HOUSE OF REPRESENTATIVES—*Thursday, July 8, 1971*

The House met at 12 o'clock noon.

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

Blessed is everyone that feareth the Lord: That walketh in His ways.—Psalms 128: 1.

Almighty and eternal God, ever ready to hear the prayers of Thy children and always eager to answer them in accordance with Thy wisdom, let Thy blessing rest upon us as we now lift our hearts unto Thee. Guide us throughout the hours of this day and keep us mindful of Thy living presence. Help us to be good stewards of Thine, faithful in the discharge of our duties and may we so live and labor that what is done in this Chamber may commend itself to our Nation and to the nations of the world.

In the Master's name we offer our morning prayer. 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.

REPRINTING BROCHURE ENTITLED "HOW OUR LAWS ARE MADE"

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the concurrent resolution (H. Con. Res. 206) to reprint the brochure entitled "How Our Laws Are Made," with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendment, as follows:

Page 2, after line 4, insert:

"SEC. 2. There shall be printed for the use of the Senate fifty-one thousand five hundred additional copies of the document authorized by section 1 of this resolution."

Mr. BRADEMAS. Mr. Speaker, House Concurrent Resolution 206, to reprint the brochure entitled "How Our Laws Are Made," passed the House on May 20, 1971. The Senate Committee on Rules and Administration amended the House version and the amended version passed the Senate on June 16, 1971, and is now on the Speaker's table.

As the resolution passed the House, the brochure was authorized as a House document with 98,000 additional copies, 10,000 of which would be for the use of the House Judiciary Committee and the remainder for the use of the House Members—200 copies each.

The Senate amendment provides for 51,500 additional copies for the Senate—500 copies for each Senator. The total copies authorized would be printed in the amended version of 149,500. The total cost is estimated to be $17,543.24.

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

CORRUPT OPERATION IN THE SAIGON GOVERNMENT

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

Mr. ANDERSON of Tennessee. Mr. Speaker, I make this statement with no sense of joy.

Slightly more than a year ago I returned from Indochina and stated that the United States was urgently in need of new ambassadorial leadership in Saigon. In light of the recent testimony of the gentleman from Connecticut (Mr. STEELE), before the House Foreign Affairs Committee, that Gen. Ngo Dzu is "one of the chief traffickers" in heroin in South Vietnam, I again urge the early replacement of Ambassador Ellsworth Bunker.

This is the most sordid tale of all to come out of our involvement with the vile and corrupt elements of the South Vietnamese regime.

Think of it, Mr. Speaker, while our young men die to defend this Government, a high ranking general is dealing in the heroin that is gouging the life out of young people here at home and many of the young servicemen conscripted to serve in Vietnam. Besides this, he is reportedly using aircraft and vehicles that we have furnished to carry out the illicit and deadly game.

Could there be a greater reason to get out of Vietnam now? I think not.

General Dzu cannot be alone in this corrupt operation. Others high in the Saigon government are bound to be involved.

But we must sadly acknowledge our own responsibility in this matter. The heroin problem did not crop up overnight. Why, with his vast army of intelligence operatives of all sorts, did our Ambassador not get on top of the situation long ago and put the proposition squarely to President Thieu that reform, decency, and an immediate stoppage of heroin traffic were nonnegotiable conditions for our further involvement and assistance?

Ambassador Bunker is an honorable and dedicated American. But he is well up in years. He has been in this present post too long. He is not on top of the situation in Vietnam, much less in tune with the conditions of the country he represents. Our national interests demand he be replaced immediately by a man of iron will and determination.

PEACE IN THE MIDDLE EAST

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

Mr. THOMPSON of Georgia. Mr. Speaker, the rocketing of some suburban areas of Tel Aviv and the killing of civilians yesterday again points up the need for realistic boundaries and a permanent peace settlement in the Middle East.

Mr. Speaker, it is my own personal view that our State Department would better serve the interests of peace were we to make it known that we are not interested in having the Suez Canal opened on an interim basis without a permanent peace, and without realistic and defensible boundaries being afforded Israel. Experience has proven that the 1967 boundaries make Israel subject to attack and indeed may even encourage attack.

This Nation will better serve the interest of peace by insisting that realistic and defendable boundaries be afforded. After all, were the 1967 boundaries restored much of Israel will be within rocket range and more deaths can be expected.

Mr. Speaker, it has been less than 30 years since all of the area, including Egypt, Israel, and Jordan, in question was under British control. Boundaries in this part of the world have been quite fluid. The world needs boundaries which will promote peace not invite war.

Mr. Speaker, the fears of the people of Israel are well founded. We can best serve the interests of peace by letting the world know we do not intend to abandon our commitment to Israel and let it be known to all that we insist Israel remains a free nation not subject to constant attacks.

PROVIDING FOR CONSIDERATION OF H.R. 9093, DESALTING PROGRAM EXPANSION

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 527 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 527

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. 9093) to expand and extend the desalting program being conducted by the Secretary of the Interior, and for other purposes. 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 Interior and Insular Affairs, 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. 9093, it shall be in order in the House to take from the Speaker's table the bill (S. 991) and to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the

provisions contained in H.R. 9093 as passed by the House.

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

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

Mr. Speaker, House Resolution 527 provides an open rule with 1 hour of general debate for consideration of H.R. 9093, the Saline Water Conversion Act of 1971. After passage of the bill, it shall be in order to take S. 991 from the Speaker's table, move to strike all after the enacting clause and amend it with the House-passed language.

The purpose of H.R. 9093 is to expand and extend until June 30, 1977, the desalting program being conducted by the Secretary of the Interior.

The Secretary is authorized and directed to conduct and promote scientific research and develop processes to convert saline and chemically contaminated water into water fit for consumption. He should pursue findings of the research having potential application to matters other than water treatment and have them published in an effective form for use by others. For demonstration purposes, he is charged with conducting engineering and technical work including design, construction, and testing of pilot plants. Also, he shall study methods for recovery and marketing of byproducts resulting from desalinization and undertake economic studies and surveys to determine costs of producing clean water.

The Secretary is directed to seek cooperative agreements with non-Federal utilities and governments and report his recommendations to the President and the Congress within 1 year.

He may accept financial and other assistance from any State or public agency and may enter into contracts thereto.

Grants may be made to educational and scientific organizations and contracts may be effected with them and with industrial or engineering firms.

The services of chemists, physicists, et cetera, may be acquired and Federal scientific laboratories may be utilized.

Information shall be coordinated and published to advance the development of low cost conversion projects.

Any money realized from the disposition of water and byproducts shall be paid into the Treasury.

The Secretary shall submit, not later than December 31, 1975, a report on the status of his research and development and make recommendations thereon.

A total sum is authorized in the amount of $27,025,000 for fiscal year 1972 and appropriations as necessary will be authorized for fiscal years 1973 to 1977.

The ongoing program is a dynamic one and is effectively administered.

Mr. Speaker, I urge the adoption of House Resolution 527 in order that H.R. 9093 may be considered.

Mr. Speaker, I yield 30 minutes to my colleague from California (Mr. SMITH).

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

As stated by the gentleman from California (Mr. SISK) House Resolution 527 does provide a 1 hour open rule for the consideration of H.R. 9093, extending the desalting program of the Department of the Interior.

Upon completion of consideration of the bill there is a provision to substitute the House-passed bill for the Senate bill which has already been passed.

The purpose of the bill is to extend for 5 years—through June 30, 1977—the saline water conversion program of the Department of the Interior, and to turn the emphasis of the program from basic research to applications of the advances made thus far.

The Saline Water Act of 1952 was aimed at developing the technology to make potable both saline and brackish waters. Much success has been reached over the years. Currently, we can produce potable water from sea water at a cost of $0.65 per thousand gallons. Further progress is expected in a number of areas over the next 5 years as our research programs move from the laboratories and demonstration projects into commercially useable applications.

While the bill extends the program for 5 years, authorizations are included only for fiscal 1972. These total $27,025,000, with $23,060,000 earmarked for research, testing and development of equipment.

The bill was reported unanimously.

It is supported by the administration; there are no minority views.

Mr. Speaker, I urge adoption of the rule.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 1972

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the bill making appropriations for the Department of Transportation and related agencies for the fiscal year 1972.

Mr. CONTE reserved all points of order on the bill.

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

There was no objection.

EXPORT EXPANSION FINANCE ACT OF 1971

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 526 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 526

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. 8181) to require Federal Reserve banks to discount certain commercial paper used to finance the export of United States commodities, to amend the Export-Import Bank Act of 1945, to eliminate certain export credit controls, and for other purposes. 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. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Banking and Currency now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or committee amendment in the nature of a substitute. 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 with or without instructions. After the passage of H.R. 8181, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 581, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 8181 as passed by the House.

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

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

Mr. Speaker, House Resolution 526 provides an open rule with 1 hour of debate for consideration of H.R. 8181, the Export Expansion Act of 1971. The resolution also provides that it shall be in order to consider the committee substitute as an original bill for the purpose of amendment and, after passage of the bill, it shall be in order to discharge the Committee on Banking and Currency from further consideration of S. 581, move to strike all after the enacting clause of the Senate bill and amend it with the House-passed language.

The purposes of H.R. 8181 are to require Federal Reserve Banks to discount certain commercial paper used to finance the export of U.S. commodities, to amend the Export-Import Bank Act of 1945, to eliminate certain export credit controls.

The bill, as reported, would exempt the Export-Import Bank receipts and disbursements from the totals of the budget and from annual expenditure and net lending limitations imposed by the budget. The President would be required to transmit to the Congress annually a budget for the Bank and a report on the amount of net lending of the Bank.

The aggregate amount of insurance relating to exports which the Bank may have outstanding at any one time will be increased from $3.5 billion to $10 billion.

The ceiling on the aggregate of all loans, guarantees, and insurance which the Bank may have outstanding at any one time would increase from $13.5 billion to $20 billion.

The life of the Bank would be extended from June 30, 1973, to June 30, 1974 and the Bank would be authorized to sell in the open market its notes and other obligations with maturities beyond the Bank's statutory life.

The President would be authorized to halt any Bank activity in connection with any person or nation if he determines the activity to be contrary to the national interest.

The Bank paid into the Treasury in each of fiscal years 1969 and 1970 a $50 million dividend. Since its inception it has paid a total of $706 million in dividends.

H.R. 8181 would give the Bank more flexibility in order to meet the finance needs of our exporters.

Mr. Speaker, I urge the adoption of House Resolution 526 in order that the bill may be considered.

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

Mr. Speaker, as stated by the gentleman from California (Mr. SISK), House Resolution 526 provides for 1 hour under an open rule for the consideration of H.R. 8181, the Export-Expansion Finance Act of 1971.

Mr. Speaker, the committee bill is a substitute, so the rule permits the substitute to be considered as the original text.

Also, at the conclusion, the House-passed bill may be substituted in lieu of the language for an already passed Senate bill.

The purpose of the bill is to extend the life of the Export-Import Bank for 1 year—from June 30, 1973, to June 30, 1974—to remove the operations of the Bank from under the limitations of the budgetary process, and to expand its lending authority.

The Export-Import Bank was created in 1945 as an independent corporate agency of the Government to aid in financing American export sales. It is authorized to extend credits to foreign buyers, provide loans, guarantees and insurance of such export credits and to discount export debt obligations held by commercial banks. During fiscal 1970 Eximbank authorized support of our export sales covering some $5,500,000,000 of U.S. exports. No appropriated funds are used by the Bank in its activities.

As our trade surpluses have continually diminished over the last decade from a peak of $7,100,000,000 to an average of $1,600,000,000 during the last 3 years, the Eximbank needs more flexibility to finance American export sales abroad. One of the ways to improve our balance-of-payments situation is to increase our sales abroad.

H.R. 8181 provides that the receipts and expenditures of the Eximbank will not be included in the budget of the U.S. Government and shall be exempt from any expenditure ceiling imposed on budget outlays. Under the unified budget, adopted in 1969, bank operations are included in the budget; even though it uses no appropriated funds. This has limited the operations of the Bank at the very time when more flexibility is needed to support American export sales.

This provision would not alter congressional control and review of Eximbank operations, as the Bank's length of existence and operational policies would still be controlled by the Banking Committees of the Congress.

The bill also provides for an increase from $3,500,000,000 to $10,000,000,000 in the aggregate amount which the Bank may have outstanding at any one time in guarantees and insurance for export sales. Also increased is the Bank's lending authority, from $13,500,000,00 to $20,000,000,000 in outstanding loans at any one time. These two increases are expected to greatly enhance the Bank's ability to support American export sales.

Finally, the bill amends the current prohibition against Bank financing of trade with Communist countries who are trading with North Vietnam or any other country with which we are engaged in armed conflict. The new language prohibits Eximbank assistance in export sales to any nation which is engaged in armed conflict with the United States or to any nation, when those exports are to be used principally by or in any nation engaged in armed conflict with the United States. Thus, East European countries which have assisted North Vietnam could trade with the United States and such trade could be assisted by the bank if the goods were for use of the East European country.

Additional views are filed by eight members. They support the bill except for the provision which opens up Eximbank assistance to exports to Communist countries, who may be at the same time trading with North Vietnam. They support the present policy of no trade assistance to such countries.

Mr. Speaker, I urge adoption of the rule.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. 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. 8181) to require Federal Reserve banks to discount certain commercial paper used to finance the export of U.S. commodities, to amend the Export-Import Bank Act of 1945, to eliminate certain export credit controls, and for other purposes.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 180]

Alexander	Brasco	Danielson
Badillo	Burton	de la Garza
Baring	Caffery	Dellums
Bevill	Clark	Dent
Biester	Clay	Derwinski
Blanton	Conyers	Diggs
Bow	Corman	Donohue
du Pont	Karth	Pirnie
Dwyer	Kastenmeier	Pryor, Ark.
Edmondson	Kemp	Purcell
Edwards, La.	Landrum	Quillen
Erlenborn	Leggett	Railsback
Ford, William D.	Long, La.	Rangel
Grasso	McCulloch	Rees
Hagan	McKinney	Roberts
Halpern	Mailliard	Ruppe
Hanna	Mann	Scheuer
Hansen, Idaho	Mathis, Ga.	Sikes
Hansen, Wash.	Matsunaga	Steiger, Wis.
Hastings	Mayne	Stratton
Hicks, Mass.	Melcher	Stubblefield
Hogan	Mikva	Stuckey
Howard	Mills, Ark.	Teague, Calif.
Jarman	Murphy, N.Y.	Teague, Tex.
Jones, Ala.	Nichols	Thompson, N.J.
Jones, Tenn.	Pelly	Udall
	Pettis	Vander Jagt
	Pickle	Wampler
	Pike	

The SPEAKER. On this rollcall, 350 Members have answered to their names, a quorum.

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

EXPORT EXPANSION FINANCE ACT OF 1971

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. PATMAN).

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. 8181, with Mr. MCFALL 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 2 minutes to the gentleman from West Virginia (Mr. STAGGERS).

(By unanimous consent, Mr. STAGGERS was allowed to speak out of order.)

(Mr. STAGGERS asked and was given permission to revise and extend his remarks and include extraneous matter.)

CBS CONTEMPT OF CONGRESS

Mr. STAGGERS. Mr. Chairman, as most of the Members know, the Commerce Committee has voted to seek a contempt citation against Dr. Frank Stanton and the Columbia Broadcasting System for their defiance of a subpena issued by one of our subcommittees. This is a matter of the greatest importance to the American people as it involves the use of the public property—the Nation's airwaves—to deliberately deceive the public. We have proof that this was done. As to how much of it was done, and how it was done—that evidence is being withheld from the Congress, and the people, by CBS.

This has been an issue which has been subjected to more public misinformation and more intensive lobbying than any that I can recall since coming to Congress.

At this point, I would like to enter into the RECORD a copy of a letter which I am

sending to every Member today, together with a statement of the facts and issues—the real facts and issues—involved here.

I would also like to enter a copy of two staff memorandums which deal with the legal issues raised by the CBS contempt of our subpena. I would urge all Members to read these documents as they conclusively refute all of the arguments which have been raised in an attempt to discredit this legitimate and necessary congressional inquiry.

I have been encouraged throughout this matter by the consistent good sense being shown by the American public; they, at least, have not been misled by the propaganda barrage which has been set off by the media. I would like to enter copies of some of the letters received by our subcommittee on this matter.

This is one of the most important votes the Congress has ever faced. I am confident that once the Members have the facts the rights of the Congress, and of the people, will be upheld.

The material follows:

WASHINGTON, D.C., *July 8, 1971.*

DEAR COLLEAGUE: As you know, the Committee on Interstate and Foreign Commerce will soon be asking you to agree with it that CBS and its president, Dr. Frank Stanton have contemptuously defied a validly issued and lawful subpoena. I am inserting into today's CONGRESSIONAL RECORD a statement, copy enclosed, of the reasons behind the subpoena concerning "The Selling of the Pentagon" program, and the necessity for action by the House.

I would urge you not to lose sight of the very important issue you will be asked to vote upon—the citation for contempt because of a willful refusal to comply with a legitimate Congressional inquiry.

Deception in broadcast news is like a cancer in today's society. The spread of calculated deception, paraded as truth, can devastate the earliest efforts of anyone of us seeking to represent our constituents. Make no mistake. We have clear evidence of deceit—men's words electronically altered to change their very meaning. Allegations of other instances of fraud are awaiting our further exploration; the whole story behind this program has not yet been told.

When deliberate attempts are made to deceive a great multitude of American citizens—the owners of the airwaves—the representatives have the duty to make careful inquiries—and I think the broadcaster who was responsible should be prepared to answer such questions. I think it is ludicrous to suggest that such a monumental act against the public interest should simply pass without legislative inquiries to see if the existing laws are adequate, and if the Federal Communications Commission is doing its job properly. Until we have the subpoenaed materials, this public inquiry is being blocked by CBS.

This issue is too vital to our Nation to be decided by CBS, or any other corporate enterprise. I am sure that if we meet our responsibilities, the courts will vindicate our assertion of the people's right to know. I earnestly encourage you to read the enclosure and to join with me in voting for the contempt citation.

Sincerely yours,

HARLEY O. STAGGERS,
Chairman.

SUBCOMMITTEE STATEMENT CONCERNING SUBPOENA OF MATERIALS RELATING TO THE CBS PROGRAM "THE SELLING OF THE PENTAGON"

PURPOSE

In view of serious, and partially substantiated, allegations that a nationally televised news documentary program contained altered film and sound calculated to deceive the public, the Commerce Committee's Investigations Subcommittee determined to inquire into the matter. The inquiry was based upon the Subcommittee's jurisdiction, pursuant to House Rule XI, Clauses 12 and 28, and House Resolution 170.

The Subcommittee has made similar inquiries over the years, some of which have resulted in amendments to the Communications Act of 1934, the present law governing broadcasting. In recent inquiries ("Deceptive Programing Practices—Staging of a Marijuana Broadcast", H. Rept. No. 91–108; "Network News Documentary Practices—CBS 'Project Nassau'", H. Rept. No. 91–1319), the Subcommittee has obtained evidence, through subpoena process, of questionable practices being engaged in by the producers of nationally televised news documentaries, including the staging of purportedly spontaneous events. In its present inquiry, the Subcommittee is particularly concerned with the allegations that spoken words have been electronically manipulated so as to distort the speech of persons presented on the program. Such calculated deception, in the context of a "news documentary" raised obvious questions as to the adequacy of the present laws, and their administration by the Federal Communications Commission.

The material under subpoena, the so-called "outtakes," comprises those portions of the filmed material which were excluded from the broadcast by the CBS producer and film editor. The subpoena covers only such material as relates to the actual broadcast; it has been established that no secret sources of information are involved.

While the Subcommittee has in its possession evidence which establishes that deception was indeed practiced through film and sound manipulations, it is still not clear how this was accomplished in such a way as to defy detection by the millions of persons who viewed the program. Other allegations have been brought to the Subcommittee concerning which no evidence is yet available.

The "outtakes" provide the original events which were filmed and extracted for use in the program. They will show if the sequence of events has been inverted or spoken words rearranged. Furthermore, through analysis of such evidence, it is possible to determine the techniques, both sound and visual, which were used to conceal the manipulations from viewers. Such information is essential if the Committee is to consider appropriate legislation to deal with such techniques.

LEGISLATIVE RESPONSIBILITY

The refusal of CBS and Dr. Frank Stanton to comply with the duly authorized and lawful subpoena of the Special Subcommittee on Investigations constitutes a grave challenge to the Congressional right to legislate. This threat to our Constitutional duty cannot be over-emphasized. The position asserted by CBS would require Congress to legislate without full understanding of the abuses it is trying to cure. Furthermore, the CBS position would prevent enforcement of any laws which Congress might enact directed against calculated manipulation of the news.

The Subcommittee is seeking information about practices which could, and were designed to, mislead TV viewers into believing they are viewing reality when in fact they are viewing a fiction created by a film editor. The inquiry is more important than preventing deception in quiz shows, advertising, lending or the sale of securities—areas of deceptive practices in which the power of Congress to legislate is clear. CBS and Dr. Stanton have told the Subcommittee that neither it nor the American public have any right to inquire into any questionable broadcast practices—past, present and future.

The Subcommittee has conducted past investigations which clearly documented numerous instances of fraud and deceit in TV broadcasting. Each of these investigations was initiated by the subpoena process. We are now seeking nothing more than we have sought in the past. Despite the past proof of fraud and deceit, or perhaps because of it, CBS and Dr. Stanton now assert that we had no right to conduct such investigations, that it was only through their indulgence that we were able to do what we did and that they will no longer accede to the right of Congress to investigate and to legislate.

MANIPULATION OF THE BALLOT BOX

The American viewing public bases its decision at the ballot box upon the information it obtains from its most prominent news source—the TV set. The raw naked power to manipulate by gross fabrication the input data is the power to manipulate, however well intentioned, the decision-making process of the American electorate. The House Committee on Interstate and Foreign Commerce has the responsibility to answer this direct attack upon its right to investigate for the purpose of legislation. By its contempt resolution of July 1, the Committee has made clear its intention to meet this calculated affront.

CALCULATED DECEPTION AND THE FIRST AMENDMENT

CBS is asserting that the First Amendment guarantee of freedom of the press is a barrier to any inquiry. The First Amendment provides: "Congress shall make no law . . . abridging the right of freedom of speech, or of the press."

But the Supreme Court, only a month ago, again pointed out that calculated falsehood falls outside the fruitful exercise of the rights guaranteed by the First Amendment. The Subcommittee, by its subponea, is seeking nothing more than the best and only real evidence to lay to rest the charges that CBS has engaged in calculated falsehood.

The right of a free press is derived from the right of the people to speak freely and to learn the freely expressed views of others. CBS has been strangely silent about the right of free speech of those whose words were altered and the right of the viewing public to learn the views of others without manipulation or deceit.

ALLEGED DOCUMENTARY—ALLEGED DECEPTION

On February 23 and again on March 23, 1971, the CBS network carried a news documentary program entitled "CBS Reports—The Selling of the Pentagon." The program, which critically reported on the public affairs efforts of the Department of Defense, provoked a great deal of controversy both pro and con. That controversy, however, is not the concern of the Subcommittee.

Allegations have been raised and sustained by sworn testimony and other evidence that the network engaged in some rather artful editing techniques. As Assistant Secretary of Defense Henkin told us, "There is no question that [my] interview was doctored in such a manner as to misrepresent my views." In another instance, a military officer was shown making a public address containing allegedly improper statements of foreign policy. To illustrate this point, the network presented the officer apparently delivering a segment of his public address. Subsequent disclosures demonstrate that the officer's words were rearranged out of their original order to make him appear to be delivering a statement which he did not in fact deliver.

SUBPOENAS

On April 8, CBS was served with a subpoena. That subpoena called for the production of materials which could enable the Subcommittee to determine whether legislation controlling deceptive broadcast practices was necessary. On that same day, Dr. Stanton wrote Chairman Staggers indicating, in part:

"[W]e sincerely hope that your subcom-

mittee will reconsider this matter and modify the subpoena so that it calls for only such material as were actually broadcast and other information directly related thereto—which we do not object to furnishing and which we will furnish on the date specified."

A representative of CBS appeared before the Subcommittee on April 20 and asked for additional time to consider the Subcommittee's statement of legislative authority and to submit additional matters. A brief from CBS' counsel was received on April 30 and carefully reviewed. On the basis of that review and independent legal research and analysis, it was concluded that the Subcommittee was within its legal rights in asking for the materials.

Thereafter, the first subpoena was withdrawn and a new subpoena was issued May 26 limiting the materials called for to those outlined in Dr. Stanton's letter. As such, the new subpoena called only for materials directly related to the broadcast.

INFORMATION CONCEALED IN THE OUTTAKES

While the Subcommittee has obtained transcripts of a portion of the interviews included on the broadcast, the printed word cannot reveal graphically how sequences of the interview were spliced out of order without revealing that a splice occurred. The art of cutting and pasting TV film is now so sophisticated that a sentence may be cut in half, qualifying words removed and the sentence put together without the least indication that this occurred. This is truly the "newspeak" of 1984; the age of Big Brother is already upon us.

For the Subcommittee to determine how to curtail deception on television, it must be able to study not only what was done, but how it was done. Television functions in two ways: picture and sound. With only written transcripts in our possession, we can tell how words are changed, but we cannot analyze the way in which the picture is manipulated, either as a separate form of deception, or as a means of concealing audio alterations. There are many highly technical methods by which film can be cut or altered to make the camera "lie". Only by thorough understanding, gained by examination of all the film used to deceive, can the Subcommittee conclude whether legislation is needed—and if so, what kind. For that, we need the outtakes. Furthermore, the allegations we have explored are not the only ones we have received.

NEWSMAN'S PRIVILEGE

CBS is asserting that film outtakes—i.e., the film which is editorially deleted from the final broadcast—are for a broadcast journalist the equivalent of a newspaper reporter's notes. Counsel for CBS has cited three recent trial court decisions which would extend to broadcasters the privilege of newsmen to refuse to identify their confidential sources. When the issue of access to a reporter's notes is raised, the courts normally look for a compromise of confidential sources. Even in those few states which have a Newsman's Privilege Act, a news reporter is only given the limited right not to divulge his news sources. CBS in "The Selling of the Pentagon" asserted that "we sought no secret files, no politicians pleading special causes, no access to classified documents. We looked only at what is being done for the public—in public." Since the present situation admittedly contains no confidential sources, the refusal by CBS to deliver up what it admits is public is inconsistent with its assertion of a newsman's privilege.

THE ART OF CUT AND PASTE

If asked whether Congress can pass upon editorial judgment, we would be the first to admit that it cannot. But deliberate mechanical alteration of a person's words to make him say the opposite of what he says is not editorial judgment. The issue at hand is not even a question of misquoting through honest mistake. The TV film editor cannot misquote except by deliberately calculating which words he will transpose, which ideas he will cut, which non-sequiturs he will join together.

In its examination of Dr. Stanton on Thursday, June 24, 1971, the Subcommittee explored the deceptions practiced by CBS in its abortive news documentary "Project Nassau." When asked his views of the investigation conducted by the Subcommittee which clearly established the willful deceit of CBS, Dr. Stanton replied, "I don't believe it served a useful purpose." He went on to add that today he would have a reluctance to comply with a subpoena calling for "Project Nassau" outtakes. He stated, "I must respectfully decline, as a witness summoned here by compulsory process, to answer any questions that may be addressed to me relating to the preparation of 'The Selling of the Pentagon' or any other particular CBS news or documentary broadcast."

PUBLIC'S FIRST AMENDMENT RIGHTS

It is clear that the First Amendment right of freedom of the press is derived from and conditioned upon the public interest and necessity for preserving the right of free speech. See, e.g., de Tocqueville, *Democracy in America*, wherein he stated: "The sovereignty of the people and the liberty of the press may therefore be regarded as correlative." As the Supreme Court pointed out in *Curtis Publishing Co.* v. *Butts*, 388 U.S. 130 (1967):

"Federal Securities regulation, mail fraud statutes, and common-law actions for deceit and misrepresentation are only some examples of our understanding that the right to communicate information of public interest is not 'unconditional.'"

CBS has said nothing about its denial of the First Amendment rights of the speakers whose words it has manipulated.

ELECTRONIC MANIPULATION

Today, we know that techniques of electronic manipulation have been developed which facilitate the presentation of artificially created scenes as objectively observed facts. The visual capture of an event by a camera implies the elimination of that editorial process so obviously a part of the process of recording events in the printed medium. The viewer reasonably expects that the visual recording of an event is a means of preserving for history's sake that event as it occurred. When such is not the case, the viewer should be told.

CLEAR AND PRESENT DANGER

Finally, because a free electorate forms its decisions on matters which it determines to be factual, the artificial transmutation of fact into non-fact without disclosure is a clear and present danger to that electorate. The danger to the public from manipulation of its political decisions is much more real, serious and far-reaching than any danger from false advertising, stock market touting or rigged quiz shows.

WELL-COMM, INC.,
Miami, Fla., May 28, 1971.

Congressman HARLEY STAGGERS,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN STAGGERS: Now comes Walter Cronkite to join Stanton, Goodman, Reuven Frank, Rule, Pinkham, etc., etc., etc. in not only proclaiming innocence of news bias and censorship but counter-attacking those in and out of government whose primary goal is to see that news is reported fairly, truthfully and completely factual.

