorist organizations and sow havoc in the country, as it did in Guatemala. All the more important is it for us to strengthen the unity of all anti-imperialist forces and together counter the machinations of Yankee imperialism."

## ECONOMIC IMPACT OF THE TRANS-ALASKA PIPELINE

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 30 minutes.

Mr. ASPIN. Mr. Speaker, today I am including in the CONGRESSIONAL RECORD a very important report by an Alaska State agency which concludes that construction of the proposed Trans-Alaska pipeline could hurt the economy of Alaska more than it would help. The 27-page report, entitled "Community Impacts of the Trans-Alaska Pipeline," was prepared by the Alaska State Housing Authority "in cooperation with the Local Affairs Agency, office of the Governor."

I believe this is the most surprising and significant report on the pipeline released to date. Considering that the source of this report comes in part from the office of the Governor of Alaska, it convincingly demonstrates that there are reservations about the pipeline from all sides. The report predicts that the number of job seekers who will be attracted to Alaska, if the 800-mile pipeline is approved, will far exceed the 300 permanent pipeline jobs, and could cause the State's unemployment to be the highest in the country.

The report states:

Already, anticipation of the pipeline has had this effect and the social and economic impact on communities has been powerful. For example, in the Anchorage area during June of 1970, the unemployment rate climbed from 8.8% to 11.2% as immigrating job seekers joined the labor market.

According to the report, a large influx of workers into Alaska would also: Place a large burden on cities, which will have to provide additional services such as housing, education, and welfare without a proportionately expanded revenue base; and cause competition between newcomers and Alaskan citizens, not only for a few permanent pipeline jobs available, but for nonpipeline related jobs as well.

This report, I believe, convincingly explodes two myths. The first myth is that all Alaskans—and especially State officials and agencies—are enthusiastically supporting the trans-Alaska pipeline. The report shows that this unity has been at least partly contrived. The second myth is that the pipeline would be a panacea to all of Alaska's economic problems. After this report, only the most naive could continue to believe that. In fact, there is extremely strong evidence that Alaska would be much better off economically, as well as environmentally, if the Canadian pipeline were built instead of the Alaska route.

One of the points that the report makes so well is that the problems a boom psychology could create for Alaska are potentially enormous. The problems that the Alaskan city of Kenai has had due to rapid petrochemical development in the last 10 years, as cited in the report, is instructive. The State Housing Study calls Kenai "a preview of the danger that could affect Alaska on a much larger scale" in the case of the pipeline. The report states that:

Since Kenai's economic boom has passed unemployment is rising to new highs and population, work force, and payrolls are declining to a lower level.

In contrast, the pipeline project does not have a compensating measure of permanent employment to soften the impact of the shutdown of construction. The 300 pipeline and terminal maintenance jobs gathered from Prudhoe Bay to Valdez amount to only one twenty-fifth of the construction employment at its estimated peak point.

A few other significant quotes in the report include:

The permanent pipeline employment would be only about 300, an amount equivalent to one of the department stores in Anchorage (p. 1).

Alaska's history is rich with experience—bitter experience that should teach Alaskans to be cautious in approaching a temporary boom time (quoting *Alaska Construction and Oil Report*).

Regardless of the timing of actual construction, news of the pipeline's approval would bring a rush of job seekers to Alaska, people who have been lured by tales of black gold and a land of opportunity (page 9).

Amazingly enough, if the pipeline is approved for 1971 construction, Alaska could reflect the highest unemployment figures in the nation amidst the boom. The answer is simply that the Alaska job potentials will attract thousands from depressed regions from other states—causing Alaskan statistics to soar upward (page 11, quoting Alaska Construction and Oil Report.)

I am hopeful that this report indicates a growing awareness on the part of many Alaskans including those in the State government that there may be more acceptable and profitable alternatives for Alaska of getting the North Slope oil to market. This report is so revealing and incisive that it is imperative that the Alaskan State officials reassess their thinking on the advisability of constructing the trans-Alaskan pipeline. It is time for the State of Alaska to fully study—independently of the oil companies—which pipeline alternative is really best for Alaska.

The report follows:

COMMUNITY IMPACTS OF THE TRANS-ALASKA PIPELINE

GENERAL CONSIDERATIONS

The construction phase of the trans-Alaska pipeline would be intense, but very brief. Current estimates place the peak employment at about 7500.[1] In contrast, the permanent pipeline employment would be only about 300, an amount equivalent to employment at one of the department stores

[1] Data in this report on pipeline related employment is from the Alyeska Company.

in Anchorage. Construction would last only two and a half seasons. The economics of oil production dictate rapid completion of the pipeline. Wherever possible, time would be saved by intensive use of money and manpower. Once construction is completed, the direct employment generated by the highly automated pipeline would be a minor part of Alaska's total employment.

In estimating the impact of an awesome project such as the pipeline there is a temptation to exaggerate the economic benefits which will accrue to affected communities. Most people see development in terms of added jobs and personal income. There is an emotional bias towards optimistic prediction. Anticipation of the pipeline has exemplified this tendency. There has been very little reflection on the shortness of the construction employment and the probable size of permanent employment. In the press no distinction has been made between peak seasonal construction employment and annual averages, with a consequent exaggeration of expectations. (See table VI.)

Over-estimation of actual benefits of development can do great harm to communities and individuals, especially when they are inspired by a very temporary spurt of growth such as the pipeline construction. "Alaska's history is rich with experience—bitter experience—that should teach Alaskans to be cautious in approaching a temporary boom time." [2]

The City of Kenai provides a preview of the danger which could affect Alaska on a much larger scale if we refuse to be realistic about the actual impact of the pipeline construction. Over the 1960–1970 decade, Kenai-Cook Inlet District was the fastest growing region in the State. Petrochemical exploration and development and associated construction activity fueled rapid population and economic growth. (See table I).

That is the rosy side of the picture. Contemporaneously, in that district gross unemployment grew rapidly, if less noticeably, nearly doubling over the decade. Apparently, many of the new jobs went to workers newly attracted to the boom area, and more workers came than could find jobs. Furthermore, now that the boom has passed, unemployment is rising to new highs and population, workforce and payrolls are declining to a lower level.

Employment levels in two industrial sectors were bellwethers for the "boom and bust" cycle of economic activity. Construction employment reached extraordinary heights then declined precipitously as the industrial, commercial and residential demands triggered by petrochemical development tapered off. To a lesser degree, mining employment shot up and then dropped off as development matured.

Some measure of the steepness of the decline is indicated by table II, comparing employment figures for the first quarters of 1967 and 1970. Construction employment is returning to a sustainable level, far below previous peaks, and mining employment is settling toward the level of permanent new jobs created in petrochemical industry.

In sum, the short term impact of the development phase was to boost employment and payrolls. Obscured by this flashy growth was the fact that general unemployment also rose rapidly, mainly due to a heavy influx of outside workers. As the boom broke, the region was vulnerable to a severe employment decline. The major long-term benefit was the solid core of permanent employment in new industrial jobs.

Fortunately, in the Kenai area, the establishment of a number of petrochemical plants tempered the decline in mining employment.

To a degree, permanent plant jobs have replaced construction and development jobs. In contrast, the pipeline project does not have a compensating measure of permanent employment to soften the impact of the shut-down of construction. The 300 pipeline and terminal maintenance jobs scattered from Prudhoe Bay to Valdez amount to only 1/25 of the construction employment at its estimated peak point. Operation of the Prudhoe Bay field will require a workforce of 150 to 400 persons and the refinery at Fairbanks may employ as many as 150 persons.

CONSTRUCTION IMPACT

Our assignment is to estimate the impact of the pipeline in terms of economic and social effects on Alaskan communities. Other forms of impact, involving wildlife habitat, and effects on the existing highway system, are being considered separately. The community impacts of the project would vary widely over time and should be seen as a series of impacts accompanying different stages of the pipeline project.

*Preconstruction*

The Alyeska Company anticipates a substantial amount of direct or contract employment this summer preparatory to any actual construction on the road to the North Slope or the pipeline. Currently, about 75 truckers are employed moving pipe from Valdez to Fairbanks. This summer the company plans to let contracts for coating the pipe, a step which must be taken to prevent corrosion regardless of whether or not the pipeline route is approved. Coating will require 60 men apiece at Prudhoe Bay, Valdez and Fairbanks. In addition, along the pipeline route, there will be 40 surveyors and 4 to 5 men apiece at 18 test drilling rigs. Within Alaska, the Alyeska Company currently employs about 115 people in administrative or professional capacities.

In all, approximately 500 people will be employed during the preconstruction stage, either directly or under a contract with the company. This activity will, in turn, mean additional revenues for service businesses, particularly aviation services. It is doubtful, however, that preconstruction employment related to the pipeline is of a magnitude that will have an appreciable secondary impact in terms of new employment in service industries in Anchorage and Fairbanks. In both these larger communities there is much capacity to accommodate additional trade within existing service industries. In anticipation of the pipeline, service industries have been expanded. The pipeline failed to materialize, and businesses have suffered. For example, employment in air transportation services in the Fairbanks area has decreased by one-third during the past year from 900 in December 1969 to 600 in December 1970.[3] In this situation the pre-construction pipeline employment would increase business income per employee rather than add to total employment in the industry.

Valdez is a different story. Here pre-construction employment, the 60 employees at the coating plant, plus the trucking employment and longshoremen handling unloading of valves and other pipeline equipment, represent a 50% increase in the existing employment base. Estimated total employment in Valdez in 1969 was only 320 persons.[4] Preconstruction will bring a surge of new money to Valdez which will greatly strengthen the community's few trade and service businesses.

As in Anchorage and Fairbanks, businesses in Valdez have geared up for pipeline construction and then been left with unused capacity by the construction delay. There is room to accommodate growth, but the impact of the pre-construction employment will be so large in relation to the community's size, that the trade and service industries will probably be expanded and new workers added. The effect on community facilities and services will also be proportionately much stronger in the smaller community. Valdez has virtually no unoccupied housing. All the liveable homes are occupied and new employees coming to the area must build or import their own dwellings.

The City was understaffed and underfunded before the pipeline activity. Valdez, like many other small cities, must carry out a full range of municipal functions without the revenue base to support them. This gap between the City's responsibilities and financial capability will be expanded by the pipeline employment. Revenues from the property tax, since they are based on the prior year's assessment, will lag behind the increased need for public services caused by the newcomers. Likewise, allocations under the State's shared revenue program, based on the population of the 1970 Census, will remain static.

It can be expected that this pattern will be continued and intensified as added pipeline employment arrives in Valdez during other stages of the construction project. A community of 1100, such as Valdez, has a very limited existing capacity to accommodate growth. The impact of a project such as the pipeline is relatively much stronger than in a larger, more diversified community. The same set of forces will characterize the impact of the pipeline construction on the smaller communities along the route such as Glennallen, Big Delta and Stevens Village.

To assist Valdez and other small communities in this dilemma, the State should revise the population basis of its revenue sharing program as needed to reflect the community's actual population. The State should also consider a change in the formula of its grant allocation to very small communities. Addition of a minimum grant clause to the revenue sharing legislation would recognize the fact that, below a certain minimum, municipal costs do not vary with population size. The Alyeska Company could assist Valdez in timely provision of municipal services by prepaying its real property taxes, or by buying an issue of Valdez municipal bonds or tax anticipation notes.

*Initial construction*

The Alyeska Company has stated that even if the Department of the Interior approves the route this spring, there is no way that they could start laying the pipe before the summer of 1972. Contracting, hiring and the logistics of deploying men and materials are too complicated to be accomplished any sooner. The first job in building the line would be construction of airstrips to enable fuel supply. This would be followed by the construction of the pipeline road north of the Yukon. The company estimates that if the permit is received in the early summer, much of the road construction could be accomplished during the fall months. Employment for this part of the project is estimated at 1,800.

Regardless of the timing of actual construction, news of the pipeline's approval would bring a rush of job seekers to Alaska, people who have been lured by tales of black gold and a land of opportunity. Already anticipation of the pipeline has had this effect and the social and economic impact on communities has been powerful. For example, in the Anchorage area during June of 1970 the unemployment rate climbed from 8.8 percent to 11.2 percent as immigrating job seekers joined the labor market. Normally in June unemployment drops as the summer work season picks up. Between May and June of 1970, 2,200 unemployed were added to the

[2] *Alaska Construction and Oil Report*, "Outlook for Employment", January, 1971.

[3] Alaska Department of Labor, Employment Security Division, *Alaska Economic Trends*.

[4] Department of Economic Development, *Standards Industrial Survey, 1969*.

Anchorage area workforce and 700 were added to the Fairbanks area workforce.[5]

The majority of the job hunters unrealistically assessed both the prospect of finding a job matching their skills and the costs of living in Alaska. The City's welfare resources were strained and people sought desperately for low cost housing. Some managed to find a source of livelihood and stayed through the winter, contributing in part to the near crisis in accommodating school enrollment in Anchorage during the fall of 1970. There was a similar influx and impact in Fairbanks.

Despite efforts by both the State and the Alyeska Company to discourage premature or insufficiently skilled job seekers, announcement of pipeline approval is likely to intensify the rush to Alaska. The *Alaska Construction and Oil Report* has observed:

"Amazingly enough, if the pipeline is approved for 1971 construction, Alaska could reflect the highest unemployment figures in the nation amidst the boom. The answer is simply that the Alaska job potentials will attract thousands from depressed regions of other states—causing Alaskan statistics to soar upward." [6]

*Peak construction*

The Alyeska Company has estimated that it will take 15 to 17 months for the pipeline construction to reach its peak of activity and employment. Completion of the road is a prerequisite to pipeline construction north of the Yukon. For this reason, the company won't be working on the full length of the line until the latter half of the second year of construction. At peak construction, about 7500 persons will be working on the total project. (See tables IV and VI.)

The impact of the pipeline construction on communities will reflect the extent to which the project will employ members of the Alaskan workforce or will draw from the nationwide labor market. The need for additional housing and community services is in part a function of the numbers of pipeline workers who are hired outside the local area. Employment from out of State or out of the local area means additional population which must be housed and provided with various public services; whereas fuller employment of the local labor force simply increases local income and purchasing power and, in turn, expands the community's ability to pay for needed housing and services. On the one hand, communities gain population but also responsibilities and costs; on the other hand, gains are in terms of the welfare of existing population.

Some of the pipeline construction jobs are so specialized that they cannot be filled from the Alaskan labor force. The Alyeska Company has estimated that 60 to 70 percent of the pipeline construction jobs are of an unskilled or semi-skilled nature. Half of the structural jobs could be filled by common laborers. These figures indicate that about 3000 to 4500 of the construction jobs at peak employment could be filled from the Alaskan labor pool.

With this information one is tempted to look at Alaska's workforce, particularly the large pool of unemployed and underemployed workforce from rural Alaska, to see how many might be employed on the pipeline construction project.

The error in this approach is that it overlooks the rush of job hunters to Alaska that is occurring and assumes that unemployed persons in rural Alaska are informed and able to reach hiring centers when hiring is being done.

The influx of out of State job seekers is liable to accelerate with news of pipeline approval. Once a worker arrives in Alaska he becomes, for all intents and purposes, a part of the local labor force. Any distinction between him and long term residents is both impractical and probably illegal.

It is impossible to quantify and project this influx of job seekers. The amount of immigration will be influenced by the state of the national economy as well as by the publicity of the pipeline. Efforts by the State and the pipeline company to discourage immigration may have some countervening effect. However, the national unemployment rate is currently a high 6 percent and people are migrating in search of jobs. Men who developed the oil fields in the Gulf Coast states see Alaska as a new market for their experience.

These circumstances indicate that all the good intentions of the State and the Alyeska Company to hire locally and reduce Alaska's shockingly high rate of unemployment may run afoul of forces beyond local control which are drawing job hunters to Alaska. Certainly this is what the recent experience of Kenai indicates. (See table II.)

Because of the unpredictability of the influx of job hunters to Alaska, it would be a futile exercise to attempt a specific estimation of the impact of the pipeline construction on communities. However, it is useful to recognize the pressure points, to start accommodating needs which have already resulted from immigration and to gather resources to accommodate the unpredictable demands of the future.

Certainly housing for low income families is an obvious need. There is currently an extreme shortage of such housing in both Anchorage and Fairbanks. This pressure will result more from the influx of job seekers than from the workers on the pipeline. Construction workers will live in camps set up along the pipeline. Some workers coming from outside Alaska to fill construction jobs will bring families and will need housing in communities. They will seek housing in existing communities, mainly Anchorage and Fairbanks. Fairbanks will be the hardest hit because it is accessible to more of the pipeline than Anchorage. But the demand for housing, especially low income housing, will tax the resources of both communities.

There will, of course, be a commensurate increase in the need for classrooms, police and fire protection, public utilities, recreation facilities and health, welfare and employment services. In planning to meet these needs the State and local government should give cognizance to the temporary nature of the pipeline construction and its accompanying increase in employment and community population. In this situation, communities should look for flexible methods of meeting temporary public needs to avoid investing in permanent capital improvements which will be under-used in the future. The flexibility afforded by accommodations such as temporary classrooms and trailers is appropriate in responding to the temporary impact of pipeline construction.

Pipeline construction employment and payroll will breath new life into trade and service employment in both Anchorage and Fairbanks. Businesses such as air transportation services, parts suppliers, machine shops, hotels, restaurants, bars and liquor stores will realize increased revenues. Employment added in these industries will be helpful in accommodating the wave of job seekers generated by news of the pipeline.

To estimate the increase of secondary employment as a result of the oil and gas industries in the State, the Department of Labor has built an econometric model of Alaskan employment during and after the pipeline construction. In this model they have assumed that each employee in the oil and gas industry will support three employees in the service industries. Though this may be the case on a national basis and over a long time span, there is reason to doubt that service industry employment will increase that much in Alaska as a result of pipeline construction. Many pipeline workers will maintain families outside the State and most of their share of the pipeline construction payroll will leave the State, eventually to stimulate service employment elsewhere.

There is normally a long time lag between an increase in basic employment bringing outside money into an area and the build-up of secondary employment generated by money circulating within the community. Most Alaskan communities have not yet reached the ratio of one service employee for each basic employee which is typical of older, more heavily populated regions.[7] Because of the temporary nature of the pipeline construction employment, service businesses will be cautious about moving to Alaska and existing businesses will be cautious about expansion. Since this resistance will foster a scarcity of goods and services, trade and service businesses will be able to escalate prices.

The inflationary pressures of the brief spurt of pipeline construction will have a major impact on Alaskan communities, affecting the lives of everyone living in Alaska. Housing will be most immediately affected because of the premiums which pipeline contractors will pay for experienced construction workers. In addition the intensified demand for goods and services, played against the temporary nature of the project and the consequent resistence to industry expansion, will inflate costs of other goods and services in Alaska.

*Post construction*

After the construction workers have left and the pipe is operating, the Alyeska Company will be employing about 300 men distributed along the pipeline at the pumping stations and at Valdez. Unofficial estimates of the work-force required to operate the North Slope production field range from 150 to 400. Employment at the Fairbanks refinery may be as much as 150.

This relatively small permanent employment will be only a minimal compensation for the loss of construction employment. Because the types of skills required to fill the permanent jobs will be different from skills required in construction, temporary workers won't shift directly into permanent employment.

Some sources claim that exploration and development of additional petroleum fields will take up the slack, but "oilmen also warn that there will never be another push such as occurred just before the lease sale in 1969".[8] If there is additional drilling, truckers will be employed hauling equipment up the pipeline road to the North Slope. Development of Alaskan refineries, other than the one in Fairbanks, has been posed as a possibility.

Valdez may have locational advantages for a refinery because it is the first place at which it becomes feasible to alter the composition of the crude petroleum in response to differing needs of different geographical markets.

However, all of these possibilities are very speculative in nature. They should not be allowed to obscure the economic dislocations that will be caused by the cessation of pipeline construction.

With realistic planning the State could ease or ward off unemployment and inflation following in the wake of pipeline construction and, as a result, soften the detrimental impact on communities. Recently the State

[5] Alaska Department of Labor, *Alaska Economic Trends*, July, 1970.

[6] Alaska Construction and Oil Report, Outlook for Employment, January, 1971.

[7] Data from community comprehensive plans prepared by ASHA.

[8] *Alaska Construction and Oil Report*, "Employment Outlook", January, 1971.

has authorized $146 million in bond issues for various future public construction projects. State, federal and local governments should try to time public construction to avoid the period of pipeline construction. By accumulating a backlog of construction projects to be started as the pipeline construction eases off, government could reduce inflationary pressures and unemployment and counter the drop in the economy caused by the end of pipeline construction.

A different type of impact which affects communities indirectly will be on the appearance and development pattern of the stretch of highway from Copper Center to Fairbanks. The massive construction effort will be accompanied by a corresponding demand for roadside bars, cafes, lodges and automotive service businesses. Without public land use controls such as building, subdivision and zoning ordinances, this demand will inspire temporary roadside development and speculative land subdivision along the length of the highway.

After construction many such enterprises would be abandoned and Alaska would be left with a permanent scar on its landscape. Small communities along the route such as Glennallen and Big Delta would be further saddled with a haphazard development pattern which will stunt their ability to obtain public water and sewer service and to achieve the benefits of a well planned community. The State could forestall this eventuality by adopting and enforcing land use controls for the unorganized borough.

The State and Alyeska Company could also help reduce the potential economic dislocation by measures which would assure that the employees hired for permanent pipeline and oil field operation jobs came from Alaska's existing work-force rather than from outside the State. The two and one-half year construction project gives ample lead time for an effective training program which would be completed in time to coincide with the availability of permanent jobs. Because of its specialized nature, training for pipeline and oil field operation could best be accomplished by the companies themselves, perhaps with State assistance in recruiting and establishing contact between the companies and prospective employees from remote areas.

TABLE I.—EMPLOYMENT DATA, KENAI-COOK INLET AREA, 1961-69

| Year | Total civilian work-force | Total employment | Total unemployment | Percent unemployment | Mining employment | Contract construction employment |
|---|---|---|---|---|---|---|
| 1961 | 2,512 | 2,102 | 410 | 16.3 | 155 | 57 |
| 1962 | 3,123 | 2,664 | 459 | 14.7 | 169 | 94 |
| 1963 | 3,274 | 2,723 | 551 | 16.8 | 159 | 99 |
| 1964 | 3,318 | 2,830 | 488 | 14.7 | 179 | 128 |
| 1965 | 2,914 | 2,510 | 404 | 13.9 | 212 | 259 |
| 1966 | 3,883 | 3,383 | 500 | 12.9 | 415 | [1] 517 |
| 1967 | 5,415 | 4,936 | 479 | 8.8 | 915 | 821 |
| 1968 | 6,475 | 5,892 | 583 | 9.0 | 1,099 | 1,209 |
| 1969 | 6,262 | 5,510 | 752 | 12.0 | 966 | 736 |

[1] Average for last three quarters only.

Source: Workforce estimates, Alaska Department of Labor.

TABLE II.—SELECTED EMPLOYMENT DATA, KENAI-COOK INLET AREA, 1969 AND 1970

| | First quarter 1969 | First quarter 1970 |
|---|---|---|
| Average employment | 3,902 | 3,345 |
| Mining employment | 1,000 | 632 |
| Contract construction employment | 778 | 315 |
| Quarterly payroll | $13,033,194 | $10,219,570 |

Source: Statistical Quarterly, Alaska Department of Labor.

TABLE III.—TRANS-ALASKA PIPELINE CONSTRUCTION, ESTIMATED DIRECT AND CONTRACT EMPLOYMENT, 1ST YEAR, PRECONSTRUCTION AND CONSTRUCTION, (ASSUMING APPROVAL JULY 1)

| | Number employed | Months worked |
|---|---|---|
| North of Yukon: | | |
| Road and access construction | 1,800 | 2 |
| Surveying and drilling | 50 | 6 |
| Pipe coating (Prudhoe) | 60 | 6 |
| Supervisory and managerial | 20 | 6 |
| Total jobs | 1,930 | |
| Average monthly employment on 12-month basis | 365 | |
| South of Yukon: | | |
| Surveying and drilling | 50 | 6 |
| Pipe coating (Fairbanks) | 60 | 6 |
| Supervisory and managerial | 90 | 12 |
| Total jobs | 200 | |
| Average monthly employment on 12-month basis | 145 | |
| Valdez: | | |
| Pipe coating | 60 | 6 |
| Trucking pipe Valdez to Fairbanks | 75 | 4 |
| Unloading and handling pipe | 15 | 1 |
| Supervisory and managerial | 4 | 12 |
| Total jobs | 154 | |
| Average monthly employment on 12-month basis | 60 | |

Source: Alyeska Co., April 1971.

TRANS-ALASKA PIPELINE CONSTRUCTION, ESTIMATED DIRECT AND CONTRACT EMPLOYMENT, 2D YEAR, CONSTRUCTION

| | Number employed | Months worked |
|---|---|---|
| North of Yukon: | | |
| Road construction | 550 | 4 |
| Pumping stations | 350 | 6 |
| Trucking materials along line | 30 | 6 |
| Pipeline construction | 3,500 | 6 |
| Supervisory and managerial | 150 | 8 |
| Total jobs | 4,580 | |
| Average monthly employment on 12-month basis | 2,223 | |
| South of Yukon: | | |
| Pumping stations | 350 | 8 |
| Trucking materials along line | 30 | 8 |
| Pipeline construction | 2,500 | 8 |
| Supervisory and managerial | 240 | 12 |
| Total jobs | 3,120 | |
| Average monthly employment on month basis | 2,160 | |
| Valdez: | | |
| Terminal construction | 450 | 8 |
| Trucking materials along line | 30 | 8 |
| Supervisory and managerial | 50 | 8 |
| Total jobs | 530 | |
| Average monthly employment on 12-month basis | 353 | |

Source: Alyeska Co., April 1971

TABLE V.—TRANS-ALASKA PIPELINE CONSTRUCTION, ESTIMATED DIRECT AND CONTRACT EMPLOYMENT, THIRD YEAR, CONSTRUCTION

| | Number employed | Months worked |
|---|---|---|
| North of Yukon: | | |
| Pumping stations | 250 | 10 |
| Trucking materials along line | 30 | 10 |
| Pipeline construction | 3,000 | 10 |
| Supervisory and managerial | 150 | 10 |
| Total jobs | 3,430 | |
| Average annual employment on 12-month basis | 2,858 | |
| South of Yukon: | | |
| Pumping stations | 250 | 10 |
| Trucking materials along line | 30 | 10 |
| Pipeline construction | 3,000 | 10 |
| Supervisory and managerial | 240 | 12 |
| Total jobs | 3,520 | |
| Average annual employment on 12-month basis | 2,973 | |
| Valdez: | | |
| Terminal construction | 500 | 10 |
| Trucking materials along line | 30 | 10 |
| Supervisory and managerial | 50 | 12 |
| Total jobs | 580 | |
| Average annual employment on 12-month basis | 492 | |

Source: Alyeska Pipeline Co., April 1971.

TABLE VI.—TRANS-ALASKA PIPELINE CONSTRUCTION, ESTIMATED DIRECT AND CONTRACT EMPLOYMENT, SUMMARY TOTAL PRECONSTRUCTION AND CONSTRUCTION EMPLOYMENT

| | 1st year | | 2d year | | 3d year | |
|---|---|---|---|---|---|---|
| | Total jobs | Annual monthly average | Total jobs | Annual monthly average | Total jobs | Annual monthly average |
| North of Yukon | 1,930 | 365 | 4,580 | 2,223 | 3,430 | 2,858 |
| South of Yukon | 200 | 145 | 3,120 | 2,160 | 3,520 | 2,973 |
| Valdez | 154 | 60 | 530 | 353 | 580 | 492 |
| Total | 2,284 | 570 | 8,230 | 4,736 | 7,530 | 5,332 |

Source: Alyeska Pipeline Co., April 1971.

## MADISON, WIS., VOTES FOR CEASE-FIRE

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, on April 6, 1971, in connection with the regular spring election, the city of Madison, Wis., conducted a referendum on the proposition—

It shall be the policy of the people of the City of Madison that there shall be an immediate ceasefire and immediate withdrawal of all United States troops and military equipment from Southeast Asia so that the people of Southeast Asia can settle their own problems.

Of the 47,503 persons voting, 31,526 voted "yes" in support of the proposition, and 15,977 voted "no." The referendum was approved in every ward and precinct in the city, and approximately two-thirds of those voting feel that there should be an immediate cease-fire and immediate withdrawal of all U.S. troops and military equipment from Southeast Asia.

These figures clearly speak for themselves in illustrating the desire of the voters of Madison that this war be brought to an immediate end. Three years ago, in 1968, voters in Madison turned back a similar referendum by a 7,000 vote margin, at a time when calls for "immediate withdrawal" were not as common as they are now, and I think the reversal of the vote reveals how deeply the antiwar spirit now permeates our society. To quote the April 7 editorial in the Madison Capital Times—

Madisonians don't want any more killing, any more bombing, and any more fancy talk from the White House about timetables and rates of withdrawal.

As the Representative of Madison here in Congress, I am proud to call the attention of my colleagues to the results of this referendum, and I hereby present the ward-by-ward vote as certified by Eldon L. Hoel, Madison city clerk:

REFERENDUM

Results of the Spring Election held in Madison, Wisconsin on April 6, 1971 as pertains to the question of withdrawal of troops and equipment from Southeast Asia.

"It shall be the policy of the people of the City of Madison that there shall be an immediate ceasefire and immediate withdrawal of all United States troops and military equipment from Southeast Asia so that the people of Southeast Asia can settle their own problems."

| | Yes | No |
|---|---|---|
| 1st ward | 1,816 | 1,390 |
| 2d ward: | | |
| 1st precinct | 840 | 308 |
| 2d precinct | 503 | 229 |
| 3d ward: | | |
| 1st precinct | 702 | 558 |
| 2d precinct | 717 | 526 |
| 4th ward: | | |
| 1st precinct | 258 | 123 |
| 2d precinct | 682 | 155 |
| 5th ward: | | |
| 1st precinct | 250 | 25 |
| 2d precinct | 235 | 21 |
| 6th ward: | | |
| 1st precinct | 538 | 166 |
| 2d precinct | 858 | 360 |
| 7th ward: | | |
| 1st precinct | 594 | 257 |
| 2d precinct | 519 | 236 |
| 8th ward: | | |
| 1st precinct | 761 | 82 |
| 2d precinct | 209 | 18 |
| 9th ward: | | |
| 1st precinct | 517 | 117 |
| 2d precinct | 928 | 216 |
| 10th ward: | | |
| 1st precinct | 1,102 | 454 |
| 2d precinct | 1,239 | 327 |
| 11th ward: | | |
| 1st precinct | 769 | 438 |
| 2d precinct | 720 | 465 |
| 3d precinct | 533 | 248 |
| 12th ward: | | |
| 1st precinct | 335 | 142 |
| 2d precinct | 1,113 | 564 |
| 13th ward: | | |
| 1st precinct | 1,092 | 471 |
| 2d precinct | 594 | 273 |
| 14th ward: | | |
| 1st precinct | 822 | 323 |
| 2d precinct | 1,094 | 506 |
| 15th ward: | | |
| 1st precinct | 878 | 434 |
| 2d precinct | 201 | 88 |
| 16th ward: | | |
| 1st precinct | 809 | 336 |
| 2d precinct | 602 | 245 |
| 17th ward | 647 | 387 |
| 18th ward | 1,213 | 909 |
| 19th ward: | | |
| 1st precinct | 1,684 | 1,070 |
| 2d precinct | 697 | 555 |
| 20th ward | 1,483 | 1,131 |
| 21st ward: | | |
| 1st precinct | 660 | 352 |
| 2d precinct | 1,033 | 752 |
| 22d ward: | | |
| 1st precinct | 226 | 144 |
| 2d precinct | 1,053 | 576 |
| Total | 31,526 | 15,977 |

## RENNIE DAVIS' LAST HURRAH

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. PUCINSKI) is recognized for 5 minutes.

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

Mr. PUCINSKI. Mr. Speaker, it is quite apparent that Rennie Davis and his whole gang of anarchists who have descended upon the Nation's Capital have met their Waterloo here in Washington during these last 3 days. The demonstration being held this afternoon at the Capitol has been orderly but it has fizzled out. The police have done a magnificent job, and the troops that supported the work of the police have done an equally magnificent job.

I believe it is fair to state that May 3, 4, and 5 constitute a turning point in America. Our Nation's young people have taken a hard look at Rennie Davis and what his young anarchist followers stand for, and obviously the overwhelming majority of young people in our country have rejected what they have seen.

Mr. Speaker, no movement ever had more publicity all over the Nation than this assault on Washington has had, with headlines, television, radio, and the newspapers. There has been a concerted effort for almost a month in drumming up recruits to come to Washington to try and bring this Government to a halt. The dismally poor attendance shows young people of America apparently are much wiser. I am very proud to see that these last 3 days have frustrated the desires of Davis and his young anarchists to bring this Nation and its Government to a halt. It should be impressive to all of us Americans that America is made of tougher stuff, and that this young gang of anarchists are not going to bring our Government to a halt.

I would like to take this opportunity to congratulate the Speaker and all those who have been in any way connected with providing security for the Capitol, for working out a program which has frustrated the plans of these young anarchists. I congratulate all of those who had anything to do with this excellent work, and the manner in which they have handled this very difficult affair.

Mr. Speaker, we have every reason to believe that the dismal failure of Rennie Davis and his anarchists to attract any sizable following indicates the young people of America will seek change through conventional and rational means. It means that our young people reject anarchy and instead shall seek whatever remedies they deem necessary through the orderly processes, written into our Constitution. Rennie Davis has sounded his last hurrah; he has lost his constituency; he is through—a broken failure and a flop. We can all be proud of our Nation's young people and the good sense they show in rejecting Davis as a symbol of change.

## BUILDING BLOCKS TO PEACE

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the United States has traditionally sought to help build a world in which peace can prosper, people can live without fear, and nations can sustain a steady economic growth. It is axiomatic that the security of the United States is enhanced by this kind of world.

Thus, the security assistance legislation proposed by the President seeks to further strengthen the self-defense capabilities of friendly countries, promote their internal security, and support their economic and political stability. One of the objectives of the Nixon doctrine is to reduce U.S. military presence abroad and, as friendly and allied countries grow stronger, this objective can be achieved without undue loss to the security of the United States. It must be said that he has achieved substantial progress in this direction.

In the past, proposals for security assistance with the above objectives were included in the same legislative package with development assistance which is aimed primarily at promoting the economic growth of friendly countries. This combined package has served over the past two decades. However, there have been changes in the international scene which call for changes in our methods. For instance, nearly every recent study of our foreign aid program has recommended that security assistance and development assistance be separated in order to provide more effective management and to remove some of the confusion of purposes in the U.S. foreign aid effort. This is not a new proposal but for various reasons, it has not been put into effect.

Today, both the Soviet Union and Communist China are nuclear powers. The Communist nations vary widely in the rigidity of their ideologies. The President seeks to modify our manner of dealing with Communist China. We are talking arms limitations with the Soviet Union, even though thus far they have not borne fruit. We are increasingly trading with, and visiting with, the peoples of the Communist world. All of this bespeaks America's desire to be a full-fledged partner in the community of nations.

Twenty years ago, Western Europe and Japan were weak and ravaged, vulnerable to aggression. Direct assistance was necessary and we provided it. Today, these countries are strong, able to defend themselves, and, in fact, capable of adding the less developed countries. And there are a number of developing countries which have grown strong economically and militarily, able to make the necessary military decisions and to implement them with a minimum of outside help.

Such changes call for a new approach. The proposed legislation, which would place military assistance, public safety, supporting assistance, and military credit sales programs under one act, would enable nations seeking help to consult and negotiate with us as partners. The development of goals, the balancing of threats, risks, costs, resources and man-

power are vital elements of foreign assistance. The "one package" security assistance program can help to accomplish this.

Conceivably, the Security Assistance Act would enable the United States and other governments to pay greater attention to the relation of military assistance to economic aid. It would seek to engage deeper consideration of alternatives in decisionmaking and the budget process. It would enable more effective use of both U.S. and the assisted country's resources.

The act calls for policy directions of the security assistance programs to rest with the Department of State. In addition, it is proposed that the State Department administer the supporting assistance and public safety aspects of these programs. The Defense Department would administer the military assistance and credit sales programs, as in the past.

This arrangement is intended to help carry out the objectives we are seeking to achieve. It will, the President has said, "raise the threshold of U.S. involvement." At the same time it can further insure the goals of U.S. foreign policy—peace, stability, and economic growth throughout the world. It is time to give very serious consideration to the change which is proposed.

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## OFFICE OF NOISE ABATEMENT AND CONTROL

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, on April 29 Environmental Protection Administrator William D. Ruckelshaus announced the establishment of an Office of Noise Abatement and Control within EPA, as mandated by the Congress in title IV of the Clean Air Amendments 1970—Public Law 91-604.

Administrator Ruckelshaus has appointed Alvin F. Meyer, a former official in the Department of Health, Education, and Welfare, to serve as acting director of this new office. Mr. Meyer was director of the Office of Legislative Affairs, Environmental Health Service, HEW, from June 1970 until he moved to EPA this year. Mr. Meyer, born in Shreveport, La., received a bachelor of science degree in civil and sanitary engineering from the Virginia Military Institute. During a career in the U.S. Air Force, he had extensive responsibilities in environmental engineering and specialized in noise abatement and control. Mr. Meyer also headed the Board of Environmental Advisors of the Governor of Hawaii.

The EPA press release, announcing the creation of the office, stated that in carrying out its responsibilities, the Office of Noise Abatement and Control:

> Will determine effects of noise at various levels, projected growth of noise levels in urban areas through the year 2000, the psychological effects of noise on humans, the effects of sporadic and extreme noise such as jet noise near airports as compared with constant noise, effect on wildlife and property (including values), effects of sonic booms on property, and other noise problems involving the public health and welfare.
>
> During its investigations, the Office will hold public hearings and conduct research, experiments, demonstration, and studies. The results of the EPA investiagtion are to be reported to Congress, together with recommendations for legislation or other action, not later than December 31, 1971.

I have long been an advocate for the creation of such an office. As Members of this body will recall, I introduced legislation on behalf of myself and 20 colleagues for just such a purpose in the last Congress, and I was gratified that it was included in the Clean Air Act amendments.

I am pleased that the office has finally been established. But I must say that I have serious reservations as to whether this Office of Noise Abatement and Control will be able to fully carry out the responsibilities delegated to it by the Congress.

Although the Clean Air Amendments of 1970 authorized $30 million for the office to carry out a full and complete investigation of noise and its effect on the public health and welfare, not a penny has been appropriated. Nor is the administration requesting sufficient funds for this program. Its total funding requests for the office for fiscal years 1971 and 1972 combined amount to less than $1.6 million. This would mean that the office would have to function on less than 6 percent of the sum authorized by the Congress. It is hard to imagine how this office could conceivably carry out its responsibilities adequately with such insufficient funding. Therefore, I have introduced legislation—H.R. 6984 and H.R. 6985—to provide for the full $30 million for this office, thus making it a functioning reality, not just another paper promise. Thirty-eight Members of Congress have cosponsored this bill.

Another reason for my concern about the fate of the Office of Noise Abatement and Control is that the administration's noise control legislation—H.R. 5275—proposes to eliminate this newly created office. One is hard pressed to find this on a superficial reading of the bill, since the section that accomplishes this complete overturning of Congress' mandate is hidden in a section entitled "Report of Noise Study." But a close reading of the section discloses that the administration bill would abolish the Office of Noise Abatement and Control.

I believe that it is essential that there be a focal point for the Government's noise pollution program. Proliferating responsibilities, scattered throughout various agencies and departments, almost invariably result in diminished focus—both in terms of the Government's ability to grapple with the subject at hand and in terms of the public's being able to perceive the focus for its concerns, inquiries, requests, and demands for action.

Further, it is difficult to imagine the internal morale of a newly formed office which has knowledge that the passage of administration sponsored legislation would kill it. Such uncertainty could hardly benefit the Office of Noise Abatement and Control in its efforts to carry out its functions.

If we are to have an effective program to combat the hazards of noise, we must do more than merely continue our research into the problem. Although additional information and study is certainly needed, we now know enough about the problem and the technology involved to move directly toward abating noise pollution. To this end, I have introduced the Noise Abatement and Control Act of 1971—H.R. 6986 and H.R. 6987—to broaden the functions of the Office of Noise Abatement and Control so that it can begin to deal directly with the problem. This legislation, part of a four-bill antinoise pollution package has been cosponsored by 38 Members of the House.

Basically, the Noise Abatement and Control Act of 1971 does two things. First, it directs the head of the office to prescribe standards on all noise generating machinery that might endanger the public health and welfare. Second, it provides a system of grants and contracts to provide Federal funds to levels of local government so that they can combat noise.