Frankly, the concerted and obviously coordinated mouthings of these individuals make me nauseous. Perhaps if I hadn't spent 25 years in the broadcasting business, the last eight as part owner and General Manager of WLBW-TV Ch. 10 in Miami, their languishing outcrys would not disturb me. They do disturb me because like so many other broadcasters we have seen this slanted news for far too many years. The coordinated crying of these individuals indicates that a very sensitive nerve has been struck. A nerve which many general managers of television stations will tell you has been exposed more and more as each year goes by.

The thrust of the defense of these gentlemen seems to be that they are protected to do as they please by the First Amendment and that they are professionals and this makes everything alright.

They claim to be professionals. Has anyone of these men defined a professional newsman? They have not, because they cannot. To them a professional newsman is a professional newsman is a professional newsman. Is the assignment editor a professional newsman? Is his assistant? Is the cameraman a professional news man? Is the sound man? Is the writer a professional newsman? Is the film editor a professional newsman? Is the director? Is the producer? Is the on-the-air reader? Why do these people hide behind this cloak of alleged professionalism when it exists only in their minds? Experienced broadcasters who are close to their own local news departments will tell you that the term "professional newsman" has no meaning.

These broadcasters do not hide behind a self-determined adjective. These broadcasters will tell you that there must be a constant and continuous surveillance to be certain that news is presented factually, fairly, honestly and unprejudiced. They can spot the bias in a minute.

With all due respect to Stanton, Goodman, Rule, etc., these men are in no position to judge the quality and honesty of their own news departments. They are not close to their day-to-day operation and they have been living with the bias so long that to them it is no longer bias.

Recently, NBC devoted a full half-hour to an alleged Captain (in US Army) who turned out to be a phoney Captain. On a subsequent news program John Chancellor stated, matter-of-factly, that the man was not a Captain but an enlisted man. NBC proclaims they were the first to announce this and this makes it just fine. We ask ourselves, before devoting thirty minutes of network time to an imposter, shouldn't someone in this "professional" news department have checked the man's credentials? Maybe even gone to the trouble of asking for his I.D.? Why not? Because these "professionals" found a negative voice and had to be first, instead of being right.

One network "professional" asks a G.I. in Vietnam what he thinks of morale. For two minutes the entire network news audience watches and listens to a typical G.I. gripe about morale. Does anyone know any G.I. in combat who thought morale was good? The network wraps a 24-hour war up into two minutes of negativeness and expects us to swallow it.

Then another network "professional" asks a G.I. if he thinks he is getting enough fire support from a South Vietnamese battery on his flank. Guess What? This authority on fire support said "No", and the network audience was again treated to a two minute negative wrap-up of a 24-hour war. Professionalism? Yes, by the network's own definition.

About one year ago at the CBS affiliates meeting in California, Walter Cronkite did a news feed on the network for the benefit of the affiliates. Does Cronkite remember the reactions of the affiliates to the film on the Vietnam war? They were appalled. Perhaps Cronkite should ask his Vice President Bill Leonard to give him an account of his appearance at the annual convention of the Florida Association of Broadcasters (June 1970) when he completely misunderstood the

statements of Governor Kirk and then later at the New York State Convention, according to Variety, completely distorted the Florida Governor's remarks.

Cronkite's statement, accusing the Nixon administration of a conspiracy, without any basis in fact, is a complete indictment of his judgment and ability. Are we to have confidence in one who would make such unfounded statements? Cronkite said "Now is the time for candor" and so it is. Television network news, particularly on CBS and NBC, is managed news laced with innuendo and bias. The public is entitled to see and hear factual news—not what someone *thought* he heard or saw. The networks are in no position to be judge and jury over their own game. It's time for the public to be told the entire truth and it's a duty of Congress to see that this is accomplished.

Years ago when television news was in its infancy, broadcasters and television newsmen were loudly proclaiming that now the public was about to see news as it happened right from the scene; the people could see for themselves and would not have to rely on what some reporter thought he saw, or on one "still" shot that could be taken out of context or "cropped". What we see on a large segment of today's network television news is a far cry from this proclamation.

That bias, prejudice, ignorance, inexperience and ineptness, exist in and around network news departments and talk shows, is not news to most broadcasters. What might be news is the hue and cry raised by those who defend these practices. Could it be that these men cry out with "innocence by association" because they are scared stiff of what the public might find if they ever gain an insight into the day-to-day operations of a television news department?

The public has a right to view all the news, not just part or parcel of it. No one, network or station, has a right to censor news, regardless of their political or philosophical feelings. If news cannot be presented factually, fairly and honestly, then television reporting should cease. That it can be presented factually, honestly and fairly is attested to by the hundreds of affiliate stations throughout the country. They get the job done and they do it well. They also know that Cronkite, Salant, Goodman, Frank, etc. "protesteth too much."

The networks now accuse their detractors of driving a wedge between them and their affiliated stations. This will bring tears to the eyes of most affiliates to know that their networks have such a close feeling for them. It is usually when the networks are in trouble that affiliates become their big brother—the rest of the time, they are treated like a long-lost cousin.

The issue is not one of "First Amendment" but simply whether or not network news departments are permitted to censor news based on bias and prejudice. Once a film has been shot it is no longer a secret source—it is a film recording of an event or happening. No one should have the right of censorship regardless of their motives.

The American public has a right to know the whole truth—and news organizations have a duty to be honest, if nothing else.

Sincerely,

THOMAS A. WELSTEAD,
President.

SYRACUSE UNIVERSITY PRESS,
Syracuse, N.Y., April 19, 1971.

Hon. HARLEY O. STAGGERS,
Chairman, Special Subcommittee on Investigations, Interstate and Foreign Commerce Committee, Washington, D.C.

DEAR CHAIRMAN STAGGERS: I received this morning a copy of the text of a telegram dated April 16 and signed by Mr. Sanford Cobb, purportedly representing the views of the Association of American Publishers, Inc., on the subject of your Subcommittee's subpoena to CBS in connection with their documentary, *The Selling of the Pentagon*. As the director of a book publishing house which is a member of the Association of American Publishers, I should like to inform you that Mr. Cobb's telegram in no way represents the views of all the members of the AAP, who were not even consulted about their views before some of the office staff and/or officers of the Association composed and sent the telegram to you.

Indeed, I deplore the high-handed use of AAP's members for the political purpose of whatever small group was responsible for the April 16 telegram. On matters of this sort no such clique can speak for the entire membership unless a poll is taken. I hope, therefore, that you will not attach undue weight to Mr. Cobb's telegram, but will take note of the fact that among the 262 members of AAP there are other and even opposite views of the matter your Subcommittee is investigating.

My own view is that I do not welcome deceptive propaganda from either the Pentagon or a television network; and further, that one is as harmful as the other since both are hucksters and inadequately controlled. Of the two, only one is even remotely accountable to the electorate; the other is accountable only to its stockholders and advertisers. You and your Subcommittee have my good wishes.

Cordially yours,

RICHARD G. UNDERWOOD,
Director.

RICHARDSON, TEX.

Representative HARLEY STAGGERS,
House of Representatives,
Washington, D.C.

DEAR SIR: I am writing to you concerning the CBS "The Selling of the Pentagon" issue.

I am an ordinary citizen with a wife and two sons (15 and 17). We are ever trying to be informed and have deliberately chosen to watch documentaries in an attempt to arrive at our own responsible opinions. In this spirit we assume the dictionary meaning, and common usage of the word documentary to mean a factual, objective, substantial, authoritative support of a statement or hypothesis.

We were distressed to discover that there were alleged splices and rearrangement of data distorting the actual events, speeches, etc., that prior to this disclosure we had accepted as factual, truthful, and as it really was.

As a citizen, I feel keenly this alleged misrepresentation that willfully made me and millions of others, vulnerable to distorted information and therefore wrongfully manipulating my decision making process. I desired, expected, and assumed I was getting factual information on the activities of the Pentagon.

As a father and parent of two teenage sons, I raise the moral issue of such misrepresentation when a nationwide organization, dedicated to keeping the public truthfully informed, deliberately and knowingly twists and distorts the facts. How then do I teach my sons to be honest, truthful and nonmanipulative in the achieving of their own ends if the contrary is accepted as practice by CBS.

I am greatly disappointed that the president of CBS should consistently respond to these allegations, not with reasoned, clarifying information, but with defensiveness, hiding behind cries of censorship. We feel totally at the mercy of a leading source of information which responds to criticism almost exclusively by raising the censorship issue. This appears to leave CBS immune from the checks and balances of accountability. If the documentary was in fact truthful and not distorting then Mr. Stanton and CBS has nothing to fear. If the allegations are true, then the people of the land need to know this.

I would therefore heartily urge the perusal of this issue with the hope that a full inquiry and disclosure would restore integrity to a medium of information that I sincerely want to trust and upon which I can rely in the expression of my citizenship.

Sincerely yours,

DAVID E. ERB.

RADIO WIRA,
Fort Pierce, Fla., June 12, 1971.

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

DEAR CONGRESSMAN STAGGERS: I don't believe any broadcaster has the unlimited and free right to knowingly distort and falsify news, documentaries or commentaries. I further believe it is the obligation of the major networks to so supervise their personnel that these distortions are eliminated prior to airing. It seems that the networks have taken the position in the past of laissez faire rather than proper supervision. I strongly believe some measures need to be taken to severely penalize broadcast networks for airing such materials.

In your investigation of the "Selling of the Pentagon" you might look into this fact. Bill Leonard of CBS spoke to the Florida Broadcasters Association and when asked when the "Selling of the Pentagon" was filmed, he stated 1969 and 1970. It so happened a Mrs. Wesley Ward of Radio Station WJCM in Sebring, Florida was sitting at our table. On purpose she had the question asked since she and her husband, when viewing the film, recognized herself sitting at a Marine Corps banquet in 1967.

The story is that Mr. and Mrs. Ward were in Kansas City, Missouri where the Marine Corp League Convention was being held. Since she was an old friend of Sargeant Herb Sweet who at the time was in charge of the head table, he asked her to sit at a vacant place at the head table. CBS or someone else took movies of the banquet and thus Mrs. Ward was filmed in 1967 and this portion of the film was used according to her in the "Selling of the Pentagon."

I sincerely hope that you will find a way to protect the public and yet give broadcasters every protection possible under the first Amendment of the Constitution. I furthermore hope that you will come to the conclusion that newsmen do not have to reveal their sources. But I fully support you that CBS should be required to reveal whether they cut up their films in such a way as to distort what various officials had truly said.

Sincerely yours,

HUDSON C. MILLER, Jr.,
President.

JACKSON, KELLY, HOLT & O'FARRELL,
Charleston, W. Va., June 23, 1971.

Hon. HARLEY O. STAGGERS,
Member of Congress,
Washington, D.C.

DEAR CONGRESSMAN STAGGERS: You are rendering an invaluable public service in insisting that the Columbia Broadcasting System produce all of the film, used and unused, shot in connection with producing "The Selling of the Pentagon." You are defending the right of the public to know the truth. In the light of the facts, as I understand them, that at least two disinguished Americans testified before your committee that their filmed statements were cut and edited in a manner to have them saying the opposite of what they in fact said is a most serious charge. I have heard CBS officials deny that they engaged in deliberate deception in the editing and presentation of the material contained in this documentary. Who is telling the truth

can be demonstrated conclusively and without question only by an examination of the film, used and unused.

While there are First Amendment considerations in radio and television broadcasting, the United States Supreme Court has made it quite clear that First Amendment rights of broadcasting licensees cannot be equated with those of newspaper publishers. As Justice White, speaking for a unanimous court in *Red Lion Broadcasting Co.* v. *F.C.C.*, 395 U.S 367 (1969) observed, shortly after the enactment of the Radio Act of 1927 the Commission concluded that its congressional mandate to allocate frequencies among competing applicants in a manner responsive to the public "convenience, interest or necessity" meant, that the "public interest requires ample play for the free and fair competition of opposing view, and the Commission believes that the principle applies . . . to all discussions of issues of importance to the public." This doctrine has been applied through the years through denial of license renewals by the Commission, sustained by the courts.

Until 1940 the Commission took the view that the public interest obligated a licensee "not only to cover and to cover fairly, views of others, but also to refrain from expressing his own personal views." Opinion of Justice White, 395 U.S. 377.

While the Commission in 1940 withdrew its limitation on the right of licensees to express their own personal views, the "fairness doctrine" continued in the sense that (1) the broadcast coverage must be *fair* in that it *accurately* reflects opposing views and (2) this must be done at the broadcaster's own expense if sponsorship is unavailable. Justice White at 395 U.S. 377:

"Every licensee who is fortunate in obtaining a license is mandated to operate in the public interest and has assumed the obligation of presenting important public questions fairly and without bias." 395 U.S. 383.

Justice White put this whole matter in proper perspective in the following language (395 U.S. 389, 390):

"There is nothing in the First Amendment which prevents the Government from requiring a licensee to share his frequency with others and to conduct himself as a proxy or fiduciary with obligations to present those views and voices which are representative of his community and which would otherwise, by necessity, be barred from the airwaves.

"This is not to say that the First Amendment is irrelevant to public broadcasting. On the contrary, it has a major role to play as the Congress itself recognized in § 326, which forbids FCC interference with 'the right of free speech by means of radio communication.' Because of the scarcity of radio frequencies, the Government is permitted to put restraints on licensees in favor of others whose views should be expressed on this unique medium. But the people as a whole retain their interest in free speech by radio and their collective right to have the medium function consistently with the ends and purposes of the First Amendment. It is the right of the viewers and listeners, not the right of the broadcasters, which is paramount. See *FCC* v. *Sanders Bros. Radio Station*, 309 US 470, 475, 84 L Ed 869, 874, 60 S Ct 693 (1940); *FCC* v. *Allentown Broadcasting Corp.* 349 US 358, 361–362, 99 L Ed 1147, 1152, 1153, 75 S Ct 855 (1955); 2 Z. Chafee, Government and Mass Communications 546 (1947). It is the purpose of the First Amendment to preserve an uninhibited marketplace of ideas in which truth will ultimately prevail, rather than to countenance monopolization of that market, whether it be by the Government itself or a private licensee."

I would appreciate receiving as and when available copies of the transcripts of any hearings involving "The Selling of the Pentagon."

Sincerely,

F. PAUL CHAMBERS.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. PATMAN. Mr. Chairman, I yield the gentleman from West Virginia 1 additional minute.

Mr. STAGGERS. I thank the distinguished gentleman from Texas very kindly.

Mr. Chairman, I had hoped that this controversy could be avoided. When the subcommittee issued its original subpena Dr. Stanton wrote me requesting that we would "reconsider" the matter and modify the subpena so that it would call only for such materials as were broadcast "and other information directly related thereto."

Subsequently, the subcommittee did, in fact, withdraw its first subpena. The modified subpena which we then issued does, in fact, call only for materials "directly related" to the broadcast. Yet Dr. Stanton has again refused to comply. I am inserting into the RECORD a copy of Dr. Stanton's letter to me:

COLUMBIA BROADCASTING SYSTEM, INC.,
New York, N.Y., April 8, 1971.

Hon. HARLEY O. STAGGERS,
House of Representatives,
Washington, D.C.

DEAR CHAIRMAN STAGGERS: Following up our telephone conversation late this afternoon, I enclose a copy of the statement we are releasing concerning the subpoena of your Subcommittee which was served on me this morning.

The Constitutional issue raised by the subpoena gives us no choice but to decline to comply with all of the demands for outtakes and other materials related to the preparation of The Selling of the Pentagon. However, we sincerely hope that your Subcommittee will reconsider this matter and modify the subpoena so that it calls for only such materials as were actually broadcast and other information directly related thereto—which we do not object to furnishing and which we will furnish on the date specified.

With all good wishes.

Sincerely,

FRANK STANTON,
President.

Mr. PATMAN. Mr. Chairman, by a vote of 27 to 2, your House Banking and Currency Committee reported H.R. 8181. I shall attempt to cover the main highlights of this proposed legislation and the Honorable THOMAS LUDLOW ASHLEY, the esteemed and most able chairman of the International Trade Subcommittee of the House Banking and Currency Committee, will, in detail, discuss the specifics of the bill and the justification behind each of the various sections.

Mr. Chairman, in brief, the bill, if enacted, would do the following:

First. It would exempt the receipts and disbursements of the Export-Import Bank from the totals of the budget of the United States and from any annual expenditure and net lending limitations imposed by the budget.

Second. It would increase the aggregate amount of insurance relating to exports which the Export-Import Bank may have outstanding at any one time from $3.5 billion to $10 billion and would also increase the ceiling on the aggregate of all loans, guarantees, and insurance which the Export-Import Bank may have outstanding at any one time from $13.5 billion to $20 billion.

Third. The bill, if enacted, would extend the life of the Export-Import Bank from June 30, 1973, to June 30, 1974, and would authorize the Export-Import Bank to sell in the open market its notes, debentures, bonds, and other obligations with maturities beyond the statutory life of the Bank.

Fourth. The Export-Import Bank would be amended by this bill by repealing certain limitations now existing on the Export-Import Bank concerning activities in connection with any nation which supplies goods and services to a country with whom the United States is engaged in armed conflict. This amendment to the bill would provide the President with discretion to stop or preclude any Export-Import Bank activity with any person or nation if he determines that such activity would be contray to the national interest.

Fifth. Another amendment to the Export-Import Bank contained in this bill would direct the Export-Import Bank to provide guarantees, insurance, and extensions of credit at rates and on terms which are competitive with such rates and terms offered in countries whose exports compete with those of the United States.

Sixth. Finally, Mr. Chairman, the bill before you would eliminate any limitations and restraints maintained by the Board of Governors of the Federal Reserve System on banks and other institutions in connection with extensions of credit for the purpose of financing exports of the United States. This section precludes the Federal Reserve System from providing any limitations or restraints.

Mr. Chairman, as I indicated initially, this bill, if enacted, would exempt the receipts and disbursements of the Export-Import Bank from the totals of the budget of the United States and from any annual expenditure and net lending limitations imposed by the budget. In principle and in fact, except under most extenuating circumstances, I am opposed to any legislative proposals which would accomplish what this language seeks to do. However, having given careful thought and consideration to the significant role which the Export-Import Bank plays in fostering the sale of U.S. goods and services abroad, I am convinced that at least for a short period of time we ought to allow the Export-Import Bank this authority to see whether or not it achieves the objectives of increasing our sales of goods and services overseas.

As we all know, our balance-of-payments situation is horrible. For the last 2 months—for the first time in many, many years—we have a trade deficit. This language, if enacted into law, would not remove the Export-Import Bank from continued congressional scrutiny. The Bank will still be reported in the President's budget which is submitted to the

Congress and the appropriate committees and the Congress will continue to have the right to exercise its prerogatives to reduce or expand the financial activities of the Export-Import Bank. In no way does this proposed legislation remove congressional control over the operations of the Export-Import Bank.

In my opinion, we should give the Export-Import Bank the authority it seeks in this instance. However, to assure continued scrutiny over the program by the authorizing committee, we are not suggesting—as did the administration—that the life of the Bank be extended until 1976. Rather, the bill before you extends the life of the Export-Import Bank only until June 30, 1974. In this way, any necessary changes or considerations that have to be given to the way in which the Bank operates will, in the very near future, be before this body again.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. WIDNALL).

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

Mr. Chairman, the Export-Import Bank of the United States offers the most efficient and effective means available to us for greatly increasing U.S. exports. Enactment of H.R. 8181 would provide Eximbank with the flexibility and continuity necessary to assure that our national export expansion goals are achieved.

Since its inception in 1934, and more particularly since its reincorporation in 1945, Eximbank has stood behind U.S. exporters in helping them meet those credit needs of their customers which the commercial banking system could not or was unwilling to fulfill. Today, however, the credit needs of our overseas customers have increased greatly.

Much of what this Nation produces best, and sells in volume overseas, consists of the large technology-intensive goods with price tags beyond the ability of most buyers to pay cash. Consequently, most buyers seek and demand terms—terms corresponding usually to the economic payout of the items he buys. Even on the smaller items, the "buy now, pay later" philosophy of the Americas has become an international fact of life. And if our salesman will not offer "pay later" terms, he has a host of overseas competitors who will—with their governments' full backing.

Governments on all continents support their exporters with export financing. The several of the developing nations that do not, are now working on such schemes. Indeed, the white heat of competition which our exporters face in making sales abroad is intensified by the availability of government-supported credit almost everywhere.

In the face of this competition, we must make certain that U.S. exporters have the backing necessary to offer competitive credit. Major provisions of H.R. 8181 endorsed by the administration would provide this backing.

It is important to understand the full range of Eximbank's export financing facilities and how these facilities may be used to gain increased exports.

First, Eximbank has the authority from the Congress to make direct loans to overseas buyers of U.S. goods and services. It does so in cooperation with private capital.

Second, Eximbank has the authority from the Congress to guarantee and insure export obligations.

Through its Commercial Bank Exporter Guarantees program, Eximbank will guarantee repayment of export debt obligations acquired by U.S. banking institutions without recourse from U.S. exporters.

Through another program, handled in cooperation with FCIA, an association of some 50 stock and mutual insurance companies, U.S. exporters may insure their export receivables against loss resulting from failure of their buyers to pay, for commercial or political reasons.

Third, Eximbank, under its Commercial Bank Export Credit Loan program, more popularly known as the discount loan facility, will lend to U.S. commercial banks and Edge Act corporations up to 100 percent of their eligible export debt obligations. This program assures banks of liquidity for their export transactions and also offers banks a means of countering foreign government-supported export financing in highly competitive situations.

During the 27 months since Henry Kearns became chairman of the Export-Import Bank, these basic programs have been sharpened and streamlined to make them more effective tools for fulfilling the export expansion assignment given the Bank by President Nixon. As a result, the volume of export sales supported by Eximbank has increased significantly.

In fiscal year 1969, Eximbank activities supported export sales valued at $2.9 billion. In fiscal year 1970, Eximbank activities supported export sales valued at $5.5 bililon—up 90 percent over the previous year.

In fiscal year 1971, just concluded, Eximbank activities supported export sales valued at $6.7 billion—up 133 percent over fiscal year 1969.

With one of the smallest staffs of any major agency in Government, and without operating on appropriated funds, Eximbank has performed exceedingly well in adapting its programs to meet the ever-changing conditions of a highly competitive international marketplace.

As remarkable as this performance may have been, however, it falls considerably short of achieving the export totals required to attain and sustain a trade surplus sufficiently large to assist in overcoming our balance-of-payments difficulties. And Eximbank's performance will continue to fall short unless its activities are removed from the budget totals as proposed in H.R. 8181.

The financing needs of the Nation's exporters to meet the challenge of increased sales abroad today are beyond the resources available to Eximbank under unified budget procedures.

This is why the major provisions of H.R. 8181 have been introduced and endorsed by members of both political parties in both houses of the Congress. This is why H.R. 8181 merits the support of every Member of Congress. This is why enactment of H.R. 8181 is so important.

Exports produce nearly two-thirds of U.S.-earned foreign exchange. Receipts from exports make it possible for us to support many of our country's international responsibilities, including national security and development assistance. Since exports are the principal earner of foreign exchange, we cannot afford to be complacent with regard to them. It is imperative that we take steps to increase materially our Nation's export business.

Opportunities for such an increase abroad.

One of the greatest potentials for expansion of U.S. exports is the sale abroad of nuclear power facilities. Thousands of manufacturers throughout the Nation participate in each such sale, providing employment and income to communities in nearly every State. Another potential for increased sales abroad can be found in exports of commercial jet aircraft where again benefits accrue to nearly every segment of the popultaion. Still another potential is in the growing field of liquified natural gas where U.S. technology is notably superior.

These and other technology-intensive exports such as steel mills, chemical plants, computer complexes, and the like require large-scale, long-term financing which can be made available, however, only with Eximbank participation.

There is considerable potential in the field of exports requiring financing on short-term. This kind of export brings immediate benefit to our balance-of-payments account, and yet it appears that we are losing our relative share of the international market for goods moving on short-term credit. Only with enactment of H.R. 8181, can Eximbank move quickly into the development of programs designed to provide short-term financing support for the Nation's exporters.

The steps we must take for a material increase in our Nation's export business thus must include the restoration of flexibility and continuity in the Export-Import Bank's operations. If Eximbank is to meet its obligations to the Nation and its exporters in the most efficient and effective manner possible, enactment of H.R. 8181 is a necessity.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Chairman, we have for consideration today H.R. 8181, the Export Expansion Finance Act of 1971. This bill is divided into two sections: the first amends the Export-Import Bank Act of 1945, as amended, and the second removes credit extended for financing U.S. exports from the Federal Reserve System's Voluntary Foreign Credit Restraint program.

Last week's report that the United States experienced its first 2-months trade deficit in 21 years, thus wiping out any trade surplus for the first quarter of this year, is only the latest in the series

of indicators that this Nation needs to move energetically, and move now, to restructure the support it provides to U.S. exporters if they are to compete effectively in the international marketplace. An expanding U.S. export trade is of the highest priority not only in terms of this country's international payments balance and currency stability, but because it is essential to a strong U.S. domestic economy. Exports mean jobs here at home. They mean earnings to the U.S. business community, and they mean revenue to every level of government.

While it is clear that an increase in our trade account will not in itself solve this Nation's serious balance-of-payments problem, this is one area in which we can make a positive contribution through our actions here today.

The international marketplace has become fiercely competitive, both in types of products sold and in terms used for the sales. Credit for export sales, like credit in domestic sales, is required everywhere for all types of transactions. U.S. exporters must have available to them export credit facilities which are at least equal to those provided through Government-supported channels abroad. In short, absent competitive export financing, the United States sale is lost.

The proposals contained in H.R. 8181, as reported by your committee, as well as several other suggestions designed to materially assist in an expansion of the U.S. export trade, were the subject of 6 days of hearings before the Subcommittee on International Trade of the Banking and Currency Committee from May 18 through May 26 of this year. The subcommittee heard extensive testimony from all Federal agencies involved in our Government's export promotion and financing activities as well as representatives from industry, the private banking community, trade associations, and the U.S. Chamber of Commerce's Task Force on Export Financing. In addition, your committee has received an unusually large volume of letters and other expressions of support for these proposals from persons involved in exporting in one way or another from one end of this country to the other.

Among the principal provisions of the bill these three are the only ones which have prompted any controversy: Section 1(b)(1) of the bill removes the receipts and disbursements of the Export-Import Bank from the totals of the budget of the U.S. Government and exempts them from any annual expenditure and net lending limitations imposed on that budget.

Section 1(b)(5) prohibits the Bank from financing exports to or for use in any nation which engages in armed conflict with U.S. Armed Forces or from financing any transaction which the President determines to be contrary to the national interest, thus removing the absolute prohibition, enacted in 1968 against the use of Eximbank programs in such areas as Eastern Europe, when the President determines that specific transactions are not contrary to the national interest.

Section 2 removes any credits extended by banks or financial institutions for the purpose of financing exports from rules, regulations or guidelines set by the Board of Governors of the Federal Reserve System.

With respect to the question of exemption from the budget, the problem is simply this: Although Eximbank does not use appropriated funds, its activities were included under the unified budget concept, first adopted in the fiscal year 1969 budget. This means that the Bank's net loan disbursements are accounted for as budget outlays, or expenditures, not loan receivables even though the money disbursed will return with interest. Its collections from repayment of principal and interest on outstanding loans, other fees received on its program operations, and receipts from so-called sales of assets are accounted for as receipts, or offsets to budget outlays. The problem for the Bank under this type of accounting procedure is that in periods of increasing need for export financing and rapidly expanding activity, such as the Bank has been experiencing in the last few years and will continue to experience under the mandate in this legislation, its disbursements necessarily exceed its collections within a fiscal year period. The result is a "net lending outlay" from Eximbank activities in the overall Federal budget. This outlay amounted to $246 million in fiscal year 1969 and $219 million in fiscal year 1970, while for these same periods the Bank actually made a profit from its operations of $104 million in fiscal year 1969 and $110 million in fiscal year 1970, from which it paid annual dividends to the U.S. Treausry.

Eximbank's loan disbursements follow its loan authorizations by as long as 5 years and repayments of principal and interest on those loans naturally follow even further behind disbursements. However, the net budget outlay ceiling established for the Bank under the present budget procedures generally are not established on the basis of the difference between disbursements required on loans previously authorized and anticipated receipts from outstanding loans. The outlay ceilings for the Bank, frankly, are based on other immediate budget needs and an administration's attempt or need to reduce the overall Federal deficit or increase the budget surplus during a current year.

The unified budget places a further restraint on Eximbank in terms of the method that the Bank is required to use to fund itself. Borrowings from the private market through issuance of the Bank's own obligations, such as debentures, are considered as borrowings and not receipts, and therefore cannot be accounted for as budget offsets. Thus, the Bank in order to have the proceeds from such sales credited as budget receipts, has been compelled to use a complicated and costly form of asset sale—called a certificate of beneficial interest—which is difficult to market because it is nonnegotiable and not a familiar instrument to investors. In fact, the low net budget outlays attributable to the Bank in the last 2 fiscal years were realized only through this sales procedure.

Exclusion of the Export-Import Bank's receipts and disbursements from the computation of the budget as proposed in the pending legislation would eliminate the distortion in its operations resulting from its inclusion under this type of accounting system and would permit the Bank to fund its operations in the orderly and rational manner envisioned under its basic charter.

Let me make one thing absolutely clear at this point. Enactment of this provision exempting the Bank's activities from the unified budget totals will not lessen the present congressional or executive branch controls over the Bank's activities. The Banking Committees of the Congress will still have responsibility for review and oversight of the Bank through its enabling legislation, the Export-Import Bank Act.

Under the budget proposal contained in H.R. 8181, the Bank will still be required to prepare an annual budget and submit that budget to the President through the Office of Management and Budget for submission to the Congress. The Appropriations Committees will still have responsibility for reviewing and recommending annual authorization and expense levels for the Bank pursuant to its budget presentations, and those authorization ceilings will continue to be approved by Congress each year in one title of the Foreign Assistance and Related Agencies Appropriations Acts. Thus Congress in no way loses any control, either general or fiscal, over the Export-Import Bank.

All of the existing executive branch controls over this Bank, as a U.S. Government agency, will remain. Borrowings by the Bank will still be subject to prior approval by the Secretary of the Treasury as to amounts, interest rates, and timing of issues.

As I mentioned earlier, your committee considered several proposals designed to provide U.S. exporters with the type and amount of financing which it has been repeatedly demonstrated that they urgently need if they are to be able to compete successfully with foreign government-assisted financing. The Export-Import Bank has assured the committee that if they are relieved of the unified budget restraints, they will be able to and will provide the financial assistance required by our export community. Clearly they have not done so over the past 2 fiscal years, and certainly there is no assurance that any additional budget flexibility or continuity will be available to them, either now or for future years, expansion of their activities without this legislation.

The second controversial point in this legislation is the removal of the absolute prohibition on Eximbank involvement with Communist countries with which we are not in armed conflict. The section in the Bank Act which is amended by this bill was added by Congress in 1968. It includes a ban not only on the Bank's support of exports to a nation with which we are engaged in armed conflict, but also covers exports to any other country the government of which trades with such a nation. The effect of the 1968 amendment has been to deny support to U.S. exporters for any potential sales which they might be able to conclude in all of the Eastern Euro-

pean markets except for Yugoslavia, even though such purchases would be paid for in dollars and would thereby assist not only the U.S. balance of payments but our domestic economy as well.

Trade with Eastern Europe now comprises approximately 16 percent of total world trade. The U.S. share of that market, however, is only 3 percent. Eastern Europe, like everyone else today, buys on credit, and it is one of the fastest growing marketplaces in the world. Yet, the United States alone among our allies restricts its support of export credit to Eastern Europe.

This restriction denies no products to Eastern Europe. The business merely goes elsewhere, either to a foreign supplier or is shipped out of subsidiaries of U.S. companies abroad. It simply means that the U.S. economy does not get the benefit of the trade.

The United States has ample controls under other legislation to prohibit the supply of any U.S. goods and services to Communist countries which might affect our national security. Moreover, the Export Administration Act of 1969 specifically states a national policy and directs the Department of Commerce to encourage trade in peaceful, nonstrategic goods with all countries with which we have diplomatic or trading relations except in those instances when it would be against our national interest.

Finally, section 2 of H.R. 8181, as amended, although opposed by the Federal Reserve Board, was reported unanimously by the committee. This section requires that the Federal Reserve System shall not limit or restrain, through any rule, regulation, or guideline promulgated by its Board under the voluntary foreign credit restraint program, any bank or financial institution in connection with the extension of credit for financing U.S. exports.

In 1965 the Federal Reserve established what was then described as a temporary voluntary foreign credit restraint program, which has been continued since that time with only minor changes in its guidelines. The restraints on export credit imposed by the Federal Reserve have added to the reluctance of the commercial banks to give to export finance the kind of all-out effort which it deserves in light of the country's balance-of-payments deficit and its implications for the soundness of our Nation's currency. Commercial bankers naturally put their marketing efforts into the areas of greater profit potential, and export finance has not been as attractive in this connection as it should be.

In a recent survey conducted by the U.S. Chamber of Commerce Task Force on Export Financing and Credit, most banks indicated that the VFCR program increases the normal cost of export credit, obliges banks to unnecessarily obtain FCIA insurance or Eximbank guarantees for transactions to avoid VFCR ceilings, and inhibits banks from encouraging exports in their market areas and from expanding their international business in general. Many banks have found it necessary to sell foreign loans abroad to stay within Federal Reserve ceilings at a given reporting date, and many have lost export financing opportunities because of the VFCR limitations. Smaller inland banks in particular have been deterred from either establishing or enlarging export departments because of the low ceilings on lending accorded them under the Federal Reserve program. Thus, this program has had a decidely negative impact on commercial bank international finance operations.

Both banking and industry witnesses who appeared before the subcommittee were unanimous in their recommendation that this restriction be lifted. It makes no sense to put forth a major effort to provide sufficient and competitive export financing primarily through the private banking sector while they are hampered by this type of administrative restriction.

H.R. 8181 provides a realistic opportunity for U.S. export expansion. It provides incentives for the commercial banking system to expand their financing of exports and to stay in the export financing business even in times of tight money, both through increased support from Eximbank and by removal of the counterproductive VFCR program. Of the greatest importance, it sets forth clearly that this Nation is willing to take the steps necessary to improve our trade posture immediately and to recognize the importance of the long-term competitive problems facing U.S. traders.

Mr. Chairman, prompt enactment of H.R. 8181 is urgently required.

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

Mr. ASHLEY. I yield to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, I am gravely concerned about the provision which takes the Eximbank loan out of the unified budget. The Comptroller General of the United States has opposed this action. He correctly stated in his testimony before the subcommittee that the American people have a right to know the full debt obligations of the United States. How does the gentleman reconcile his position with that of the Comptroller General whom we hired to give us advice and counsel on how better to do our work?

Mr. ASHLEY. Mr. Chairman, we listened attentively to the testimony of the Comptroller General as we did to the other witnesses who testified on this same point. We have no trouble with this provision, because it is a matter of actual fact that the operations of the Bank continue to be subject to intense congressional scrutiny on an annual basis.

It is necessary for the Bank as a budget supplement to indicate what the extent of its disbursements will be on an annual basis.

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

Mr. PATMAN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ASHLEY. Mr. Chairman, I was saying that the legislation itself requires that the bank submit its predicted disbursements on an annual basis. Further than that, it is necessary for the bank through the OMB to come to the Congress, to the appropriations committee, to the subcommittee chaired by the gentleman from Louisiana (Mr. PASSMAN) to get approval for its administrative budget.

It is necessary for the Bank to come, on a periodic basis, before the Committee on Banking and Currency for its authorization.

My point, in response to the query of the gentleman from Ohio, is simply that the operations of the Bank continue to be subject to the scrutiny of the Congress.

Mr. VANIK. I should like to ask the gentleman from Ohio, the distinguished chairman of the subcommittee, just how much red ink is blotted out by the action provided for in this section? How much red ink in the debt of the United States is washed out on an annual basis by the action which is contemplated by this section?

Mr. ASHLEY. Let us get one thing straight. The Bank since its inception has returned to the U.S. Treasury some $706 million in dividends. Last year it earned over $100 million in profits, as it did the year before, returning in each of those years $50 million to the U.S. Treasury.

If the gentleman is asking how much will be wiped out in the way of red ink, what he is really saying is that the loans the Bank makes are considered budget outlays. Yet they have no real budget impact whatsoever. They are accounts receivable.

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

Mr. PATMAN. Mr. Chairman, I yield the gentleman 2 additional minutes.

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

Mr. ASHLEY. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. I thank the gentleman for yielding. Mr. Chairman, I rise in support of H.R. 8181. I want to commend the subcommittee chairman, the gentleman from Ohio (Mr. ASHLEY) as well as the chairman of the full committee, and all the members of the Banking and Currency Committee, for reporting this legislation, which will undoubtedly expand our U.S. trade exports.

I have a question I should like to ask the gentleman. It is my understanding that the proposed revision of section 2 (b) (3) of the Export-Import Bank Act of 1945, as amended, recommended in the bill before the House, would make it possible for the Export-Import Bank to promote American trade in nonstrategic items with certain countries of Eastern Europe. As I understand the proposed revision, it would not be limited to any particular country, but would also open the way for participation by the Export-Import Bank in transactions in all Eastern European countries, including such countries as Yugoslavia and Poland. Am I correct in this understanding?

Mr. ASHLEY. The gentleman's understanding is entirely correct.

Mr. ZABLOCKI. If the gentleman will yield further, as he knows, I recently introduced a bill, H.R. 8871. Among other

things, this bill would direct the Export-Import Bank to give preference to trade transactions involving countries with which the United States has most favored nation status trade treaties and agreements. I have long felt that the countries to which we accord such treatment and status should receive priority consideration over countries with which we do not conduct normal trade. Does the gentleman from Ohio feel that this is an appropriate consideration to guide the Export-Import Bank in its operations?

Mr. ASHLEY. That is a very touchy matter. The administration testified on the legislation before us and said in part that if this provision is adopted, as I trust it will be, in all likelihood Rumania will be the first additional Eastern European country which would have access to the facilities of the Export-Import Bank. Yugoslavia has this access now.

I believe I would be honest in responding to the gentleman by saying that this committee will have to look very, very carefully before it establishes any order of country priority as guidance for the Export-Import Bank.

Mr. ZABLOCKI. I agree. I do hope, however, that the apparent inconsistency in this area will be corrected.

Mr. ASHLEY. The gentleman has a point with respect to consistency. I can assure him the subcommittee will consider his recommendation.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. Mr. Chairman, the sole purpose of the pending legislation, H.R. 8181, is to enable the U.S. producer to be more competitive in world markets through strengthening the programs of the Export-Import Bank and by eliminating unwarranted restrictions on the extension of private export credit. Enactment of this bill would benefit every segment of the U.S. economy, including labor, agriculture, service firms such as those engaged in engineering and construction, as well as shipping, packaging, communications, and other trade-related industries.

The Export-Import Bank is the only U.S. Government institution which can meet the competition in export financing offered by Government-supported exports in other countries. The world tends more and more to buy on credit for several reasons. For one thing, there is a shortage in the world money supply in relation to the growing volume of trade. For another, credit is absolutely necessary in large capital equipment purchases, such as large commercial aircraft, nuclear power facilities and mining projects. Scarcely any buyer has the resources to pay cash for such items; in fact, credit is looked upon as a means of paying for them "as-they-earn."

Eximbank's programs of loans, guarantees, and insurance make it easier for the purchasers of U.S. goods and services to obtain favorable credit. By participating with commercial banks in providing the money for export credits, Eximbank is able to reduce the effective interest rate charged to the borrower. By assuming the exceptional risks and longer repayment terms, Eximbank encourages commercial banks and other lenders to do more export financing.

Because Eximbank's operations are thus essential to export business which benefits the entire U.S. economy, we should not be swayed by arguments that this bill might set a precedent for removing other agencies from the calculations of the Federal budget. Eximbank's role is unique. It should not be included with Government lending agencies whose operations tend to benefit only certain groups or geographic areas.

In one way or another, exports provide jobs in every part of the country, probably in every congressional district. More than 3,000,000 Americans depend on exports for their jobs and most of them do not know it. They produce component parts or subassemblies or agricultural commodities without knowing that the ultimate purchaser will be located overseas. More exports of any kind mean more jobs at home, and sometimes these jobs are badly needed. Recent sales of commercial jet aircraft abroad have been a godsend to many employees in the aerospace industry at a time of heavy layoffs from cutbacks in the defense program.

U.S. agriculture stands to gain substantially from this bill. If granted the new funding authority and flexibility, Eximbank intends at once to extend its discount loan program to cover short-term—less than 1 year—transactions. This is the export category which covers agricultural commodities, along with iron and steel products, chemicals and other nondurable goods. Because of limited resources, Eximbank now confines its discount loan program to the medium-term range. Under this program, Eximbank agrees that whenever called upon to do so, it will lend a commercial bank up to 100 percent of the outstanding value of export paper that the commercial bank is holding. By being thus assured that its export paper will be entirely liquid, the commercial bank is encouraged to lend money for export credits. H.R. 8181 will thus mean more and competitive financing for all short-term sales, including agricultural exports, which now have to rely mainly on Eximbank's exporter insurance program for support.

Eximbank does not compete with private lending sources. Rather, it supplements what they are willing and able to do. By participating in direct loans along with commercial banks, and by agreeing, where necessary, to take the later maturities and let the commercial bank be repaid first, Eximbank makes it possible for these banks to profit from export transactions which otherwise would be lost to the bank and in all probability to the U.S. exporter as well.

These are the types of service which will be improved by the adoption of H.R. 8181.

Eximbank must compete with the support which governments of virtually all other countries provide to their exporters. Other governments use various ways of insulating their export financing from their domestic economies. Eximbank, on the other hand, has had to take its place alongside other U.S. Government agencies seeking allocations under the Federal budget. One of the purposes of H.R. 8181 is to remove this handicap to meet a persistent and growing international competitive situation.

Increased exports mean economic growth for the Nation and a better standard of living for Americans. They also mean an improvement in the U.S. balance-of-payments position which is sorely needed in order to keep the dollar strong and the world monetary system more stable.

Eximbank's revised and expanded programs supported $5.5 billion in U.S. exports in fiscal 1970, compared to $2.9 billion the year before. They are capable of accomplishing much more if properly funded, as provided for in H.R. 8181. This bill merits our support.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. BARRETT).

(By unanimous consent, Mr. BARRETT was allowed to speak out of order.)

THE HOUSING AND URBAN DEVELOPMENT ACT OF 1971

Mr. BARRETT. Mr. Chairman, I wish to call to the attention of the House the introduction today of the proposed Housing and Urban Development Act of 1971 by the gentleman from Texas (Mr. PATMAN) and other members of the Banking and Currency Committee.

This bill, which contains the legislative recommendations of three Housing Subcommittee panels, is the result of an intensive study made by subcommittee members during the past few months of all Federal housing and urban development programs. The three study panels met with expert witnesses, reviewed some 36 papers prepared especially for them, and took several field trips before meeting again to make their recommendations. In addition, the entire Housing Subcommittee met in executive session five times to review the panels' work.

I would like to commend the three panel chairmen—Mrs. SULLIVAN of Missouri, Mr. ASHLEY of Ohio, and Mr. MOORHEAD of Pennsylvania—for their outstanding work over the past few months. They and their panel members gave long hours and hard work to all the bill's recommendations. I would like also to thank the ranking minority member of the subcommittee, Mr. WIDNALL of New Jersey, for his full support and cooperation throughout this study.

Three of the bill's proposals deserve special mention and the close attention of all House Members. Title II of the bill contains a proposal by Mrs. SULLIVAN's panel to help stop the spreading problem of housing abandonment. Title V of the bill contains a proposal by Mr. ASHLEY's panel for housing block grants to State and metropolitan housing agencies. Title VI contains a proposal by Mr. MOORHEAD's panel for community development block grants to our Nation's cities.

Taken together, these three proposals form a solid and impressive congressional initiative to help our cities and

rural areas meet their most urgent housing and urban development problems. And, they do so without the detailed red-tape and administrative regulations which have hampered our programs for many years.

I urge all Members of the House to read carefully the report of the three subcommittee panels which is being released today. I believe it is an outstanding report which points the way to more effective solutions of our housing and urban development problems.

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

Mr. WILLIAMS. Mr. Chairman, I rise in support of H.R. 8181.

In order to improve our presently unfavorable balance of payments, we definitely have to increase our export market. Today we have firms headquartered in the United States which have subsidiary operations elsewhere in the world.

The U.S. based firms do want to buy American products. Yet, in numerous instances they have bought products made in England and Japan not because of any great difference in price but because those other countries have organizations which are comparable to the Export-Import Bank of the United States that are giving lower interest rates and longer terms.

In developing the legislation before us today a provision was added which will correct this condition. This provision appears at the bottom of page 9 of the bill H.R. 8181. It reads as follows:

"(b) (1) It is the policy of the United States to foster expansion of ports of goods and related services, thereby contributing to the promotion and maintenance of high levels of employment and real income and to the increased development of the productive resources of the United States. To meet this objective, the Export-Import Bank is directed in the exercise of its functions to provide guarantees, insurance, and extensions of credit at rates and on terms and conditions which are competitive with the Government-supported rates and terms and other conditions available for the financing of exports from the principal countries whose exporters compete with United States exporters.

Mr. Chairman, I trust that this directive will be followed faithfully by the Export-Import Bank of the United States so that we can help to stimulate the export of American manufactured products and regain our position in the world market which we have lost to a substantial extent during the last 5 years.

Mr. Chairman, I urge support of H.R. 8181.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia (Mr. STEPHENS).

Mr. STEPHENS. Mr. Chairman, in support of H.R. 8181, I want to call attention to a service of the Export-Import Bank which is too little understood and often overlooked. The Export-Import Bank, long identified with the export financing of manufactured goods and capital equipment, has also made a major contribution to the financing of agricultural exports. Since its founding in 1934, this U.S. Government institution has supported the export of farm products worth over $1.5 billion with direct loans, guarantees, and insurance.

The tempo of Eximbank's agricultural financing support has picked up considerably in the last 2 years. The range of products covered has broadened dramatically and the volume of activity has risen with the introduction of new programs and other innovations which have greatly assisted the agricultural exporter.

During the last fiscal year, for example, Eximbank supported the export of farm products worth over $200 million and in the current fiscal year an even greater volume of agricultural export assistance is anticipated in order to assure that U.S. exporters remain competitive with their counterparts in other countries.

The four main programs which Eximbank is currently utilizing to assist agricultural exporters are discount loans, direct credits, commercial bank guarantees, and export credit insurance.

The discount loan program is the newest method of Eximbank assistance, and last year was utilized the most heavily by agricultural product exporters and their banks. Under this program, the U.S. farmers' commercial banks can obtain Eximbank credits equal to the full value of specific export paper, which relieves the banks' liquidity problems and permits them to make loans at reasonable rates, whereas without such assistance individual banks might not be able to assist export transactions at all. During the fiscal year ended July 30, 1970, Eximbank authorized 48 such loans for agricultural transactions. These loans had a total value of $110.7 million, or about 20 percent of all such authorizations during that period. The discount loans assisted in the sale of corn, wheat, grain sorghum, cotton, barley, tobacco, and sheepskins to 13 different countries.

Also of great importance to agricultural exporters has been Eximbank's direct loan program which has financed the sale of farm products to overseas customers every year for the past two decades. Most of this business has been in cotton and livestock but other products have been financed as well.

During the last 2 years, Eximbank has followed a general policy of mixing its own direct credit moneys with commercial bank funds in order to maximize the impact of its own money and avoid any possibility of competing with, rather than supplementing, private sources of financing. A recent example of this "participation financing" was a soybean credit to Israel, which involved a cash payment by the buyer of 10 percent, an Eximbank direct loan of $5.4 million and an Eximbank financial guarantee of a $5.4 million commercial bank loan, which together supported the sale of $12 million of U.S. exports.

This system of mixing Eximbank funds with private money in order to minimize the output of Eximbank money and maximize Eximbank's effect on U.S. exports has been used to great advantage by the establishment of a number of cooperative financing facility—CFF—lines of credit. Forty-five financial institutions in 22 different countries have obtained these lines of credit from Eximbank. It is anticipated that these lines will be used for the purchase of a variety of U.S. farm products as well as for manufactured goods and capital equipment.

Another program of real assistance to the U.S. farmer has been the Eximbank/FCIA export credit insurance facility. Under this program, Eximbank supported the sale of about $50 million of farm products in 1970, ranging from cotton, grains, rice, and other products to baby chicks, breeding cattle, and other livestock. Export credit insurance is available to the U.S. exporter for transactions justifying either short or medium terms of repayment. If short-term payments are involved, coverage of up to 98 percent of the export value may be obtained. If medium-term sales of over 180 days credit are involved, Eximbank will require the foreign buyer to make a cash payment of 10 percent and the exporter to cover a minimal 2 percent of the risks for his own account. This supplier participation of 2 percent for agricultural exports compares with a normal 10-percent participation required for manufactured goods and was recently authorized by Eximbank in recognition of the normally lower margin of profit on farm product exports.

The Eximbank guarantee program is also available under attractive conditions for farm product exports. In fiscal 1970, export sales of cotton to such markets as Taiwan and Korea and shipments of livestock to Mexico enjoyed this Eximbank coverage and in past years Eximbank commercial bank guarantees have supported the sale of a variety of farm commodities including wheat, corn, soybeans and poultry. Under this program, Eximbank guarantees repayment of export debt obligations acquired by U.S. commercial banks from U.S. exporters. Coverage is available for medium term transactions, that is those with a repayment term of over 180 days. Cash payment and supplier participation requirements are the same as under the export credit insurance program. Eximbank will cover a maximum repayment term of up to 3 years for large sales of cattle, and, in recognition of the special nature of agricultural transactions will permit annual repayments compared with at least semiannual installments on nonfarm products.

If Eximbank receives relief as requested from present budgetary restrictions, it has indicated that one of the major consequences will be the establishment of a short-term discount loan program. Farm products are expected to be a major beneficiary of such a program.

Furthermore, Eximbank has indicated its intention to step up its program of seminars and other exchanges of information on export finance in the areas of the United States which are most heavily involved in agricultural production with the hope of stimulating greater utilization of its programs by farm exporters.

A significant part of the requested increase in Eximbank's lending authority would be used to raise agricultural exports. This increased authority and the other changes requested would permit the Eximbank to provide the flexibility and continuity in export finance which is so greatly needed by the U.S. farmer

and other members of our Nations' business community.

Mr. WIDNALL. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, since the 79th Congress enacted the Export-Import Bank Act of 1945 to aid the financing of exports and imports, the nature of our involvement in foreign trade has changed substantially. The amendments offered in H.R. 8181 reflect the necessary changes in the Export-Import Bank regulations to allow for changing economic conditions.

Since 1945, foreign manufacturing processes and technical expertise have caught up with American manufacturers. Additionally, most foreign manufacturers have the support of an aggressive central bank which in many cases has allowed the foreign producer to put together a more attractive financial package than the U.S. manufacturer could provide. I find it distressing that there is currently not enough effective effort by U.S. agencies of Government offering the type of assistance to exporters which can be found in almost all other developed nations of the world. The Export-Import Bank has demonstrated the capability to fill part of this void, and its capability should be expanded by the passage of H.R. 8181.

A second change is the wider distribution of firms manufacturing products for export. Though exact figures are not available, best estimates indicate that the trade market area served by the Minneapolis-St. Paul financial center generates $1 billion in goods, mostly agricultural, and services for foreign markets. By Eximbank standards, this amount of trade accounts for 87,000 full-time jobs. The Export-Import Bank in recent years has provided our local banks with the assistance to meet many of the financial needs of the local export producers, especially small producers. Henry Kearn and his staff are to be commended for their increased attention toward the educating of potential customers of the services available through the Eximbank.

Third, as the Eastern European nations continue to emerge as factors in the economic world, exciting opportunities for trade will be available to U.S. exporters. The unnecessarily prohibitive features of the Fino amendment should be changed, as provided in H.R. 8181, to allow for U.S. participation in this market when it is in the national interest to do so. Increased trade with these Communist-bloc nations, which constitute one of the fastest growing international market areas, is a matter of economic necessity now; and it may offer a prelude to a greater undertanding and international cooperation.

Our critical balance of payments deficit will be solved and maintained only through long-term programs, and not with short-term measures. A balance of trade surplus is a necessary first step in achieving a continuing favorable balance of payments. In the long run our country's success will depend on our ability to sell competitively in foreign markets. The proposed amendments for the Export-Import Bank Act will not provide an immediate cure to our international trade ills, but it will allow the Export-Import Bank the flexibility and increased capacity to assist American marketers to sell in international markets on a basis more nearly equal to foreign competitors.

Mr. WIDNALL. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Mr. Chairman, I want to strongly second what was said by my friend and colleague, the gentleman from Georgia (Mr. STEPHENS). I think that too many of us from the agricultural areas are inclined to overlook the importance of the Eximbank insofar as agricultural exports are concerned.

Mr. Chairman, enactment of H.R. 8181 will provide major gains for the Nation's agricultural community.

Farm income has been enhanced measurably through exports and certainly agricultural exports over the years have contributed significantly to the Nation's balance of international payments. In fact, no other single segment of the Nation's economy sells as high a proportion of its full production overseas.

Food consumption in the United States is growing steadily and American agriculture will continue to benefit from that growth. Nevertheless, incremental increases in farm income will be highly dependent upon the farmer's ability to sell even more of his production abroad, and the availability of competitive export financing will be key to this success.

We have seen over the past 2 years the value of Export-Import Bank programs to agricultural exports. Shortly after his appointment as Chairman of Eximbank, Henry Kearns initiated a total review of the Bank's support of agricultural exports. As a result the programs were modified, the amount of assistance increased, and the range of products financed was broadened substantially.

In fiscal year 1971, Eximbank loans and financial guarantees for agricultural exports totaled $130 million. The commercial bank discount program committed $56 million for such exports and bank guarantees and FCIA insurance provided $7.5 million in support. The value of shipments for which such financing was made available by Eximbank exceeded $200 million.

These authorizations covered soybeans, wheat, corn, rice, cotton, grain, sorghum, barley, tobacco, poultry, livestock, and hides and skins.

As good as the record may be, however, the performance falls far short of what is required by the American farmer. The bulk of farm shipments overseas moves on short-term financing and Eximbank's inability under the unified budget procedures to finance short-term transactions denies assistance where it is needed most.

The profit margin on agricultural exports is narrow. To remain competitive in the international marketplace, the farmer must have financing at attractive rates of interest, for he cannot cover a high cost of financing within his profit range. The answer to the need for short-term financing at competitive rates for farm exports lies in the expansion of Eximbank's commercial bank discount program to support short-term agricultural transactions.

H.R. 8181, which includes the provision to remove Eximbank's operations from unified budget calculations, will make it possible for Eximbank to establish a farm program for needed short-term agricultural export transactions.

Thus, enactment of this bill will be of major benefit for farmers throughout the United States. The Nation will gain through the contribution of farm exports to the balance of payments. With the ability to compete effectively abroad, the farmer will gain increased means for his improved export performance.

Mr. PATMAN. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Chairman, I rise in vigorous support of the bill H.R. 8181.

Mr. Chairman, never in the past decade has the need for increased exports to improve our balance-of-payments position been as pronounced and urgent as it is today. The activities of the Export-Import Bank make a significant and measurable contribution to such improvement. Passage of H.R. 8181 will enable Eximbank to increase that contribution.

We know of the dwindling surplus in our trade account—from $4.9 billion in 1960 to $2.2 billion in 1970, and to a virtual zero balance so far this year. We know that the U.S. share in world exports has declined by almost 10 percent, from 16.7 percent of the total in 1960 to 15.1 percent in 1970. And the aggregate balance-of-payments deficit over the same period on a liquidity basis, is over $31 billion. As a result, our reserves of gold and foreign exchange have declined by over 25 percent, from $19.4 billion in 1960 to $14.5 billion in 1970. The Export-Import Bank helps to correct these negative influences.

In fiscal 1970 Eximbank contributed nearly $1 billion to the favorable side of the U.S. balance of payments through the inflow of principal, interest, and fees on loans extended directly to foreign borrowers during previous years. But, this figure by no means measures Eximbank's total contribution. To it must be added cash payments and payments received by exporters or their banks on sales backed by Eximbank insurance and guarantee programs. These inflows—cash payments, payments by foreign banks, principal repayments, and payments of interest and fees contributed an estimated additional $880 million to the credit side of the balance of payments. Thus Eximbank's total contribution in the last fiscal year was some $1.9 billion.

Today Eximbank is conducting its operations to provide greater balance-of-payments benefits within its limited authority. Foremost among its activities which affect the balance of payments is the increased use of offshore financing. For example, when airlines in developed countries buy American jet aircraft, they normally make a 20 percent cash payment, and half of the financed portion is now frequently provided by a non-U.S. bank, with a resulting benefit to our

balance of payments. Figures for fiscal 1971 are not yet available, but it appears certain that Eximbank's impact on the payments balance for this year will be above that of any previous year.

To carry forward this offshore financing activity, Eximbank has recently adopted a program which is known as the cooperative financing facility designed to cover smaller transactions to enable buyers abroad to finance their U.S. purchases through their own commercial banks, thus using methods familiar to them and their bankers. The foreign commercial bank finances half of the purchase, after a cash payment, and the other half is financed through an Eximbank line of credit extended to the foreign bank. As this program expands, Eximbank anticipates a substantial increase in U.S. exports and an increased use of offshore funds with consequent benefit to the U.S. balance of payments.

It is important to remember that in addition to its contribution to the U.S. balance-of-payments position, Eximbank activities also yield an income to the U.S. Government, and without using appropriated funds to finance its operations. The Bank annually pays a dividend to the U.S. Treasury on its capital stock and reinvests the remainder of its income in additional support of U.S. exports. This reinvestment will again assist the U.S. balance of payments when it is repaid.

It is clear that the United States must increase its exports if its overall international accounts are to be brought into balance. Such balance is essential if the dollar is to remain a strong international currency.