Specifically, the bill does the following:

First. It directs the Office of Noise Abatement and Control to prescribe standards for any machine, or class of machinery which he determines contributes to, or may contribute to, noise which endangers, or contributes to endangering, the public health and welfare, and sets stringent enforcement powers. If the head of the Office fails to take action against a violator within 60 days, this bill authorizes suits by private citizens or groups against the noise polluter and the head of the Office, as may be appropriate.

Second. It directs the Office, and all Federal agencies, as well as all Federal contractors, to maximize the purposes of this bill—for example, abatement of noise—by means of appropriate provisions in Federal grants, loans, and contracts.

Third. It authorizes the Office to prepare, publish, and disseminate educational materials relating to the control, prevention, and abatement of noise.

Fourth. It authorizes the Office to provide technical assistance to States, counties, municipalities, and regional governmental bodies, commissions, and councils to facilitate their development of noise control programs.

Fifth. It directs the Office to coordinate the efforts of the Federal Government that relate to noise control, abatement, and prevention. To this end all instrumentalities, agencies, and departments of the Federal Government are directed to furnish the Office with such information as it may require. Further, each such entity of the Federal Government is directed to carry out the program within its control in accordance with the purposes of this title—the creation of a quieter environment.

In any case where a level of Federal Government is carrying out or sponsoring an activity resulting in noise which the head of the Office determines amounts to a public nuisance or is otherwise objectionable, such Federal entity must consult with the head of the Office to determine possible means of abating the offending noise.

The Office is to compile and publish a regular report as to the efforts and activities of the Federal Government and its instrumentalities, agencies, and departments in regard to noise.

Sixth. The Office is directed to submit to the Congress in July of each year, a report concerning its activities. Current-

ly, the Office only has to make one such report, and that is before December 31, 1971. This section will give the Office permanance not embodied in present law.

Seventh. The Office is authorized to make grants to States, counties, municipalities, and regional governmental bodies, commissions, and councils for the purposes of developing, establishing, and carrying out programs of noise control and for research into the causes and effects of noise and new techniques of controlling, preventing, and abating noise.

There is authorized to be appropriated for these grants $5 million for the fiscal year ending June 30, 1971; $10 million for fiscal year 1972; $15 million for fiscal year 1973; $20 million for fiscal year 1974; and $25 million for fiscal year 1975.

Eighth. The head of the Office is authorized to make grants to any public or nonprofit private agency, organization, or institution, or engage by contract the services of any such agency, organization, institution, or of any individual to conduct research into noise pollution; to provide training of professional and technical personnel in noise control techniques, methods, and approaches; to establish and conduct demonstration projects relating to noise control.

For these, there is authorized to be appropriated $5 million for fiscal year 1971; $7 million for fiscal year 1972; $10 million for fiscal year 1973; $12 million for fiscal year 1974 and fiscal year 1975.

Ninth. For the purpose of advising the head of the Office on matters bearing on his responsibilities under this title, this section establishes a Noise Control Advisory Council of nine individuals skilled in fields relating to the matters to be considered by the Office. Once each fiscal year, the Council must submit to the Administrator of the Environmental Protection Agency and to the Congress a report containing full and complete information on its work.

## TWO THOUSAND FIVE HUNDRED AND NINETY-FIVE DAYS

(Mr. CEDERBERG asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CEDERBERG. Mr. Speaker, as of today Capt. Floyd Thompson has been held a prisoner of war by the North Vietnamese Government for 7 years and 40 days. Since March of 1964 over 1,600 servicemen have been captured and held by that Government. Over a hundred of these men have been missing or captured for over 5 years and 800 for 3 or more years.

The fact that Captain Thompson's fate is shared by hundreds of other men, many of whom are known to be sick or injured, without any real prospect of release in sight, dramatizes the need to effect the repatriation of all captured servicemen in Southeast Asia. We must continue to bring to light the treatment that American servicemen are receiving at the hands of the North Vietnamese Government and the refusal of that Government to abide by the Geneva Conventions.

Mr. Speaker, it is impossible for us to actually comprehend the plight of these men who have suffered so much for so many years. We gasp at the horrors that are related by ex-POW's, but to understand the day-by-day living experiences of this confinement is out of our reach. We only know that this inhumane treatment must end and we must do everything possible to see that they are released immediately.

The fact that the other side does not permit impartial inspection of its prisoner-of-war camps, when added to the information we have: significant weight losses, intestinal and skin disease, use of crutches years after capture, and confinement in isolation provides more than a sufficient basis for a presumption that the American prisoners of war should be repatriated or at least interned in a neutral country immediately. We can hope and pray for nothing less.

Tomorrow Captain Thompson will face his 2,596th day of captivity.

## AGE REQUIREMENTS

(Mr. DULSKI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous material.)

Mr. DULSKI. Mr. Speaker, two letters submitted to you by the executive department have been referred to my committee.

One letter is from the U.S. Civil Service Commission proposing legislation "relating to age requirements for appointments to positions in executive agencies and in the competitive service."

The proposed legislation, which I am introducing today in order that it will be before our committee for consideration, would reaffirm the Government's policy against age discrimination in employment and extend that policy to positions in the excepted service.

The second letter is from the Attorney General and relates to the same general subject, but is restricted to the Department of Justice.

The Attorney General proposes legislation to authorize the Attorney General to establish age limitations for certain appointments within the Department.

I am also introducing this bill today in order that it will be before our committee for consideration.

As part of my remarks, I am including both letters, as well as the statements of purpose and justification for the bills.

WASHINGTON, D.C., *April 29, 1971.*

Hon. CARL ALBERT,
*Speaker of the U.S. House of Representatives, Washington, D.C.*

DEAR MR. SPEAKER: The Commission is submitting for the consideration of the Congress proposed legislation "Relating to age requirements for appointments to positions in Executive agencies and in the competitive service." There are enclosed: (1) a draft bill, (2) sectional analysis, and (3) a statement of purpose and justification.

The proposed legislation would reaffirm the Government's clear policy against age discrimination in employment and would take the desirable step of extending that policy to positions in the excepted service. It would however, recognize the need for providing some flexibility in this area in place of the present outright ban on maximum age limits for entry into the competitive service. Accordingly, the proposed legislation would authorize the President, or such agent as he may designate, to establish maximum age limits for entry into civil service positions in Executive agencies and in the competitive service when age is found to be a bona fide occupational qualification reasonably necessary to the performance of duties. The authority proposed for the President would be similar to that now held by the Secretary of Labor for private industry under the Age Discrimination in Employment Act of 1967 (81 Stat. 602).

The conditions that argue for the setting, administratively, of appropriate age limits in private industry apply with equal force in the Federal service. A number of Federal agencies have indicated that they will seek authority from the Congress to establish maximum age limits for entry into several types of positions. In the Commission's view it is far more desirable for such limits to be set administratively than it is for these limits to be set by statute on an occupation-by-occupation and agency-by-agency basis. In the interest of uniformity and appropriate control, this authority should be vested in the President as part of his general authority over civil service employment in Executive agencies and the competitive service.

The Office of Management and Budget advises that there would be no objection from the standpoint of the Administration's program to the submission of the proposal.

A similar letter is being sent to the President of the Senate.

By direction of the Commission:

Sincerely yours,

ROBERT HAMPTON,
*Chairman.*

SECTION ANALYSIS

Subsection (a) of the first section of the draft bill amends subchapter II of chapter 71, title 5 of the United States Code (Antidiscrimination in Employment), by adding a new section. The new section 7155 contains a policy statement and provides that a maximum-age limit for appointment to a position in an Executive agency or the competitive service can be established only when the President, or such agent as he may designate, finds that age is a bona fide occupational qualification reasonably necessary to the performance of the duties of a position.

Subsection (b) of the first section is a technical amendment.

Section 2 repeals the current provision of law that provides that no appropriated funds may be used to pay an employee who establishes a maximum-age requirement for entrance into the competitive service.

Section 3 repeals the authority of the Secretary of the Interior to determine and fix the minimum and maximum limits of age within which original appointments to the United States Park Police may be made.

STATEMENT OF PURPOSE, JUSTIFICATION

Purpose—The bill would substitute for the present outright ban on establishment of maximum age limits for entry into the competitive service a provision authorizing the President, or such agent as he may designate, to establish maximum age limits for entry into civil service positions in Executive agencies and the competitive service when age is found to be a bona fide occupational requirement reasonably necessary to the performance of duties.

The proposed provision would also extend the Government's clear policy against age discrimination to positions in the excepted service. Aside from the change in coverage, the primary effect of the proposal would be to give the President an administrative authority over Federal positions generally parallel to the authority already granted to the Secretary of Labor for positions in private industry under the Age Discrimination in Employment Act of 1967 (81 Stat. 602).

*Justification*—Age, by itself, should never be a bar to employment, either in private industry or in the Federal Government. At the present time, a statutory provision prevents the establishment of maximum entry ages for appointments in the Federal competitive service, but no similar provision governs appointments in the excepted service in Federal agencies.

In keeping with the national policy against age discrimination, it is highly desirable to extend the prohibition against establishing age limits to positions in the excepted service. But it is equally desirable that a degree of flexibility, similar to that already existing for positions in private industry, be provided for Federal positions to permit exceptions without the necessity for Congressional action in each case when age is found to be a bona fide occupational qualification.

Congress established the present policy against age discrimination in Federal employment in 1956 when it wrote into the Independent Offices Appropriation Act (70 Stat. 355) a prohibition against the use of appropriated funds to pay the salary of any Federal employee who sets a maximum age for entry into any position in the competitive service. Now codified in section 3307, title 5 of the United States Code, the law makes no provision for administrative exceptions.

A Federal agency that feels it needs relief from the strict letter of the law must turn to Congress for such relief. The Department of the Interior took its case to Congress in 1969 for the United States Park Police and was successful. Congress enacted Public Law 91–73 in September 1969, authorizing the Secretary of the Interior to set minimum and maximum age limits in the appointment of Park Police.

In light of the willingness of Congress to authorize a maximum entry age limit for one group, it has been indicated that other Federal agencies desire similar authority.

The Civil Service Commission believes there is justification for setting maximum age limits for entry into certain positions in the Federal service. But it believes it is far more desirable for such limits to be set administratively than it is for these limits to be set by statute on an occupation-by-occupation and agency-by-agency basis. In the interest of uniformity and appropriate control, this authority should be vested in the President as part of his general authority over civil service employment in Executive agencies and the competitive service.

Granting the President this authority would be in keeping with the principles expressed in the Age Discrimination in Employment Act of 1967. Among other things, that Act makes it unlawful for any employer in the private sector to refuse to hire an individual because of his age. At the same time, however, the Act recognizes that age can be a factor in employment, for its prohibitions do not apply "where age is a bona fide occupational qualification reasonably necessary to the normal operation of a business."

The Secretary of Labor is granted the authority to "establish such reasonable exemptions to and from any and all provisions of this Act. . . ." The considerations that argue for the setting, administratively, of appropriate age limits in private industry apply with equal force in the Federal Service.

In short, the fact that age is a factor in certain employment situations has been recognized by Congress in its enactments. There is under current law an orderly procedure for setting appropriate age limitations in the private sector. Although no such procedure exists now for Federal positions, the need for one is equally justified.

No additional appropriation would be needed to carry out the provisions of this bill. Administrative costs would be minimal.

APRIL 26, 1971.

The SPEAKER,
*House of Representatives,*
*Washington, D.C.*

DEAR MR. SPEAKER: Enclosed for your consideration and appropriate reference is a legislative proposal to authorize the Attorney General to establish age limitations for certain appointments within the Department of Justice.

Current law effectively prohibits the establishment of maximum age limitations for employees entering Federal employment through the competitive civil service. As provided in Section 3307 in title 5, United States Code:

"Appropriated funds may not be used to pay an employee who establishes a maximum-age requirement for entrance into the competitive service."

The Department of Justice is the Federal Government's principal law enforcement agency, and accordingly employs a substantial number of specialized professional personnel. In the Department, original appointments to Special Agent positions in the Federal Bureau of Investigation, which are not in the competitive service, are subject to established minimum and maximum age limitations. Because of the prohibition in Section 3307 of title 5, United States Code, equally desirable age limitations do not exist for original appointments to the following law enforcement positions:

Border Patrol Agent, Immigration and Naturalization Service.

Criminal Investigator, Bureau of Narcotics and Dangerous Drugs.

Correctional Officer, Bureau of Prisons.

Deputy United States Marshal, United States, Marshals Service.

The 91st Congress has demonstrated a recognition of the need to depart, in limited situations, from the general rule that age should not be a qualification for employment. Public Law 91–73, approved September 26, 1969, authorizes the Secretary of the Interior to establish minimum and maximum age limits for original appointments to the United States Park Police.

The basic justifications for the recent passage of Public Law 91–73 apply with equal force to the four Department of Justice positions listed above. There is a vital need to attract young, flexible, career-minded individuals to these strenuous and hazardous professions. The highly specialized training received by new employees selected for these positions is becoming more extensive and expensive. Age limitations will enhance the ability of these employees to survive this training, perform at peak efficiency on the job, and remain with their agencies for a greater length of time prior to retirement.

These troubled times require our very best efforts in the area of law enforcement. Enactment of this proposal will enable the Department to take a significant step in its continuing efforts to provide the best possible law enforcement services to the people.

The Office of Management and Budget has advised that enactment of this legislation is in accord with the Program of the President.

Sincerely,

JOHN N. MITCHELL,
*Attorney General.*

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STATEMENT OF PURPOSE, JUSTIFICATION

The purpose of the proposed legislation is to amend section 3307 of title 5, United States Code, to authorize the Attorney General to establish age limitations for original appointments to the following law enforcement positions:

Border Patrol Agent, Immigration and Naturalization Service.

Criminal Investigator, Bureau of Narcotics and Dangerous Drugs.

Correctional Officer, Bureau of Prisons.

Deputy United States Marshal, United States Marshals Service.

The need to attract young, flexible, career-minded individuals to such strenuous and hazardous professions is best demonstrated by a brief description of the duties of persons occupying these positions.

BORDER PATROL

The Border Patrol is a mobile uniformed enforcement organization with a principal mission to prevent the smuggling and illegal entry of aliens into the United States and to detect, apprehend, and initiate departure of aliens illegally in this country.

The Border Patrol Agent encounters persons, both aliens and citizens, attempting to smuggle contraband including narcotics, marijuana, and dangerous drugs. Such persons are arrested and the contraband seized for referral to the U.S. Bureau of Customs. Also, violators, including those who are armed and dangerous, of other federal, state, and local laws are frequently encountered and taken into custody.

The duties of Border Patrol officers involve physical exertion under rigorous environmental conditions and irregular as well as protracted and arduous tours of duty. Patrol duties are performed on foot, in motor and jeep type vehicles, and officers frequently fly as observers in aircraft. These duties are carried out in extreme temperatures and very often in rugged terrain inaccessible by vehicles.

Border Patrol officers must, therefore, be in very good physical condition, able to walk long distances, and also able to run in pursuit of fugitives. They must also be able to board moving freight trains and must often physically restrain persons being arrested.

Since its organization in 1924, the Border Patrol has had 48 officers killed in the line of duty. Twenty-three of these officers were killed as a result of direct assault. During the 1960's there were eleven officers killed in the line of duty with a force of some 1,200 to 1,400 men.

BUREAU OF NARCOTICS

The Bureau of Narcotics and Dangerous Drugs Criminal Investigator serves as the cutting edge of the Bureau's mission to enforce the Federal narcotic and dangerous drug laws.

The persons occupying this position have a hazardous and arduous task; they work well over fifty hours per week in all types of weather and conditions, at all hours, and often in an undercover capacity. Inherent to the nature of the job are the elements of danger and surprise counter-moves by defendants.

To competently and successfully perform these duties, the Criminal Investigator must be agile, both physically and mentally. This is a strenuous and taxing vocation and would prove doubly so to the older Criminal Investigator trainee not previously engaged in similar occupations.

BUREAU OF PRISONS

Strenuous and hazardous duty is certainly no stranger to the Bureau of Prisons Correctional Officer. The inmate population of our Federal prisons is showing a steady increase in numbers at the same time that the average age of inmates is declining.

This increase in population is causing critical overcrowding in a number of institutions and thus demands of our correctional officers greater alertness, keener judgment, and more physical stamina than at any previous time. The younger prison population is more sophisticated and more volatile. The incidents of assaults against most inmates and staff has shown an increase in the past year.

But, the physical demand on a Correctional Officer is not the only reason for a maximum age limitation for original appointments to this position. The final report of the Joint Commission on Correctional Manpower and Training notes:

"Young people are missing from the correctional employment scene. While other vo-

cations have tried to capture the enthusiasm and vitality of the present generation of students, the Joint Commission was unable to discover any such broad-scale effort in corrections. . . . [J]uveniles make up about one-third of the total correctional workload and are being referred to correctional agencies at a greater rate than adults. Generation-gap problems between workers and young correctional clients will no doubt increase if efforts are not made to recruit young people into the field."

DEPUTY U.S. MARSHALS

The Deputy United States Marshal is not only called upon to effect arrests, but is required to transport and guard federal prisoners, often over long distances.

This type of job responsibility requires both physical stamina and personal stability in order to respond to spontaneous events. Moreover, deputy marshals are often detailed on special assignments ranging from the enforcement of Federal court orders to the protection of government witnesses in the prosecution of major organized crime personalities.

When on special assignment, the deputy must be on the job notwithstanding any possible danger, round-the-clock hours, or inclement weather. Every man on special assignment is a key one, and a break in one link of the chain because of sickness or infirmity precipitates the failure of the entire mission.

Persons are recruited for the four above positions through the competitive civil service. Maximum age limitations for these law enforcement posts are effectively prohibited by 5 U.S.C. 3307:

"Appropriated funds may not be used to pay an employee who establishes a maximum age requirement for entrance into the competitive service."

PROPOSED LEGISLATION

The proposed legislation would amend 5 U.S.C. § 3307 to authorize the Attorney General, with the concurrence of such agent as the President may designate, to determine and fix the minimum and maximum limits of age within which original appointments may be made to above described positions.

The law enforcement profession is in general agreement that a maximum age limit is essential in recruiting new personnel. A 1968 survey by the International Association of Chiefs of Police found that of the 162 law enforcement agencies contacted throughout the United States, eighty-nine percent set a standard of thirty-five years or younger as the maximum age for recruits.

Moreover, the Federal government has recognized the value of age limitations for law enforcement appointments. In the Department of Justice, original appointments to Special Agent positions in the Federal Bureau of Investigation, which are not in the competitive service, are subject to established minimum and maximum age limitations.

The 91st Congress recognized the need to make certain exceptions to the general rule that age should not be a qualification for employment by enacting Public Law 91–73 authorizing the Secretary of the Interior to establish minimum and maximum age limitations for original appointments to the United States Park Police.

The basic justification for the recent passage of Public Law 91–73 applys with equal force to the four Department of Justice law enforcement positions described above. The enactment of this legislation will remove a significant impediment to the Department's continuous efforts to provide the citizenry with quality law enforcement.

SECTION ANALYSIS

The proposed legislation, which contains only one section, would amend section 3307 of title 5, United States Code, by designating the present section as subsection (3), and by adding a new subsection (b) which would authorize the Attorney General to determine and fix the maximum and minimum limits of age within which original appointments may be made in the Department of Justice to Border Patrol Agent in the Immigration and Naturalization Service, Criminal Investigator in the Bureau of Narcotics and Dangerous Drugs, Correctional Officer in the Bureau of Prisoners, and Deputy United States Marshal in the United States Marshals Service.

## AIR TRAFFIC CONTROLLERS

(Mr. DULSKI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous material.)

Mr. DULSKI. Mr. Speaker, you have referred to our committee a communication from the Secretary of Transportation with regard to a proposed bill dealing with age limitations, training, and early retirement for air traffic controllers.

I am introducing the proposed bill today in order that it will be before our committee for consideration.

As part of my remarks, I am including the letter from the Secretary of Transportation as well as a section-by-section analysis of the bill:

APRIL 29, 1971.

HON. CARL ALBERT,
*Speaker of the House of Representatives, Washington, D.C.*

DEAR MR. SPEAKER: Enclosed for introduction and referral to the appropriate Committee is a draft bill "To amend title 5, United States Code, to provide for maximum entrance and retention ages, training, and early retirement for air traffic controllers, and for other purposes."

The purpose of the bill is to provide the Secretary of Transportation greater flexibility in the management of the air traffic control work force. I submitted a similar proposal to the 91st Congress.