A critical element in increasing this country's export trade is the assurance of adequate credit support to the U.S. exporter in his attempts to meet foreign competition and gain new and bigger markets for his sales. Eximbank's programs provide the major tool through which this support is provided. Enactment of H.R. 8181 will permit the Bank the flexibility and continuity in its programs required to meet an expanding export effort, which in turn will help meet the critical U.S. balance-of-payments problem.

Mr. WIDNALL. Mr. Chairman, at this time I have an additional request for time, and I therefore yield 3 minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of this legislative proposal, and I wish to point out that the most significant issue probably is the removal of the Export-Import Bank from the budget accounting procedures.

I should point out that in doing this we are merely restoring the previous condition of the Export-Import Bank when it was not under the unified budget or under expenditure ceiling limitations.

If the Export-Import Bank is to perform the service to exporters that it should, it is essential that it have the flexibility and the ability to perform its financing services on a continuous basis where it will not be required to renege upon its commitments, and its financing proposals because of the limitations of the budget, or an expenditure ceiling.

I think it should also be remembered that in financing our exports the Export-Import Bank is not engaged in the same money market that other demands of our economy are engaged in domestically, and it should be remembered that the Export-Import Bank is competing with foreign money, with foreign financing. Also, I think most of us would agree that we cannot compete as effectively today in many markets because of our labor costs and because the quality of our products, much superior in the past is being seriously challenged as competing exporters improve their own products. If we are going to be effective in correcting or improving our balance of trade, it is essential that the one area left open to us—and that is more competitive financing—be enhanced as much as possible by adoption of the legislation we are considering today.

Again, Mr. Chairman, I strongly support this legislation.

Mr. PATMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, at the appropriate time I expect to offer an amendment striking from this bill the proposal to exclude the Export-Import Bank loans from the combined budget and from the debt.

This provision in the bill flaunts the advice of the General Accounting Office. It flaunts the advice of the President's Bipartisan Commission on Budget Concepts of 1967, and that advice was of unshaken validity. That advice was that we express in the debt everything that is owed by the Federal Government.

I am for expanding the capital of the bank and I am for expanding the program—I have no objection to that—but it would constitute a fraud to remove these borrowings from the Federal debt. It is fraudulent advertising to permit the American people to believe that somehow or other we have repaid about $3 billion of the Federal debt. It is an erroneous impression that we should not permit.

All the debts of the U.S. Government should be indicated in the debt. We talk about having truth in advertising. Let us establish and stand by the principle of truth in the Federal debt. This information is necessary to the Congress and to the American people who must make vital decisions on economic policy.

Mr. PATMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee (Mr. EVINS).

Mr. EVINS of Tennessee. Mr. Chairman, I thank the distinguished Chairman for yielding.

Mr. Chairman, I want to raise my voice against H.R. 8181, a bill to free the Export-Import Bank from oversight by the Congress and to take their operations out from review under the comprehensive budget concept.

I am opposed specifically to that part of the bill which would remove from the budget the receipts and disbursements of the Eximbank.

We created a new budgetary concept a few years ago to include all expenditures and all income into the budget and now we see a pattern of many agencies wanting to be excluded from oversight by the Congress and from budget review.

I am disturbed by this persistent trend of legislation and reorganization which is removing more and more Federal agencies and departments from being included in the budget. I oppose that general principle of removing agencies of the Government from under the budget.

Fannie Mae operations are now out from under the budget.

The Home Loan Bank Board desires also to be excluded and is attempting to be excluded from budget review. Our committee earlier has denied this request.

Now we see the Export-Import Bank wanting to be excluded from oversight by the Congress and from budget review.

The Congress recently established the U.S. Postal Service to be a corporation independent of the Congress and no longer subject to being reviewed by the Congress. We have seen this trend continue in reorganization after reorganization and the enlargement of the Office of Management and Budget and we see it here today in this bill to exclude the growing Export-Import Bank from congressional oversight.

I think this is a bad trend and is wrong. Such legislation is gradually reducing the constitutional oversight authority of the Congress—and thereby lessening its budgetary control over the Federal Establishment although it is generally held responsible for Federal expenditures.

The time has come to say "No" to this continuing pattern of robbing the Congress of its constitutional powers.

I voted against this proposal last year when it was defeated and I see no reason to change my position at this time.

One member of the committee that supports this bill today said to me, "Well, I am opposed, in principle, to exempting an agency of the Government from oversight of the Congress—it is like excess drinking—but I am ready for one more drink."

Mr. Chairman, I oppose removing the operations of the Export-Import Bank from budgetary review of the Congress and I trust this pattern and trend of exclusion from congressional oversight will be stopped and discontinued.

Mr. WAGGONNER. Mr. Chairman, there is no doubt of the need for the legislation before us today. With our balance-of-payments deficit what it is in this country and our trade balance becoming less and less favorable, we should all be thinking in terms of increasing the lending authority of the Export-Import Bank, which has done a credible job over the years since its existence.

However, I cannot vote for increasing the lending authority of the Eximbank if the bill before us does not include language which would prohibit the financing of trade with a country with whom we are presently at war—and we are at war, Mr. Speaker, all suggestions to the contrary notwithstanding—or would prohibit the financing of trade

with any nation presently aiding our enemy in Southeast Asia.

Mr. Chairman, I do not know how any man here can vote for this legislation without the prohibitions I have mentioned and still look in the eye the parents of our fighting sons serving in Southeast Asia or, for that matter, look themselves in the eye.

Certainly, we need the increased trade which this legislation, if enacted into law, would engender. It would mean more jobs for more people and would help, perhaps, in setting our financial house in order. But, Mr. Speaker, who in this country wants "blood money"? And that is what it would be if we financed trade with our enemies. I can assure you the people in my district do not, and neither do I. We owe it to our fighting sons, as long as they remain in Southeast Asia—and I would hope they would be home soon—to protect them as best we can on the one hand and to discourage and prohibit, where possible, the aiding of our enemy on the other. To allow anything else, Mr. Chairman, smacks of treason of the worst kind.

Mr. ANNUNZIO. Mr. Chairman, I rise in full support of the pending legislation, H.R. 8181.

Over the years I have been extremely interested in the operations of the Export-Import Bank because of the direct impact it has had in my district and my State. As you know, Illinois is and has been one of the largest exporting States in this great country. In fact, it now ranks first in agriculture exports. The industries in my State have only been able to maintain this record because of the support and financing which have been provided by Eximbank. Obviously, these exports have created numerous jobs and have brought substantial income into our communities and my State as a whole.

Today, we are faced with the grimmest trade picture that this country has seen in the last 20 years. We have had a trade deficit during each of the last 2 months and only a minimal surplus for the first 5 months of this year. Unless we make the necessary changes proposed in H.R. 8181 and give Eximbank the flexibility it absolutely needs to do this job, which we have repeatedly instructed it to do, the stability of our dollar will weaken in the eyes of the world.

We have already seen evidence that the other countries are not going to stand by and maintain confidence in the U.S. dollar unless we can minimize or remove this deficit in our balance of payments. The only practical way to accomplish this is to increase exports. To do so, we must have a competitive Eximbank as is proposed by this bill.

Mr. Chairman, the strength of our dollar demands that we pass H.R. 8181. I strongly urge immediate approval of this legislation.

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of H.R. 8181, the Export Expansion Finance Act of 1971. This measure would extend the life of the Export-Import Bank for 1 year from June 30, 1973, to June 30, 1974, would remove the Bank's operations from the limitations of the unified budget, and would expand the Bank's lending authority.

The Eximbank was created back in 1945 as an independent corporate entity of the Government to aid in financing American export sales. It is authorized to extend credits to foreign buyers, provide loans, guarantees, and insurance of such export credits, and to discount export debt obligations held by commercial banks. In fiscal year 1970 the Bank authorized support of export sales covering some $5.5 billion of U.S. exports.

Mr. Chairman, over the last decade our trade surpluses have fallen from a peak of $7.1 billion in 1964 to an average low of $1.6 billion over the last 3 years. And the situation this year is even more bleak: the surplus for this year is projected to decline to a low of $0.6 billion. While imports are increasing at an annual rate of 9.4 percent, exports are increasing at only 4 percent, and at the same time the U.S. share of world trade is shrinking.

Obviously it is in the national interest to take immediate action to reverse these trends; means must be found to foster an expansion of American exports. The bill before us today provides a partial solution to that problem by giving the Eximbank expanded and more flexible authority. Specifically, Eximbank's operations are removed from the computations of the unified Federal budget which has tended to impose severe and unnecessary restraints on the Bank's activities. Second, the aggregate amount the Bank may have outstanding at any one time in guarantees and insurance is increased from $3.5 billion to $10 billion; and the overall statutory limitation on the Bank's lending, guarantee, and insurance authority is raised from $13.5 billion to $20 billion. Third, the bill modifies the prohibition against Eximbank assistance involving export sales to countries who trade with our armed adversaries, leaving the matter of national interest one to be resolved by Presidential determination. Fourth, the bill directs the Bank to provide export financing with competitive rates, terms, and other conditions. While our long-term credits are competitive, our medium- and short-term credits are not, even though the bulk of world trade moves on medium- and short-term credits. And finally, the bill provides that the Federal Reserve System shall not limit or restrain any bank or financial institution in connection with the extension of credit for financing U.S. exports. The so-called temporary voluntary foreign credit restraint program instituted by the Fed in 1965 has become more or less permanent, having a decidedly negative impact on commercial bank international finance operations.

Mr. Chairman, in conclusion, I think this measure is deserving of our enthusiastic support because it does provide the Export-Import Bank with the flexibility essential to fulfilling its urgent assignment. Passage of this bill will help to restore the confidence of the American exporter, and thereby hopefully increase our export effort and trade surplus.

Mr. ROSTENKOWSKI. Mr. Chairman, I would like to add my support to H.R. 8181, the Export Expansion Finance Act of 1971. This bill, which would amend the Export-Import Bank Act of 1945, is an extremely important piece of legislation in light of the continuing increase in our balance-of-payments deficit. In the last 6 years our trade surplus has declined from $7.1 billion to $1.6 billion and the projection for this year is no better. As the competition for world markets increases American businesses are forced to vie with foreign exporters supported by Government financing. We cannot at this time allow the United States to slip any further in the world trade market.

I would like to particularly commend my distinguished colleague and friend, THOMAS LUDLOW ASHLEY, chairman of the Subcommittee on International Trade who has labored diligently to bring this proposal before the House. The bill will give the Export-Import Bank the flexibility it needs to be a truly effective agent in supporting America's world trade. Removing the ceilings under which the Bank must now operate will be an important step toward increased financing for those projects that private institutions for one reason or another are unable to back. Also the removal of the Bank from the unified Federal budget will exempt the Bank from annual expenditure or budget outlay ceilings. The present congressional review and control, however, will quite rightly be retained.

Mr. Chairman, in light of our present economic problems and the current assault on the dollar I feel it is imperative that we take steps to encourage and support the exportation of American goods and I therefore heartily endorse this bill and urge its speedy passage.

Mr. BADILLO. Mr. Chairman, during our debate on H.R. 8181—the Export-Import Bank extension—this afternoon, I believe it would be both important and pertinent to consider the apparent interest by the Government of Chile in purchasing three commercial jets from the United States with the backing of the Export-Import Bank and the manner in which this is being handled by the Nixon administration.

I am informed that, although a formal request for a loan has not yet been submitted to the Bank, efforts have been underway for the past several weeks to ascertain the nature of the reception which such a request might receive. Chile is apparently anxious to avoid any rebuff which could seriously rupture relations which are already somewhat strained.

I am troubled by the manner in which these soundings are being considered and the apparent effort being made to remove the decision from the Export-Import Bank solely to the Department of State and the National Security Council. This situation seems to be the result of the apprehension on the part of certain administration officials that these jets may be used on LAN-Chile flights which stop in Havana en route to and from Europe. However, these officials seem to ignore the fact that a precedent already exists in that Iberia Airlines of Spain, which also uses American air-

craft, stops in Havana. While I realize it is standard procedure for the Eximbank to consult with the State Department on such matters, it would seem that undue consideration is being given to imagined political problems and too little to economic facts and more realistic considerations.

It seems clear that the best interests of the United States would be served in a number of ways by approving a Chilean request for Export-Import Bank financing of the commercial jet sale. The purchase of the two Boeing 707's and one Boeing 727 would certainly be helpful to the financially plagued aerospace industry and would be of considerable benefit to our domestic economy. Furthermore, by facilitating the Chilean purchase of these planes the United States would be giving some clear sign of our interest in promoting amicable relations with Chile—something which has been almost totally absent since the election of President Allende. If Chile is not assisted in purchasing these from the United States it would apparently have no alternative but to seek such aid from the Soviet bloc—a disastrous political, economic, and psychological blow to our already troubled Latin American relations.

Mr. Chairman, the primary basis of the determination whether or not to grant Export-Import Bank financing is the applicant's credit worthiness and this must be the basis upon which the United States should respond to Chile's overtures. There are already a number of difficult factors involved in our relations with Chile and our hesitancy over furnishing a meaningful and sympathetic response to its sounding on financial underwriting for these jets will simply add additional and unnecessary pressures. To date, our relations with the Allende government have been marked by indifference and ineptness and a positive turning point is long past due. Last week I urged the President and his appropriate advisers to give this matter full and careful consideration with a view toward indicating the United States willingness to fairly and favorably receive and consider any Chilean request for Export-Import Bank financing of the commercial jets. I urge our colleagues to join in expressing their interest and support.

Mr. ANDERSON of California. Mr. Chairman, I rise in support of H.R. 8181, the Export Expansion Finance Act of 1971. This measure would provide a "shot-in-the-arm" for U.S. exports by easing credit restraints on the Export-Import Bank and by removing export credit from the Federal Reserve's voluntary foreign credit restraint program.

This measure would allow our country to compete more effectively with foreign countries which are becoming increasingly active in international trade. H.R. 8181 would direct the Export-Import to provide export financing which is competitive with foreign government-supported financing in countries which compete with our exports. The legislation would make our short- and medium-term credit programs competitive in world money markets.

To aid the small exporter, H.R. 8181 would direct the Export-Import Bank, in carrying out its programs, to afford equal opportunity to those, who, because of size, have difficulty competing with large concerns in the export financing market.

Mr. Chairman, the Export-Import Bank has meant much to our shipping industry—an industry that is fighting desperately for cargo. In 1969, U.S.-flag vessels carried well over $838 million worth of cargo that was generated by loans from the Export-Import Bank.

This legislation will, first, help us expand our export business so that we might enjoy a larger share of the world's market. Second, H.R. 8181 will generate needed cargo for our merchant fleet to transport to foreign countries. Third, our economy will receive a boost from the increased exports by improving our balance of payments.

Mr. Chairman, I commend the Banking and Currency Committee for their deligence in preparing H.R. 8181, and I urge my colleagues to support this legislation which will mean so much to our country and, especially, to our citizens engaged in international trade.

Mr. PATMAN. Mr. Chairman, we have no further requests for time on this side.

The CHAIRMAN. Does the gentleman from New Jersey have further requests for time?

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

The CHAIRMAN. Under the rule, the Clerk will now read the substitute committee amendment printed in the reported bill as an original bill for the purpose of amendment.

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 (a) this Act may be cited as the "Export Expansion Finance Act of 1971".

(b) The Export-Import Bank Act of 1945 (12 U.S.C. 635 and following) is amended as follows:

(1) Section 2(a) of such Act is amended by inserting "(1)" immediately after "SEC. 2. (a)" and by adding at the end thereof the following new paragraph:

"(2) The receipts and disbursements of the Bank in the discharge of its functions shall not be included in the totals of the budget of the United States Government and shall be exempt from any annual expenditure and net lending (budget outlays) limitations imposed on the budget of the United States Government. In accordance with the provisions of the Government Corporation Control Act, the President shall transmit annually to the Congress a budget for program activities and for administrative expenses of the Bank, which budget shall also include the estimated annual net borrowing by the Bank from the United States Treasury. The President shall report annually to the Congress the amount of net lending of the Bank, including any net lending created by the net borrowing from the United States Treasury, which would be included in the totals of the budget of the United States Government if the Bank's activities were not excluded from those totals as a result of this section."

(2) Section 2(c)(1) of such Act is amended by striking out "$3,500,000,000" and inserting in lieu thereof "$10,000,000,000".

(3) Section 7 of such Act is amended by striking out "$13,500,000,000" and inserting in lieu thereof "$20,000,000,000".

(4) Section 8 of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974", and by inserting immediately following the words "Secretary of the Treasury" "or any other purchasers".

(5) Section 2(b)(3) of such Act is amended to read as follows:

"(3) The Bank shall not guarantee, insure, or extend credit, or participate in the extension of credit in connection with (A) the purchase of any product, technical data, or other information by a national or agency of any nation which engages in armed conflict, declared or otherwise, with the Armed Forces of the United States, or (B) the purchase by any nation (or national or agency thereof) of any product, technical data, or other information which is to be used principally by or in any such nation described in subparagraph (A). The Bank shall not guarantee, insure, or extend credit, or participate in the extension of credit in connection with the purchase of any product, technical data, or other information by a national or agency of any nation if the President determines that any such transaction would be contrary to the national interest."

(6) Section 2(b)(1) of such Act is amended to read as follows:

"(b)(1) It is the policy of the United States to foster expansion of exports of goods and related services, thereby contributing to the promotion and maintenance of high levels of employment and real income and to the increased development of the productive resources of the United States. To meet this objective, the Export-Import Bank is directed in the exercise of its functions to provide guarantees, insurance, and extensions of credit at rates and on terms and conditions which are competitive with the Government-supported rates and terms and other conditions available for the financing of exports from the principal countries whose exporters compete with United States exporters. The Export-Import Bank shall, on a semiannual basis, report to the appropriate committees of Congress its actions in complying with this directive. In this report the Export-Import Bank shall survey all other major export-financing facilities available from other governments and government-related agencies through which foreign exporters compete with United States exporters and indicate in specific terms the ways in which Export-Import Bank rates, terms, and other conditions are equal or superior to those offered from such other governments directly or indirectly. Further, the Export-Import Bank shall at the same time survey a representative number of United States exporters and United States commercial lending institutions which provide export credit to determine their experience in meeting financial competition from other countries whose exporters compete with United States exporters. The results of this survey shall be included as part of the semiannual report provided for under this section. It is further the policy of the United States that the Bank in the exercise of its functions should supplement and encourage and not compete with private capital; that the Bank shall accord equal opportunity to export agents and managers, independent export firms, and small commercial banks, in the formulation and implementation of its programs; that loans, so far as possible consistently with carrying out the purposes of subsection (a), shall generally be for specific purposes, and, in the judgment of the Board of Directors, offer reasonable assurance of repayment; and that in authorizing such loans the Board of Directors should take into account the possible adverse effects upon the United States economy."

SEC. 2. In connection with section 2 of Executive Order Number 11387, dated January 1, 1968, and any rule, regulation, or guideline established by the Board of Governors of the Federal Reserve System in connection with a voluntary foreign credit restraint program, there shall be no limitation or re-

straint, or suggestion that there be a limitation or restraint, on the part of any bank or financial insitution in connection with the extension of credit for the purpose of financing exports of the United States.

Mr. PATMAN (during the reading). Mr. Chairman, since the substitute committee amendment is printed in the bill, I ask unanimous consent that further reading of the amendment in the nature of a substitute be dispensed with, that it be printed in the RECORD, and open to amendment at any point.

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

There was no objection.

AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYLIE: Page 9, strike out line 3 and all that follows thereafter down through line 19.

And redesignate the succeeding paragraph accordingly.

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes in support of his amendment.

Mr. HALL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

One hundred and one Members are present, a quorum.

The gentleman from Ohio is recognized.

Mr. WYLIE. Mr. Chairman and Members of the Committee, my amendment, simply stated, would retain the so-called Fino amendment, which prohibits trade with countries supplying nations with which we are engaged in armed conflict. The Senate reported a bill which included language to the effect that the Export-Import Bank could make loans mostly to Eastern European nations which do business with North Vietnam. H.R. 8181 was reported from the Banking and Currency Committee with the Senate amendment in it repeating the trading with the enemy amendment.

I offered an amendment during the executive session of the Banking and Currency Committee which would strike the language on page 9 from line 3 through line 19 and restore the language which was adopted by this Congress in 1968.

On February 6, 1968, the House adopted an amendment which would prohibit the Eximbank from loaning moneys to countries with which we are engaged in armed conflict, and that part of it has been retained.

We also adopted an amendment which provided that the Eximbank could not loan moneys to countries which furnish by direct governmental action goods, supplies, military assistance or advisers to nations as described in subparagraph (a), which are nations with which we are engaged in armed conflict.

The Eximbank is a creature of the Congress. The actions of the Eximbank are controlled by Congress. All lending authority of the Export-Import Bank must be approved by Congress. I do not think that we as a Congress want to leave the impression that we are in favor at this critical time in our history of loaning money through the Export-Import Bank to governments which lend support to North Vietnam.

I think that the wrong impression would be left with the other nations of the world and I think indeed it might jeopardize negotiations leading to an end to the conflict in Southeast Asia. The impression was left—I think perhaps inadvertently but I believe such impression was left because a Member came to me and asked me about it—that the administration supports the bill in its present form and supports a repeal of the so-called Fino amendment.

I refer to the hearings before the Subcommittee on International Trade, on page 36, where Mr. Kearns, who is head of the Export-Import Bank testified and said:

The original legislative restriction was passed by the Congress without indication from the executive branch that it was desired. In this case the executive branch does not support the legislation to repeal or change the Fino amendment.

There are several other references to like effect during the course of the hearings.

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

Mr. WYLIE. I yield to the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Chairman, would it not be more accurate to say that the administration neither favored nor opposed the provision in question?

Mr. WYLIE. That probably would be more accurate. I think rather the administration in this case is willing to allow the House to work its will, but Mr. Kearns did say very specifically in this case the executive branch "does not support the legislation to repeal or change the Fino amendment." The point I was making is that at least one Member of this body came to me and said, "I understand the administration is in favor of the committee amendment," and I think that came on the heels of something the gentleman from Ohio (Mr. ASHLEY) said in response to a question.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. Mr. Chairman, let us take a specific case. Say a country like Rumania: Would the Export-Import Bank under the present statutes and the Fino amendment be allowed to do business with Rumania?

Mr. WYLIE. That is a very good case and I appreciate the gentleman asking this question. In the instance of Rumania, which is a Communist nation and even if my amendment is adopted and the Fino amendment is retained, we still have language which would permit a loan from the Export-Import Bank to Rumania if the President approves the transaction.

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

(By unanimous consent, Mr. WYLIE was allowed to proceed for 1 additional minute.)

Mr. WYLIE. Mr. Chairman, in the case of Rumania, there is a finding that Rumania has not been trading with North Vietnam, so it is not trading with the enemy and even though it is a Communist country it could receive a loan from the Export-Import Bank. That is precisely the point of my amendment.

What my amendment does is simply prohibit the Export-Import Bank from lending money to a country which is directly supplying goods, materiel, assistance, or advisers to North Vietnam at the present time, or to any nation with which we are engaged in armed conflict in the future.

At no time do I think we should encourage the Export-Import Bank to make loans to nations which trade with our enemies. I do not think we ought to leave the impression that we are encouraging nations to trade with our enemies, and I urge the adoption of my amendment.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Ohio (Mr. WYLIE) has referred to the so-called Fino amendment that was adopted in 1968. I think it is worthy of note that in the Export Administration Act of 1969 this Congress said as a matter of policy that the United States should encourage trade with countries with which we have diplomatic relations. Let us face it. What was said in 1968 and what was said in 1969 are not consistent. So the question before us is whether or not we modify the Fino amendment, to bring it into conformity with the policy statement adopted by the Congress in 1969 with the adoption of the Export Administration Act.

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

Mr. ASHLEY. I yield to the gentleman from Ohio.

Mr. WYLIE. I believe there is a wealth of difference between saying we should encourage trade with nations with which we have diplomatic relations so far as export control is concerned, and this bill which authorizes loans from a bank. We license companies to do business with any country with which we have diplomatic relations. Here we are dealing with the Export-Import Bank which makes loans to nations to finance exports. I believe there is a wealth of difference, because my amendment concerns the making good loans to countries; in this case most of them behind the Iron Curtain. Export licensing through the Export Control Act involves private corporations doing a cash business in most instances.

Over and beyond that, as I say, this Bank is the creature of the Congress. It is the creature of this body and of the other body. We ought to provide certain guidelines insofar as its operations are concerned, whereas in the general overall picture of trade in the world today that is a different concept, more political than financial, in my judgment.

Mr. ASHLEY. I really find it a little difficult to accept the distinction. What the gentleman seems to be saying is that it is quite appropriate for the Congress to prohibit the Export-Import Bank from making loans to Communist countries with which we are not at war, but it is quite all right for private commercial banks to make those very same loans to the very same countries.

What on earth could justify this dis-

tinction? Shall we say it is all right to do privately what we will not do publicly? What kind of hypocrisy does this represent?

Mr. WYLIE. Present language in the bill provides that the Export-Import Bank shall not guarantee, insure, or extend credit to any country dealing with our enemies if the President determines that any such transaction would be contrary to the national interest.

Mr. ASHLEY. That is right.

Mr. WYLIE. This places the President of the United States in the position of being a banker.

Mr. ASHLEY. No. The gentleman is entirely mistaken on that. There would have to be the finding by the President first, before the loan is transacted.

Mr. WYLIE. It says:

> The Bank shall not guarantee, insure, or extend credit, or participate in the extension of credit in connection with the purchase of any product * * * if the President determines that any such transaction would be contrary to the national interest.

Mr. ASHLEY. It is perfectly clear that the Bank is not going to engage in the transaction and then put the question to the White House. It is going to put the question to the White House and then make the transaction if the finding is affirmative.

Mr. WYLIE. Whether it is a condition precedent or a condition subsequent, it is still putting the President in the position of being a banker.

Mr. ASHLEY. Who on earth is in a better position to make foreign policy decisions than the President of the United States, who is vested with that very responsibility by the Constitution?

Mr. WYLIE. I believe that is the whole difference between us. In the Export Control Act we are concerned about foreign policy decisions. In this bill we are talking about the Export-Import Bank acting like a bank. We are placing the President in the position of making decisions for a bank as a lending institution.

The Bank has a great history, which has been laudable since it was created in 1934, by Executive order of President Roosevelt, and made an independent agency of Congress in 1945. The Congress of the United States created it. It has had an excellent history of making loans and money has been coming back into the Bank.

The point I make is that the Export-Import Bank is not supposed to be in the political arena. It is supposed to be loaning money to countries with the assurance that those countries will then deal with the United States and the United States will be able to export its goods to them.

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

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

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

Mr. ASHLEY. I yield to the gentleman from Wisconsin.

Mr. REUSS. On this question of the position of the administration, would not the gentleman from Ohio agree with my reading of the record? The record as I read it shows that Mr. Kearns, the President of the Export-Import Bank, when asked about the provision of the bill lifting the embargo on export-import guarantees for Eastern Europe, said that the administration's position would be made clear by the State Department, through Mr. Trezise.

Is it not further clear from the RECORD that when Mr. Trezise testified on page 601 of the hearings, he was asked by you, the gentleman from Ohio, the following:

> Most certainly we are not legislating for the moment, we are hopefully legislating in a responsible way on a prospective basis.
>
> Would it not be the hope that this particular kinship that we seem to have for Rumania might be extended to Poland, Czechoslovakia, and others in the near future?
>
> Would that not be more or less our national aim?
>
> Mr. TREZISE. Well, I think my answer is "Yes", and that this is entirely possible, if not probable.
>
> The statement is, as you see, drafted with some care. The reference to Rumania is qualified by "under present circumstances".
>
> If the Congress sees fit to give the President discretionary authority, I trust that authority will be available generally.

Now, if the English language means anything, that means that the administration wants, as does the gentleman from Ohio, to end the senseless policy in which we cut off our own exports and weaken the dollar and the security of this country while our friends and allies in Europe do the trading with Eastern Europe. Is that not a fair statement?

Mr. ASHLEY. The gentleman makes an eminently accurate statement, and he is quite right, particularly with respect to the expanding market represented by Eastern Europe, which now comprises some 16 percent of total world trade. Yet the U.S. share of the trade with Eastern Europe is only 3 percent. The rest of the world has 97 percent. Why is this? It is because of this ambivalent, counterproductive policy that we have insisted on pursuing.

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

Mr. ASHLEY. I yield to the gentleman.

Mr. WYLIE. Since my name was mentioned, I would like to respond to the gentleman from Wisconsin.

I think he has made an argument in favor of my amendment. As I stated earlier, Rumania has been found not to be dealing with North Vietnam and therefore it is being considered for an Export-Import Bank loan. If Poland or the Soviet Union or Red China or any other Communist nation will agree not to deal with North Vietnam, I would say let the Export-Import Bank consider a loan to it. That makes my point precisely.

Mr. REUSS. Will the gentleman yield further?

Mr. ASHLEY. I yield to the gentleman.

Mr. REUSS. What Mr. Trezise is saying is that it is the object of our national policy to loosen up Eastern Europe and try to inculcate a little independence there. If they occasionally send a cargo of chickenfeathers to Hanoi, we do not want to allow that to inhibit the power of the Export-Import Bank to advance export sales of the United States, and thus strengthen the dollar and improve our national security. It is as simple as that.

Mr. ASHLEY. It does seem to me to be as simple as that.

Mr. Chairman, I conclude by saying that the Export Administration Act of 1969 did state the policy, which is the policy of the United States today; namely, that it is our purpose to encourage trade with all nations with which we have diplomatic relations. It is entirely possible—and hence the caveat expressed in this legislation—that there may be diplomatic situations which would justify an aberration in our trade policy. It is for this very reason we say that of course the President shall have the authority to determine whether transactions are in the interest of the United States, but by and large I think it must be emphasized it is the policy of the United States to encourage trade with all of the countries with whom we have diplomatic relations.

Mr. BLACKBURN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

Mr. HALL. Mr. Chairman, I renew my point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Ninety-six Members are present, not a quorum.

The Clerk will call the roll.

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

[Roll No. 181]

Addabbo	Fascell	Morgan
Alexander	Foley	Morse
Anderson, Tenn.	Ford, William D.	Murphy, N.Y.
Baring	Frelinghuysen	Nichols
Bevill	Grasso	Pelly
Biester	Hansen, Idaho	Pepper
Bow	Hansen, Wash.	Pettis
Brasco	Hébert	Pirnie
Brooks	Hicks, Mass.	Purcell
Burton	Hogan	Reid, N.Y.
Caffery	Howard	Roberts
Carey, N.Y.	Jones, Ala.	Rooney, N.Y.
Carter	Jones, Tenn.	Rosenthal
Clark	Kastenmeier	Roush
Clay	Kemp	Ruppe
Conyers	Landrum	Scheuer
Corman	Leggett	Sikes
Danielson	Long, La.	Sisk
de la Garza	McCulloch	Stratton
Dent	Mann	Stubblefield
Derwinski	Mathis, Ga.	Teague, Tex.
Diggs	Matsunaga	Thompson, N.J.
Dingell	Mayne	Tiernan
Donohue	Melcher	Udall
du Pont	Mikva	Vander Jagt
Dwyer	Mills, Ark.	Wampler
Edmondson	Monagan	Wilson, Charles H.
Edwards, La.		

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCFALL, 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. 8181, and finding itself without a quorum, he had directed the roll to be called, when 351 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. When the point of order was made that no quorum was present the gentleman from Georgia (Mr. BLACKBURN) had been recognized for 5 minutes.

The Chair now recognizes the gentleman.

Mr. BLACKBURN. Thank you, Mr. Chairman.

Members of the Committee, at the time the quorum was called we were taking under consideration the Wylie amendment to the bill now before the Committee.

What the Wylie amendment would do would be to terminate the possibility of any Export-Import Bank financing of trade with those nations which might be trading with other nations engaged in actual combat with this country.

Mr. Chairman, the present language which is in the bill would change this legislative mandate from an absolute prohibition to a discretionary function vested in the executive branch of the Government.

Mr. Chairman, as the Export-Import Bank Act now provides, there is a legislative prohibition against trading with countries who are trading with enemies of this country and time of actual combat.

The testimony of Mr. Kerns before the Subcommittee on International Trade of the Committee on Banking and Currency was that the administration does not support the proposed change. Thus we are left without any clear-cut executive direction.

Mr. WYLIE in response to a question stated that the executive branch of the Government does not have any position but that it is willing to leave this matter to the will of the House.

Gentlemen, our responsibility is to be answerable to the people of the United States in deciding what is in their interest and what they want us to do.

To me this matter is a relatively simple one. If we are going to ask the American public and the fathers and mothers of this country to allow their sons to be committed to military actions, as directed by their Nation's leaders, if we are going to ask the taxpayers of this country to support military activities in furtherance of American policy when foreign policy commitments require military action, then a question arises, do we have the right to ask the same American parents and the same American taxpayers to allow their tax dollars to finance countries which are in turn assisting those nations that are opposed to us and in actual combat with us? To me the matter is very simple. Our responsibility to the people we represent is to take action to insure that their resources are not used on both sides of a conflict. To allow such mutually destructive use of our resources, both men and treasure, would be a form of national suicide.

I do not pretend that I can speak for all of the American public, nor can I speak for all of the people in my own congressional district, but I do suspect there is an overwhelming sentiment in this country of opposition to the proposition of allowing tax dollars to be used to finance countries that are trading with the enemies of our own country.

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

Mr. BLACKBURN. I yield to the gentleman from Ohio.

Mr. WYLIE. The gentleman from Wisconsin (Mr. REUSS) suggested that the Export-Import Bank should not be prohibited from loaning money to Red China because Red China might send a load of chickens to North Vietnam.

The gentleman from Georgia has made my point precisely and that is that we are not talking about a load of chickens. We are talking about permitting financing through a bank, if you please, which is a creation of this Congress, and an agency of the United States, to make loans to improve the economy of countries which help finance the activities of a nation killing American boys.

I think the gentleman has put his finger on the crux of my amendment, which provides one simple thing, and that is that the Export-Import Bank is prohibited from loaning money to a country which is supplying aid to North Vietnam.

Mr. BLACKBURN. I thank the gentleman for his observation. I think it is pertinent to point out that Red China is today providing, estimates I have seen run as high as 80 percent, the small arms and ammunition being used by the North Vietnamese against American forces in South Vietnam.

Any provision for financial assistance to Red China would be indirectly an assistance to our enemies in North Vietnam.

Mr. Chairman, let me make one further observation. If we make any change, if we allow any change to be made in the existing language, in the language that is now in the act, it is going to be interpreted by the executive branch of Government as being a desire to liberalize our trade policy with Communist countries and a desire to extend credit to countries trading with North Vietnam. I for one do not want to go on record as proposing or supporting any such change.

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

Mr. BLACKBURN. I shall be glad to yield to the gentleman.

Mr. HUNT. I take this opportunity to compliment the gentleman from Georgia who is supporting the amendment which has been offered by the gentleman from Ohio (Mr. WYLIE). The gentleman from Georgia has put his finger directly on the sore spot.

Just this past week one of our great news media here in Washington, which shall remain nameless at this time, announced that the aid that Red China was furnishing to North Vietnam was a gratuity in support of North Vietnam. You know, however, a very strange thing happened on the same day and this has caused me to make up my mind to support this amendment.

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

Mr. HUNT. Mr. Chairman, I ask unanimous consent that the gentleman from Georgia may proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

Mrs. ABZUG. Mr. Chairman, I object.

Mr. HUNT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Georgia.

Mr. BLACKBURN. I appreciate the gentleman from New Jersey's making the observations that at the very time that Red China, the principal supplier of small arms to North Vietnam announced an extension of its agreement to provide war materiel to North Vietnam, it is now being proposed on the floor of the House that we change existing language in the authorization of the Export-Import Bank which would have the direct result of encouraging trade not only with Red China but with other Communist countries.

Mr. HUNT. That is exactly what some people want. But, on the same day that it was announced in this particular news media that Red China was going to continue to extend her gratuitous help to North Vietnam, the same newspaper in the adjoining column carried an article to the effect that three members of the Armed Forces of the United States had been killed at Danang by an enemy rocket.

Mr. Chairman, we know where the rockets are made. I cannot see the Export-Import Bank loaning money to Red China for the purpose of producing arms or armament that will continue to kill American soldiers. I think it is asinine, to say the least.

Mr. REES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, and members of the committee, I would ask for a "no" vote on this amendment. I think that the President should have the widest latitude in terms of expanding American trade. I think that trade policy, especially with Eastern Europe and Red China, is something that changes on a day-to-day basis. If we of the legislative branch, in a law which will last for the next 5 years as the law of the country, put in an absolute prohibition, we will find that we will tie the hands of the Executive and not allow him the flexibility that he should have.

I have seen in several important cases where the Executive would like to liberalize trade with Eastern European countries such as Yugoslavia, but has been prevented from doing so by this Congress at a time when Yugoslavia was trying to decentralize their country and become more of a market economy, oriented to the West something supposedly our foreign policy is for.

Under this bill it means the Export-Import Bank could not finance any goods to a country at war with the United States and, No. 2, any goods that would move out of a country later, being supplied by this country, to a country at war with the United States. And then down at line 14 it reads:

> The Bank shall not guarantee, insure, or extend credit, or participate in the extension of credit in connection with the purchase of any product, technical data, or other information by a national or agency of any nation if the President determines that any such transaction would be contrary to the national interest.

This ties in very directly with the President's power in regard to the Department of Commerce and the issuance of export licenses. In combination with the issuance of export licenses the President can determine himself if he wishes to have transactions with a country such

as Red China or those in Eastern Europe. I think that we have to give the President the power to use his discretion.

Just in the last few months we have been noting Ping-Pong diplomacy with Red China; we have been talking about perhaps extending trade to Red China. This is under a Republican administration. I think whether it be a Republican administration or a Democratic administration that the President should have that flexibility.

I think this bill is a good bill. It gives the President the power he needs to view the problem of our national interests. Therefore, Mr. Chairman, I would urge that the amendment proposed by the gentleman from Ohio (Mr. WYLIE) be voted down.

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

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

Mr. CRANE. Mr. Chairman, there has been a point made twice today during the debate by my distinguished colleagues, the gentleman from Ohio and the gentleman from California, which suggests very strongly that there should be an extension of discretionary power to the President in the area of foreign policy.

But it seems to me a little inconsistent that those who very recently have been very outspoken in their criticism of the conduct of our foreign policy by the executive branch, have been very outspoken in their determination to try to restore some of the legislative prerogatives that have been relinquished over this past generation to that executive branch, should at this particular time seek to give discretionary power to the executive branch, that has been resident in the legislative branch, and which the distinguished gentleman from Ohio (Mr. WYLIE) would seek to retain in this body.

Mr. REES. I believe that, when the Congress starts legislating specific restrictions in the area of foreign trade or starts legislating in the area of American investment in other countries, that we are putting restrictions into the law which, in the long run, will hurt American business, hurt American investments overseas. That is why I think the amendment offered by the gentleman from Ohio (Mr. WYLIE) would be a bad amendment. There is nothing in this bill that would prevent Chase Manhattan or Bank America from financing of like types of exports. The restriction is in the licensing authority to export to a country in Eastern Europe or Red China. That is where the restriction is, and you do not need two restrictions. Why make it doubly difficult for American businessmen to do business?

Mr. CRANE. Mr. Chairman, if the gentleman will yield further, I do not think that that is the issue involved in this discussion of the amendment offered by the distinguished gentleman from Ohio (Mr. WYLIE) whether we should deny the extension of credit or financial trade to Communist or non-Communist countries. It is a question of where the power should be to make that determination. In other words, the President could just as well restrict the financing of exports as the Congress, but the proper location of the power is in the latter branch.

Mr. COLLIER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think one point has been made here that should be clarified.

The previous speaker indicated that it was not the responsibility, at least from his point of view, that the Congress legislate in the area of foreign trade. I submit that the Constitution of the United States specifically directs the Congress of the United States to establish trade relations and it is not the prerogative nor the right of the executive branch of the government to perform this function. It becomes quite evident when only those powers which are granted to the Executive by the Congress in the area of foreign trade become his responsibility, and I think we must remember it is solely not only the duty but the responsibility of the Congress to direct the policies of foreign trade of this country.

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

Mr. COLLIER. I yield to the gentleman.

Mr. BLACKBURN. I would like to ask the gentleman if he would not agree that although the Congress in the past has been derelict in the delegation of too much responsibility to the executive branch of Government and that this would be a good area in which we should exercise our responsibility?

Mr. COLLIER. I would say—yes, in a general way, and specifically in the area of foreign trade the Congress regretfully abdicated its responsibility in the 1962 Trade Expansion Act. Looking back in retrospect, I cannot quite find anything that developed that would justify calling that legislation a trade expansion act because, indeed, it was not.

There were those who were willing to give to the executive branch of the Government a blank check to cut tariffs without full reciprocity and the right to control in the process they merely abdicated their constitutional responsibility.

I would hope that at some point in our history the Congress would once again reestablish its responsibility in this field and reassume its constitutional obligation to the people of this country.

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

Mr. COLLIER. I yield to the gentleman.

Mr. ROUSSELOT. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio (Mr. WYLIE).

I want to associate myself with the remarks of the gentleman from Illinois (Mr. COLLIER) which I think are absolutely correct. Congress on too many occasions has abdicated its clear responsibility under the constitution to regulate foreign commerce. I think that is the main issue before us in this particular amendment. I think we must reassume that authority and do it now.

Mr. Chairman, I rise in support of the Wylie amendment and I do so, Mr. Chairman, for the following reasons:

First. It is entirely appropriate while our American military men are engaged in a critical battle in South Vietnam that the Export-Import Bank be absolutely prohibited from financing trade with any nation that supports another nation with which U.S. forces are engaged in armed conflict, declared or otherwise.

Second. The Constitution of the United States of America clearly delegates to the Congress, not the President, the full power and authority "To regulate Commerce with foreign Nations—article I, section 8—therefore, as the gentleman from Illinois (Mr. COLLIER) and the gentleman from Ohio (Mr. WYLIE) have previously stated, this clear responsibility which each Member of Congress has to his constituency, and to the Nation as a whole, should not be delegated away or abandoned.

Third. It is important to maintain the concept in the present law, known as the Fino amendment, in this legislation before the House today. It has been the sense of Congress that these carefully defined prohibitions on the Export-Import Bank should be maintained while our American men are being asked to give up their lives in South Vietnam.

No one in this Congress would have contemplated the idea of having the Export-Import Bank and/or the President be allowed the discretion of guaranteeing loans or making loans to any country that was dealing with Nazi Germany during the time that we were at war with that nation from 1941 to 1945. In my opinion, the situation today is parallel to that condition of the 1940's. The American people would, by the voting process, have removed any Member of Congress who supported that kind of thinking at that time, and in my opinion would do so today were they here to participate in referendum on this same issue.

I once again compliment the gentleman from Ohio in offering this important amendment to this legislation which I intend to support.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall be very brief. It has been rather fascinating to me today to hear the discussion about the powers of the President when it comes to the conduct of foreign affairs. I have listened to this discussion in the context of a discussion that was held on the floor of the House a couple of weeks ago.

It seems to me that the President is as qualified and authorized to be in effect the Commander in Chief with respect to trade and those matters of foreign affairs as he is in military affairs.

I realize that Emerson said, "Foolish consistency is the hobgoblin of small minds." But, frankly, it seems to me that both my colleagues on this side of the aisle and my colleagues on the other side of the aisle could afford to be guilty of a little more consistency, whether it be foolish or not.

I think we were right 2 weeks ago when we granted to the President the authority to conduct negotiations with respect to the termination of hostilities in Southeast Asia. I think we would be right today to give to the President the discretion to continue to conduct our relations with foreign nations with re-

spect to foreign trade and foreign affairs and I join in support of the amendment.

Mr. FINDLEY. Mr. Chairman, as author of several amendments some years ago which had much the same effect as the one offered by the gentleman from Ohio, I feel I should take just a moment to explain that I have changed my view. Perhaps I can justify it because conditions themselves have changed materially. Back in the mid-1960's many of us thought we were trying hard to achieve a military victory in Vietnam. The action of Congress in accepting my amendments was to impose economic sanctions, to try to tighten down through nonmilitary means upon the enemy and upon those who were supplying the enemy. That to me then was thoroughly justified, and as I look back to that period, it was justified. But today no one surely thinks we are trying to win the war militarily in Vietnam. I believe the time has come to shed the vestige of that earlier period and open trade opportunities for our Nation with the countries of Eastern Europe and elsewhere in the world. I thank the gentleman.

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

Mr. BROWN of Michigan. I yield to the gentleman from California.

Mr. HANNA. I wish to commend the gentleman for his statement and say that as far as the powers of the Congress are concerned, it is clear that the powers of Congress include the expansion of trade. That is one of the things that this country stands for and one of the things that make it great, starting with the clipper ships of yesteryears. It seems to me that you have to make a case if you are going to put an impediment on trade. It seems to me we are up against a rock in hard places. In each particular instance we have to make a distinction as to whether we are dealing with a country that is shipping pig iron to one of our enemies or whether they are shipping chicken feathers. That is a decision you cannot lay down in a piece of legislation. You have to designate someone with the power to make such a decision. The gentleman is correct. The President ought to have the power to make this kind of decision.

Previous legislation made it impossible to make the distinction between materials which would be used against our boys, as the saying goes, or whether the material was a commodity which was in no way related to our war effort. The President is the person best suited to make that kind of decision. Is that not the point the gentleman is making?

Mr. BROWN of Michigan. That is correct. The policy the gentleman from California is talking about was recognized in the Export Administration Act. We are not talking about the financing of all exports to those countries, because most is done through the private sector and would be unaffected by this amendment. All we are saying is that where the President thinks it would be in the interest of this country to extend the benefits of the Export-Import Bank, he can do so, and I am satisfied that this President will not abuse that discretion nor will he exercise it unwisely.

Mr. RARICK. Mr. Chairman, I rise to ask several questions of the chairman of the committee. I was wondering if during the hearings, the committee took testimony on the extension of $5 million in Export-Import credits to the Government of Chile to buy U.S. military equipment. Was that matter brought up?

Mr. ASHLEY. No, it was not. I do not believe that that will be found in our hearings.

Mr. RARICK. I think that this committee is entitled to know of this transaction since it is pretty well-acknowledged that the Government of Allende in Chile is Marxist-oriented. It has been branded communistic of a breed similar to Castro's Cuba.

I would call the gentleman's attention to the transcript of the Department of State press briefing on June 30, 1971, just a little over a week ago. At that time it was announced that there had been extended to the Government of Chile $5 million in credits to buy U.S. military supplies, which were identified as one C–130 aircraft, paratroop equipment—without further explanation—and also the leasing of a seagoing vessel to the Chilean Navy which was identified as the *Arikara*.

I would like to read this transcript of the State Department press briefing on the extension of $5 million in Export-Import credits to the Government of Chile to buy U.S. military equipment. It is very short, but extremely important, because it indicates a deliberate act on the part of this Government to circumvent the provisions of the Export-Import Bank Act.

The transcript follows:

TRANSCRIPT OF DEPARTMENT OF STATE PRESS BRIEFING

JUNE 30, 1971.

Q. Charlie, can you confirm that the United States has granted Chile $5 million in credits for the purchase of military equipment?

A. My understanding is that in response to a Chilean request, we have agreed to extend up to $5 million in credit in this fiscal year (FY 1971) for the purchase of U.S. military equipment.

"Grant" has a special technical connotation in this context, which is why I said "extend credit."

This is within the range of amounts that we have extended to Chile in recent years; basically, the equipment contemplated is some paratrooper equipment and a—that is, one—C–130 aircraft.

Q. Can we put this in a bit of a time frame, Charles? The fiscal year ends at midnight tonight. When was this decision made, and when was this extension offered?

A. The decision was made fairly recently, Gary.

I'm not quite sure I understand what you mean by "extension."

Q. Well, you're offering them $5 million—up to $5 million credit for the purchase of military equipment—presumably there's a certain time period that these transactions would require.

A. No, I don't—

Q. The fiscal year ends in twelve hours.

A. Well no, in that respect, there is no extension required. The case is opened with this fiscal year's funds—they can be expended in subsequent year or years.

Q. Charles, I didn't hear what was included besides the C–130 aircraft.

A. Some paratroop equipment—on which I have no further details now.

Q. Charles, is extension of Export-Import Bank Loans to Chile to buy commercial aircraft in this country being held up pending a settlement of the copper dispute?

A. I am going to have to fall back, I think, on some reasonably delphic langauge, here John (or maybe it's unreasonably delphic language, depending on where you stand) and say that this question of the pending sale of commercial airliners is essentially a banking matter which will be decided on its merits.

Q. Well—any idea when, Charlie?

A. No, can't predict when it will be made.

Q. Would you say that the copper dispute has an input into the consideration?

A. No comment.

Q. Wasn't there an armed Navy ship also mentioned in the article we are all talking about, this morning?

A. No, I think it was a seagoing tug—the *Arikara*, which we are leasing to the Chilean Navy for a period of five years.

Q. That was just one C–130?

A. One—"a" C–130.

Q. Thank you.

[The briefing was terminated at 12:56 p.m.]

Mr. ASHLEY. I am a little surprised at the comments of the gentleman, because in 1969 amendments were adopted into the law stating that—

No funds or borrowing authority available to the Export-Import Bank of the United States shall be used by such bank to participate in any extension of credit in connection with any agreement to sell defense articles and defense services entered into with any economically-less-developed country after June 30, 1968.

Mr. RARICK. May I say to the chairman that the question was asked at the briefing as to whether this $5 million extension of credit of military equipment to Chile was for the fiscal year ending 1971 specifically? Whoever handled the interview asked if this would expire in 12 hours, when the fiscal year 1971 expired, and the answer was that no extension was necessary—that the funds could be expended in a subsequent year or years when the Chilean Government made the request. The interview posed unanswered questions only on the problems created by the Chilean Government nationalizing U.S. copper interests in that country.

Would the chairman agree that granting Export-Import Bank credits to the Marxist Government of Chile, which must be a decision made by the President of the United States, will be questioned by many Americans as not being in the best interests of the American people or of our many Latin American friends?

Mr. ASHLEY. Whatever kind of litmus paper test does the gentleman expect the Bank to perform in determining its known policies?

Mr. RARICK. I was only asking the gentleman if this was discussed in the hearing.

Mr. ASHLEY. I have responded in the negative to the gentleman.

Mr. RARICK. The American people have also heard in recent days about a $700 million Mack truck factory to be constructed in the Soviet Union. Is this also to be financed in whole or in part by the Export-Import Bank?

Mr. ASHLEY. My recollection, if the gentleman is talking about the Fiat transaction, is this.

Mr. RARICK. My question had to do with the Mack truck transaction.

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

Mr. RARICK. I yield to the gentleman from California.

Mr. REES. Mr. Chairman, the Mack truck transaction is an independent contract between the Mack truck business and the Soviet Union. To date, they have not applied for any credit, whether in Export-Import Bank credits or credits from private banks. This is a separate contract.

Now, vis-a-vis Chile, the president of Chile happens to be Marxist, but I tell the gentleman now the armed forces are not Marxist.

This was a loan application put in long before the Marxist government was elected by the people of Chile.

I think we have to get away from looking at these situations as black and white and look at them rather as grays.

Mr. RARICK. I think rather we have to look at them as red or shades of red.

Are we preparing to arm the President of Chile to attack his neighbors? Paratroopers are usually regarded as an offensive arm unless they are used domestically as shock troops to suppress popular uprisings.

Many Americans are quite conscious that U.S. vessels that were loaned to other Latin American countries have been used to capture our fishing boats. We have just within the week recovered U.S. fishermen from Marxist Allende's Communist comrade Castro in Cuba.

Mr. REES. If the gentleman wants them to become Communist and politically aimed with the Soviet Union, his policies might be the best thing.

Mr. RARICK. He may not be directly alined with Communist Russia, but he is in bed with Communist Cuba and its imperialistic dictator Castro.

Mr. WYLIE. Mr. Chairman, I think I should clarify what my amendment does, because there is a great deal of sand in the air about what it does not do.

My amendment would simply retain in the law the prohibition against the financing of trade through loans from the Export-Import Bank with any nation which furnishes by direct governmental action, goods, supplies, or military assistance to any country with which we are engaged in armed conflict that is now or in the future. Today it applies only to North Vietnam.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. WYLIE).

TELLER VOTE WITH CLERKS

Mr. WYLIE. Mr. Chairman, I demand tellers.

Tellers were ordered.

Mr. WYLIE. Mr. Chairman, I demand tellers with clerks.

Tellers with clerks were ordered; and the Chairman appointed as tellers Messrs. WYLIE, PATMAN, BLACKBURN, and ASHLEY.

The Committee divided, and the tellers reported that there were—ayes 207, noes 153, not voting 74, as follows:

[Roll No. 182]

[Recorded Teller Vote]

AYES—207

Abbitt	Gross	Price, Tex.
Abernethy	Grover	Pryor, Ark.
Andrews, Ala.	Hagan	Quie
Archer	Haley	Quillen
Ashbrook	Hall	Randall
Aspinall	Halpern	Rarick
Baker	Hammer-schmidt	Reid, Ill.
Belcher	Harsha	Rhodes
Bell	Harvey	Robinson, Va.
Bennett	Hastings	Robison, N.Y.
Betts	Hays	Roe
Blackburn	Heckler, Mass.	Rogers
Bray	Henderson	Rousselot
Brinkley	Hicks, Wash.	Roy
Brooks	Hillis	Runnels
Broomfield	Hosmer	Ruth
Brotzman	Hull	Sandman
Brown, Ohio	Hungate	Satterfield
Broyhill, N.C.	Hunt	Saylor
Broyhill, Va.	Hutchinson	Scherle
Buchanan	Ichord	Schmitz
Burke, Fla.	Jarman	Schneebeli
Burleson, Tex.	Johnson, Calif.	Schwengel
Burlison, Mo.	Johnson, Pa.	Scott
Byrnes, Wis.	Jonas	Sebelius
Byron	Jones, N.C.	Shipley
Camp	Kazen	Shoup
Carter	Keating	Shriver
Cederberg	Keith	Slack
Chamberlain	Kemp	Smith, Calif.
Chappell	King	Snyder
Clancy	Kuykendall	Spence
Clausen, Don H.	Kyl	Springer
Clawson, Del	Landgrebe	Stafford
Cleveland	Latta	Stanton, J. William
Collier	Lent	Steele
Collins, Tex.	Lloyd	Steiger, Ariz.
Colmer	Lujan	Steiger, Wis.
Conable	McClure	Stephens
Coughlin	McCollister	Talcott
Crane	McDade	Taylor
Daniel, Va.	McDonald, Mich.	Teague, Calif.
Davis, S.C.	McEwen	Terry
Dennis	McKevitt	Thompson, Ga.
Devine	McKinney	Thomson, Wis.
Dickinson	McMillan	Thone
Dorn	Macdonald, Mass.	Vander Jagt
Dowdy	Mahon	Waggonner
Downing	Martin	Ware
Duncan	Mathias, Calif.	Watts
Edwards, Ala.	Michel	Whalley
Esch	Miller, Ohio	White
Eshleman	Mills, Md.	Whitehurst
Evins, Tenn.	Minish	Whitten
Fisher	Mizell	Widnall
Flood	Montgomery	Wiggins
Flowers	Myers	Williams
Flynt	Natcher	Winn
Ford, Gerald R.	Nelsen	Wolff
Forsythe	O'Konski	Wright
Fountain	Pelly	Wyatt
Frey	Perkins	Wydler
Fulton, Pa.	Pickle	Wylie
Fuqua	Pike	Wyman
Galifianakis	Poage	Yatron
Gettys	Poff	Young, Fla.
Giaimo	Powell	Young, Tex.
Goldwater	Preyer, N.C.	Zion
Goodling	Price, Ill.	Zwach
Griffin		

NOES—153

Abourezk	Brown, Mich.	Eckhardt
Abzug	Burke, Mass.	Edwards, Calif.
Adams	Byrne, Pa.	Eilberg
Albert	Carney	Erlenborn
Anderson, Calif.	Casey, Tex.	Evans, Colo.
Anderson, Ill.	Celler	Findley
Anderson, Tenn.	Chisholm	Fish
Andrews, N. Dak.	Clark	Foley
Annunzio	Clay	Fraser
Ashley	Collins, Ill.	Frelinghuysen
Aspin	Conte	Frenzel
Badillo	Conyers	Fulton, Tenn.
Barrett	Cotter	Gallagher
Begich	Culver	Garmatz
Bergland	Daniels, N.J.	Gaydos
Biaggi	Davis, Ga.	Gibbons
Bingham	Delaney	Gonzalez
Blatnik	Dellenback	Green, Oreg.
Boggs	Dellums	Green, Pa.
Boland	Denholm	Griffiths
Bolling	Diggs	Gude
Brademas	Dingell	Hamilton
	Dow	Hanley
	Drinan	Hanna
	Dulski	Harrington
	Hathaway	Monagan
	Hawkins	Moorhead
	Hechler, W. Va.	Morgan
	Helstoski	Morse
	Holifield	Mosher
	Horton	Moss
	Jacobs	Murphy, Ill.
	Karth	Nedzi
	Kee	Nix
	Kluczynski	O'Hara
	Koch	O'Neill
	Kyros	Passman
	Leggett	Patman
	Link	Patten
	Long, Md.	Pepper
	McClory	Price, Ill.
	McCloskey	Pucinski
	McCormack	Railsback
	McFall	Rangel
	McKay	Rees
	Madden	Reid, N.Y.
	Mailliard	Reuss
	Mazzoli	Riegle
	Meeds	Rodino
	Metcalfe	Roncalio
	Miller, Calif.	Rooney, N.Y.
	Mink	Rooney, Pa.
	Mitchell	Rosenthal
		Rostenkowski
		Roybal
		Ryan
		St Germain
		Sarbanes
		Scheuer
		Seiberling
		Sisk
		Smith, Iowa
		Smith, N.Y.
		Staggers
		Stanton, James V.
		Steed
		Stokes
		Sullivan
		Symington
		Tiernan
		Ullman
		Van Deerlin
		Vanik
		Vigorito
		Waldie
		Whalen
		Yates
		Zablocki

NOT VOTING—74

Addabbo	Grasso	Obey
Alexander	Gray	Pettis
Arends	Gubser	Peyser
Baring	Hansen, Idaho	Pirnie
Bevill	Hansen, Wash.	Podell
Biester	Hébert	Purcell
Blanton	Hicks, Mass.	Roberts
Bow	Hogan	Roush
Brasco	Howard	Ruppe
Burton	Jones, Ala.	Sikes
Cabell	Jones, Tenn.	Skubitz
Caffery	Kastenmeier	Stratton
Carey, N.Y.	Landrum	Stubblefield
Corman	Lennon	Stuckey
Danielson	Long, La.	Teague, Tex.
Davis, Wis.	McCulloch	Thompson, N.J.
de la Garza	Mann	Udall
Dent	Mathis, Ga.	Veysey
Derwinski	Matsunaga	Wampler
Donohue	Mayne	Wilson, Bob
du Pont	Melcher	Wilson, Charles H.
Dwyer	Mikva	
Edmondson	Mollohan	
Edwards, La.	Mills, Ark.	
Fascell	Minshall	
Ford, William D.	Murphy, N.Y.	
	Nichols	

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: Page 7, line 25, strike out "(2)" and all that follows down through page 8, line 16.