Air traffic control work is a unique vocation, one offering many advantages yet one involving a number of serious drawbacks. This work offers an individual the challenging opportunity to be involved in one of the most dynamic industries of our time. The individual who enters this field also faces the sobering responsibility of safeguarding airmen and air travelers. In large measure, their well-being depends upon the proper performance of the air traffic control system. The basic role of the controller is to facilitate the safe and efficient flow of air traffic in that system. Civil aviation and technological achievements within the industry have advanced dramatically in recent years. The increasing demands that the expanding aviation community is placing upon the air traffic control system make the job of the controller more complex and increase the burden he bears. In recognition of this, controllers are relatively well paid, when compared to other occupational specialties with similar entry requirements. Promotion also is relatively rapid for those who are able to progress through the various stages to the journeyman level. Additional remuneration is available for working overtime and at night and on holidays, which many controllers are called upon to do.

Perhaps the most serious drawbacks of the work, however, are those having a long-range effect. The Department of Transportation is practically the sole employer of controllers, and the skills learned in control work have very limited value in other lines of work. The initial challenge of the work tends to become less attractive and more burdensome as time on the job increases. If he becomes dissatisfied with or unable to continue in his work, there is little opportunity for the controller to gain employment in another field at anywhere near the salary he has become accustomed to drawing.

The controller is a shift worker. He operates on an hour-to-hour basis, seeing to the safe movement of air traffic operations during his shift. He meets problems on a case-by-case basis and the picture seldom changes except for the increase in the flow of traffic. He rotates from shift to shift and is expected to be available from time to time for overtime work.

Having taken into consideration the nature of the controller's work, the remuneration and other benefits he can derive from it, the need for him to maintain the highest possible safety standards in controlling air traffic, and the increasing workload that has been thrust upon him, the Department of Transportation undertook a study into the need for improving the career system for air traffic controllers. Primary considerations in the conduct of the study were the need to promote the safety of flight, to provide the efficient control of air traffic, to provide the Secretary with a number of options in managing the controller work force, and to ensure the controller fair treatment, particularly in those cases where he has been on the job for a substantial time. The culmination of the study was the Report of the special Air Traffic Controller Career Committee. This bill would incorporate into title 5, United States Code, the amendments necessary to implement recommendations of the Committee requiring legislative action. The bill contains four principal provisions:

*First,* the Secretary of Transportation would be authorized, with the concurrence of such agent as the President may designate, to establish a maximum age for entry in Department of Transportation air traffic control positions. Initially, the Department intends to provide that a person with no previous experience could not enter an air traffic controller position after reaching his 31st birthday. However, we also intend to grant exemptions and employ persons up to their 36th birthday, based upon previous related experience. Exemptions would not be granted to large groups on an "across-the-board" basis, but would cover small groups or single individuals. No exemptions are contemplated to persons who have reached their 36th birthday. The bill also establishes a maximum age for retention in Departmental air traffic control positions. The bill provides that an employee could not remain in an air traffic controller position after becoming 56 years of age. The Secretary would be authorized to retain a controller until his 61st birthday, based upon possession of exceptional skills and experience as determined by the Secretary. The reason for this specific provision is discussed below.

*Second,* the bill authorizes the Secretary to provide two years, or less, of training to a career-tenure-controller, if the Secretary first determines that the controller (1) has become medically disqualified for his position; (2) must be displaced from a particular air traffic facility (such as a high traffic density facility) in the interest of aviation safety or efficiency or the health of the controller; or (3) must be removed from controller duties altogether because of inability to maintain technical proficiency in his work. During training, the employee would receive the same base pay he last received as a controller.

*Third,* the bill provides that the Secretary may assign, reassign or demote a controller who has received training to other duties in the Department of Transportation at the same or a lower grade; or the Secretary may release the controller for transfer to another Executive agency. If the controller is not placed with an Executive agency, he would be separated from the service. The bill also provides that, if he first makes one of the three determinations enumerated above, the Secretary may assign or reassign a controller (whether or not he receives training) to another air traffic facility or to different duties in the Department of Transportation.

*Finally,* the bill would entitle an employee to an annuity (minimum: 50 percent of the

average of his highest three years' base pay) after he completes 25 years of controller service or after he completes 20 years of controller service and reaches 50 years of age. The Secretary would be authorized to initiate the retirement of an active controller under this provision in the interest of aviation safety, efficiency, or the controller's health.

The bill also would require the Secretary of Transportation to report to the Congress during the fifth year after enactment regarding the effectiveness of the provisions in meeting the needs of the controller career program and the air traffic control system. The provisions of the bill would take effect 90 days after enactment.

Our principal concern is with the use of older personnel in the controller positions. This is evident from the thrust of all these proposals, and is the basis for a specific maximum retention age provision. We believe that an individual should embark on a career as a controller while in his twenties, and in the usual case, retire or change to another line of work before he becomes 56 years of age. This makes him available during his most productive stage and while his interest, stamina, and general health are at their highest level.

As a general rule, we have found that our controllers simply do not maintain their proficiency as they progress through the second half of the normal period of service of a career employee. In some cases the work becomes too stressful. In other cases, conditions of health force the controller to leave the work altogether. The maximum retention age level, with the early retirement and retraining provisions we are proposing, would give the controller the assurance of eventual relief from a long span of control work, and an opportunity to turn to a new career at a time when he otherwise might find it necessary to remain in controller work under near intolerable conditions. The provisions also will permit the Secretary to maintain a safer and more proficient controller work force.

We estimate the cost of this proposed legislation to be $17.6 million in fiscal year 1972 (assuming a July 1, 1971 implementation), and that cost would rise to $35.2 million in fiscal year 1976. We will provide more detailed cost information to the appropriate Committee.

For all these reasons, we urge that the Congress *promptly* enact this legislation.

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

Sincerely,

JOHN A. VOLPE,
*Secretary of Transportation.*

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SECTION-BY-SECTION ANALYSIS

To amend title 5, United States Code, to provide for maximum entrance and retention ages, training, and early retirement for air traffic controllers, and for other purposes.

*Section 1.* This section adds new 5 U.S.C. 2109 that defines "air traffic controller" and "controller" as a Department of Transportation employee actively engaged in the control of air traffic or in the immediate supervision of an employee engaged in that activity in an air traffic control facility. The definition would, for example, include those assigned to air route traffic control center and air traffic control tower facilities operated by the Department of Transportation, Federal Aviation Administration, but would exclude those in FAA flight service station facilities. The new section also authorizes the Secretary of Transportation to prescribe regulations to determine the application of the definition to Departmental employees.

*Section 2.* This section adds new 5 U.S.C. 3307(b) and (c).

New 5 U.S.C. 3307(b) authorizes the Secretary of Transportation, with the concurrence of such agent as the President may designate, to set a maximum entry age for air traffic controllers. New 5 U.S.C. 3307(b) sets no specific maximum age for beginning a controller career, although new 5 U.S.C. 8335(f) sets a specific maximum retention age. As written, 5 U.S.C. 3307(b) provides both for flexible management of the controller work force and for the ability to deal with conditions that might warrant a change to the maximum entry age.

Upon enactment of new 5 U.S.C. 3307(b), however, the Department initially intends to set 30 years of age as the maximum entry age for controllers. The Secretary may consider execptions from this maximum for individuals having previous experience in work related to air traffic control. But, no exceptions would be made for individuals after they reach their 36th birthday. Thus, the Secretary would not except an individual who was more than 35 years of age, even if he had 10, 15 or 20 years of military experience in air traffic control. Also, no exceptions will be made to broad classes or large groups of individuals who have reached their 31st birthday. Thus, the Secretary would not except all individuals who had logged a given number of hours of flight time as a commercial or airline transport pilot. To ensure consistency in administration of this provision and broader legislation which the Civil Service Commission is proposing, new 5 U.S.C. 3307(b) requires the concurrence of such agent as the President designates in the maximum entry age limit.

New 5 U.S.C. 3307(c) codifies Public Law 91–73, relating to age limits in connection with appointments to the United States Park Police, and ensures cohesive treatment of the subject matter in title 5, United States Code.

*Section 3.* This section adds new subchapter VI, "Air Traffic Controllers, Special Provisions", to chapter 33 of title 5, United States Code (5 U.S.C. 3371–3377).

New 5 U.S.C. 3371(a) authorizes the Secretary of Transportation to assign, reassign, demote, or release for transfer (under 5 U.S.C. 3372–3377) a controller who has career tenure if the Secretary first determines that the controller (1) is medically disqualified as a controller; (2) must be displaced from a particular facility in the interest of aviation safety or efficiency or the controller's health; or (3) must be removed from controller duties due to inability to maintain technical proficiency.

New 5 U.S.C. 3371(b) makes clear that 5 U.S.C. 3371–3377 do not limit the authority of the Secretary to make assignments, reassignments, demotions, releases for transfer, or separations vested in him under any other provision of law.

New 5 U.S.C. 3372(a) authorizes the Secretary to assign to training of 2 years, or less, a controller who is subject to a determination under 5 U.S.C. 3371(a).

New 5 U.S.C. 3372(b) authorizes the Secretary to provide training for controllers assigned thereto under 5 U.S.C. 3372(a). The training may be given in Government or non-Government facilities, for Government or non-Government employment.

New 5 U.S.C. 3372(c) provides that the employee-trainee retains his last base pay as a controller during training (including statutory increases), and that he is excluded from all staffing limitation laws during the time.

New 5 U.S.C. 3372(d) excludes training under 5 U.S.C. 3372 from the provisions of 5 U.S.C. 4101–4118, which deal with training for all Federal employees. This program has a different basic thrust than the training under 5 U.S.C. 3372, and that is to enable Federal employees to enhance their abilities to carry out their duties as Federal employees. Training under 5 U.S.C. 3372, however, is intended to equip the controller for a second career (whether in, or out of, Government service). In developing a program under 5 U.S.C. 3372, the program now in 5 U.S.C. 4101–4118 will serve as a model for use in issuing regulations implementing the new authority of the Secretary of Transportation.

New 5 U.S.C. 3373(a) authorizes the Secretary to assign, reassign, or demote a controller trained under 5 U.S.C. 3372 to duties in the Department, or to release him for transfer to another Executive agency.

New 5 U.S.C. 3373(b) authorizes the Secretary to assign a controller who is subject to a determination under 5 U.S.C. 3371(a) to other duties in the Department. This would enable the Secretary, for example, to assign a controller from a very busy center or tower to a less busy center or tower.

New 5 U.S.C. 3374(a) provides that, when an air traffic controller is eligible for an immediate annuity under 5 U.S.C. 8331–8348, he may be involuntarily separated from the service for retirement if the Secretary determines that the separation is in the interest of aviation safety, air traffic control efficiency, or the controller's health.

New 5 U.S.C. 3374(b) provides that, when a controller trained under 5 U.S.C. 3372 is not assigned, reassigned, demoted or released for transfer under 5 U.S.C. 3373(a), then he shall be involuntarily separated from the service. To ensure that these separations do not deprive the controller of severance pay under 5 U.S.C. 5595, they are expressly stated not to be "removal for cause on charges of misconduct, delinquency, or inefficiency". Also, to ensure that these separations do not deprive the controller of his full annuity rights under 5 U.S.C. 8336, they are expressly stated not to be "removal for cause on charges of misconduct or delinquency".

New 5 U.S.C. 3375(a) provides that the Secretary may make a determination under 5 U.S.C. 3371(a), or initiate an action under 5 U.S.C. 3374(a), only with the controller's written consent or 60 days written notice stating the determination or action and the reason for it.

New 5 U.S.C. 3375(b) provides that the controller have a reasonable opportunity to respond to the notice under 5 U.S.C. 3375(a), and the opportunity to have a review by the Secretary, or his designee. The reference to a designee of the Secretary makes clear that the controller is not entitled to have his case personally reviewed by the Secretary, although the Secretary may personally review the case. Of course, the Secretary's authority to make delegations of authority within the Department of Transportation is not limited by this provision.

New 5 U.S.C. 3375(c) provides that 5 U.S.C. 7501–7533 do not apply to actions taken or determinations made under new 5 U.S.C. 3371(a), 3374(a) or 3375. Rather they are subject only to administrative review under 5 U.S.C. 3375(b), and regulations implementing that subsection. The determination or action is administratively final when the controller consents in writing or the Secretary, or his designee, makes his decision under 5 U.S.C. 3375(b). The controller's only recourse after this is to the courts.

New 5 U.S.C. 3376 authorizes the Secretary to pay a controller's expenses of training (omitting part of 5 U.S.C. 4109(a)(2)(B)), under 5 U.S.C. 3372. This section is based on 5 U.S.C. 4109, and is necessary because chapter 41 of title 5, United States Code, is made inapplicable by 5 U.S.C. 3372(d).

New 5 U.S.C. 3377 empowers the Secretary to issue regulations necessary to carry out new 5 U.S.C. 3371–3377.

*Section 4.* This section adds new 5 U.S.C. 8335(f) that provides for mandatory separation from the service of an air traffic controller when he becomes 56 years of age, unless the Secretary selects him for retention. The Secretary may exempt from this mandatory separation requirement a controller who has not become 61 years of age on the basis that he possess exceptional skills and experience as a controller. A controller to be separated under this new subsection is entitled to 60 days written notice.

*Section 5.* This section adds new 5 U.S.C. 8336(e) that provides that an "employee" is entitled to an annuity after he serves as a controller for 25 years or for 20 years and becomes 50 years of age. Thus, to be eligible for an annuity under new 5 U.S.C. 8336(e), an "employee" need not be a controller at the time he reaches the required age if he has accumulated the appropriate length of controller service at that time.

*Section 6.* This section adds new 5 U.S.C. 8339(e) to provide that the annuity for an "employee" retiring under 5 U.S.C. 8336(e) is computed using the standard 1½, 1¾, 2 percent formula, and to provide a minimum annuity of 50 percent of the retiree's high three-year average. However, if the "employee" has received training under 5 U.S.C. 3372, the 50 percent minimum annuity provision does not apply. As is the case under new 5 U.S.C. 8336(e), the "employee" needs not be a controller at the time.

*Section 7.* This section amends references in 5 U.S.C. 8332(b)(3), 8334(g)(5), 8339(f), (h)–(l), and (o) (as redesignated by section 6(1)), 8341(b)–(d), and 8344(a)(3)(A) to reflect the addition in section 6 of new 5 U.S.C. 8339(e), and the redesignation of present 5 U.S.C. 8339(e)–(m) as 5 U.S.C. 8339 (f)–(n).

*Section 8.* This section provides that new 5 U.S.C. 8335(f) (mandatory separation of controllers at age 56) does not apply to a controller appointed before the enactment of the Act.

*Section 9.* This section requires the Secretary of Transportation to make a report to Congress of his operations under the Act. The report must include a statement of the effectiveness of the Act in meeting the needs of the controller career program and the air traffic control system, and any additional recommendations he deems necessary for sound management of the program of the system. The report must be made within 5 years of the date of enactment of the Act.

*Section 10.* This section provides that the Act is effective 90 days after the date of enactment. This will allow time to issue implementing regulations, and will be particularly necessary with respect to the maximum entrance age authority in 5 U.S.C. 3307(c), the maximum retention age authority in new 5 U.S.C. 8335(f), the training program authorized under new 5 U.S.C. 3372, and the administrative review procedures under new 5 U.S.C. 3376. This section also repeals Public Law 91–73, codified in new 5 U.S.C. 3307 (c), at the close of the day before the Act takes effect.

## GOVERNMENT FIDELITY LOSSES

(Mr. DULSKI asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous material.)

Mr. DULSKI. Mr. Speaker, you have referred to our committee a communication from the Secretary of the Treasury transmitting a draft of proposed legislation "to provide that the Federal Government shall assume the risks of its fidelity losses."

I am introducing the legislation today in order that it will be before our committee for consideration.

Since the letter from the Secretary of the Treasury outlines in detail the provisions of the proposed legislation, I am including the text of the letter as a part of my remarks:

THE SECRETARY OF THE TREASURY,
*Washington, March 31, 1971.*

HON. CARL ALBERT,
*Speaker of the House of Representatives, Washington, D.C.*

DEAR MR. SPEAKER: There is transmitted herewith a draft of proposed legislation, "To provide that the Federal Government shall assume the risks of its fidelity losses."

The proposed legislation would repeal the statutory requirements for bonding Federal civilian employees and military personnel charged with accountability for public funds or public property, and establish a self-insurance program for the Government's fidelity losses by permitting agencies to charge their appropriations for such losses. Enactment of the legislation would result in savings to the Government since bond premiums have consistently exceeded amounts recovered from surety companies. The proposal is also consistent with the Government's general policy of assuming its own insurable risks—a policy stemming from the fact that the Government has the resources to assume such risks. In the financial area, the risks are minimal because of extensive systems of financial checks and balances that limit the opportunities for fraud or negligence in the handling of Government funds.

Under Public Law 323, 84th Congress (6 U.S.C. 14), the head of each department and establishment in the Executive Branch is authorized to procure a bond at Government expense to cover military and civilian personnel of his department who are required by law to administrative regulation to be bonded. Prior to enactment of this law these individuals were required to pay their own fidelity bond premiums. During fiscal year 1955, the last full fiscal year prior to enactment of Public Law 323, the amount of the bond premiums paid by Federal employees was $1,732,748. Although the foregoing statute eliminated this inequity, experience under the law in procuring blanket and position schedule bonds to cover large groups of employees has focused attention on the practical and economical aspects of the requirements for bond coverage.

These experience factors can be highlighted from the consolidated annual reports to the Congress on agency fidelity bonding activities which the above Act required of the Secretary of the Treasury. The most recent report, covering the fiscal year 1970, showed that as of June 30, 1970 there were 963,269 employees covered by fidelity bonds; the total computed annual cost of premiums of bonds in effect on that date was $425,753. For the 14½ fiscal years that the Government has borne the expense of the bond premiums, the premiums have exceeded claims filed by $1,188,263. The Comptroller General, in a report to the Congress in December 1964 (B–8201) recommending discontinuance of the bonding of Federal employees, estimated that annual savings of $190,000 could be achieved thereby. A recent decision by the Post Office Department to significantly reduce the number of their employees covered by bonds would lower this estimate; however, the Department's move in this direction stems from a recognition that the cost of bond coverage is becoming prohibitive, and lends support to the self-insurance concept proposed in the draft bill. Additional savings could be expected from elimination of certain administrative expenses in connection with the procurement of the bonds, and related operations—expenses that have aggregated $730,008 over the last 14½ fiscal years.

Generally speaking, the only positions required to be bonded are those involving the disbursement and safe-keeping of public funds. Individuals assigned to these positions are responsible for public funds far in excess of the coverage provided by the bond. For example, the statutory bonding requirement for the Treasurer of the United States has remained at $150,000 since establishment of that position in 1789, although the incumbent of that position is responsible, in terms of cash alone, for average balances of approximately $6 billion in the Treasurer's general account. An accounting and finance officer in a military department is ordinarily bonded for $10,000, but annually disburses many times this amount. The cost of complete coverage for most disbursing officers would be prohibitive, and in many cases complete coverage would not be available—as a practical matter. Clearly, this situation results in only "token" coverage in those accountability areas where the potential for the largest monetary losses exists. Actually, of the almost $7 million in total losses incurred since 1956, approximately $1.9 million of such losses, or about 28 percent, exceeded the limits of the bond coverage.

The proposed legislation would eliminate the requirement for procuring fidelity bonds, thereby saving the Government the net excess of the premiums and other expenses over the net recoveries on claims. Agencies would self-insure against fidelity losses, and, to the extent that any such losses proved to be uncollectible, would charge the applicable appropriation for the amounts of such losses. Agency practices in restoring or adjusting the accounts of any defaulting employee would be performed under regulations, promulgated by the Comptroller General of the United States. Agency experience under the self-insurance program would be reported annually to the Congress by the Secretary of the Treasury for the five full fiscal years following the date of enactment of the draft bill.

The Director of the Office of Management and Budget, the Chairman of the Civil Service Commission, and the Comptroller General join in sponsoring this proposed legislation under the Joint Financial Management Improvement Program established under section 111(f) of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 65(f)). I am transmitting the proposal in behalf of this joint program. It would be appreciated if you would lay the proposed bill before the House of Representatives. An identical bill has been transmitted to the President of the Senate.

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

Sincerely yours,

JOHN B. CONNALLY.

## RONCALIO SECONDS SMITH PROPOSAL FOR DISPERSAL OF FEDERAL GOVERNMENT

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, yesterday my friend, the distinguished Iowan, Mr. NEAL SMITH, commented from the well of the House that his observation on the disturbances in Washington now taking place proved that when a relatively small number of people can cause so much concern and possibly disrupt the Government in Washington, that it is time to seriously think about moving some of the offices and agencies out of Washington. Mr. Speaker, you may remember that he received some applause at the observation. He also said that:

We have talked about this for a good many years, but as the Government expands and gets bigger and bigger, we continue to put about 90 per cent of the agencies and increased functions into this area. I think we should look at every bill that comes up and

every time we can do so, move an office or a part of an office out of Washington, D.C.

I rise today to second these words. I also call the attention of my colleagues to the fact that on May 17, at the end of all other legislative business, I shall address the House for 1 hour upon the subject of the removal of Government offices from Washington to the hinterland of the United States of America. I particularly hope that the eminent chairman of the Committee on Government Operations, Mr. HOLIFIELD, in whose committee work was done 10 years ago this month on this very subject, and that his colleagues, Mr. BROOKS of Texas, Mr. BLATNIK of Minnesota, Mr. JONES of Alabama, Mr. GARMATZ of Maryland, Mr. MARSH of California, Mr. FASCELL of Florida, Mrs. GRIFFITHS of Michigan, and Mr. REUSS of Wisconsin, will also perhaps be inclined to again take up the good work and resume their labors of exactly one decade ago upon the subject matter of amending all existing legislation to bring about a decentralization and relocation of facilities and personnel of executive agencies. Otherwise, Mr. Speaker, it would appear to me that we have no future but to conclude that Washington is bound to deteriorate and so will the Government that it houses.

Recently I called to the attention of a native Wyomingite, Mrs. Olga Moore Arnold, a renowned writer, and for the past many years a resident of Washington, D.C., some of the tragic differences of the Washington that she and I knew as young people here 30 years ago and the city which we tolerate today. She came up with a little item for me and I think it is worthy of the attention of every Member of the House. It follows:

DISPERSAL OF FEDERAL AGENCIES

(By Olga Moore Arnold)

MY DEAR CONGRESSMAN RONCALIO: The nation's capital belongs in Cheyenne, Wyoming, according to an early booster of my home town. N. A. Baker, editor of the *Cheyenne Leader* in the early 1880s, named the tent city's claims to this distinction as a "salubrious climate," room for expansion, and a situation so far inland, "any invading army would get lost before reaching it."

But in the Washington of today, it is defenders who would get lost, not the invaders. The patriots would be snarled in traffic jams and tangled in urban sprawl. If the commanding general lived in McLean, Virginia, it might take him forty minutes or an hour to reach the battle. Ten years ago, it took only twenty minutes.

But the "population explosion" and the fusion of the city with its suburbs has made the District of Columbia, neighboring Maryland and Virginia one vast trap, a morass through which traffic crawls as sluggishly as a fly in a pot of molasses. A helicopter would be the general's only hope, and even a helicopter has to find a parking space. And the general's eyes would be so blinded by smog, he might mistake the enemy for the local police.

The beautiful countryside has become a wilderness of shopping centers, office buildings, apartment houses and parking lots. The peaceful woodlands have been gouged up for super highways. The green pastures have been torn up for super airports. Soon the region will be one vast desert of concrete. The traditional charm of Washington with its greenery, its parks and mellow Federal buildings is rapidly disappearing. The old mansions have been replaced by ugly, square office buildings that resemble upended egg crates. New highways lead screaming traffic through the parks, spewing the picnickers and romping children with gasoline fumes, drowning out the songs of birds.

There are those who love it this way. One developer boasts happily that . . . The metropolitan area's population will soar from 3 million today toward the 4 million mark by 1980 . . . High rise centers will continue to spring up all over the metropolitan area (Gordon Kennedy in Business Forecast) . . . Population, the basic source of business strength, continues steadily up here, providing a constant source of demand for retailers and real estate developers. Washington is now the seventh largest metropolitan area in the nation, with about 2.9 million residents, according to the preliminary 1970 census figures . . . The move from tenth place in 1960 is attributable to a population growth of 800,000 people in the suburban areas . . . The most striking change of the Washington scene will be physical.

We are going to see a level and character of development, particularly in the District, fundamentally different from anything we have had until now . . . With transit, the District will be able to support much higher densities in concentrated areas . . . A number of dramatic, large-scale business building projects, many in the District, have been announced recently . . . These announced projects are remarkable, not only for their size but also because of their multi-use character, which will make them small cities within the bigger city."

Among the trade associations who have moved their staffs to Washington or who have enlarged staffs already here, are the American Bankers' Association which is bringing 350 employees to its new headquarters in the District; the American Publishers Association, said to be planning the building of a 30,000 square-foot building in nearby Reston: the American Gas Association, bringing a staff of 160 people; the Investment Company Institute; the National Association of Insurance Brokers; the U.S. Brewers' Association; the Mechanical Contractors of America; and the Business Equipment Manufacturers' Association.

The private entrepreneurs are chipping away at the land, threatening Washington's beauty, health and historical sites, nibbling at the treasures that belong to all the nation. Every spring thousands of school children come to Washington to see the White House which the British tried to burn in 1812; the Assembly Hall in Georgetown where Jefferson danced, Ford's Theatre where Lincoln was shot, the nearby battlefields of Bull Run, Antietam and Gettysburg. They come to see the famous cherry blossoms, the fine art galleries, the National Cathedral. But already land developers are trying to subdivide Antietam battlefield for a housing complex. Given their heads they would probably make a parking lot of Farragut Square and plow up the cherry trees for apartment buildings.

The Federal Government is one of the worst violators. A few years ago it tried to raze the beautiful and famous old houses fringing LaFayette Square to make space for office buildings. Embattled citizenry, history and art lovers, saved the site. Now a gigantic construction is under way to house the FBI, a building several times greater than the parent structure, the Department of Justice.

The U.S. Army Materiel Command is moving from its temporary quarters at the National Airport to two huge, privately-owned buildings in nearby Alexandria at an estimated cost of 10 million dollars. For the enormous staff these buildings will need, additional housing must be built, which will increase the congestion of streets, the flow of traffic, the pollution of water and air, and the problem of waste disposal, already acute. As of March 31, 1970, the Federal Government leased approximately 16 million square feet of privately owned space to house 78,000 employees in the National Capital environs. New leases achieved since that time increase the amount of space to almost 19 million square feet and swell the number of workers to 98,000.

Washington now bears a striking resemblance to the Old Woman Who Lived in a Shoe—she had so many children, she didn't know what to do.

This need not be the case. The capital should be a unique and elegant shrine, the heart of government, the home of history. Many projects could be administered at sites scattered over the nation. There are at least 45 states with room for expansion, states where Federal installations would be welcomed as additional sources of revenue, where an influx of population would encourage better schools, bigger markets, new recreational and cultural features. With air travel, teletype, telphone and radio available, the regional directors could communicate with Washington headquarters as quickly as they could fight their way through metropolitan traffic.

The dispersal of Federal institutions would stabilize regional employment, contribute to local tax bases, and bring government to the people. The image of bureaucracy as a distant monolith would be changed to that of a familiar and helpful home institution. It would reduce the cost of management and operation, and furnish new trade to local business houses. Experiment stations and scientific laboratories could function as easily and more cheaply in regional centers. Dispersal would provide greater security for defense-related agencies, and reduce the risk of enemy destruction by building more viable communities.

If Old Mother Goose would scatter her children more strategically, she would be less crowded in her shoe. She could place them usefully in Alabama, Louisiana, Nebraska and Maine, regions which actually lost Federal employees between 1960 and 1968. She could find uncluttered space also in the Dakotas, Montana, Idaho, Arizona, Utah and Wyoming, all states with a "salubrious climate." And Washington would be cleaner, safer, healthier and infinitely more beautiful.

## VISIT OF SECRETARY ROGERS TO MIDDLE EAST

(Mr. GERALD R. FORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GERALD R. FORD. Mr. Speaker, today our Secretary of State is visiting Cairo on his current trip to Israel and four Arab countries. While he has no magic formulas for Middle East peace in his pocket, and is going to the area not to argue but to listen to his hosts, the very fact of his trip is a measure of his personal concern. Secretary Rogers is deeply concerned about the persistent tension in this region, seeing in it, rightly, the potentialities for an accidental world war. He has worked hard ever since he came into office to help promote a Middle East settlement totally different from anything the region has known for the past 24 years: a real peace, negotiated by the parties to the conflict themselves.

Bill Rogers has won the enduring respect of both the Israelis and the Arabs. They know him. They rely on his deep awareness of their concerns and his sense of fairness. Probably no Secretary of State of this country has ever worked so hard to help bring the Arabs and Israelis closer together. To him belongs a great deal of credit for what a year ago looked impossible: 9 months of silence for the guns along the Suez Canal.

As he continues frank and friendly discussions with the leaders of the contending parties there, the good wishes of all Americans accompany him.

## CONGRESSMAN ANNUNZIO COMMENDS INTERNATIONAL UNION OF GOSPEL MISSIONS

(Mr. ANNUNZIO asked and was allowed to extend his remarks at this point in the RECORD.)

Mr. ANNUNZIO. Mr. Speaker, as the Congressman for the Seventh District of Illinois, where the headquarters of the Bible Rescue Mission are located, it gives me great pleasure today to inform my colleagues that the 58th Annual Convention of the International Union of Gospel Missions will be held from May 22 through May 26, 1971, in my district in Chicago.

I have introduced in the House of Representatives House Joint Resolution 602, which authorizes the President to proclaim the period from May 22, 1971, through May 28, 1971, as "National Rescue Mission Week" and I urge my colleagues to give their bipartisan support to this legislation today.

This recognition is indeed appropriate, because the Rescue Missions in every major city of America since 1870 have been ministering to the physical, material, and spiritual needs of the less fortunate and disadvantaged in our society.

The rescue missions during the past 100 years have unfailingly extended a helping hand to feed the hungry, house the homeless, clothe the poor, and give medical aid to the ill. They have made a tremendous contribution in the fight against poverty, alcoholism, drug addiction, and crime in America.

These dedicated men and women who are members of the rescue missions, have given compassionate and outstanding service to their fellow human beings, and as more than 2,000 delegates and guests gather in Chicago for their 58th annual convention, it gives me great pleasure to extend my warmest congratulations to them for their great contribution to our country and to extend to them best wishes for their ever-increasing success in serving our people in the years ahead.

## B–1 MANNED BOMBER

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, yesterday, Senator GEORGE MCGOVERN of South Dakota and I issued a report on the supersonic bomber, the B–1. This report is the first of 14 reports critically analyzing military weapons systems and policies to be issued over the next 2 months by the bipartisan group, Members of Congress for Peace Through Law. The report concludes that the B–1 is a virtually useless weapons system that will cost an enormous amount of money to research and develop; we estimate as much as $47 billion.

I urge my colleagues to give this report their careful attention and at this point I include it in the RECORD along with my press release summarizing the report and two recent articles on the B–1 from the New York Times and the Washington Post.

### REPORT ON THE B–1 BOMBER

Prepared by Senator George S. McGovern and Congressman John F. Seiberling for the Military Spending Committee

#### SUMMARY

As the existing and planned ICBM and SLBM arsenals of the United States and the Soviet Union become more clearly defined and the enormity of the combined destructive power of the opposing nuclear forces is understood, the continued maintenance of a manned bomber fleet by the U.S. as a tertiary threat suggests redundancy in depth. The wisdom of retaining this optional deterrent is yearly becoming more and more questionable.

Aside from the doubtful penetration capability any future manned bomber would have in a heavily defended SAM environment, the cost of a new generation of manned strategic bombers and supporting fleet of tankers is so staggering as to make the question of continuing any strategic bomber program one of great national concern.

This issue need not be decided, however, in order to deal with the fiscal 1972 B–1 funding request. The B–52 useful life assures ample time to hold the project in abeyance while considering other alternatives, including a system designed exclusively for the standoff role, or further modifications of the B–52 to further extend its life and improve its capabilities.

B–1 costs threaten to reach astronomical levels, well beyond those estimated by the Air Force. Large increases have in fact occurred in the past year, even though the project still exists only on paper. The almost certain need for a new tanker pushes the price tag up beyond $20 billion even if doubtful Air Force cost estimates are used. One more credible estimate sets the total at $47.2 billion. Predictable added costs go a long way to nullify claims that the B–1 would have cost-effectiveness advantages over the B–52/FB–111 combination, and even those claims have no foundation unless the system has an assured expected useful life of more than seventeen years.

The B–70 experience confirms that the supersonic capability has little relation to the basic nuclear war missions which can be foreseen for the B–1. On the contrary, elaborate design features required for supersonic flight could easily detract from the aircraft's ability to penetrate at low altitudes. Useful only in conventional roles which are, at best, a spinoff purpose for the B–1, the supersonic capability will account for as much as 50 percent of the system's ten-year cost.

#### RECOMMENDATIONS

(1) The supersonic capability should be dropped regardless of what other decisions are made.

(2) The funding requested for fiscal 1972 should be reduced to the amount required to terminate contracts awarded thus far and to preserve the advanced research and development option for possible renewal at a later time. The aircraft should be redesigned to eliminate the supersonic capability and associated costs. Amounts required for these purposes should not exceed $20 million in fiscal 1972.

(3) Funds should be added for basic research and development on an alternative subsonic strategic aircraft designed exclusively for operation as a standoff platform and on a new air to ground missile with the range and flight characteristics required to penetrate from beyond enemy defenses in a fashion which achieves the greatest possible variation from the nature of SLBM and ICBM penetration.

#### INTRODUCTION TO THE B–1

The B–1 is a proposed intercontinental strategic bomber. The U.S. Air Force plans to phase it into the existing strategic arsenal as a replacement for the currently operational B–52's and FB–111's, starting in the 1978–1979 time frame.

The B–1 is to be powered by turbofan jet-engines. It will be capable of supersonic cruise at high altitude (mach 2.5), but will be restricted to subsonic speeds (approximately mach 0.85), at low altitude. It will have a maximum takeoff gross weight of 350,000 to 400,000 pounds and an estimated payload of 80,000 pounds. It carries a crew of four. Its estimated range with one aerial refueling is 10,000 miles. It will carry standoff missiles (SRAM) and armed decoys (SCAD) in addition to gravity bombs.

The Air Force is planning on a basis of 200-plus units, and 240 is the current target. It has reduced its prototype requirements from five flight-test aircraft to three and the number of static test models from two to one. The original estimated cost per copy was $25–$30 million but in the past year has been revised upward to $30.8 million.

After annual expenditures at an annual rate of some $25 million in prior years, re-fiscal 1970 and 1971. Last year contracts were awarded for airframe and engine development. The fiscal 1972 B–1 funding request has moved up to $370 million.

During the past nine years of controversy surrounding the need for an AMSA or the B–1 manned bomber, there has been a recurring line of Congressional inquiry as to which bombardment mission profile would be the most effective in the 1980 to 1990 time frame. The recent and lamentable passing of the XB–70 "Valkyrie" into a questionable Valhalla at the Air Force Museum in Dayton at a cost of $1.4 billion, coupled with the untimely demise of the B–58 fleet after less than ten years of combat readiness and the repeated groundings of the current FB–111 fleet suggests that past DOD and USAF decisions with respect to mission profiles have been in error to a point where more intense Congressional scrutiny is mandatory.

#### DISCUSSION

*B–1 operating environment*

The advanced capabilities of ballistics missiles, both land and sea based, raise real doubts about whether a manned bomber force will be either necessary or useful in the 1980's and beyond. Each of the several nuclear mission profiles assigned to the B–1 is open to serious question in light of one simple fact—that while the aircraft is taking four hours to fly 6,000 miles, there could be eight successive nuclear missile salvos, four on each side and each answering the one before.

That question can be best resolved in the context of an overview of strategic forces, such as included in the 1970 Military Spending Report. While it is of obviously decisive importance here, therefore, the primary focus now will be on whether the specific bomber under consideration is an appropriate approach, given what we can predict about the environment in which it must operate.

Such predictions are extremely difficult to make. The Strategic Arms Limitations Talks could and hopefully will produce major alterations in the nuclear strategies of the United States and the Soviet Union. Beyond that, the impossibility of predicting the nature of opposing forces a decade hence is made abundantly clear by simple reference to the rapid growth of arms technology in the past. There was good reason for the assessment made last year by General Glasser, Air Force Deputy Chief of Staff for Development Plans:

". . . it simply is not possible to specify with clarity what a weapon system such as the B–1 will be actually used for ten or fifteen years from now."

It is possible, however, to foresee the direction of future developments, on the basis of arms capabilities now in being or within reach.

First, as to the role of bombers, it is undis-

puted that any justification for relying mainly on bombers for deterrence has long since disappeared. Especially with the deployment of MIRV warheads, delivery of nuclear weapons by ballistic missile costs far less than their delivery by manned aircraft. If there is still a need for the bomber, therefore, it must be grounded in the fear that ICBM's and SLBM's may be so severely degraded by the adversary that they can no longer be counted on to deter nuclear attack. The bomber's role is to supply insurance. It is one of a number of methods which might be used to complicate the task of an enemy determined to "win" a nuclear battle with the United States.

Effective defenses against airborne bombers differ substantially from those which might be used to counter missiles after launch. There is, moreover, a unique kind of protection afforded by the combination of ICBM's and manned bombers, even though both are conceded to be increasingly vulnerable by themselves. An adversary who seeks to knock out both may, for example, decide to strike simultaneously with low-trajectory SLBM's against the bombers and ICBM's against the missiles. But his ICBM's, because of their longer flight times, would have to be launched first, and as soon as they were detected by our radar the bombers could be launched and placed beyond danger. If, on the other hand, he launched both his SLBM's and ICBM's at the same time, the early arrival of the SLBM's at U.S. airfields would give notice of the attack in ample time for our ICBM's to be launched. This "box phenomenon" renders a first strike against both bombers and land based missiles virtually impossible.

The Polaris fleet has enormous destructive force on its own, and it is still considered invulnerable to degradation prior to launch. An adversary bent on simultaneously neutralizing both U.S. ICBM's and SLBM's, plus planned and possible internal improvements in those systems, faces a superhuman task. Hence it is clearly questionable whether such a (missile-bomber) mix is necessary. But assuming, for present purposes, and that it is a desirable goal, we are left to discuss the capabilities which are essential if the bomber is to insure effectively. Basically there are two.

First, the bomber must be able to avoid destruction prior to launch. In this respect the B–1 would be a marginal improvement over the B–52, although not over the FB–111, because it can be launched more quickly and dispersed more widely—if similar attributes can be extended to the tanker fleet. Because of the "box phenomenon" noted above, however, it does not appear that pre-launch survivability will be a major problem in any case, so long as we have bombers which can become airborne with reasonable speed, coupled with a land-based missile force capable of penetrating enemy defenses in significant numbers.

Second, the bomber must have a credible ability to penetrate enemy defenses and deliver enough warheads on target to inflict unacceptable damage. And this is the point where the case for the B–1 becomes most precariously unhinged, as a result of prospects similar to those which ended in abandonment of the B–70 high-altitude supersonic bomber several years ago.

That aircraft was developed because we saw that the Soviet Union could deploy defenses for which the B–52 was considered to be too slow. After we initiated work on the B–70, however, they deployed large numbers of high altitude SA–2 bomber interceptor missiles with nuclear warheads. Since detection of high flying aircraft is no longer a serious problem, it appeared that the B–70 would be performing in a hostile environment indeed. As it turned out, in fact, our 225 B–52 G's and H's have been superior to the B–70, because they have been built to penetrate at low altitudes, thereby avoiding detection and interception.

But the SA–2 is far from the last word in air defenses. If such work has not already been initiated, the Soviet Union can take their cue from bomber defenses which are already in the advanced planning stages in the United States, centered around AWACS, or the airborne warning and control system, designed to detect low-flying aircraft.

The fiscal 1972 military posture statement submitted March 9 by Joint Chiefs of Staff Chairman Admiral Thomas Moorer is instructive on this point. Discussing Soviet strategic defenses, Admiral Moorer stated that,

"It is possible that they may deploy, later in this decade, an airborne warning and control aircraft with a true over-land, look-down capability and equip an advanced interceptor with a look-down, shoot-down radar/missile system. If they do so, they could have a greatly improved area defense system in the late 1970's."

If that assessment of Soviet capabilities is correct, then it is entirely reasonable to expect that when the B–1 enters the force in the late 1970's, a new defense capable of nullifying it will arrive at about the same time.

Look-down and over-the-horizon radars and advanced infra-red detection devices are several methods which threaten to deplete the B–1's ability to penetrate at low altitude. Others may be in the offing, including means of tracing aircraft through the air turbulence which follows in their wake. And, once detected, any manned aircraft is burdened by inherent disadvantage in hostile airspace populated by surface-to-air and/or air-to-air missiles which it can never hope to outrun.