Mr. VANIK. Mr. Chairman, the amendment which I offered would simply strike from this bill the provision which would exempt and remove from the debt ceiling and from the combined budget the borrowings of the Export-Import Bank.

In my opinion this is a very bad provision which should be deleted from the present bill.

In other respects I support the legislation. I think the legislation is necessary and wise, but the provision contained in the present law which this amendment seeks to remove is the section which would remove the borrowings of the Export-Import Bank from both the combined budget and from the debt limitation.

Mr. Chairman, it seems to me that we have reached a point in this country where we ought to be truthful about our borrowings. I think there is a great need for putting it on the record and keeping it there.

Mr. Chairman, the language in the bill which I seek to remove flaunts the advice of the Comptroller General of the United States who stated before the committee that there should be full disclosure of the debt of the United States. It flaunts the advice of the President's bipartisan Commission on Budgetary Concepts.

For these reasons this amendment should be adopted.

This language in the bill would give the appearance of clearing $3 billion or $4 billion of the debt and would leave an erroneous impression that the Federal debt is less.

I therefore ask, Mr. Chairman, that this Committee accept this amendment and provide for the inclusion of this Export-Import borrowing in the debt ceiling, and in the combined budget.

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

Mr. VANIK. I yield to my distinguished colleague, the gentleman from North Carolina (Mr. JONAS).

Mr. JONAS. Mr. Chairman, I would ask my friend, the gentleman from Ohio (Mr. VANIK) if it is not true that all of the language beginning with "in accordance" on line 5 on page 8, and running through to the end of the line 16, is in fact surplusage?

Mr. VANIK. It is unnecessary language which my amendment strikes out.

Mr. JONAS. I agree with the gentleman from Ohio that this language is surplusage anyway, and therefore it should be stricken.

Mr. VANIK. It should be stricken. It is not necessary.

Mr. JONAS. I agree.

Mr. VANIK. It is not necessary to have it in the bill.

Mr. JONAS. That is correct.

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

Mr. VANIK. I yield to the gentleman from Georgia.

Mr. BLACKBURN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. I thank the gentleman from Georgia.

Mr. Chairman, again I urge the adoption of the amendment.

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

Mr. ASHLEY. I yield to the gentleman.

Mr. RAILSBACK. I gather from your earlier remarks, and I just wanted to see if I was correct—is it not also true that these loan amounts that may be made in 1 year, under the present system are reflected as expenditures and all of the loan repayments are naturally made in later years. Also, the operations have been so successful that dividends have been paid to the Treasury. It really in not an accurate picture to have these loans shown as budget outlays.

Mr. ASHLEY. It is not an accurate picture. The gentleman is 100 percent right. He understands exactly the problem facing the operation of the Eximbank at this time.

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

Mr. ASHLEY. I yield to the gentleman.

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

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

Mr. FINDLEY. Is it a fair statement that the more business the Export-Import Bank does, the better off the American people are?

Mr. ASHLEY. There is no doubt about that. That is in terms of jobs, that is in terms of dollar stability, and that is in terms of the entire national economy.

Mr. FINDLEY. There is no question either that the effect of the amendment will be to curtail the potential business the Export-Import Bank could do. Is that correct?

Mr. ASHLEY. There can be absolutely no question about that, because if the gentleman's amendment is adopted, it will mean that in order for the bank to do a higher volume of business in financing American exports, there will have to be a budget impact of enormous proportions. The gentleman says, "Well, it is not honest to do it in any other way." I could not disagree with that more. There is no attempt—and I say it is very much to the contrary—to withhold information from the Congress or the American people. In fact, under the bill before us the bank is required to prepare annual budgets for submission through the Office of Management and Budget to the Congress so that the Appropriations Committee can continue to have the responsibility of reviewing and recommending the administrative budget of the Eximbank. Furthermore, the bank's borrowings from the Treasury must be approved as to amount, interest rates, and the timing of the issues. So in both terms of executive oversight and in terms of congressional oversight there is ample opportunity for review.

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

Mr. ASHLEY. I yield to the gentleman from California.

Mr. HANNA. I wish to associate myself with the comments the gentleman is making. Let me point out to the House this basic fact: There are only three ways we are going to be able to deal with our balance-of-payments problems, and do so effectively. One I think would be to get a sharing of security costs with the free world. The second would be to have equitable access to all the markets of the free world. But the third is to arrange financing for our exports. That matter is before us, and it will serve the interests of this country.

Mr. GROSS. Mr. Chairman, I rise in support of the amendment.

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

Mr. GROSS. Mr. Chairman, let us make no mistake. One of the main purposes of this bill is to exclude the receipts and disbursements of the Export-Import Bank from the total of the budget of the U.S. Government; to exempt that Bank from any annual expenditure and net lending limitations imposed on the budget.

In 1966, President Johnson appointed the members of the Commission on Budget Concepts. Chairman of that Commission was the former Secretary of the Treasury, David Kennedy, and among the members was the Comptroller General of the United States, Mr. Elmer Staats, and the chairmen of the House and Senate Appropriations Committees, including Mr. MAHON and Mr. Bow. The Commission's staff director was Robert Mayo, who recently served as Director of the Bureau of the Budget.

The purpose of the Commission was to recommend to the President guidelines with respect to the budget and with particular reference to programs which should be included or excluded from the budget totals.

The Commission reported in the fall of 1967 and that report was unanimous. According to Comptroller General Staats, the report recommended that all loan programs operated by entities in which the capital stock is owned by the Government or which have recourse to Federal funds should be included in the budget on a net lending basis. That is to say, the budget totals include the difference between loan outlays or disbursements on one side, and loan reimbursements or repayments on the other side.

On May 20, 1971, Mr. Staats, the Comptroller General, appeared before the Banking and Currency Committee. Let me read from his statement:

> As you know, the General Accounting Office has over many years favored the principle of full disclosure to the Congress and review by the Congress of the budgetary programs submitted by the Executive Branch. In our view excluding the Export-Import Bank's receipts and disbursements from the budget totals would establish a highly undesirable precedent since the exclusion could with equal logic and justification be applied to other loan programs.
>
> In my opinion, it is impossible to differentiate between this program and other loan programs in the budget. It would open the door to excluding other programs, a weakening of the budgetary process, and reduce the ability of the Congress to establish budgetary priorities. The objectives of the legislation could be accomplished with equal effectiveness by an amendment to the Expenditure Control and Limitation Act or by administrative action by the Office of Management and Budget to increase the limit on expenditures for the Bank.
>
> Our position is consistent with the conclusion of the President's Commission on Budget Concepts of October, 1967, that all loan programs operated by Federal entities in which the capital stock is owned by the Government should be included in the budget on a net lending basis.

On May 13, 1971, less than 2 months ago, Mr. MAHON addressed a letter to the Banking and Currency Committee, and I quote from that letter by the chairman of the House Appropriations Committee. He said:

> I incline heavily to view that it would be unwise to exclude a wholly-owned government enterprise from the budget totals. It would be something of a precedent that others might well seek to take advantage of, and that is what especially troubles me.
>
> Now that the House has decided that we should not have an overall expenditure ceiling beginning on July 1, I trust that your committee will see fit to delete the provisions in question.

Mr. Chairman, this amendment ought to be adopted. It is only fiscal respon-

sibility that we see to it that there is some oversight, and conformance with the budget of the United States.

Mr. REES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to oppose the amendment. It is also, I understand, opposed by the present administration. The Members might not realize it, but the United States is in trouble with our trade international balance and with the status of the dollar overseas. Just a couple of months ago we read about the fact that the German mark was being revalued vis-a-vis the dollar. In our trade balance in the last 2 months we have had negative for the first time in 21 years. We find our capital account, which is money going in and out of U.S. investments, has been deteriorating.

If this country does not start developing a unified trade policy and begin worrying about our balance of payments overseas we will be in more trouble economically than we are now in these troubled times. When our balance of payments goes to pot we are in deep trouble.

This is a field I dealt with professionally for quite a few years before I was elected to Congress. I know the United States has to export. To do that we have to be able to compete, and to do that we have to have a facility like the Eximbank that can give American exporters the terms—that means low interest and long term loans—so that we can compete with the nations of Asia and Europe, and with the European Common Market.

I would like to address myself to the specific bill. The bill does exempt the Eximbank from the budget, but we have to remember that they are dealing primarily with contingent money—loan guarantees for the most part. They are not specific loans made by the Eximbank for the ABC Export Co. They are guarantees made for instance to the Chase Manhattan Bank or the Bank of America for a line of credit to an American company to export goods to other countries.

If we are supposed to take contingent liabilities and consider them to be a part of the national debt, we might as well take all the accounts insured by the FDIC and say that every insured bank deposit should be a part of the national debt. But this is basically contingent debt that we are talking about.

To effectively compete in the world market we have to have the flexibility so our trade balance can increase without undue restrictions. We have a year-and-a-half lag in the Federal budget. The budget that we are working on now is for a fiscal year that started last week.

So if we have this medium term inflexibility in the budget vis-a-vis the Export-Import Bank, which is primarily a guaranteeing institution and not a lending institution, we will find we could have so much inflexibility that when the American exporters need that credit to export to build up our trade balance the money might not be there.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I agree with the gentleman about the dire straits in which our trade balance is, but we are giving away about $13 billion a year in foreign aid, loans, one facet and another. I would have thought that would have been a more efficient way to bring our trade balance in bounds.

I wonder if the gentleman can tell me exactly how taking the Export-Import Bank out of the unified budget is going to seriously restrict foreign trade?

Mr. REES. I just mentioned it puts in a rigidity.

Mr. LONG of Maryland. Exactly what is that rigidity?

Mr. REES. The rigidity is the year and a half it takes for the legislative branch to pass on to the executive branch budget.

If the gentleman will look at page 8 of the bill, he can see the President is required to give the Congress, every year, a complete report on exactly what the Eximbank is doing. If this body does not like what the Bank is doing, we can change the law to restrict certain activities or by putting them back into the budget.

But by having them in the budget, they are building an inflexibility by a year and a half. For example, based on what the current trade is now, the committee might set a very low level, and all of a sudden the trade might start increasing. In a year and a half it would still take another year and a half to adjust to what that new trade might be.

Mr. LONG of Maryland. Can the gentleman cite chapter and verse as to exactly where and at what time this has held down our trade and exports? Is the gentleman postulating a theory rather than an actual condition, a kind of vague apprehension?

Mr. REES. I believe it is a very live apprehension.

Again, remember that we are not talking about specific appropriation. We are talking basically about guarantees to American exporters, guarantees made to American banks.

Mr. HANNA. Mr. Chairman, I move to strike the requisite number of words.

I believe there can be a good deal of confusion, Mr. Chairman, which would be unfortunate in respect to this important measure.

In the first instance, let me say that Mr. Staats is subject to some correction if he said there is no distinction between this lending and the other lending the United States does.

May I point out to the gentlemen here, who I am sure are aware of this, that for the other lending or for other guarantees the Government has an interest, and as to this we are providing the money at a lower than market interest rate or are taking an extra risk because of the type of person to whom the loan is being made. As to the Eximbank, neither one of these things is true.

The Eximbank operation is a hard loan window. It operates on market interest rates. It lends money to people who have a demonstrable capability to pay it back. It has a track record which will back up that assertion.

The thing which the gentleman from California (Mr. REES) was trying to point out, and which the gentleman from Maryland evidently did not catch, is that if we have the restriction of the budget on the operation of the bank over and above whatever restrictions we put on in terms of the amount of money we authorize for them to lend, or to operate guarantees on, that will have a very unpredictable effect on the bank, which will curtail commitments already made on the basis of what they thought the Congress told them they could do, which the Congress now tells them they cannot do.

As a businessman, let us say that I go to the bank and say, "Lend me some money to make this deal with a customer abroad so that the people in my factory will have jobs building this particular piece of equipment." The bank says, "All right; we will make a commitment, Mr. Hanna." Then I start on the business of doing this. Then they call me on the telephone, about two or three weeks later, and say, "Pardon me, we have to cancel that commitment because the budget boys have told us there is not that much flexibility in the budget."

Well, now, what way of doing business is that? If you were a businessman and subject to this, would this encourage you to help out the United States of America and its balance of payments problem? I suggest to you that it would not. That is why the administration came to us and that is why the Treasury is for this bill and that is why the administrative authorities on the highest levels have asked us to support this measure.

Excluding Exim from the U.S. budget, as proposed, in no way harms or attacks the integrity of the U.S. budget. By all rational judgment, Exim does not belong in the budget in the first place.

Removing Exim from the U.S. budget will clarify the budget and will remove the irrational restrictions which being in the budget places on Eximbank, a bank which is profitable and which uses no appropriated funds. Constraining the activity of Exim for budgetary reasons in the same manner as we constrain the activities of other Government departments and agencies makes no sense at all.

The removal of Eximbank from the budget is called for by the fact that the bank performs a unique service as a Government entity. Most Government agencies spend money at a cost to the taxpayers. Exim, to the contrary, lends money, generating a profit to the taxpayers. Furthermore, among the lending agencies of the Federal Government, Eximbank has the distinction of making hard loans at current interest rates to low-risk borrowers who have proven their ability to repay the loans.

The testimony heard by members of the Banking Committee during our 6 days of hearings on this legislation, and material gathered and examined by the committee members and staff over the past few months, provide overwhelming evidence: First, that the bank is being unduly and unwisely constrained by its inclusion in the unified budget, second, that removing Eximbank from the budget is the only viable solution to the Bank's problems and therefore removing

the Bank from the budget is not only warranted but necessary, third, that because of the Bank's nature and uniqueness such removal is defensible from an accounting standpoint and most certainly will not set a precedent, and fourth, that so removing the Bank will not, in any way, lessen the review and control which the Congress has over Bank activities.

Under the unified budget concept, first adopted in the fiscal year 1969 budget, Eximbank's net loan disbursements are accounted for as budget expenditures rather than as loan receivables, even though the money disbursed will soon return with interest; its collections from repayment of principal and interest on outstanding loans are accounted for as receipts, or offsets to budget outlays. We are in a period of extensive expansion in world trade. In such a period it is only natural that a profitmaking lender will have a "net lending outlay." It is not very sound business practice to regard this as a negative budgetary expenditure. A commercial lender would not regard this as an expenditure, but that is how Exim appears in the Federal budget.

The negative impact on the budget attributed to Eximbank amounted to $246 million in fiscal year 1969 and $219 million in fiscal year 1970. However, for these same periods, under generally accepted accounting procedures—that is, where one asset—cash—is exchanged for another asset—a loan receivable—the Bank's operations actually showed profits of $104 million in fiscal year 1969 and $110 million in fiscal year 1970.

Further, the Bank paid a $50 million dividend to the general fund of the Treasury in fiscal years 1969 and 1970, as it has over the past several years, and the Bank has, in fact, paid since its inception a total of $706 million in dividends on its capital stock investment.

The inclusion of Eximbank in the budget was brought about by the adoption of the unified budget in fiscal year 1969, which resulted from the recommendations of the President's Commission on Budget Concepts—the Kennedy Commission. The Kennedy Commission recommended that all Federal credit programs be included in the budget. This recommendation was, and is, sound and valid except in the case of Eximbank which is unlike any other Federal lending program in the budget.

The Commission noted that most all Federal loans were either at very low-interest rates—say, 2 or 3 percent—or were for extraordinary long terms—say, 25, 30, or 40 years—or were to persons whose credit worthiness could not justify the extension of loans on normal terms. The bad debts resulting from such loans are quite high.

Thus, the term "soft" loans applies to such Federal credit programs, and they are properly included in the budget. Such soft loans, even when repaid in full, entail the repayment over such a long period of time and at such a low rate of interest that there is a substantial cost to the Government.

Eximbank, on the other hand, makes only "hard" loans.

Eximbank's interest rate is currently 6 percent or higher; its terms are those normal for commercial trade and average about 7½ years. As required by its basic statute, the Bank seeks "reasonable assurance of repayment" in all of its loans. In fact, loans written off since the inception of the Bank total only two-one hundredths of 1 percent of loan disbursements made over that time.

Finally, I think that the Congress must keep in mind the critical role played by the Eximbank in our balance-of-payments situation. As I see it there are three approaches that must be taken jointly to provide a favorable balance of payments: First, we must encourage other free world nations to accept a much greater share of the burden of collective security than is now the case, second, we must insure our access to the markets of the free world, and third, we must have competitive trade financing in order to keep these profits from going to the credit facilities of other industrialized nations. The House is in a position today to take an important step toward the third approach by extending and improving the operation of the Eximbank.

Clearly then, the Bank is different from other Federal lending institutions. Equally clearly, exclusion of the bank from the U.S. budget does not attack the integrity of the U.S. budget and does not set a precedent for removing other lending programs from the budget.

Another very important fact, discussed in detail on page 6 of the committee's report on H.R. 8181, is that excluding the bank from the budget in accordance with H.R. 8181 will not, in any way, diminish the control and review which Congress has over the bank's programs and activities. Four specific dollar limitations set by the Congress on the bank's program activities and administrative expenses will continue to be included annually as a separate title of the foreign assistance and related agencies appropriations acts.

Thus, it is with strong conviction and a sense of urgency that I ask my colleagues to join with me in voting for passage of this very important legislation.

Mr. GERALD R. FORD. Mr. Chairman, will the gentleman yield to me?

Mr. HANNA. I yield to the gentleman from Michigan.

Mr. GERALD R. FORD. Let me say that up until we initiated the unified budget the Export-Import Bank operated just as we proposed it operate under the committee bill before us today.

Mr. HANNA. That is right.

Mr. GERALD R. FORD. I happened to be on the subcommittee of the Committee on Appropriations for a number of years that had jurisdiction over the Export-Import Bank's budget. At that time we did not have the unified budget. That subcommittee regularly reviewed the Export-Import Bank operations. For an experimental reason we put the Export-Import Bank operations under the unified budget. I have not seen the Export-Import Bank improve its operations because it has been under the unified budget. As a matter of fact it has been handicapped in the functioning and the responsibility of the Export-Import Bank because it has been forced to operate under the unified budget. Let us go back to the way we had it when it operated well and where I think it can operate better in the future than it has in the last 2 or 3 years.

Mr. HANNA. I agree with the gentleman, and I wish to assure the House that this is the way they ought to vote.

Mr. BURKE of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today, because I feel that the time has come for this body to begin to attack the whole question of this country's foreign trade policies in a comprehensive and uniform manner, rather than in a piecemeal manner, which has been the traditional approach, I am afraid, over the years. The fact is that the bill under consideration and the Export-Import Bank itself are crucial elements in this policy. While I hesitate to tackle something like the Nation's Export-Import Bank, fearful that it might be looked upon as akin to attacking such venerable institutions as motherhood and apple pie, I feel the time has come for a serious reexamination of all the elements in this country's trade picture and that means the sacred cows in our society such as the Export-Import Bank and its role in all of this. Obviously, over the years the Bank has performed yeoman's service in the cause of increasing this Nation's exports. Obviously, this country cannot afford to ignore the fact that similar institutions exist in other countries around the world. But that does not mean that we cannot make suggestions for constructive reform of this institution and, if need be, criticize certain aspects of its performance and put forth some ideas about how it should be performing in the future.

What I am getting at is this: In recent months pressure has grown for a complete review of this Nation's foreign trade policy. This is not a surprising development, particularly when one considers the dismal trade figures of the past 2 months. It is not surprising when one considers the rising unemployment figures for the past several months. Considerable concern has been expressed on this floor about the wholesale export of American jobs. As a matter of fact, lately it seems that this is the only export this country seems to excel at—exporting American jobs. We seem to have the field to ourselves and do not seem to meet with much foreign resistance to this kind of export. Most speakers on the subject have focused on the need for some form of quota legislation. We know the AFL–CIO is preparing a whole legislative package which will go considerably further in meeting this problem than any proposals currently before committees of this House. In view of this concern and these plans, I think we should not just rubber-stamp this Export Expansion Finance Act, because what we do here today has a direct bearing on this Nation's trade policy. The fact is that while it is true the Export-Import Bank has been around a long time and we have grown used to it, its practices in the past have sometimes contributed to the export of American jobs. Considerable capital machinery has been exported from this country to other countries with Eximbank assistance, only to manufacture goods to flood our markets and cost American workers their jobs. The magic

combination of highly technical American machinery and cheap foreign labor has proved an unbeatable combination in one American market after another. With the Bank's bias toward medium- and long-term financing, it is only natural that most of the deals in its portfolio represent the sale of American capital goods and machinery to potential foreign competitors.

I am not going so far today as to say it should all be stopped. I realize that to some extent if we did not sell these goods, other countries would. What I am saying is that while we are about the business of crying about the further loss of jobs in this country, let us realize how some of them are being lost. This institution under consideration today accounts for part of the story. We should vote today with our eyes wide open. I feel this Bank owes the Congress a complete breakdown of where its credits are going, what products are being financed, and how the sale of these goods affects the trading figure of our trading pictures. There is no question that in exempting Eximbank from the unified Federal budget and exempting the Bank from annual expenditure or budget outlay ceilings, we are providing this institution with considerably more freedom than they now enjoy to go on making and increasing this kind of financing. Make no mistake about it. Every Member here should realize what he is doing on this vote. It sounds great. Let us encourage exports. But let us face it, there is a price we pay in the name of encouraging exports. This institution will be looking to the domestic money market for the bulk of its funds. Insofar as it does, it will be competing directly with other financial institutions seeking to meet other domestic needs. This has to have an effect on the interest rate structure in our money markets. The funds in turn will then be supplied to foreign firms at prices competitive with foreign interest rates. Any difference in what it costs to raise the money and what can be realized on the loans is subsidized by the American taxpayer. Similarly, the discounting facilities promised by this Bank in the future to encourage private banks to participate in its financing arrangements may well have to be conducted at a loss to be absorbed again by the taxpayers.

A fact which leads me to another provision of this bill about which I am greatly disturbed and that is that in the future the Federal Reserve may not limit banks or financial institutions in their credits to extend export financing. In other words, export credits to foreign companies will be exempted from the voluntary credit restraint program. Banks will be free to use up their whole ceiling under this program to loan to foreign firms and/or subsidiaries of the multinational firms. This is bound to have an undesirable effect on this Nation's balance of payments program, even though it is being done in the name of encouraging exports. This is being offered as an incentive to the private banking sector to make more loans to small exporters. At present, the banks are turning many of these people down with the excuse that the voluntary restraint program makes it impossible. I predict here today that banks will still be turning down the small man interested in exporting or the small importers in a foreign country, because they will still be using as their criteria in granting credit such factors as total profitability of the account relationship, potential future business, compensating balances, volume transactions, letters of credit, and transfer and remittance orders. What will happen is that now the total amount of the VFCRP ceiling will now be available for the banks' prime rate customers, the multinational firms. It will also allow the larger banks increased latitude for investment in foreign banks and financial institutions, something which the original Federal Reserve program was supposed to discourage or curb.

In conclusion, all the elements in our international trade policies are interdependent. What we do to encourage exports may well end up encouraging increased imports. If we have problems, and few can deny that we do, with our balance-of-payments picture, then we must refrain from doing, for perfectly good reasons, something which will return to plague us in another area. We can no longer afford the luxury of treating something so central in the foreign trade picture as the Export-Import Bank as a kingdom unto itself. Before proceeding with the changes embodied in this legislation, this Congress owes it to the American worker to proceed with a complete and thorough review of this Nation's whole foreign trade policy.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to make an inquiry of the gentleman from California. There are many types of lending operations which do come before the Committee on Appropriations, which are authorized, and which are in the budget. Among them are loans for the Small Business Administration, college housing, public facilities, the Government National Mortgage Association, the Farmers Home Administration, rural electric, and many other forms of agricultural credit loans. Would the gentleman advocate that we remove the Small Business Administration, for example, from congressional purview? If he does not, would the gentleman feel, for some reason, that the foreign borrower should be in a superior position to the fellow who wants to get a loan from the Small Business Administration?

I was very touched by the gentleman's statement. He says, you go to the Small Business Administration wanting some money and you are told that that is too bad because SBA does not have any money left because Congress did not authorize it. When the lid is on for the American borrower, why should it be off for the foreign borrower?

Mr. HANNA. I did not want to confuse the presentation that I was making with the gentleman's point, which is that for some reason or other this bill will affect the Appropriation Committee control over the Export-Import Bank. It will not. It has a history since 1949 of being under the Committee on Appropriations. I did not hear anybody on the Committee on Appropriations coming before this Congress saying that they were not satisfied with the controls they had over the Export-Import Bank. What we are trying to correct here is the fact that you impose on the will of the Congress this particular application of the condition of the budget on the operation of this dynamic institution.

Mr. LONG of Maryland. The gentleman answered my question.

I yield to the gentleman from Illinois.

Mr. VANIK. I thank the gentleman for yielding.

I just want to say this action in taking the Export-Import Bank out from under the debt ceiling will open a floodgate of other applicants. There are going to be others coming along, and pretty soon we will not know what our debt is. Right now our latest figure on the condition of the economy is months old. The latest figures on the receipts of the Government are in the February report. We know there has been a shortfall of revenue. We need this information in order to legislate intelligently and wisely. It ought to be in the budget, and I think it will be.

I urge adoption of my amendment.

Mr. LONG of Maryland. I would like to ask this question of the gentleman from California, who pointed out that these are hard loans and this is good money. Is it the purpose of the gentleman only to make hard loans and only have bad risks denied by the Federal Government?

Why not have some good hard loans in the debt to which we can point with pride. I do not think this should be the argument——

Mr. HANNA. I agree with the gentleman, but the fact of the matter is if you look at this thing as a sensible acccountant would do, a bank doing business takes cash as an asset and it lends it out and it takes receipts from the borrowing customer and puts them in their assets. So one asset takes the place of the other.

The Export-Import Bank does exactly what a commercial bank does. It changes one form of asset to another form of asset. But under the budget you could not offset one asset against the other. You have to call it an absolute debt until the loan is paid off. I submit that is not necessary based upon the knowledge which we have of the Export-Import Bank.

Mr. CAREY of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to respectfully differ with some of my distinguished colleagues on the great Committee on Ways and Means who seem to think we need to contribute to the deficiency or deficit which we have now. The deficit will be bad enough as it is without incurring other ways of increasing the deficit gap that now exists, no matter what is done with regard to this bill.

This makes artificial increases in the debt and the deficit because this is a hard liability and we know we are going to collect it. It is secured by the merchandise or hardware produced by American exporters with American labor. It frees our own plants to put on extra labor with which to produce goods that

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we can sell in foreign markets and thereby improve our balance of payments.

A vote against the amendment, a vote with regard to supporting those who do not want to give the Export-Import Bank this leverage, this ability to compete, is a vote to increase the deficit.

Mr. Chairman, we do not need to increase that deficit.

Further, if the gentlemen really want to play honesty games with a deficit and worry about the liability when we have collateral merchandise to back up those loans, under that theory we should include in the deficit or the liabilities of the Government the FDIC, the Federal Mortgage Corporation and their contingencies as well as many, many others and then that will really give us a gargantuan ceiling in the Federal deficit which would be around $600 billion and you would have to finance that by going in the market at the going interest rate in order to finance that $600 billion.

Mr. Chairman, I wonder how many would vote for the debt ceiling to be increased up to $600 billion because we put in the budget every possible realm of imaginative potential liability, particularly that which is furnishing employment.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CAREY of New York. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. I am afraid I would have to differ with my good friend on the Ways and Means Committee. I want to point out the fact that the Export-Import Bank finances the exportation of machinery, textile machinery and shoe manufacturing machinery to these foreign countries and thereby it is exporting jobs. That is what they are doing.

Mr. Chairman, I think our friend from Ohio has offered a good amendment here and if we want to save the jobs of the working men and women of this country I think we ought to vote with the gentleman from Ohio.

Mr. CAREY of New York. Let us agree that the shoe business is not going abroad very fast. It will be here for a long time. At least, we will have the opportunity to build machinery if we do not make the shoes. This way we will be out of the shoe business but will be in the machinery business.