It must be noted that these are prospects which would face the B–1 bomber at the very beginning of its operational time frame. Still more sophisticated defenses could be developed later on; doubtless Soviet planners, if they elect to defend against bombers at all, will undertake intensive work along such lines as soon as the B–1 design is finalized.

With abandonment of the on-the-deck supersonic capability, the B–1 has little to recommend it over the B–52 for low altitude penetration. Its radar cross-section would be smaller, but, since radar sensitivity varies inversely as the fourth power of distance, the B–1 could get only 16 percent closer than the B–52 before its radar signature became the same, even if its radar cross-section were reduced by a factor of two. What is more, as to both speed and radar cross-section, the B–1 is distinctly inferior to the FB–111.

The Soviet Union may, of course, decide not to pursue the advanced bomber defenses described here. In that case the B–1 would not be required; the B–52 could penetrate. If, on the other hand, they do go ahead with such defenses, we could not place much confidence in any aircraft to carry out a gravity bombing mission. As a consequence, the value of a mixed deterrent would be lost. Moreover, the unique protection of the box phenomenon would also be eliminated, because there would be no need for the Soviet strategists to attempt an attack on the bomber force on the ground—they could simply launch against ICBM's, and depend on their air defenses to counter U.S. bombers.

There is no intention here to suggest that B–1 advocates have neglected the possibility that low-level penetration may prove to be a fruitless strategy. They have not. Unfortunately, they have, instead, alluded to that prospect as a reason for giving the B–1 a high-altitude supersonic capability as well, and the result is still unsatisfactory. Certainly the creation of a deadly environment at low altitudes will not make the high altitude environment—considered too dangerous for the B–70 nearly a decade ago—any more hospitable.

The supersonic flight capability will not make the B–1 a better delivery system for nuclear weapons. If anything it will be a negative factor. It calls for complex design features which may make low altitude penetration more difficult; surely the sharp, supersonic wing must, for example, detract from stability on the deck.

The answer is not to build the B–70 into the B–1. We should instead undertake a search for more promising alternatives.

*Conventional warfare utility*

One of the most frequently cited rationales for the further development and production of the B–1 is that "strategic bombers, unlike strategic missiles, can be used conventionally." The argument usually references the B–52 "ARC LIGHT" missions flown in support of tactical ground and interdiction operations in Southeast Asia. The contribution of the B–52, judging from military opinion, has been substantial, and quite clearly could not have been duplicated by missiles fired from remote launch sites.

Before such employment of a strategic weapons system in a tactical "iron bomb" environment can be accepted as part of a valid case for a follow-on bomber, it must be recognized that no B–52, except possibly through navigational error, has ever flown over North Vietnam. In testimony before the Senate Armed Services Committee in 1969, Air Force Officials stated that on a bombing run in a SAM-protected environment such as North Vietnam, possibly 50 percent of all the B–52's on any given raid would be lost, and one expert said, "It would probably be more." As early as January, 1966, former Secretary of Defense, Robert S. McNamara, writing in Air Force magazine stated, "The fact of the matter is that no U.S. bomber has had to face the kind of defenses that exist today."

Yet the SAM–2's which the Soviets have given the North Vietnamese are relatively obsolescent and Soviet ground-to-air missilery of the late 1970's and early 1980's will undoubtedly relegate today's SAM–2's to the Model-T class.

In this same context, it is noteworthy that during the Korean Conflict, the high altitude tactical bombing regime was so hostile due to an abundance of Soviet-manufactured conventional anti-aircraft weapons and the presence of MIG fighter aircraft that neither our then first-line strategic bomber, the B–47, nor its predecessor, the B–36, were employed in a tactical role and our aging B–50's were restricted to night missions when daylight losses become prohibitive.

Tactical situations obviously do vary from war to war and from location to location. To suppose that in any future conventional conflict there will be a justifiable role or even individual target complexes where, as in Southeast Asia, hundreds of conventional bombs have been dropped at maximum interval to saturate a "target box" with near total destruction, is to ignore even the basic tenets and tactics of conventional warfare targeting.

Should such a rare combat circumstance recur wherein a strategic bomber would have any possible utility in a conventional war, a far less expensive aircraft than the B–1 could be substituted to perform the same mission.

In this vein, the Air Force, within its present inventory of tactical aircraft, has an enormous bombing capability and is developing a new generation of follow-on-aircraft that promises to further enhance it. Three factors should be considered in weighing the use of the B–1 in a tactical environment and in a force mix with fighter-bombers, tactical bombers and attack aircraft. First, that Vietnam-type target complexes as described above are isolated cases; second, that by proper application of alternative tactical weapons delivery system, inter-theatre close-support and interdiction targets can be effectively bombed by far less expensive airplanes; and third, aircraft losses and airframe

wear incurred while using the strategic bomber fleet in a tactical role is not only extremely costly on a per sortie basis but permanently subtracts from the nation's overall strategic capability.

*Systems cost considerations*

A persuasive case can be made for purchase of a given weapons system regardless of cost, *if* it can be shown that that system will have a decisive influence on the ability of the United States to deter nuclear war. As is developed elsewhere in this report, however, the value of the B–1 bomber in this respect is both speculative and marginal, and questions of cost therefore assume much greater importance. Clearly the B–1 must compete on a cost-effectiveness scale with other options, including new land and sea-based missile technology, for preserving the U.S. nuclear deterrent through its contemplated operational time frame. Such competition requires the best possible estimates of the total outlays that will be needed to include the B–1 in the U.S. strategic arsenal.

In light of painful experiences with such aircraft as the F–111 (originally proposed at $2.8 million per copy, escalating to over $8 million) and the C–5 (from $16.5 million to more than $45 million), it is difficult to place much confidence in Air Force estimates of probable B–1 expenditures. Even if the accuracy of those predictions could be assumed it is clear that the B–1 would be among the most expensive military systems ever proposed to the Congress, with a price tag of over $11 billion, exclusive of such major costs as operation and maintenance, armaments, and a follow-on-tanker.

But experience to date suggests that the B–1 will by no means be an exception to the pattern of cost escalation. Enormous cost overruns have, in fact, already occurred, even though the program is still fairly early in the research, development, test and evaluation stage, several years away from production.

In 1969 Defense Secretary Laird advised the Congress that the total cost per copy of the B–1 would be between $25 and $30 million. Early last year the figure was set more precisely at the top of the range, at $29.2 million, and by June 30th it was up to $30.8.

However, this figure followed several design modifications which should have brought substantial cost reductions. They included a 25 percent drop in the number of Short Range Attack Missiles (SRAMs) and Subsonic Cruise Armed Decoys (SCADs) to be carried internally, elimination of the low-altitude supersonic capability, and a significant reduction in the size of the initial avionics package. Senator McIntyre, who chairs the Senate Armed Service Subcommittee on Research and Development, estimated last August that the avionics change alone should have produced savings of between $5 million and $6 million per copy, placing unit estimates somewhere between $19 and $25 million. They did not materialize.

Based on a middle-range buy of 200 aircraft, therefore, the Air Force's own calculations show the cost of the system planned now mounting by between $1 billion and $1.2 billion in a single year.

More recently we have seen a similar kind of escalation in the RDT&E stage. Last year the estimate for this phase had climbed to $2.33 billion; now up to $2.63 billion in "escalating dollars." But last year's figure included five flight test aircraft, one static test airframe and one fatigue test airframe, to be constructed by North American Rockwell Corporation. Since then two of the flying prototypes and one static airframe have been dropped. Yet current estimates place the price reduction to be realized by that decision at only about $110 milion—a savings of less than 9.2 percent of total RDT&E costs

Another cost-factor of serious concern is the likelihood that at some point during the B–1's lifespan, and probably early in that period, a new compatible refueling tanker will be required, to replace the KC–135.

The Air Force maintains that the B–1 will be fully compatible with the KC–135, which now refuels the B–52's, and that only minor modifications in the tanker fleet will be needed. But the new tanker issue remains very much unsettled. It is also very much confused as a consequence of contradictory signals coming from the Air Force—exemplified by the fiscal 1971 budget request for $500,000 to initiate studies on a KC–135 replacement, followed by assertion that no new tanker is contemplated, read in the context of SAC Commander General Bruce K. Holloway's statement to the Armed Forces Journal last June that,

"We need a new tanker no matter what kind of bombers we have. The problem is not so much the life of the tanker, but we need an aircraft than can offload more fuel."

It is axiomatic that any strategic bomber is of little value if it cannot escape destruction on the ground, prior to takeoff. To avoid attack by low-trajectory submarine launched missiles, the B–1 will have a quicker reaction time than the B–52, and it will be capable of taking off from shorter runways so the force can be widely dispersed.

But the B–1 will be unable to complete its mission without refueling, and under present plans it must depend for refueling upon aircraft which do not have those capabilities. The KC–135 needs in excess of 9,000 feet for takeoff, a distance comparable to that required by B–52, so it cannot be dispersed any more widely than the existing force. Its takeoff time is also roughly the same as that of the B–52. By targeting its SLBM's on the tanker fleet, therefore, the adversary could render the B–1/KC–135 combination just as vulnerable as the B–52/KC–135 combination might be.

In response to this reasoning the Air Force will argue that the tankers can be modified to achieve reaction time which more closely approximates that of the B–1. The nature of such modifications has not yet been revealed, but the answer is deficient in any event. A fundamental point in the case for a new bomber has been the premise that the B–52, last produced in 1962, is aging and will soon be too old to be dependable. But the last KC–135 was produced in 1964, just two years later. If the B–52 cannot last physically past the early 1980's, as the Air Force contends, then it is hard to imagine how the KC–135 can last some 15 to 20 years longer.

If costs are of any concern to all, then certainly the tanker issue is a critical factor. One possibility under consideration for the tanker role is a modified C–5. Based on Air Force price estimates submitted to Senator McIntyre's Subcommittee last year, a fleet sufficient to serve 200 B–1's would cost, conservatively, some $8.25 billion, thus pushing the total system cost well over the $20 billion mark even accepting Air Force price estimates.

The foregoing examples of cost growth to date, along with additional expenditures, for armaments and O&M, which will inevitably be associated with the B–1 system although not included in official estimates, indicate how hazardous it is to place any faith in Air Force projections.

The authors of this study admit to less technical expertise than the military in making detailed cost estimates. We therefore embrace no specific alternative calculations of total cost. It is, however, instructive to consider projections from other sources, ranging as high as $75 billion for the complete B–1 system. Several such estimates are set forth in the appendix.

Another question which deserves attention in connection with cost projections grows out of the contention that over its useful life the B–1 will be less costly than the alternative of relying upon the B–52/FB–111 combination, with continuing modifications to extend the life of the B–52.

Writing for the P.I.C. News, the newsletter of the Public Information Center, last August, Representative William Moorhead calculated that the cost of modernizing and extending the B–52 force for ten years beyond 1978 would be $7.36 billion, compared to his "conservative" estimate of $20.27 billion for the B–1 during the same period.

In fact, the Air Force has not denied the existence of such a cost advantage for the existing force during the first ten years. Their calculations were laid down as follows by Secretary of the Air Force Harold Brown in 1968 testimony to the Senate Armed Services Preparedness Investigating Subcommittee:

"Over the first ten-year period, the program cost of an AMSA (B–1) bomber force would be considerably higher than that of the B–52 and FB–111 force because with selective modifications to the structure and avionics, the lifetime of many B–52's can be economically extended to the late 1970's. Over a period of about 17 years the costs of a bomber program phasing to (deleted) AMSA's, compared with a program continuing the 255 B–52's and 210 FB–111's would be the same, $22 to $23 billion."

The buy of FB–111's has since been reduced to four squadrons, a figure which should still be sufficient to require the mixing of defenses claimed as a main attribute of the manned bomber. That change should give the B–52/FB–111 combination an even greater cost advantage.

But what is important to note here is that acceptance of the premise that the B–1 might eventually have a cost advantage over the B–52/FB–111 combination requires acceptance of a much more ambitious assumption—that the manned bomber, moreover a specific manned bomber with capabilities which will be locked very soon, will be playing a vital role in the U.S. nuclear arsenal some seventeen years from now, in a vastly changed environment. Those who find that assumption unpalatable will find continued reliance on the B–52 and FB–111 infinitely more attractive from the cost standpoint.

Finally, a cost-conscious evaluation of the B–1 as now planned requires careful attention to the additional expenditures demanded as a consequence of the decisions to make the aircraft supersonic at high altitudes, even though the low-altitude supersonic capability has been scrapped. Put bluntly, the high-altitude supersonic capability makes hardly any sense in the nuclear warfare missions contemplated for the B–1 since, as is pointed out elsewhere, the B–70 bomber was dropped precisely because the Soviet Union had the clear capability to destroy high-flying supersonic aircraft.

The supersonic capability of the B–1, which will almost certainly be used only in conventional warfare roles, will, according to Air Force sources, increase its ten-year systems costs between twenty and thirty percent. Senator McIntyre estimated last year that it could be "closer to fifty percent," and there are sound reasons for preferring his figure. If the aircraft were entirely subsonic it could be made fixed wing instead of swing-wing, thereby cutting weight, reducing maintenance problems, and increasing range. The supersonic capability requires much thinner wings to lessen drag, another cost escalating factor. Supersonic flight with the B–1 engines will be accomplished by afterburning, which drastically multiplies fuel consumption.

Startling results are yielded by application of the incremental supersonic costs ratios suggested above to the low and middle-range estimates of ten-year B–1 systems costs. The decision to go supersonic calls for additional outlays of from $2.2 billion (20 percent of $13.4 billion) to $10 billion (50 percent of the $20 billion high estimate for procurement and R&D only), over what would be required by an entirely subsonic plane.

*Alternatives to the B–1*

One obvious and much less expensive alternative to moving ahead with the B–1 bomber would be to plan for the retirement

of the manned bomber from any nuclear war role, and certainly that approach does deserve careful consideration. There is, however, no need to make such a determination in order to reach the conclusion that the B–1 is ill suited to the tasks it has been assigned.

There is ample time to consider other alternatives as well. Contrary to the impression created in recent years, there is little hard evidence to support the conclusion that the latest B–52 models are about to collapse from old age. The Air Force has pitched its case for the B–1 less on this concern than on its assertion that the B–1 will, over a period of years, be a less expensive option than preservation of the B–52. But the B–52 can remain a tremendously formidable delivery system well into the 1980's, and probably beyond, especially with the addition of SRAM and other penetration aids. There is no need to buy the B–1 quickly because of a fear that there may come a time when the United States will be without a strong strategic bomber.

Another option, therefore, would be to simply continue relying upon the existing combination of 255 B–52's and H's and 75 FB–111's, for as long as they can be retained in service through appropriate modifications or until such time as they can no longer penetrate Soviet defenses. If that time does come the B–1 could probably not penetrate either, particularly in light of recent decisions to downgrade its performance.

In some respects this course is much more attractive than choosing the B–1. As noted in the section on systems costs, economic considerations will favor the B–52/FB–111 combination for as long as seventeen years and possibly more. And if the objective of the manned bomber is to force the adversary to mix his defenses, to counter both bombers and missiles, there is some reason to believe that the combination of older aircraft could perform more satisfactorily than the B–1. Since the FB–111 does have a supersonic capability at low altitudes, and since it can reach significant numbers of SAC targets within the Soviet Union, these two aircraft could give the adversary a more complicated defensive problem than that posed by the B–1 alone. Since the weaknesses of one could not be exploited against the other, he would have to defend against the best features of both, at least for those targets which the FB–111 could reach at supersonic speeds.

It is possible to foresee viability for still other alternatives. If the B–52/FB–111 combination is not satisfactory, it is nonetheless still shortsighted to consider the B–1 as the single new configuration available.

A more desirable design might, for example, completely forego gravity bombing and concentrate instead on a meaningful long-range standoff capability, including both a new strategic aircraft and a new air to ground missile with longer range and a greater payload than is contemplated for SRAM. Such an aircraft need not be supersonic. It could be designed for rapid takeoff to preserve prelaunch survivability and the benefits of the "box phenomenon." The avionics could be much less elaborate than the B–1 package, because there would be no need to attempt penetration of enemy defenses. Research and development efforts could focus intensively on an air to ground missile approach aiming for maximum differences between the nature of this airborne attack and the threat posed by U.S. ICBM's and SLBM's, to continue the "mixed defenses" problem confronting the adversary.

Such a system would, of course, be far less glamorous than the B–1. But it could also avoid the weaknesses, exploit the strengths, and add new values to the use of manned aircraft in nuclear war situations.

*Appendix*

(Selected B–1 System Cost Estimates)

(1) The current Air Force estimate of B–1 costs, calculated now in "escalating dollars" with inflation factored in, is $2.628 billion for development and $8.496 for production, or a total of $11.124 billion exclusive of operation and maintenance and armaments including SRAM and SCAD.

(2) In August of 1970, Representative William Moorhead published two estimates based on an extrapolation from Air Force figures. He described the first, a total of $20.27 billion, by saying that, "if it errs it probably does so on the conservative side." His high estimate, following generally applicable rules on operation and maintenance and trade journal estimates on procurement costs, totalled $33.47 billion. His calculations were as follows:

| Estimate: | *Billion* |
|---|---|
| Sunk Research and Development | $0.25 |
| Prototype Procurement | 2.33 |
| Procurement of ca. 250 planes, including AGE, initial spares, training aids, and technical data | 9.30 |
| Operation and Maintenance for 10 years | 3.75 |
| SRAM R.T.D. & E. (short range attack missile) | .42 |
| SRAM procurement (for 2,800) | .80 |
| SRAM aerospace ground equipment | .19 |
| SRAM warheads | .50 |
| SRAM O & M for 10 years | .40 |
| Estimate with USAF figures | 17.94 |
| 13 percent overrun allowance (average for recent major systems) | 2.33 |
| Total estimate | 20.17 |
| Addenda: | |
| Addition to O & M to reflect general overhead by raising the figure to $13.95 billion, following a rule of thumb of 150 percent of aircraft procurement cost for 10 years of operation | $10.20 |
| Addition to procurement-cost figure to match trade journal estimates of $12 to $13 billion | 3.00 |
| High total estimate | 33.47 |

(*Note:* Representative Moorhead's analysis does not include the possibility that a new tanker fleet will be required. Using a three to two tanker-to-bomber ratio for a 255 aircraft B–1 fleet, taking the estimated $27.5 per copy cost for a C–5 tanker supplied to Senator McIntyre by the Air Force last year, and adding the same 13 percent overrun allowance employed above, the new tanker could add another $13.73 billion to the systems cost, bringing the High Total Estimate to *$47.2 billion.*)

(3) In December of 1969 the Defense Market Survey Market Intelligence Report cited then-current USAF estimates for a "200 plus" fleet of $1.7 to $1.9 billion for R&D $6.8 to $7.2 billion for aircraft with spares and support, and $3.3 to $3.5 billion for ten-year operation, in 1968 dollars. It then noted the failure of DOD to discuss the tanker problem, plus the requirement for additional command and control aircraft for the strategic fleet. From that it deduced that, "The inescapable conclusion is that the price tag for the total system could well soar above the $25 billion mark."

(4) Using an analysis similar to that of Representative Moorhead but with slightly higher figures, Bruce W. MacDonald of Princeton University, coordinator of a detailed study of the B–1 system, foresees a total systems cost of "anywhere from fifty to seventy-five billion dollars." His method:

| | *Billion* |
|---|---|
| Sunk into Research and Development | $0.25 |
| Prototype Procurement | 5.00 |
| Procurement of ca. 250 planes at $60 million per copy | 15.00 |
| Operations and Maintenance | 4.00 |
| SRAM RDT&E | 0.42 |
| SRAM Procurement (for 2,800) | 0.80 |
| SRAM aerospace ground equipment | 0.19 |
| SRAM warheads | 0.50 |
| SRAM O&M for ten years | 0.40 |
| | 26.56 |
| 13 percent overrun allowance of all but prototype procurement *plus* unit costs, reflecting experience on recent major systems | 27.41 |
| Addition to O&M to reflect general overhead by adding 150 percent of aircraft procurement cost for ten years' operation | 22.50 |
| 255 new tankers | 12.70 |
| Tanker RDT&E | 2.00 |
| Tanker Maintenance for ten years | 2.00 |
| | 66.61 |
| Plus eventual addition of the avionics originally planned but deleted last year with room left for later incorporation | 8.39 |
| Total Ultimate Systems Cost | 75.00 |

PRESS RELEASE BY REP. JOHN F. SEIBERLING

WASHINGTON.—Rep. John F. Seiberling (D.-Ohio) urged Congress today to abandon the controversial supersonic bomber—the B–1—calling the project "utterly impractical" in the light of current advances in nuclear defense.