Mr. BURKE of Massachusetts. And we will be out of the electronics business also.

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

Mr. CAREY of New York. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

I would like to compliment the gentleman upon his very clear explanation of what is involved here and wish to associate myself with his remarks. I think a vote for the Vanik amendment is actually a vote against the Export-Import Bank and the manner in which it functions.

Mr. CAREY of New York. It is a sort of a method by which we finance our American manufacturers and thereby provide American jobs. The American unemployment rate has reached the astronomical rate of 6 percent of the work force. You are voting not to provide jobs for the building of machinery so we can sell in competition with other nations and so we can sell in competition with them, but sell American-made machines and hardware of all kinds. If we have confidence in American business, we ought to vote down this amendment.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

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

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. VANIK).

TELLER VOTE WITH CLERKS

Mr. VANIK. Mr. Chairman, I demand tellers.

Tellers were ordered.

Mr. VANIK. Mr. Chairman, I demand tellers with clerks.

Tellers with clerks were ordered; and the chairman appointed as tellers Messrs. VANIK, PATMAN, ASHLEY, and GROSS.

The Committee divided, and the tellers reported that there were—ayes, 112, noes 249, not voting 73, as follows:

[Roll No. 183]

[Recorded Teller Vote]

AYES—112

Abbitt	Fulton, Tenn.	Powell
Abernethy	Garmatz	Quillen
Abourezk	Gaydos	Rarick
Abzug	Griffiths	Riegle
Albert	Gross	Roe
Andrews, Ala.	Haley	Rooney, N.Y.
Archer	Hall	Roy
Ashbrook	Harsha	Runnels
Badillo	Hays	Ryan
Begich	Hechler, W. Va.	Satterfield
Bennett	Hull	Saylor
Blackburn	Ichord	Scott
Blatnik	Jonas	Seiberling
Brademas	Jones, N.C.	Shipley
Bray	Karth	Smith, Calif.
Brinkley	Kyros	Smith, Iowa
Brooks	Lennon	Snyder
Broomfield	Link	Steed
Buchanan	Long, Md.	Steiger, Ariz.
Burke, Mass.	Lujan	Stokes
Burleson, Tex.	McClure	Stuckey
Byrne, Pa.	McEwen	Symington
Byron	McMillan	Thompson, Ga.
Clawson, Del	Macdonald, Mass.	Ullman
Crane	Mahon	Van Deerlin
Daniel, Va.	Martin	Vanik
Daniels, N.J.	Mazzoli	Veysey
Davis, Ga.	Miller, Ohio	Watts
Delaney	Mink	White
Dennis	Minshall	Whitten
Dorn	Mollohan	Wilson, Charles H.
Dowdy	Montgomery	Wolff
Eckhardt	Nix	Wyatt
Edwards, Calif.	O'Konski	Wydler
Evins, Tenn.	Passman	Wyman
Flynt	Pickle	Young, Fla.
Fountain	Pike	Zion
Fraser		

NOES—249

Adams	Biaggi	Cederberg
Anderson, Calif.	Bingham	Celler
Anderson, Ill.	Boggs	Chamberlain
Anderson, Tenn.	Boland	Chappell
Andrews, N. Dak.	Bolling	Chisholm
Annunzio	Brotzman	Clancy
Ashley	Brown, Mich.	Clark
Aspin	Brown, Ohio	Clausen, Don H.
Aspinall	Broyhill, N.C.	Clay
Baker	Burke, Fla.	Cleveland
Barrett	Burlison, Mo.	Collier
Belcher	Byrnes, Wis.	Collins, Ill.
Bell	Cabell	Collins, Tex.
Bergland	Camp	Colmer
Betts	Carey, N.Y.	Conable
	Carney	Conte
	Carter	Cotter
	Casey, Tex.	Coughlin
	Hosmer	Randall
	Hungate	Rees
	Hunt	Reid, Ill.
	Hutchinson	Reuss
	Jacobs	Rhodes
	Jarman	Robinson, Va.
	Johnson, Calif.	Robison, N.Y.
	Johnson, Pa.	Rodino
	Kazen	Rogers
	Keating	Roncalio
	Kee	Rooney, Pa.
	Keith	Rosenthal
	Kemp	Rostenkowski
	King	Rousselot
	Kluczynski	Roybal
	Koch	Ruth
	Kuykendall	St Germain
	Kyl	Sandman
	Landgrebe	Sarbanes
	Latta	Scherle
	Lent	Scheuer
	Lloyd	Schneebeli
	McClory	Schwengel
	McCollister	Sebelius
	McDade	Shoup
	McDonald, Mich.	Shriver
	McFall	Sisk
	McKay	Skubitz
	McKevitt	Slack
	McKinney	Smith, N.Y.
	Madden	Spence
	Mailliard	Springer
	Mathias, Calif.	Stafford
	Meeds	Stanton, J. William
	Metcalfe	Stanton, James V.
	Miller, Calif.	Steele
	Mills, Md.	Steiger, Wis.
	Minish	Stephens
	Mitchell	Sullivan
	Mizell	Talcott
	Monagan	Taylor
	Moorhead	Teague, Calif.
	Morgan	Teague, Tex.
	Morse	Terry
	Mosher	Thomson, Wis.
	Moss	Thone
	Murphy, Ill.	Tiernan
	Myers	Vander Jagt
	Natcher	Vigorito
	Nedzi	Waggonner
	Nelsen	Waldie
	Obey	Whalen
	O'Hara	Whalley
	O'Neill	Whitehurst
	Patman	Widnall
	Patten	Wiggins
	Pepper	Williams
	Perkins	Winn
	Poage	Wright
	Poff	Wylie
	Preyer, N.C.	Yates
	Price, Ill.	Yatron
	Price, Tex.	Young, Tex.
	Pryor, Ark.	Zablocki
	Pucinski	Zwach
	Quie	
	Railsback	

NOT VOTING—73

Addabbo	Grasso	Nichols
Alexander	Gray	Pelly
Arends	Hansen, Idaho	Pettis
Baring	Hansen, Wash.	Peyser
Bevill	Hébert	Pirnie
Biester	Hicks, Mass.	Podell
Blanton	Hogan	Purcell
Bow	Howard	Rangel
Brasco	Jones, Ala.	Reid, N.Y.
Broyhill, Va.	Jones, Tenn.	Roberts
Burton	Kastenmeier	Roush
Caffery	Landrum	Ruppe
Conyers	Leggett	Schmitz
Corman	Long, La.	Sikes
Danielson	McCloskey	Staggers
de la Garza	McCormack	Stratton
Dent	McCulloch	Stubblefield
Derwinski	Mann	Thompson, N.J.
Dingell	Mathis, Ga.	Udall
Donohue	Matsunaga	Wampler
du Pont	Mayne	Ware
Dwyer	Melcher	Wilson, Bob
Edmondson	Michel	
Edwards, La.	Mikva	
Ford, William D.	Mills, Ark.	
	Murphy, N.Y.	

So the amendment was rejected.

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. ICHORD. Mr. Chairman, I take this time to direct a question to the

chairman of the committee and also to the ranking member. I will insist that we address ourselves to this question. I am frank to admit that I do not have the answer. I am not here to offer an amendment at this time, but I want to place this problem in the RECORD to make certain that the committee, the Congress, and the Export-Import Bank address themselves to the problem in the weeks and months ahead.

I have been following the bond market, Mr. Chairman, and I know that recently some of the airlines—one in particular—issued bonds for the purchase of 747's, 707's, and 727's.

I know also, Mr. Chairman, that these bonds have been sold at par bearing an interest rate of 11.25 percent. Admittedly the airlines are in a very peculiar financial position. Some of them are on the verge of bankruptcy. We know our commercial airlines are in competition not only with other U.S. airlines, but also with airlines from Germany, England, France, as well as various other countries around the world.

I know also that this particular agency has financed foreign competitors in the purchase of American aircraft at a rate of 6 percent interest. Think of what a serious disadvantage, competitively, this puts the U.S. airlines when they have to pay 11.25 percent interest while their foreign competitors, using U.S. taxpayers' money, which this body is appropriating, finance the purchase of their airplanes at 6 percent.

Frankly, I do not know what the answer is, but I think this body should direct itself to this very troublesome and vexing problem. It is one of the things that is similar to the mountain road: You meet yourself coming and going sometimes.

May I have the comment of the chairman of the Committee on Banking and Currency on this problem, and also the comment of the ranking minority member, as to whether this has been considered by the committee and what solution they have to offer?

We should not subject U.S. airlines to a 5.25 percent competitive disadvantage. How will they possibly survive the present period of financial depression. How can they possibly compete?

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

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

Mr. PATMAN. Mr. Chairman, certainly a remedy cannot be found by charging 11.25 percent. The solution will be to lower the rates down to the other rates—and these rates can be lowered. The prime rate has been increased in the last 24 hours which, of course, will not help.

Mr. ICHORD. How is that a solution? Let us address ourselves to the problem. I know the commercial airline companies now are paying as high as 11.25 percent interest while we with the taxpayers' money finance foreign airlines with 6-percent interest. Give me the answer.

Mr. PATMAN. There is a very simple solution, a very simple answer. We should never have repealed the RFC. It should have been available, but we do not have it now. The big banks have no competition, they can make their own terms at any interest rate. We can legislate a National Development Bank and have interest rates that would be sufficiently low that could help in this situation.

Mr. ICHORD. Where is that legislation to reach this thorny problem?

Mr. PATMAN. It is right in the Banking and Currency Committees of the House and Senate.

Mr. ICHORD. But did the gentleman consider the problem in this legislation?

Mr. PATMAN. Certainly.

Mr. ICHORD. Why did he not have something in this bill?

Mr. PATMAN. I misunderstand. It does not belong in this legislation. It belongs in the Lockheed legislation, and it will be considered when we take it up on July 13, and in the remainder of the session.

Mr. ICHORD. I hope so. I think this problem should have some consideration.

Mr. PATMAN. It will have, and there will be a remedy. The National Development Bank bill, H.R. 3550, will have a capitalization of $1 billion, and can expand on this through borrowing by 20 to 1. It could have $20 billion to help out in the situation the gentleman from Missouri raises and in solving many other economic problems.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, let us be honest. The gentleman in the well is absolutely correct.

Mr. ICHORD. Frankly, I admit I do not have the answer, and I am not prepared to offer an amendment at this time.

Mr. J. WILLIAM STANTON. The gentleman does well in pointing out the problem.

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

(By unanimous consent, Mr. ICHORD was allowed to proceed for 3 additional minutes.)

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield further?

Mr. ICHORD. I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. I believe the gentleman in the well should further recognize that today on this specific subject we are considering the export of American products abroad. We should put that in perspective with the differing interest rates. We all know exports mean jobs. I had no idea they meant so much. Jobs in manufacturing agricultural exports, in fact, are more than 87,000 full-time jobs.

Mr. ICHORD. I understand that.

Mr. J. WILLIAM STANTON. I just wanted to be fair and to bring out both sides.

Mr. ICHORD. I understand this is to finance exports, but there are also jobs at stake in the commercial airline companies that are now on the verge of bankruptcy. We are, in effect, subsidizing their foreign competitors through the practice I have just described.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for yielding.

I would like to suggest that the gentleman should look at the difference in interest rates not just from the standpoint of what they are in this country but also from the standpoint of available export financing to others, financing from other central banks, other than the Export-Import Bank, for the purchase of exports. The Export-Import Bank must be competitive with the other available financing, or the purchase of American exports would be jeopardized including aircraft exports. This is a part of the problem.

We have in this country better quality and preferred aircraft, yet financing is a factor in all these deals.

The Export-Import Bank in this legislation has been mandated again to make sure their rates are competitive with other financing of exports.

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

Mr. ICHORD. I yield to the gentleman from Iowa.

Mr. GROSS. Did the gentleman from Missouri ever think he would see as much snow in Washington, D.C., in July as he has seen in the last few minutes?

Mr. ICHORD. I still did not receive an answer to my question, I say to the gentleman from Iowa.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. MCFALL, 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. 8181) to require Federal Reserve banks to discount certain commercial paper used to finance the export of U.S. commodities, to amend the Export-Import Bank Act of 1945, to eliminate certain export credit controls, and for other purposes, pursuant to House Resolution 526, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

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

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

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

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

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

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

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

The SPEAKER. The Chair will count.

Two hundred and twenty-three Members are present, a quorum.

The bill was passed.

The title was amended so as to read: "A bill to amend the Export-Import Bank Act of 1945, to eliminate certain export credit controls, and for other purposes."

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 526 the Committee on Banking and Currency is discharged from the further consideration of the bill S. 581.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PATMAN moved to strike out all after the enacting clause of the bill S. 581 and to insert in lieu thereof the provisions of H.R. 8181, as passed, as follows:

That (a) this Act may be cited as the "Export Expansion Finance Act of 1971".

(b) The Export-Import Bank Act of 1945 (12 U.S.C. 635 and following) is amended as follows:

(1) Section 2(a) of such Act is amended by inserting "(1)" immediately after "SEC. 2. (a)" and by adding at the end thereof the following new paragraph:

"(2) The receipts and disbursements of the Bank in the discharge of its functions shall not be included in the totals of the budget of the United States Government and shall be exempt from any annual expenditure and net lending (budget outlays) limitations imposed on the budget of the United States Government. In accordance with the provisions of the Government Corporation Control Act, the President shall transmit annually to the Congress a budget for program activities and for administrative expenses of the Bank, which budget shall also include the estimated annual net borrowing by the Bank from the United States Treasury. The President shall report annually to the Congress the amount of net lending of the Bank, including any net lending created by the net borrowing from the United States Treasury, which would be included in the totals of the budget of the United States Government if the Bank's activities were not excluded from those totals as a result of this section."

(2) Section 2(c)(1) of such Act is amended by striking out "$3,500,000,000" and inserting in lieu thereof "$10,000,000,000".

(3) Section 7 of such Act is amended by striking out "$13,500,000,000" and inserting in lieu thereof "$20,000,000,000".

(4) Section 8 of such Act is amended by striking out "June 30, 1973" and inserting in lieu thereof "June 30, 1974", and by inserting immediately following the words "Secretary of the Treasury" "or any other purchasers".

(5) Section 2(b)(1) of such Act is amended to read as follows:

"(b)(1) It is the policy of the United States to foster expansion of exports of goods and related services, thereby contributing to the promotion and maintenance of high levels of employment and real income and to the increased development of the productive resources of the United States. To meet this objective, the Export-Import Bank is directed in the exercise of its functions to provide guarantees, insurance, and extensions of credit at rates and on terms and conditions which are competitive with the Government-supported rates and terms and other conditions available for the financing of exports from the principal countries whose exporters compete with United States exporters. The Export-Import Bank shall, on a semiannual basis, report to the appropriate committees of Congress its actions in complying with this directive. In this report the Export-Import Bank shall survey all other major export-financing facilities available from other governments and government-related agencies through which foreign exporters compete with United States exporters and indicate in specific terms the ways in which Export-Import Bank rates, terms, and other conditions are equal or superior to those offered from such other governments directly or indirectly. Further, the Export-Import Bank shall at the same time survey a representative number of United States exporters and United States commercial lending institutions which provide export credit to determine their experience in meeting financial competition from other countries whose exporters compete with United States exporters. The results of this survey shall be included as part of the semiannual report provided for under this section. It is further the policy of the United States that the Bank in the exercise of its functions should supplement and encourage and not compete with private capital; that the Bank shall accord equal opportunity to export agents and managers, independent export firms, and small commercial banks, in the formulation and implementation of its programs; that loans, so far as possible consistently with carrying out the purposes of subsection (a), shall generally be for specific purposes, and, in the judgment of the Board of Directors, offer reasonable assurance of repayment; and that in authorizing such loans the Board of Directors should take into account the possible adverse effects upon the United States economy."

SEC. 2. In connection with section 2 of Executive Order Number 11387, dated January 1, 1968, and any rule, regulation, or guideline established by the Board of Governors of the Federal Reserve System in connection with a voluntary foreign credit restraint program, there shall be no limitation or restraint, or suggestion that there be a limitation or restraint, on the part of any bank or financial institution in connection with the extension of credit for the purpose of financing exports of the United States.

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

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

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

The SPEAKER. The Chair will count.

Two hundred eighteen Members are present, a quorum.

So the motion was agreed to.

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

The title was amended so as to read: "A bill to amend the Export-Import Bank Act of 1945, to eliminate certain export credit controls, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 8181) 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.

DESALTING PROGRAM EXPANSION

Mr. JOHNSON of California. 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. 9093) to expand and extend the desalting program being conducted by the Secretary of the Interior, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. JOHNSON).

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. 9093, with Mr. TIERNAN 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 California (Mr. JOHNSON) will be recognized for 30 minutes, and the gentleman from California (Mr. HOSMER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. JOHNSON).

Mr. JOHNSON of California. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Colorado, the chairman of the Committee on Interior and Insular Affairs, Mr. ASPINALL.

Mr. ASPINALL. Mr. Chairman, I take this time to speak in support of H.R. 9093, to expand and extend the desalting program being conducted by the Secretary of the Interior, and for other purposes. This is probably the most important and significant water resources related bill that the Committee on Interior and Insular Affairs will be bringing to the House in this Congress. The measure not only authorizes appropriations with which to continue this important program during fiscal year 1972, but presents a substantial rewrite of the organic legislation under which the program is conducted.

The Saline Water Conversion Act of 1952, as amended, expires by its own terms on June 30, 1972. It is therefore crucial that the Congress address itself to the question of extending this important program. In short, H.R. 9093, as reported, would extend the operation for 5 additional years—until June 30, 1977, with an additional 3-year phaseout period for termination of ongoing contracts, the preparation of necessary reports, and the liquidation of the organization and its assets.

Testimony before our Subcommittee on Irrigation and Reclamation amply supports this extension. It is endorsed by the Department of the Interior, speaking for the administration; and the facts as they

are known to our committee verify a continuing public service that can be rendered by proceeding for 5 more years.

There has been made available for expenditure, by the Office of Saline Water since inception of the program in 1952, about $210,000,000. This is, indeed, a substantial sum of money, and there are those who feel that not as much has been accomplished as was initially expected. I am one, Mr. Chairman, who is disappointed that we have not seen more dramatic achievements in terms of reducing the cost of desalted water, but I am prompt to give credit for what has been accomplished.

Some of the more notable and creditable accomplishments of this program cannot readily be measured in absolute terms. For instance, largely through the research findings of the saline water program, we now have a growing and expanding desalting industry capable of competing with other nations for the growing world market for desalting technology and hardware. This makes a positive contribution to our trade balances and our technical posture in the eyes of the world. More tangible, is the fact that the cost of water from a truly commercial, unsubsidized distillation plant has been reduced from about $4 per thousand gallons to a price today in the $0.65 per thousand gallons price range. Desalting is furnishing the water supply for a growing number of areas that have no viable conventional alternative sources. Key West, Fla.; Guantanamo Naval Base; Coalinga, Calif.; Buckeye, Ariz.; and Siesta Key, Fla., are just a few of the places where this technology now affords the best solution.

It has been said that the agency program has not really produced anything new. This is not a fair charge. The most promising process on the horizon today for conversion of brackish water is the reverse osmosis process. It has been brought forward in its entirety through research and development efforts that would not have ever been undertaken, except for the availability of supporting funds from the saline water program. Today it stands on the threshold of widespread commercial availability for the solution to problems in the size range up to 5 million gallons per day.

H.R. 9093, which will be known as the Saline Water Conversion Act of 1971, as I said earlier, does a number of things. Specifically, it repeals the existing statute and reenacts it in an improved and modernized form. Our committee believes that the bill, in its present form, takes note of the changing national needs and priorities and reflects the experience gained in the immediate past, both in terms of research findings and administrative experience.

In section 2, the bill states the recognition and policy position of the Congress to the effect that desalting along with all other techniques of water management will be required to cope with our growing water supply management problems.

Section 3 conveys basic authority and direction for the Secretary of the Interior to conduct research on saline and other chemically contaminated water in search of processes for conversion of such waters for beneficial use irrespective of their source or the causes of their contamination. It should be emphasized most carefully that the Secretary's mandate under this section is confined to water supply for beneficial use. It is not properly construed to authorize a general hunting license for the Interior Department to engage in general water quality research which is more properly under the aegis of the Environmental Protection Agency.

Section 3 also contains explicit authority for the Secretary to follow so-called spin-off findings of his water supply research only so far as necessary to document the technology and make it available for consideration by those who might appropriately pursue such research. Our committee recognized that there are byproduct discoveries stemming from this program that have potential application in other fields. Indeed, something as vital as artificial kidney machines and many food processing techniques had their origin in the OSW program. We do not, however, expect the Office of Saline Water to branch out into these areas, although there is every justification to carry such work to the point that it can be fully documented and safely stockpiled for use by others.

The bill would also authorize development and operation of test beds and modules, in addition to pilot plants. Hardware of this scope is an essential adjunct to the testing of technology carried forward under the basic research and development authority. The bill also authorizes research in brine disposal and byproduct marketing as well as economic studies to maintain factual information on the competitive posture of desalting in the water supply picture. Mr. Chairman, I want to emphasize to my colleagues that the legislation I am discussing is in the nature of an organic charter for the program. Specific programs must, in accordance with other provisions of the bill, be specifically authorized on an annual basis.

Section 4 of the bill specifically authorizes and directs the Secretary to present a feasibility report on a large-scale prototype plant within 1 year. This is a most important aspect of the legislation and will be discussed for the committee in considerable detail by the gentleman from California (Mr. JOHNSON) who chaired the subcommittee handling the legislation and who is managing the bill today.

There are other less important aspects of the organic legislation which Mr. JOHNSON will also discuss along with the annual appropriations for fiscal year 1972. In closing, I would like to say that this bill has been most carefully developed in the Committee on the Interior and Insular Affairs, it has no opposition from within the committee, and to the best of my knowledge is also keenly supported by the Department of the Interior. For these reasons, I have no hesitation in commending it to my colleagues and urge their complete support.

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

Mr. ASPINALL. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding. Did the gentleman say that there has been some $200 million expended in total on desalting experimentation?

Mr. ASPINALL. Approximately $210 million in the last 18 years.

Mr. GROSS. And that has been spent within the United States?

Mr. ASPINALL. Practically all of it has been spent within the United States. In the early years, as ~~my friend~~ knows, there was some money that was directed to some research activities in other areas. But several years ago we saw fit to eliminate this. Then last year we provided that there would be authority up to $100,000 in the expenditure for certain contracts in order to gain expertise from foreign countries, and my friend will find that in this bill that we have made possible the expenditure of approximately $108,000 this year, as follows:

(c) Not more than 2 per centum of the funds to be made available in any fiscal year for research under the authority of this Act may be expended, subject to the approval of the Secretary of State to assure that such activities are consistent with the foreign policy objectives of the United States, in cooperation with public or private agencies in foreign countries for research useful to the program in the United States.

That takes us out of the difficulty that my friend has considered through the years and to which he is making reference at the presence time.

Mr. GROSS. I am sure the gentleman is aware that $20 million was made available a year or so ago to Israel for the construction of a desalting plant. Has your committee received any progress report with respect to the expenditure of the $20 million, which is almost the annual expenditure in the United States?

Mr. ASPINALL. We know what is going on in that area of operations, but it does not come under our jurisdiction. Congressman JOHNSON will talk about that when he takes the floor in a minute.

Mr. GROSS. But the gentleman is saying that we have had no direct fallout from that experimentation as yet, is that correct?

Mr. ASPINALL. That is correct.

Mr. GROSS. Would the gentleman think that it is possible, in the light of experimentation in the United States, to now produce water through desalting plants for irrigation purposes?

Mr. ASPINALL. Of course not. My friend knows that.

Mr. GROSS. That is exactly what is proposed in Israel.

Mr. ASPINALL. But my friend has suggested that it was in Israel. We have no place in the United States at the present time where this program is in any way close to feasibility for producing water for irrigation purposes. We do have places where it is feasible for municipal purposes and also for industrial purposes.

Mr. GROSS. Yes, but it was the contention of some of us at the time, though the House gave no heed to it, that it was impossible to economically produce water for irrigation purposes, yet Congress went right ahead and gave Israel $20 million for that purpose.

Mr. ASPINALL. My friend is talking about another program. This does not come under our jurisdiction.

Mr. GROSS. I understand, but it ought to be related. There ought to be some fall-out of information to this country when $20 million is handed out for one project in a foreign country.

Mr. ASPINALL. The kind of authority we give here is not involved in this particular matter.

Mr. GROSS. I am not criticizing the gentleman from Colorado, not at all, but I would be interested in finding out what happened to that $20 million.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman.

Mr. JOHNSON of California. Mr. Chairman, that money was not to be spent until they qualified with a feasibility study. They would have to present a feasibility study first, and that $20 million has never been spent to my knowledge.

Mr. ASPINALL. That is correct.

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

Mr. ASPINALL. I yield to the gentleman.

Mr. GROSS. Then I wonder what has become of it. Has it gone into birth control or another foreign aid project or what?

Mr. JOHNSON of California. Mr. Chairman, if the gentleman will yield, this is money made available to the State Department, and when the country qualifies with a feasibility study—but as I understand it the feasibility study has never been submitted and the money has never been spent.

Mr. GROSS. Well, then, I guess I had better find out what has happened to that $20 million.

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

Mr. ASPINALL. I yield to the gentleman from Idaho.

Mr. McCLURE. Mr. Chairman, I concur with what the gentleman from Iowa, Mr. GROSS said. I was one of those who took the floor and objected to the fact that such a program was not integrated in any way with this program, and this committee was not consulted with respect to that program or grant, and it should have been at least considered by the committee that has the responsibility and oversight of our saline water programs.

I commend the gentleman from Iowa for raising this point again that was made at the time on the floor when the other legislation was considered.

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

Mr. ASPINALL. I yield to the gentleman from California.

Mr. HANNA. Mr. Chairman, I support the bill the gentleman's committee brings to the floor.

Mr. Chairman, I rise support H.R. 9093, the Saline Water Conversion Act of 1971. I have long supported the research efforts in this area. I am convinced that desalinization offers the best alternative water source for our metropolitan area in the future. The dollars we invest now in conversion research will return substantial dividends in the future. These dividends are foreseeable, first of all, in the form of lower costs to the public for water. The conversion program also offers the promise of improved water sources for irrigation and industry. The Federal Government began this research effort almost 20 years ago and, over this period, the conversion cost has been drastically reduced. We may now be on the verge of greatly expanded use of converted saline and otherwise chemically contaminated water.

I am confident that further significant reductions in costs of usable water will result from the proposed 5-year extension of the program. Considering the results we have seen so far and the potential benefit we may soon receive, we cannot afford not to extend the program.

One of the research projects in this program is getting underway in my home county. The project is a joint operation of the Office of Saline Water and the Orange County Water District. The Fountain Valley, Calif. project is an encouraging example of the ability of the Federal Government to work with local authorities and of this partnership's promotion of one of the most important technological advances of our time.

Mr. HOSMER. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. SAYLOR).

Mr. SAYLOR. Mr. Chairman, I rise in support of H.R. 9093, to expand and extend the desalting program being conducted by the Secretary of the Interior, and for other purposes. I urge the support of my colleagues for this worthwhile program.

Ever since 1967, the Office of Saline Water has annually come to Congress asking for money to run this program for another year. I am glad to report to you that this year the overall program is reduced in cost from fiscal year 1971 by over a million and a half dollars—$1,652,934—and that the Secretary of the Interior only wants $27,025,000 to run the program for fiscal year 1972.

Significantly, I think, the categories are spelled out in the bill for which funds, that are finally appropriated for the program will be spent. Research and development are not lumped together as they have been in the past, but, rather, separate amounts are authorized for each subject. For example, research expense has been allocated $5,475,000, while development has an authorization of $10,200,000. This year, only $1,425,000 is requested for building, operating, and testing modules; reduced from fiscal year 1971 by $4,170,000 because of the nonrecurring cost of the vertical tube evaporator-multistage flash module authorized for procurement during the last fiscal year. However, reduction is offset for the most part by increases elsewhere in the program, the most significant of which is the authorization of two reverse osmosis test beds costing approximately $1,000,000 each. The amounts approved for the category of administration and coordination are $2,503,000, a net increase of only $37,000. Listing the categories for which moneys are to be spent in the program sets the framework for authorizations for future years.

The language of this bill permits reprograming discretion and each of the categories I have enumerated, except for the category of administration and coordination, may be increased by 10 percent if there is a corresponding decrease in one or more of the other categories—a salutory feature, in my opinion, which allows the administrators of this program sufficient flexibility in which to accommodate the sometimes random acceptance of practicality by researchers. Administration and coordination, however, may only be augmented by 2 percent.

Last year we authorized the Secretary to engage in a limited amount of foreign research activity, specifically at the Weizmann Institute in the Republic of Israel and at the University of York in the United Kingdom. That activity has, in the opinion of the Secretary, been beneficial to the overall program and so this year, the new bill has a provision in it that would permit 2 percent of the funds appropriated under the category of "research expense" to be expended with foreign individuals and organizations to acquire skills and knowledge; provided, of course, that such expertise should not be available here in the United States.