Seiberling described the B–1 as a "weapons system in search of a mission. These days," he added, "the notion of flying over a target and dropping a gravity bomb is utterly absurd. Such an effort would truly be a mission impossible."

Seiberling's remarks came as he and Sen. George McGovern (D.-S.D.) released a report on the B–1. The report noted the possibility that the B–1 could be obsolete by the time it became operational in the late 1970s.

Several methods of detection including look-down and over-the-horizon radars and advanced infra-red devices could severely limit the B–1's ability to penetrate enemy defenses, especially at low altitudes, the report said.

"It is entirely reasonable to expect that when the B–1 enters the force in the late 1970s, a new defense capable of nullifying it will arrive at about the same time," the report said.

Seiberling added: "Long before any bomber, whether sonic or subsonic, would get over a target, it undoubtedly would be knocked out of the air. Short range attack missiles and decoys would prove inadequate to fool the enemy."

Seiberling pointed out that the reason no B–52 has ever intentionally flown over North Vietnam may be inferred from testimony of Air Force officials that on a bombing run in an area protected by surface to air missiles possibly 50 percent of all the B–52s on any given raid would be lost.

Citing cost estimates ranging from 20 to 75 billion dollars for the total B–1 package, the McGovern-Seiberling report said the cost of a new generation of manned strategic bombers and supporting fleet of tankers "is so staggering as to make the question of continuing any strategic bomber program one of the great national concern.

"The issue need not be decided, however, in order to deal with the fiscal 1972 B–1 funding request. The B–52 useful life assures ample time to hold the project in abeyance while considering other alternatives," the report said.

One alternative, suggested by the report, would be a less expensive subsonic plane equipped with long-range air to surface missiles. "Besides its lower cost," said Seiberling, "such a plane would not have to penetrate an enemy's defenses."

The proposed budget for fiscal year 1972 calls for $370 million dollars for further research and development of the B–1. However, under the recommendations of the

McGovern-Seiberling report only 20 million dollars would be required for the next fiscal year. The $20 million would be used to terminate existing B–1 contracts and preserve the research and development option for possible future use.

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[From the Washington Post, May 5, 1971]

ARMS SPENDING CRITICS ASK SCRAPPING OF B–1

(By Michael Getler)

Congressional critics of Pentagon spending yesterday called for scrapping the Air Force's proposed fleet of B–1 manned bombers, claiming the project might eventually cost from $20 billion to $47 billion with no guarantee that the planes could get through modernized Soviet air defenses.

Foes of the B–1, a cherished Air Force project, urged that Congress cut the $370 million for the plane in the defense budget down to $20 million, enough to pay the costs of terminating contracts.

Instead of the B–1, the members of Congress for Peace Through Law recommended that research begin on a less expensive plane which—if a new bomber was needed—could stay outside the range of Russian anti-aircraft defenses and fire long-range missiles to the targets that the B–1 was intended to bomb.

Sen. George McGovern (D-S.D.) presidential hopeful and co-author of the B–1 report along with Rep. John F. Seiberling (D-Ohio), told a press conference that the current arsenal of U.S. bombers—aging B–52s and never FB–111s—is enough bomber power and could be made to last at least until the end of this decade. McGovern also questioned whether 10 or 15 years from now bombers would play any role in nuclear deterrence.

The U.S., he believes, can afford to wait for another year to see if an agreement can be reached at the SALT talks to put limits on these weapons.

The MCPL is a 115-member coalition of Senate and House members. In each of the past two years, its defense committee issued a single thick report attacking the logic of as many as a dozen Pentagon projects. This year, in an admitted attempt to get more publicity and draw more attention to the individual issues, the group is releasing one report a week starting with the B–1.

Sen. William Proxmire (D-Wis.), this year's defense committee chairman, believes the MCPL may also benefit from the impact of the congressional defeat of the SST. That vote showed, Proxmire said yesterday, that public opinion can be aroused to defeat programs with strong financial and political backing.

The B–1 is such a program, with strong support among the Pentagon hierarchy. The plane would also be produced mostly in job-starved southern California, making it politically sensitive as well.

Arguments over the plane between the MCPL and the Air Force revolve around two-key points:

Penetration—critics contend that the Russians would respond to the B1 development with even more massive air defenses and that the plane would not get through. And, the MCPL points out, the Air Force, in trying to hold down costs, is cutting out the very things that would give it a better chance—supersonic speed at low altitude and many short-range attack missiles and decoys to help it knock out or fool defenses. Thus, says the MCPL, if a new bomber is needed a so-called stand-off plane with long-range missiles makes more sense.

Ironically, other congressional critics of the B–1 say a simpler, cheaper plane should be built because Soviet defenses would be severely disrupted in an ICBM exchange that would no doubt precede a bomber attack, making it easy for a far less sophisticated plane to get to targets deep inside the Soviet Union.

The Air Force maintains that building a plane to fire a missile several thousand miles is no different from using an ICBM in the first place. The bomber is needed to go far inland and hit Soviet missiles not fired in an initial attack, the Air Force says, adding that the B–52 will get too old and that the FB–111 is too-short-ranged to reach more than 30 per cent of the B–11's prospective targets.

Costs—The most recent Air Force estimate is $11.1 billion for the program, but this doesn't include operating costs and new weapons for the plane to carry.

MCPL member Rep. William Moorhead (D-Pa.) estimates that with those added items the B–1 will cost about $20 billion. Furthermore, if a decision is made in 1975, after about a year of B–1 test flights, to go into production, the MCPL maintains that a new refueling tanker will also be needed. In Moorhead's view, this would raise the total cost of a B–1 decision to possibly $47 billion.

The Air Force disputes the tanker contention, saying the existing KC–135 would do the job. But the MCPL report points out that the KC–135 was built only two years later than the most recent B–52 and the Air Force, in making its case for the new bomber, claims that the B–52 will be too old to stay in service much beyond the late 1970s.

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[From The New York Times, May 5, 1971]

PROPOSED BOMBER TERMED UNNEEDED

(By John W. Finney)

WASHINGTON, May 4.—A bipartisan Congressional group fired its first salvo in the battle over the defense budget today by attacking the Air Force's proposed new supersonic manned bomber.

The proposed B–1 aircraft was criticized as an unnecessary, ineffective and obsolete weapon in the nuclear age, in a report issued by Members of Congress for Peace Through Law. The study group, consisting of 115 members of the House and Senate, is headed this year by Senator Mark O. Hatfield, Republican of Oregon.

Meanwhile, a still secret report by the General Accounting office, which has been circulating on Capitol Hill, has concluded that the Air Force "understated" the cost of the B–1 and did not take adequate steps to prevent increases in the cost of the multibillion-dollar project.

3 PROTOTYPES PLANNED

The swept-wing B–1, designed to become a successor to the B–52 intercontinental strategic bomber late in this decade, is now in the engineering developmental stage. In the current defense budget, the Nixon Administration has asked for $370-million to start work on development of three prototypes.

The 16-page report for members of Congress for Peace Through Law was prepared by a subcommittee headed by Senator George S. McGovern, Democrat of South Dakota, and Rep. John F. Seiberling, Democrat of Ohio. It questioned whether a manned bomber fleet would be either "necessary or useful" in the nineteen-eighties and beyond when the United States and the Soviet Union both possess a nuclear deterrent of ballistic missiles.

Even if a mixed deterrent of missiles and bombers were deemed necessary, as the Air Force contends, the report argued that the B–1 was ill-designed for its strategic mission and that its ability to penetrate sophisticated Soviet air defenses was doubtful.

COST SEEN AT $47 BILLION

The report also warned that, when a new aerial tanker plane was included, the cost of producing a fleet of 240 bombers, as is now planned by the Air Force, could run to $20 billion and perhaps as much as $47-billion.

The Air Force estimate of the cost of producing the new bomber fleet, exclusive of the new tanker plane, which it says it will not necessarily need, has risen to $11.4-billion, making it one of the single most expensive weapons projects ever presented to Congress.

The report of the General Accounting Office found that, from June, 1969, to June, 1970, the estimated cost of the project increased by $1.3-billion. But the report also acknowledged that $982-million of the increase could be attributed to inflation.

To a certain extent, the Air Force has attempted to hold down the cost of the project by reducing the number of prototypes, eliminating the requirement for a supersonic capability at low altitude, reducing the missile-carrying capability and modifying the requirements for navigation, communications and weapon-handling equipment.

"A GLORIFIED GLIDER"

"If we continue this way, we may end up with nothing more than a glorified glider," Senator McGovern commented at a news conference.

A Pentagon spokesman said that the Defense Department and the Air Force would have no immediate comment on the McGovern-Seiberling report.

The McGovern-Seiberling report was particularly critical of the Air Force's insistence that the bomber have a high-altitude supersonic capability to penetrate Soviet defenses and drop its bombs directly on targets. It argued that the supersonic capability was not only unnecessary but also added about 50 per cent to the cost of the plane.

Noting that the B–70 bomber project had been "dropped precisely because the Soviet Union had the clear capability to destroy high-flying supersonic aircraft," the report said that the mission for the B–1 "hardly makes any sense" in view of expected Soviet advances in air defenses.

Senator McGovern suggested that the supersonic capability had been added largely "to enhance the excitement for strategic bomber pilots and the glamor of Air Force recruiting programs."

SUBSONIC CRAFT SUGGESTED

The report suggested that, if a new bomber was needed, the supersonic requirement be dropped and Congress order Air Force to start developing a less costly subsonic bomber capable of "standing off" outside Soviet air defenses and firing missiles in at the targets. In contrast to the polemics and oratory frequently used in the past by critics of the Pentagon, the McGovern-Seiberling report was an analytical study such as might be prepared by the systems analysts in the Pentagon.

In the coming two months, the bipartisan committee plans to issue 14 similar reports critically analyzing other weapons programs as well as such issues as the forces in Europe and the size of the conventional forces. Senator William Proxmire, Democrat of Wisconsin, chairman of the project, said that the purpose was to "marshal public opinion" in favor of some reductions in the defense budget.

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## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YOUNG of Florida (at the request of Mr. GERALD R. FORD), for the balance of the week, on account of official business.

Mr. KEE (at the request of Mr. STAGGERS), for May 10, 11, and 12, 1971, on account of official business in district.

Mr. KEATING (at the request of Mr. GERALD R. FORD), today and the balance of week, on account of official business as a Member of the House Committee on Crime.

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## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legisla-

tive program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. POWELL) to revise and extend their remarks and include extraneous material:)

Mr. ROBISON of New York, for 10 minues, today.

Mr. BRAY, for 10 minutes, May 6.

Mr. KYL, for 1 hour, Monday, May 10.

Mr. HALPERN, for 5 minutes, today.

Mr. FINDLEY, for 5 minutes, today.

Mr. MILLER of Ohio, for 5 minutes, today.

Mr. COLLIER, for 5 minutes, today.

Mr. HOGAN, for 10 minutes, today.

(The following Members (at the request of Mr. COLLINS of Illinois) to address the House and to revise and extend their remarks and include extraneous matter:)

Mr. HATHAWAY, for 10 minutes, today.

Mr. FLOOD, for 15 minutes, today.

Mr. ASPIN, for 30 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

Mr. GONZALEZ, for 10 minutes, today.

Mr. RODINO, for 5 minutes, today.

Mr. RANDALL, for 60 minutes, on Thursday May 6.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SIKES in five instances and to include extraneous matter.

Mr. WIDNALL during general debate on H.R. 4604.

Mr. THOMSON of Wisconsin, immediately following the remarks of Mr. WYMAN during Mr. SIKES' special order today.

(The following Members (at the request of Mr. POWELL) and to include extraneous material:)

Mr. GOLDWATER.

Mr. DERWINSKI in two instances.

Mr. SCHMITZ.

Mr. MATHIAS of California.

Mr. ROBINSON of Virginia.

Mr. BUCHANAN in two instances.

Mr. BRAY in three instances.

Mr. ANDERSON of Illinois in two instances.

Mr. DUNCAN in two instances.

Mr. ARCHER.

Mr. SCHERLE.

Mr. GUDE.

Mr. COLLINS of Texas in three instances.

Mr. WYMAN in two instances.

Mr. ROUSSELOT in two instances.

Mr. ASHBROOK in three instances.

Mr. SNYDER.

Mr. SCOTT.

Mr. LUJAN.

Mr. MILLER of Ohio.

Mr. HOSMER in two instances.

Mr. PELLY.

Mr. HOGAN in five instances.

Mr. BAKER.

Mr. FINDLEY.

(The following Members (at the request of Mr. COLLINS of Illinois) and to include extraneous matter:)

Mr. ROSTENKOWSKI.

Mr. CLARK in three instances.

Mr. EVINS of Tennesee in six instances.

Mr. FISHER in four instances.

Mr. HATHAWAY in two instances.

Mr. HANNA in five instances.

Mr. COTTER in four instances.

Mr. HICKS of Washington in two instances.

Mr. DRINAN in two instances.

Mr. SYMINGTON in two instances.

Mr. ROYBAL in 10 instances.

Mr. STUCKEY.

Mrs. HICKS of Massachusetts in two instances.

Mr. ABOUREZK in four instances.

Mrs. GRASSO in six instances.

Mr. HELSTOSKI in two instances.

Mrs. SULLIVAN in three instances.

Mr. RARICK in three instances.

Mr. HAGAN in two instances.

Mr. KLUCZYNSKI in two instances.

Mr. FOUNTAIN in two instances.

Mr. GONZALEZ in two instances.

Mr. ECKHARDT in two instances.

Mr. BRASCO in two instances.

Mr. LEGGETT.

Mr. LONG of Maryland in three instances.

Mrs. ABZUG.

Mr. BOLLING.

Mr. PICKLE in two instances.

Mr. MURPHY of New York in two instances.

Mr. BADILLO.

Mr. ANDERSON of California in two instances.

Mr. WALDIE in 10 instances.

Mr. ST GERMAIN in two instances.

Mr. DONOHUE.

Mr. RODINO in two instances.

Mr. DE LA GARZA in two instances.

## 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. 421. An act to amend title 10, United States Code, to provide special health care benefits for certain surviving dependents; to the committee on Armed Services.

S. 699. An act to require a radiotelephone on certain vessels while navigating upon specified waters of the United States; to the Committee on Merchant Marine and Fisheries.

S. 860. An act relating to the Trust Territory of the Pacific Islands; to the Committee on Interior and Insular affairs.

## ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 5674. An act to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide an increase in the appropriations authorization for the Commission on Marihuana and Drug Abuse.

## SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 70. An act to amend the Rural Electrification Act of 1936, as amended, to provide an additional source of financing for the rural telephone program, and for other purposes.

S. 531. An act to authorize the U.S. Postal Service to receive the fee of $2 for execution of an application for a passport.

## ADJOURNMENT

Mr. COLLINS of Illinois. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 45 minutes p.m.) the House adjourned until tomorrow, Thursday, May 6, 1971, 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:

673. A communication from the President of the United States, proposing a supplemental appropriation to pay claims and judgments, together with a letter from the Director of the Office of Management and Budget (H. Doc. No. 92–103); to the Committee on Appropriations and ordered to be printed.

674. A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting copies of the determination of the President No. 71–11 to make Nigeria eligible to purchase defense articles and services, pursuant to section 3(a)(1) of the Foreign Military Sales Act, as amended; to the Committee on Foreign Affairs.

675. A letter from the General Sales Manager, Export Marketing Service, U.S. Department of Agriculture, transmitting the report of Public Law 480 agreements signed for March and April 1971, pursuant to Public Law 85–128; to the Committee on Agriculture.

676. A letter from the Department of the Army, Director of Civil Defense, transmitting the 78th report of Federal contributions program equipment and facilities for the quarter ending March 31, 1971, pursuant to subsection 201(1) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

677. A letter from the Chairman, Indian Claims Commission, transmitting a report on the final conclusion of the judicial proceedings in docket No. 289, *The Peoria Tribe of Indians of Oklahoma and Mabel Staton Parker on behalf of the Piankeshaw Nation; and, the Absentee Delaware Tribe of Oklahoma and the Delaware Nation, et al., Plaintiffs,* v. *The United States of America, Defendant,* pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

678. A letter from the Chairman, Indian Claims Commission, transmitting a report on the final conclusion of judicial proceedings in dockets Nos. 236–K, L, and M, *Gila River Pima-Maricopa Indian Community, et al., Petitioners,* v. *The United States of America, Defendant,* pursuant to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

679. A letter from the Chairman, Federal Power Commission, transmitting the Annual Report of the Commission for the fiscal year July 1, 1969 to June 30, 1970; to the Committee on Interstate and Foreign Commerce.

680. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

681. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated November 3, 1970, submitting a report, together with accompanying papers and an illustration, on Tybee Island, Ga., in partial response to a resolution of the Committee on Public Works, U.S. Senate, adopted April 29, 1963 and in full response to a resolution of the Committee on Public Works, House of Representatives, adopted June 19, 1963 (H. Doc. No. 92–105); to the Committee on Public

Works and ordered to be printed with an illustration.

682. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated January 7, 1971, submitting a report, together with accompanying papers and an illustration, on St. Bernard Parish, La., requested by a resolution of the Committee on Public Works, House of Representatives, adopted May 8, 1964 (H. Doc. No. 92–106); to the Committee on Public Works and ordered to be printed with one illustration.

683. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 26, 1970, submitting a report, together with accompanying papers and an illustration, on Grand Traverse Bay, Mich. (Traverse City Harbor), requested by a resolution of the Committee on Public Works, House of Representatives, adopted July 16, 1958; to the Committee on Public Works.

684. A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to continue until the close of September 30, 1973, the International Coffee Agreement Act of 1968; to the Committee on Ways and Means.

## 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:

Mr. COLMER: Committee on Rules. House Resolution 423. Resolution providing for the consideration of H.R. 4604; a bill to amend the Small Business Act (Rept. No. 92–180). Referred to House Calendar.

Mr. BOLLING: Committee on Rules. House Joint Resolution 3. Joint resolution to establish a Joint Committee on the Environment; with an amendment (Rept. No. 92–181). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 412. Resolution to authorize additional investigative authority to the committee on Education and Labor; with an amendment (Rept. No. 92–182). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 424. Resolution providing for the consideration of House Joint Resolution 3. Joint resolution to establish a Joint Committee on the Environment (Rept. No. 92–183). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 8073. A bill to set standards of ethics and financial disclosure in campaigns for election to Federal office; to the Committee on House Administration.

H.R. 8074. A bill to establish a National Cancer Authority in order to conquer cancer at the earliest possible date; to the Committee on Interstate and Foreign Commerce.

By Mr. BELL:

H.R. 8075. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; to the Committee on Ways and Means.

H.R. 8076. A bill to amend the Internal Revenue Code of 1954 in relation to expenses for care of certain dependents; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 8077. A bill to facilitate the entry into the United States of aliens who are brothers and sisters of U.S. citizens; to the Committee on the Judiciary.

H.R. 8078. A bill to amend title XVIII of the Social Security Act to provide payment for chiropractors' services under the program of supplementary medical insurance benefits for the aged; to the Committee on Ways and Means.

By Mr. CASEY of Texas (for himself and Mr. FISH):

H.R. 8079. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. CLARK:

H.R. 8080. A bill to amend the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLIER:

H.R. 8081. A bill to amend the Internal Revenue Code of 1954 to restore the investment credit; to the Committee on Ways and Means.

H.R. 8082. A bill to require packages of detergents to bear labels disclosing the ingredients present in the detergents; to the Committee on Interstate and Foreign Commerce.

By Mr. DULSKI:

H.R. 8083. A bill to amend title 5, United States Code, to provide for maximum entrance and retention ages, training, and early retirement for air traffic controllers, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 8084. A bill to provide that the Federal Government shall assume the risks of its fidelity losses; to the Committee on Post Office and Civil Service.

H.R. 8085. A bill relating to age requirements for appointments to positions in executive agencies and in the competitive service; to the Committee on Post Office and Civil Service.

H.R. 8086. A bill to amend section 3307 of title 5, United States Code, to authorize the Attorney General to establish age limitations for certain appointments; to the Committee on Post Office and Civil Service.

By Mr. EVINS of Tennessee (for himself, Mr. ANDREWS of North Dakota, Mr. ANNUNZIO, Mr. BROYHILL of North Carolina, Mr. FULTON of Tennessee, Mr. HUNGATE, Mr. METCALFE, Mr. MINSHALL, Mr. PRICE of Illinois, Mr. ST GERMAIN, Mr. SKUBITZ, Mr. SMITH of Iowa, and Mr. TIERNAN):

H.R. 8087. A bill to amend the Clayton Act by adding a new section to prohibit sales below cost for the purpose of destroying competition or eliminating a competitor; to the Committee on the Judiciary.

By Mr. FINDLEY:

H.R. 8088. A bill to amend the Federal Meat Inspection Act to provide that the products of State-inspected facilities after meeting the inspection requirements shall be eligible for distribution in establishments on the same basis as plants inspected under title I; to the Committee on Agriculture.

By Mr. FULTON of Pennsylvania:

H.R. 8089. A bill to amend the act of June 27, 1960 (74 Stat. 220), relating to the preservation of historical and archeological data; to the Committee on Interior and Insular Affairs.

By Mr. GARMATZ:

H.R. 8090. A bill to amend the act of September 26, 1970 (84 Stat. 884); to the Committee on Merchant Marine and Fisheries.

By Mr. GAYDOS:

H.R. 8091. A bill to encourage States to increase the proportion of the expenditures in the State for public education which are derived from State rather than local revenue sources; to the Committee on Education and Labor.

By Mr. HALL:

H.R. 8092. A bill to amend the Uniform Time Act of 1966 in order to provide that daylight saving time shall be observed in the United States from the first Sunday following Memorial Day to the first Sunday following Labor Day; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMILTON (for himself, Mr. RANGEL Mr. DELLUMS, Mr. BURKE of Massachusetts, Mr. FRENZEL, Mr. HUNGATE, Mr. LEGGETT, Mr. LINK, Mr. MILLER of Ohio, Mr. ROSENTHAL, Mr. SARBANES, Mr. ST GERMAIN, and Mr. SEIBERLING):

H.R. 8093. A bill to amend section 620 of the Foreign Assistance Act of 1961 to prohibit foreign assistance from being provided to foreign countries which do not act to prevent narcotic drugs from unlawfully entering the United States; to the Committee on Foreign Affairs.

By Mr. HANSEN of Idaho:

H.R. 8094. A bill to provide equitable treatment of veterans enrolled in vocational education courses; to the Committee on Veterans' Affairs.

By Mr. HILLIS:

H.R. 8095. A bill to amend chapter 89 of title 5, United States Code, to provide improved health benefits for Federal employees; to the Committee on Post Office and Civil Service.

By Mr. HOWARD:

H.R. 8096. A bill to amend the Public Health Service Act by adding a new title XI thereto which will establish a program to protect the general health by providing assistance in the establishment and operation of regional and community health protection centers for the detection of disease, by providing assistance for the training of personnel to operate such centers, and by providing assistance in the conduct of certain research related to such centers and their operation; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. ADDABBO, Mr. BIESTER, Mr. BURKE of Massachusetts, Mr. CLARK, Mr. HANSEN of Idaho, Mr. HORTON, Mr. HOWARD, Mrs. MINK, Mr. PIKE, Mr. REES, Mr. ROYBAL, and Mr. RUNNELS):

H.R. 8097. A bill to amend title 5, United States Code, to provide that individuals be apprised of records concerning them which are maintained by Government agencies; to the Committee on Government Operations.

By Mr. KOCH (for himself, Mrs. ABZUG, Mr. BADILLO, Mr. BURTON, Mr. DERWINSKI, Mrs. GRASSO, Mr. RONCALIO, Mr. RUNNELS, and Mr. MCCORMACK):

H.R. 8098. A bill; Newsmen's Privilege Act of 1971; to the Committee on the Judiciary.

By Mr. KOCH:

H.R. 8099. A bill to amend the Endangered Species Conservation Act of 1969 to extend the provisions therein to rare species of fish and wildlife, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. LUJAN:

H.R. 8100. A bill to create a National Agricultural Bargaining Board, to provide standards for the qualification of associations of producers, to define the mutual obligation of handlers and associations of producers to negotiate regarding agricultural products, and for other purposes; to the Committee on Agriculture.

H.R. 8101. A bill to establish a national family health protection program under which the Federal Government, in cooperation with, and acting through, private qualified companies, will make adequate health insurance available to every individual and family in the United States regardless of their income; to the Committee on Ways and Means.

By Mr. MINISH:

H.R. 8102. A bill to amend the Communications Act of 1934 to ban sports from closed-circuit television; to the Committee on Interstate and Foreign Commerce.

By Mr. MURPHY of New York:

H.R. 8103. A bill to amend the Airport and Airway Development and Revenue Acts of

1970 to further clarify the intent of Congress as to priorities for airway modernization and airport development, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 8104. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. PRYOR of Arkansas (for himself, Mr. BELL, Mr. DOW, Mr. ECKHARDT, Mr. EILBERG, Mr. FASCELL, Mr. HORTON, and Mr. MURPHY of Illinois):

H.R. 8105. A bill to protect ocean mammals from being pursued, harassed, or killed; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ROUSH:

H.R. 8106. A bill to amend section 8332, title 5, United States Code, to provide for the inclusion in the computation of accredited services of certain periods of service rendered States or instrumentalities of States, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. STAGGERS:

H.R. 8107. A bill to extend the act of September 30, 1965, relating to high-speed ground transportation, by removing the termination date thereof, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 8108. A bill to amend section 801 of the Federal Aviation Act of 1958 to provide that the Civil Aeronautics Board shall make the selection of air carriers in international route matters, subject to veto by the President within 90 days after such selection; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. ROY):

H.R. 8109. A bill to supply general-service freight cars to meet the needs of commerce, users, shippers, national defense, and the consuming public; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. SPRINGER):

H.R. 8110. A bill to protect the public health and safety by reducing the risks of death, illness, and injury associated with the use of consumer products; to the Committee on Interstate and Foreign Commerce.

H.R. 8111. A bill to foster fuller U.S. participation in international trade by the promotion and support of representation of U.S. interests in international voluntary standards activities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JAMES V. STANTON:

H.R. 8112. A bill to provide that railroad employees may retire on a full annuity at age 60 or after serving 30 years; to provide that such annuity for any month shall be not less than one-half of the individual's average monthly compensation for the 5 years of highest earnings, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STRATTON:

H.R. 8113. A bill to create the National Domestic Intelligence Advisory Board; to the Committee on the Judiciary.

By Mr. TAYLOR:

H.R. 8114. A bill to provide for the establishment of a system of overtime pay for the U.S. Capitol Police; to the Committee on House Administration.

By Mr. TEAGUE of California:

H.R. 8115. A bill to provide for a Federal ecological preserve in a portion of the Outer Continental Shelf in the Santa Barbara Channel and to provide for a moratorium on drilling operations pending the ability to control and prevent pollution by oil discharges and to improve the state of the art with respect to oil production from the submerged lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. THONE (for himself, Mr. MARTIN, Mr. MCCOLLISTER, Mr. SEBELIUS, Mr. ROY, Mr. WINN, and Mr. SHRIVER):

H.R. 8116. A bill to consent to the Kansas-Nebraska Big Blue River compact; to the Committee on Interior and Insular Affairs.

By Mr. WALDIE:

H.R. 8117. A bill to amend the Internal Revenue Code of 1954 to simplify the retirement income credit; to the Committee on Ways and Means.

By Mr. WHALEN (for himself, Mr. BELL, Mr. HANSEN of Idaho, Mr. MCCLOSKEY, Mr. MORSE, Mr. RANGEL, and Mr. WHITEHURST):

H.R. 8118. A bill; Newsmen's Privilege Act of 1971; to the Committee on the Judiciary.

By Mr. WINN:

H.R. 8119. A bill to establish a national land-use policy; to authorize the Secretary of the Interior to make grants to encourage and assist the States to prepare and implement land-use programs for the protection of areas of critical environmental concern and the control and direction of growth and development of more than local significance, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 8120. A bill to provide for a 1974 centennial celebration observing the introduction into the United States of Hard Red Winter Wheat; to the Committee on the Judiciary.

By Mr. YATRON (for himself, Mr. ROYBAL, Mr. HARRINGTON, Mr. DERWINSKI, Mr. FISH, Mr. ANDERSON of Tennessee, Mr. NIX, Mr. WILLIAMS, Mr. RANGEL, Mrs. HICKS of Massachusetts, Mr. DANIEL of Virginia, Mr. CLARK, Mr. BURKE of Massachusetts, Mr. COLLINS of Illinois, Mr. HELSTOSKI, and Mr. BENNETT):

H.R. 8121. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for employers who hire unemployed Vietnam veterans; to the Committee on Ways and Means.

By Mr. ANDERSON of California:

H.R. 8122. A bill to establish the Cabinet Committee on Oriental-American Affairs and for other purposes; to the Committee on Government Operations.

By Mr. ANDREWS of Alabama:

H.R. 8123. A bill to provide for import quotas on certain textile and footwear articles; to the Committee on Ways and Means.

H.R. 8124. A bill to amend the tariff and trade laws of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. ANDREWS of Alabama (for himself and Mr. QUIE):

H.R. 8125. A bill to incorporate the former Members of Congress, and for other purposes; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.R. 8126. A bill to amend the Merchant Marine Act of 1936 and the Maritime Academy Act of 1958 to enlarge the mission of the U.S. Merchant Marine Academy and to assist in enlarging the mission of the State maritime academies; to the Committee on Merchant Marine and Fisheries.

By Mr. CELLER:

H.R. 8127. A bill to permit a home mortgage loan by a federally insured bank to a bank examiner; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 8128. A bill to establish an independent agency of the Federal Government to consolidate and improve the means by which citizens are warned of, and protect themselves against, major disasters; to the Committee on Government Operations.

By Mr. ST GERMAIN:

H.R. 8129. A bill to provide for the establishment of a national cemetery in the town of Glocester, R.I.; to the Committee on Veterans' Affairs.

By Mr. THOMSON of Wisconsin:

H.R. 8130. A bill to amend the Consolidated Farmers Home Administration Act of 1961, as amended, to increase the loan limitation on certain loans; to the Committee on Agriculture.

H.R. 8131. A bill to amend the Consolidated Farmers Home Administration Act of 1961 to provide for insured operating loans, and for other purposes; to the Committee on Agriculture.

By Mr. CHARLES H. WILSON (for himself, Mr. HECHLER of West Virginia, Mr. HALPERN, Mr. DONOHUE, Mr. BADILLO, Mr. JONES of North Carolina, Mr. EILBERG, Mr. BEGICH, Mr. PODELL, Mr. ANDERSON of Tennessee, Mr. RARICK, and Mr. DOWDY):

H.R. 8132. A bill to protect the civilian employees of the executive branch of the U.S. Government in the enjoyment of their constitutional rights and to prevent unwarranted governmental invasions of their privacy; to the Committee on Post Office and Civil Service.

By Mr. CHARLES H. WILSON (for himself, Mr. ROSENTHAL, Mr. HAWKINS, Mr. BYRNE of Pennsylvania, Mr. NIX, Mr. HARRINGTON, Mr. REES, Mr. COLLINS of Illinois, Mr. RANGEL, Mr. ESCH, Mr. PEPPER, and Mr. ROYBAL):

H.R. 8133. A bill to protect the civilian employees of the executive branch of the U.S. Government in the enjoyment of their constitutional rights and to prevent unwarranted governmental invasions of their privacy; to the Committee on Post Office and Civil Service.

By Mr. CHARLES H. WILSON (for himself, Mr. ST GERMAIN, Mr. ASPIN, Mr. ANDERSON of California, Mr. FORSYTHE, Mr. PIKE, Mr. HOWARD, Mr. CORMAN, Mr. BURKE of Massachusetts, Mr. FAUNTROY, Mr. MELCHER, MCKINNEY, and Mrs. ABZUG):

H.R. 8134. A bill to protect the civilian employees of the executive branch of the U.S. Government in the enjoyment of their constitutional rights and to prevent unwarranted governmental invasions of their privacy; to the Committee on Post Office and Civil Service.

By Mr. EDMONDSON:

H.J. Res. 611. Joint resolution to instruct the President of the United States to release certain appropriated funds; to the Committee on Government Operations.

By Mrs. HICKS of Massachusetts:

H.J. Res. 612. Joint resolution providing for the designation of the 22d day in November of each year as John Fitzgerald Kennedy Memorial Day; to the Committee on the Judiciary.

By Mr. KEMP (for himself, Mr. ASPIN, Mr. COLLINS of Illinois, Mr. CONTE, Mr. DIGGS, Mrs. HICKS of Massachusetts, Mr. LINK, Mr. MCCLURE, Mr. QUILLEN, Mr. ROUSH, and Mr. SCHWENGEL):

H.J. Res. 613. Joint resolution authorizing additional appropriations to the Secretary of Transportation for the purpose of providing urgently needed intercity rail passenger service around the Nation and for the purpose of research and development in the field of high-speed ground transportation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PRYOR of Arkansas:

H.J. Res. 614. Joint resolution to provide for the designation of the calendar week beginning on May 30, 1971, and ending on June 5, 1971, as "National Peace Corps Week"; to the Committee on the Judiciary.

By Mr. VEYSEY:

H.J. Res. 615. Joint resolution to establish the Tule Elk National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. VANIK (for himself, Mr. ECKHARDT, and Mr. KOCH):

H. Con. Res. 291. Concurrent resolution relative to asset depreciation range; to the Committee on Ways and Means.

By Mr. BADILLO:

H. Res. 425. Resolution to abolish the Committee on Internal Security and enlarge the jurisdiction of the Committee on the Judiciary; to the Committee on Rules.

By Mr. EDWARDS of California:

H. Res. 426. Resolution to equalize retirement age as provided for in the Federal Old Age and Survivors Insurance Act of 1937; to the Committee on Ways and Means.

By Mr. HARRINGTON (for himself, Mr. ABOUREZK, Mrs. ABZUG, Mr. ASPIN, Mr. BADILLO, Mr. BEGICH, Mr. BIESTER, Mr. BURTON, Mrs. CHISHOLM, Mr. COLLINS of Illinois, Mr. DOW, Mr. DRINAN, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. EDWARDS of Louisiana, Mr. EILBERG, Mr. ESCH, Mr. FRENZEL, Mr. GRAY, Mr. HAMILTON, Mr. HAWKINS, and Mr. HORTON):

H. Res. 427. Resolution providing for two additional student congressional interns for Members of the House of Representatives, the Resident Commissioner from Puerto Rico, and the Delegate from the District of Columbia; to the Committee on House Administration.

By Mr. HARRINGTON (for himself, Mr. KEMP, Mr. MCCLOSKEY, Mr. MCCOLLISTER, Mr. MCCORMACK, Mr. MATSUNAGA, Mr. MITCHELL, Mr. MORSE, Mr. MOSS, Mr. PEPPER, Mr. PEYSER, Mr. PODELL, Mr. POWELL, Mr. RANGEL, Mr. REES, Mr. RONCALIO, Mr. ROY, Mr. RUNNELS, Mr. RYAN, Mr. SCHEUER, Mr. THONE, and Mr. TIERNAN):

H. Res. 428. Resolution providing for two additional student congressional interns for Members of the House of Representatives, the Resident Commissioner from Puerto Rico, and the Delegate from the District of Columbia; to the Committee on House Administration.

By Mr. HAYS:

H. Res. 429. Resolution authorizing the payment of additional amount out of the House contingent fund to defray expenses of the House restaurant and the cafeteria and other food service facilities of the House for the remainder of the fiscal year ending June 30, 1971; to the Committee on House Administration.

## MEMORIALS

Under clause 4 of rule XXII,

162. The SPEAKER presented a memorial of the Legislature of the Commonwealth of Puerto Rico, relative to installing radar for meteorogical signals in San Juan, which was referred to the Committee on Interstate and Foreign Commerce.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FISHER:

H.R. 8135. A bill for the relief of Fred A. Meandro; to the Committee on the Judiciray.

By Mr. KEE:

H.R. 8136. A bill for the relief of Mr. and Mrs. Alfeo Grasso and their three children, Roberto, Rosario, and Rita; to the Committee on the Judiciary.

H.R. 8137. A bill for the relief of Leonardo Taormina; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 8138. A bill for the relief of Marie Denis Champana; to the Committee on the Judiciary.

By Mr. SCHMITZ:

H.R. 8139. A bill for the relief of Baldomera Conde Trealese; to the Committee on the Judiciary.

By Mr. MCCLORY:

H. Res. 430. Resolution to refer the bill (H.R. 1959) entitled "A bill for the relief of American Manufacturers Mutual Insurance Company" to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code, as amended; to the Committee on the Judiciary.

# EXTENSIONS OF REMARKS

## THE RIGHT TO PUBLIC COMPASSION

### HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

*Wednesday, May 5, 1971*

Mr. HUMPHREY. Mr. President, I was privileged to address the legislative conference of the Communications Workers of America on April 21.

Recently, I have been speaking out on what I call "The New Bill of Rights for America." One of these new guarantees is the "Right to Public Compassion." Every American has the right to be secure in the knowledge that his health, material, and spiritual well-being, his old-age and loneliness are the concern of the American people.

Understanding the nature of poverty and the problems of the poor is a most important step in rallying Americans behind expressions of this national compassion.

Mr. President, in order that I might share my thinking on poverty, its nature, and possible cures, I ask unanimous consent that the release and the text of my remarks be printed in the Extension of Remarks.

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

THE RIGHT TO PUBLIC COMPASSION

(By HUBERT H. HUMPHREY)

I have been talking to various groups throughout the country about what I call "A New Bill of Rights for America." These new rights are what you might call an updating of those first ten amendments that declare Americans shall be truly free men and women. We have come a long way towards making those ideals a reality. A majority of Americans do have and exercise their rights to life, liberty and the pursuit of happiness. Most Americans do participate fully in the mainstream of our national life. But poor Americans, all 24 million of them, they are Americans in name only, do not. So today I would like to discuss with you what I call the "Right to Public Compassion."

"Compassion" is an interesting word. It means to "suffer with." I emphasize the "With." It means that this right is a two-way street. The poor have a right—a right to know that this magnificently affluent, powerful and ingenious nation also has a heart—not a bleeding heart—but a heart. More fortunate Americans also have a right to feel for our brother citizen—the right to expect the Government we elect and support find the means to alleviate and then eradicate poverty. Poverty, of the kind too many Americans suffer, is a national disgrace and we all have the right to call for its disappearance from the land.

We all know what poverty is—in the abstract. We have seen the pictures that accompany various charitable appeals—a little child with a grossly swollen stomach—a large family posing in front of their shack in Appalachia—a black infant whose feet have been gnawed on by a rat.

We think we know what poverty is but these 24 million Americans experience poverty on an entirely different level of reality. They live poverty—they sleep poverty—and frequently all they have to eat is poverty.

Affluent Americans feel that certain material and social things go with their life style—a decent home, an automobile, color television, vacations, maybe a power boat.

Well, the poor of America also find that certain things go with their life style. They are always hungry. They are sick far more often than you and I because of their poor diet and because in their weakened condition they are far easier prey to disease. They wear clothes until they literally fall off their backs. They sleep 3 and 4 to a bed. They are, particularly in inner cities, subject to criminal attacks, robberies, and violent death. They are often illiterate or, if educated, suffer from some degree of cultural retardation.

The Citizen's Board of Inquiry into Hunger and Malnutrition estimates that 10 million Americans are "Slowly starving."

Many of these are children. Surveys have shown that a series of psychologically and physically crippling diseases and deficiencies, resulting from childhood malnutrition, effectively lock many poor children into a lifetime of poverty. Chronic fatigue, listlessness and exhaustion often accompany the diseases. These children are being raised to remain dull, listless and poor.

The 1968 report of the Office of Economic Opportunity states that the poor suffer four times more heart disease—6 times more nervous disorder and retardation—10 times more eye trouble than the affluent.

The extremes of heat and cold, overcrowding, ancient plumbing and outdoor privies are all too real to the millions of American poor. Millions are packed into inner city tenements which have inadequate heating and plumbing. In rural areas, individual shacks or groups of shanties are the dwelling for farm workers and migrant laborers. These houses, often crumbling and rotting, seldom have running water or indoor plumbing. These conditions are ready breeding places for diseases you and I never encounter in our lifetime.

The sense of hopelessness that poor Americans feel in bearing the burden I just described is bad enough.

But what is really ironic is that the poor must largely abandon their culture to make it in our affluent society.

Affluent society looms before them as an almost insurmountable conglomeration of strange customs: seemingly illogical requirements, rules and regulations; and, in some cases, cruel hypocrisy and condescension.

To the poor, affluent society is a world of