One of the objectives in continuing the program has been touched upon already and that is to start applying the technology that has been developed to remedy existing water problems. I am filled with the hope that this objective can at last be fulfilled, for the requirements of this Nation for potable water will be most pressing by the last quarter of this century, a scant 4 years away. I recall at the beginning of this program, there were wild promises that someday we would be able to make the deserts bloom. That would be an excellent goal to achieve. So far we have not come up with a desalinization plant to accomplish this, but I, for one, will be satisfied if we can construct a large-scale desalinization plant, conquer the enormous engineering problems inherent in the construction and operation of such a plant, and at least put the technology that has been developed in this field to work producing good clean water. The direction to the Secretary, contained in this bill, to report to the Congress within 1 year on the feasibility of such a plant is a step in the right direction.

As much as I want to see some practical results flow from this program, I recognize that continued research is necessary. The bill provides for continuation of the research as well as the development activities of the Secretary in this field for an additional 5 years, from fiscal years 1973 through 1977, with an additional 3-year period for completing those activities and for preparing a final report.

Coordination with other major Federal programs, which might either utilize the technology being developed or contribute to its development, is essential in continuing this program, and this bill provides for that coordination as well as assurances that research findings shall be made available to the public.

In sum, I believe this bill will provide the authority to the Secretary of the Interior to continue and extend where advisable the desalting program begun in 1952, and it will provide for the necessary investment of public funds with a promise of capital gain to us all. I urge my colleagues to support the passage of this bill.

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

Mr. Chairman, I rise in support of H.R. 9093, a bill "To expand and extend the desalting program being conducted by the Secretary of the Interior, and for other purposes."

The purposes of this bill are to extend the saline water conversion program for an additional 5-year period; to bring the law up to date to accord with what we have learned from our research; to focus emphasis on present needs and opportunities revealed by that research, and to authorize appropriations for the program for fiscal year 1972.

This program was established by Congress in 1952, it will expire at the end of this fiscal year, except for a 3-year termination period beyond that date for then existing contracts, unless extended. During a period of almost 19 years, the Office of Saline Water has fathered the development of potentially viable desalting processes. It has not been a wizard's dream come true, but many steps in the right direction have been taken. As is usually the case with scientific endeavors, dramatic breakthroughs have not resulted. Rather, systematic and incremental solutions to problems have marked its progress and opened new avenues for exploration promising greater rewards. In this case examples are the possibility of further cost reductions in desalting brackish and saline waters, and the likely feasibility of a large-scale prototype desalting plant to verify that desalting by reverse osmosis is practicable on a large-scale basis.

If we are going to meet the burgeoning future needs of this country for potable water, extension of this program and a steady, adequate investment of funds in the work of the program for the next 5 years is necessary.

The bill we bring the House provides for the continuation of the major programs to research and develop processes to convert saline water to fresh water. It provides both for the protection of patent rights and for disclosure of the results of that research so that the technology developed during the program may be known and used by others.

Design and construction of pilot plants, test beds, and saline water conversion modules will also be authorized The bill makes provisions for the study of methods and means to recover, utilize, and market byproducts of processes developed and tested. It calls for and supports continued study of the economics of producing water fit for consumptive use from either brackish or saline waters. The bill specifically directs the Secretary of the Interior, within 1 year from the date this legislation becomes law, to prepare and submit to Congress a proposal for a large-scale prototype desalting plant. To date, we have been perfecting theory and testing models. It is now time to put the technology we have developed to the test of practicality on a major scale. It is time to meet head on the numerous practical engineering, mechanical, heat transfer, and similar problems inherent in a large-scale high-volume desalting plant. The only way to do that is to build one and make it work. Once we do that we can have confidence that we have in hand the technology required to meet our regional water supply needs at costs that are economic.

The fact that developments in the field of saline water conversion also may have uses in other water related fields, such as in the field of waste treatment, is recognized in the proposed legislation by the inclusion of language in section 6(b) to permit research on proposals that could contribute indirectly as well as directly to the attainment of the objectives of the Federal Water Quality Control Act.

The Secretary of the Interior is directed by the end of the fiscal year 1975 to report to the Congress the status of the program, including his recommendations on any further or alternate role the Federal Government should play in the future to encouraging the development and application of water desalting technology and techniques. It is hoped that the analysis contained in that report will form the basis for recommendations for desalting in accordance with the western U.S. water plan of the Colorado River Basin Project Act of September 30, 1968 (82 Stat. 885).

The appropriation authorized for fiscal year 1972 by this bill is $27,025,000, a reduction from fiscal year 1971 appropriations of $1,652,934. It is unnecessary this year to provide for nonrecurring cost items in the module program included in fiscal year 1971 funds. Categories of expenses are set forth in the bill. Where such expenditure is useful to the programs of the United States, 2 percent of the research funds authorized to be appropriated can be spent in cooperation with public or private, foreign instrumentalities if approved by the Secretary of the Interior. Significantly, the practice of requiring annual appropriations authorizations for program continuation begun in 1967 is continued.

The procedural approach of this bill is to repeal the existing law and substitute an improved law calculated to produce more, better and faster results.

The Committee on Interior and Insular Affairs unanimously recommends that H.R. 9093 be enacted and I urge the support of my colleagues to that end.

Mr. HOSMER. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. I rise in support of the bill now before the House, H.R. 9093, the Saline Water Conversion Act of 1971.

As one of the cosponsors of this legislation and a member of the Subcommittee on Irrigation and Reclamation, which considered it, I am very much aware of the need for its enactment. In my judgment, the act is an integral part of this Nation's program to provide future generations with potable water, along with other ongoing and vital water supply efforts. This would include, as well as use of fresh water supplies, reclaimed and recycled water.

As a member of subcommittee. I was privileged to take part in an on-the-site inspection of current efforts in the southern part of my State of California, which has taken the lead in these research efforts. As a result of this trip and the testimony given before the subcommittee, I became even more convinced of the necessity of continuing and expanding this program.

As has been stated, it is the considered judgment of the committee, in which I heartily concur, that the program thus far has proven very successful and, if extended for an additional 5 years, significant reductions in the cost of desalting both sea waters and brackish waters can be achieved. The current program has already resulted in a cost reduction from $3 to $4 per thousand gallons to $0.65, which is a remarkable success, in my judgment.

What is needed now, in order to bring the cost down even further, is the construction of a large scale prototype desalting plant, in order to properly and adequately test new techniques which are being developed as a result of ongoing research efforts sponsored by the Federal Government under the existing authorization and also studies being conducted independently in this field.

The legislation now before us directs that the Secretary of Interior to commence work on a proposal to establish such a prototype facility, and report back to the Congress within one year on a specific plan of action.

The legislation also provides for the extension and expansion of the ongoing research efforts and proposes to move forward on a dynamic cooperative program between Federal and State governments, educational institutions and private sector research facilities on all phases of the desalting process. Included in this would be comparative economic studies of desalting versus conventional methods of producing water for human consumption, marketing of byproducts of the desalinization process and decontamination of other chemically polluted waters, along with a myriad of further technical investigations into all phases of the program.

In addition, the development of large and economically priced supplies of desalted or otherwise decontaminated water would be a major factor in the planning of comprehensive water programs for many areas of the country and, in fact, where feasible decontamination programs are developed, would assist greatly in efforts to clean up this country's rivers and streams.

I urge my colleagues in the House to support the Saline Water Conversion Act, which was unanimously approved by our committee.

Mr. HOSMER. Mr. Chairman, I yield 2 minutes to the gentleman from Idaho (Mr. MCCLURE).

Mr. McCLURE. Mr. Chairman, I thank the gentleman for yielding.

I take this time only to underscore a part of the bill and of the report dealing with it. Section 6(b) of the bill has to do with the enhancement of the objectives of the Federal Water Pollution Con-

trol Act. I point out that in some instances when one enhances the quality of some water one may also have some effluent of the plant discharged at some other place, that may degrade the quality of the water in that area.

The bill and the report are written in such a way that the absolutes of the Environmental Protection Act do not apply to the effluent of that plant where it may be discharged, if that is necessary. I believe it is important to understand that limitation.

I believe this legislation is very important for the entire Nation. This is not simply an irrigation water project act. It is not simply for municipal and industrial water. It is for water for all the United States. I believe it deserves and demands the support of every Member of Congress.

Mr. HOSMER. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon (Mr. WYATT).

Mr. WYATT. Mr. Chairman, I thank the gentleman for yielding this time.

I should like merely to express the fact that I do deeply support this bill. During my service with the gentlemen who are presenting the bill to the House today, when I was on the Interior and Insular Affairs Committee, I became deeply interested in the desalting program primarily because of the push that was on at that time for transbasin diversion of water. I did not feel it was enough to sit idly by and negatively say I was opposed to it. I felt some obligation to find some alternative sources of water for the water-short areas.

This led to my interest in desalting, which quickly proved to me to be the most feasible substitute for transbasin diversion. This, of course, then led to the general problems of desalting and to the world water problems.

In connection with the cost, I believe we do ourselves a disservice when we point to the present cost of desalting water and say we have not gone any further than this because we must look at the real cost of other water consumed—the real cost of reclamation water; the real cost of water that is transported, in many of our States, for many miles and sold with a great amount of subsidy involved in it.

We have made substantial progress compared to the real cost of water produced from other sources. There is certainly a long way to go before we can talk meaningfully about using desalted water for agriculture, other than perhaps for highly specialized crops which bring very high market prices.

I think one of the real needs we have—and I am delighted to see it recognized in this bill—is the development and the ultimate construction of a very large-scale nuclear desalting plant, dual purpose, because until we have such a plant constructed and in operation any estimates we have as to the cost of water produced by such a plant will only be an estimate. We will not know until it is actually in operation what the cost will be.

Mr. Chairman, I strongly urge the support of this bill.

Mr. JOHNSON of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Chairman, I am pleased to be one of the cosponsors of this legislation. I believe this is an excellent bill serving a long-needed purpose. I am hopeful that it will pass and make its contribution toward solving the almost crisis-proportion problem in the field of water quality. The continuation of this excellent program of conversion of brackish and salt water to fresh water is very much needed.

Mr. JOHNSON of California. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. HOLIFIELD).

Mr. HOLIFIELD. Mr. Chairman, I rise in support of this bill.

I want to compliment the committee on bringing out this excellent piece of legislation.

Few people have made enough of a study of the water resources of this country to realize the importance of this bill. Next to clean air, clean water is the most necessary ingredient of life. We are rapidly polluting our sources of fresh, clean water. We are getting to the point here in this country where we will have to have the development of an economical way of taking care of salt water, saline water, and polluted water of all kinds. We may have to use our water over and over again.

Mr. Chairman, on this point, before we can do what we want to do in this field, we must have an adequate supply of energy, because you cannot clean water, you cannot treat sewage, and you cannot furnish the heat to turn water into steam unless you have power. In order to get fresh water out of salt water you have to have energy. That means you will have to increase the supply of electrical energy available. If you pick up your New York newspaper of today, you will see that the "Big Allis" generator in New York failed again. This is one of the largest generators in the world. It has been plagued with different troubles from time to time and has caused a drop in voltage of about 5 volts. That means that the brilliance of your lights goes down. They flicker a little bit. And your motors turn a little bit slower.

Few people realize that this is no cure for a shortage of electricity. If you go to 10 percent, your motors burn out and your elevator operations in tall buildings stop, et cetera. It is only a warning. It is no solution to our shortage of electrical energy by decreasing the voltage.

Mr. Chairman, I am putting in the RECORD tonight under unanimous consent a series of articles which have been running in the New York Times which I consider to be a very balanced set of articles on the energy problem of our country. This is tied in with the desalting of water. It is a necessary part of the solution of the problem to have an adequate supply of energy from some source. The source should be the cleanest energy source available, because in creating the energy we do not want to create additional pollution.

The desalting program is tremendously important and will become more important as our population increases.

Mr. Chairman, I think the committee is to be commended for its foresight and its vision in bringing this research and development program to us. It will mean a great deal to our people in future years.

Mr. JOHNSON of California. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. TEAGUE).

Mr. TEAGUE of California. I thank the gentleman from California for yielding to me this time.

Mr. Chairman, I compliment the committee on bringing out this excellent bill. I consider this bill to be so well established that I did not cosponsor it this year. I have introduced similar bills in the past and have always voted for this program and still plan to do so.

Mr. Chairman, I am grateful to the committee for bringing to us such an excellent program for the future.

Mr. JOHNSON of California. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Illinois (Mr. PRICE).

Mr. PRICE of Illinois. Mr. Chairman, I rise in support of this bill and I, too, like my colleague from California (Mr. HOLLIFIELD), wish to compliment the committee for bringing out what we consider to be very important legislation. I know that the House will give it its full support when we come to a vote on it later this afternoon.

Mr. Chairman, I rise in support of H.R. 9093, the bill which extends the Office of Saline Water's desalting program. In my remarks I would like to comment chiefly on the nuclear aspects of desalting.

Throughout the years as a member of the Joint Committee on Atomic Energy, I have supported the nuclear desalting program carried out by the Atomic Energy Commission. The committee has held a number of hearings over the years on this subject; and, in particular, I would like to reference two committee prints resulting from those hearings which, I believe, are of significance.

The first is the Joint Committee print "Use of Nuclear Power for the Production of Fresh Water From Salt Water," August 18, 1964. This is a comprehensive record of the formulation of the AEC–OSW joint effort and the status of desalting at that time.

In September of 1966 the committee held hearings on "Proposed Large-Scale Combination Nuclear Power-Desalting Project." This print resulted from a hearing held on September 14, 1966, dealing specifically with H.R. 17558, a bill which authorized the AEC to enter into a cooperative arrangement with the Department of Interior, the Metropolitan Water District of Southern California, and others for participation in a nuclear power desalting project. A great deal of effort and study went into this project, but unfortunately it never came to fruition. There was some delay during which definitive arrangements were discussed but never satisfactorily resolved. This was the so-called Bolsa Island plant to be located off the coast of Southern California. The estimated costs for this project at each reevaluation continued to rise and, ultimately, were deemed too high to form the basis for a satisfactory arrangement.

I would like to call to the attention of

my colleagues a fundamental study conducted in 1964 which formed the basis for our national desalting program. At the request of then President Lyndon Johnson, a cooperative study was undertaken by the AEC, the Department of Interior, and the Office of Science and Technology. The results of this study effort were released in a White House statement of October 1964 in which President Johnson quoted the words of his predecessor, John F. Kennedy, while praising the participants in the study and announcing a national desalting program. President Kennedy's words were:

> There is no scientific breakthrough, including the trip to the moon, that will mean more to the country which first is able to bring fresh water from salt water at a competitive rate, and all those people who live in deserts around the oceans of the world will look to the nation which first makes this significant breakthrough.

You are all familiar with the successful program that this Nation carried out in sending its astronauts to the moon and bringing them back safely. I personally remain hopeful that our Nation will achieve the breakthrough cited by President Johnson.

I believe that there is a common understanding among nations that there is an ever-increasing need for fresh water in many countries throughout the world. The most important need, of course, is for drinking water; but if successful large-scale plants can be developed and the cost of energy held sufficiently low, there is a significant potential application for the use of desalted water in agricultural uses as well.

Nuclear energy as the heat source for large desalting plants is a likely prospect and well worth our continued study. Nuclear plants have the advantage of economy of scale. The larger the plant, the lower the unit cost of energy will be. Our electric generating nuclear plants are now demonstrating the effectiveness of large-scale and the economies that can be achieved. These plants are approaching 1,100 megawatts electric or roughly 3,300 megawatts of heat. The amount of heat needed for a reasonably sized desalting plant will be at least several times this size.

Each year the Joint Committee on Atomic Energy, in reviewing the AEC authorizing legislation, reviews the progress that has been made in the desalting program. I regret to point out that this year no special money was requested by the administration for AEC's portion of the desalting program. The Joint Committee, recognizing the tremendous potential which this program offers, recommended in its report the addition of $1,500,000 to the civilian nuclear power research and development program, money which would be available for nuclear desalting studies.

The Commission through its Oak Ridge National Laboratory has since 1962 studied applications of nuclear energy to desalting and has engaged in cooperative efforts with several foreign nations interested in making specific studies of such applications. During the past year, joint studies were completed on: the potential of a nuclear energy center for Puerto Rico, the feasibility of dual purpose nuclear desalting plants for the New York metropolitan area over the time period 1990 to 2020; and the potential for agro-industrial complexes for the Mideast. The AEC is presently engaged in: continuation of technical assistance on a study of the potential of energy centers for India; follows-on studies to the joint United States-Mexico assessment of nuclear power and desalting for southwest United States and northwest Mexico; and cooperation with the Office of Saline Water in its joint feasibility study with the California Department of Water Resources of its 30 to 50 million gallon per day demonstration plant.

Mr. Chairman, this is work toward a fine ultimate objective. I for one will fully support both the AEC and the OSW efforts toward achieving that objective; and I hope that my colleagues in the House will do the same.

I congratulate the gentleman from California (Mr. JOHNSON) for his work and leadership in this important field.

Mr. JOHNSON of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise at this time to endorse the remarks of the gentleman from Colorado, Chairman of the full Committee, and to discuss certain other aspects of this important legislation.

Chairman ASPINALL made brief mention of section 4 of H.R. 9093 and testified to its importance. Many people knowledgeable in water resource development and water supply matters believe that our country is facing up to water shortages within this century; perhaps if not in absolute terms, at least in sectional imbalance. Accordingly, the Congress has in recent years enacted a number of statutes dealing with water resources planning on river basin and regional boundaries. These efforts are going forward at this time under the general supervision of the Water Resources Council and, with respect to the Western United States, under the supervision of the Secretary of the Interior.

One of the facts emerging from these efforts is that all technological avenues of water supply and distribution must be examined to comparable detail if we as a Nation are to make enlightened selections from among the many alternatives. Desalting of saline and brackish water is one such alternative.

While, as Chairman ASPINALL pointed out, the Federal Government has devoted something more than $200 million over the past two decades to saline water conversion and development, we still do not have an intelligent assessment of its capability for meeting long-term regional water needs.

Section 4 of H.R. 9093 represents the first step of such an assessment. Specifically, it directs the Secretary of the Interior to prepare and submit to the Congress within 1 year a feasibility report on the plan for the development of a large-scale prototype desalting plant. The bill is explicit in outlining the issues which the Secretary should consider in making his recommendations. When this report reaches the Congress, we may consider it and if the proposal has merit, we can then authorize its construction and operation. Anything short of actual development and operation of a full-scale prototype plant leaves water resources planners in the same position they have occupied for years; that is, guessing about the economics of large-scale desalting.

Mr. Chairman, what the Nation needs to know and know soon is whether or not we can indeed look to the oceans for potable water in our time. It is almost as important to learn that we cannot, if this indeed be the answer, as to learn that we can. Even a negative result would be in the public interest for then we could perhaps quit spending money on desalting research in the secure knowledge that nothing was being foregone, and turn our attention to other solutions, whether they be alternative modes of water supply or a social and political commitment to simply do without. I cannot emphasize to my colleagues too strongly the depth of my belief and the importance of going forward with a "one of a kind" large-scale desalting plant. The ultimate shape of our life in the West depends upon it.

There are other aspects of H.R. 9093 that, while not as significant perhaps as section 4, nevertheless will be of interest to Members, as follows:

Section 5 is largely the reenactment of administrative authorities which the Secretary now has under the Saline Water Conversion Act of 1952. In that sense they are "old law."

Section 6, however, undertakes to explain and establish relationships between the Saline Water Conversion program and other areas of the Federal Government which by their nature impinge on this program. One in particular to which I would like to call attention is section 6(b) having to do with the Environmental Protection Agency. EPA, as we all know, has a legislative mandate on behalf of general water quality improvement and in the exercise of this mandate is authorized to engage in research on technology. This fact suggests the possibility of overlap and duplication between the Environmental Protection Agency and the Saline Water Conversion program. Now, Mr. Chairman, none of us are interested in overlap and duplication among and between the several Federal agencies so it has been necessary for the committee to spend considerable time in designing and spelling out the relationships of these two programs as we see them. Members will want to study carefully our committee report on this topic. There it will be noted that we have drawn the interface between these two programs in terms of their mission; that is, Environmental Protection Agency to solve water quality problems, and the Office of Saline Water to solve water supply problems. Our Committee on Interior and Insular Affairs believes that the administrators of their respective programs can indeed work successfully and harmoniously within the framework of our legislation without duplication.

In addition to its provisions establishing the legislative framework in which the Office of Saline Water shall operate, H.R. 9093 also expressly authorizes appropriations in the sum of

$27,025,000 for carrying out the program during fiscal year 1972. As has been pointed out in the committee report on this legislation, the sum is approximately $1,600,000 less than was available in the immediate preceding fiscal year. This reduction is caused by the omission of a $4 million procurement item in the fiscal year 1971 program, partially offset by increases in other categories of expense. There are two major new procurements authorized by this bill, they both being in the nature of reverse osmosis test beds. One test bed, the site of which has not yet been selected, would test reverse osmosis technology on seawater. The other would be a high yield reverse osmosis test bed through the operation of which we would seek to remove up to 80 percent of the water from brackish feed sources. One can readily see that this objective would vastly simplify brine disposal at inland locations where reverse osmosis has its greatest potential.

In prior years, saline water conversion appropriations have been authorized in four categories. In H.R. 9093 we have established five categories by separating research from development. We believe this is particularly important inasmuch as the bill authorizes 2 percent of the research expense to be encumbered in foreign countries and it is therefore necessary to have a base item to which the limitation may be applied. In previous years, the Congress has not seen fit to permit foreign researchers to participate in this program. Testimony available, however, indicates that there are unique opportunities to acquire technology not otherwise available domestically and that a modest program of foreign involvement is necessary and desirable.

Mr. Chairman, this completes a necessarily brief summarization of H.R. 9093 and its justification for enactment. I am personally persuaded of the singular importance of this program to our continued economic and social health and strongly urge all colleagues to join with me in its passage.

Mr. RYAN. Mr. Chairman, section 4 of H.R. 9093, the Saline Water Conversion Act of 1971, very properly addresses a very critical matter in the development of water desalination technology. This section authorizes the Secretary of the Interior to—

> Conduct preliminary investigations . . . in order to develop recommendations for Federal participation in the construction, operation, and maintenance of prototype plants utilizing desalting technologies for the production of water for consumptive use.

I want to express my appreciation for and commendation to the chairman of the Committee on Interior and Insular Affairs, the distinguished gentleman from Colorado (Mr. ASPINALL) as well as to the distinguished chairman of the Subcommittee (Mr. JOHNSON of California), for their excellent endeavors on this legislation.

There is, however, a matter which I do want to address today, inasmuch as the issue before the House is legislation concerning water desalination. There is, in fact, already existing law authorizing the construction of a "large-scale water treatment and desalting prototype plant." This authorization exists in Section 104 of the Foreign Assistance Act of 1969, Public Law 91–175, which created a new section 219 of the Foreign Assistance Act of 1961, as amended, and was the culmination of my efforts, as well as the efforts of several of my colleagues, to secure a joint United States-Israeli endeavor aimed at advancing desalination technology, with the benefits redounding to both Nations.

Unfortunately—and without justification, I believe—this law has never been implemented, even though the Congress appropriated $20 million in fiscal year 1970, in Public Law 91–708, for the construction of this plant. As my earlier correspondence with the administration revealed, the administration was opposed to this project. Thus, the will of the Congress was thwarted.

Since the 1970 appropriation, which was not used, the administration has maintained its posture by requesting no funds to implement section 219. Thus, this project—authorized by existing law and embodying an actual executive commitment made by President Johnson to Israeli Premier Eshkol—as stated by Premier Eshkol on Jan. 19, 1969—is currently moribund.

I intend to support H.R. 9093, the bill before us today. But I want to make clear that the Congress has recognized the importance of the construction of a prototype plant, and has provided for that very construction previously.

Specifically, section 104 of the Foreign Assistance Act of 1969, Public Law 91–175, provides:

> PROTOTYPE DESALTING PLANT; PROGRAMS FOR PEACEFUL COMMUNICATIONS
>
> SEC. 104. Title II of chapter 2 of part I, relating to technical cooperation and development grants, is amended by adding at the end thereof the following new sections:
>
> "SEC. 219. PROTOTYPE DESALTING PLANT.—(a) In furtherance of the purposes of this part and for the purpose of improving existing, and developing and advancing new, technology and experience in the design, construction, and operation of large-scale desalting plants of advanced concepts which will contribute materially to low-cost desalination in all countries, including the United States, the President, if he determines it to be feasible, is authorized to participate in the development of a large-scale water treatment and desalting prototype plant and necessary appurtenances to be constructed in Israel as an integral part of a dual-purpose power generating and desalting project. Such participation shall include financial, technical, and such other assistance as the President deems appropriate to provide for the study, design, construction, and, for a limited demonstration period of not to exceed five years, operation and maintenance of the water treatment and desalting facilities of the dual-purpose project.
>
> "(b) Any agreement entered into under subsection (a) of this section shall include such terms and conditions as the President deems appropriate to insure, among other things, that all information, products, uses, processes, patents, and other developments obtained or utilized in the development of this protoype plant will be available without further cost to the United States for the use and benefit of the United States throughout the world, and to insure that the United States, its officers, and employees have a permanent right to review data and have access to such plant for the purpose of observing its operations and improving science and technology in the field of desalination.
>
> "(c) In carrying out the provisions of this section, the President may enter into contracts with public or private agencies and with any person without regard to sections 3648 and 3709 of the Revised Statutes of the United States (31 U.S.C. 529 and 41 U.S.C. 5).
>
> "(d) Nothing in this section shall be construed as intending to deprive the owner of any background patent or any right which such owner may have under that patent.
>
> "(e) In carrying out the provisions of this section, the President may utilize the personnel, services, and facilities of any Federal agency.
>
> "(f) The United States costs, other than its administrative costs, for the study, design, construction, and operation of a prototype plant under this section shall not exceed either 50 per centum of the total capital costs of the facilities associated with the production of water, and 50 per centum of the operation and maintenance costs for the demonstration period, or $20,000,000, whichever is less. There are authorized to be appropriated, subject to the limitations of this subsection, such sums as may be necessary to carry out the provisions of this section, including administrative costs thereof. Such sums are authorized to remain available until expended.
>
> "(g) No funds appropriated for the Office of Saline Water pursuant to the appropriation authorized by the Act of July 11, 1969 (83 Stat. 45, Public Law 91–43), or prior authorization Acts, shall be used to carry out the purposes of this section.

The history of the project dates back to a proposal made in 1964 by President Johnson, when he announced that the United States and Israel would cooperate in desalting research and development. The President in 1965 ordered a thorough study to be done, and the conclusion drawn from this report, entitled "Engineering Feasibility and Economic Study for Dual Purpose Electric Power Water Desalting Plant for Israel," was that an operating plant could be built, and if begun then, be in operation by late 1972.

I originally introduced legislation—H.R. 14250—to accomplish this on Dec. 4, 1967. Subsequently, in the 91st Congress, I introduced H.R. 587, which again called for participation by the United States in the construction of a dual-purpose electrical power generation and desalting plant in Israel.

The thrust of this legislation was incorporated in section 104 of the Foreign Assistance Act of 1969, Public Law 91–175, which created a new secton 219 of the Foreign Assistance Act of 1961, as amended. This provision authorizes an appropriation not to exceed—

> Either 50 per centum of the total capital costs of the facilities associated with the production of water, and 50 per centum of the operation and maintenance costs of the demonstration period, or $20,000,000 whichever is less.

Because of either apathy or antipathy toward the project on the part of the present administration, none of the funds subsequently appropriated were spent on the project.

Thus, there exists a congressional commitment, as well as an executive commitment, to undertake this project. This commitment has not been met.

The joint project, authorized by section 104 of Public Law 91–175, would provide advantages for both participants. Israel is a growing country with growing needs. Its limited fresh water re-

sources have been thoroughly exploited with no relief in sight. The need for more water to be used in industry, agriculture, and for human consumption has reached emergency levels. Water has been used and reused until it has eventually become contaminated.

Dr. Abel Wolman, who has served as chairman of the National Water Resources Board, and the president of the American Water Association, testified before the Foreign Affairs Committee July 29, 1969, and commented that—

> Israel's fresh water supply will be used to its fullest by the mid 1970's. It cannot meet the 1970–1980 demand for water.

Presently, 95 percent of Israel's available fresh water supplies are being used. Israel's present population of 2.7 million is expected to increase by at least 1.5 million by the early 1980's. Thus her plight is very real and dangerous. The need for a prototype desalting program in Israel is obvious.

The creation of such a plant would not be limited to production of fresh water. The plant would produce 450 megawatts of electricity daily. Thus, it provides the United States with the opportunity to use its foreign assistance program to abet economic development in Israel through cultivation of arid lands, resulting in the creation of usable land and jobs that would make a significant contribution to the stability of the entire Middle East.

Moreover, the United States will not be solely a giver in this affair; it will receive benefits that will aid us in future desalination projects. As was stated in an official letter to Congress on Jan. 17, 1969, from the Office of the Secretary of the Department of the Interior, and signed by Max N. Edwards, who was then Assistant Secretary of the Interior:

> In summary, while the project is vital to Israel in terms of water supply and power, its significance to the United States is the opportunity to improve and advance science and technology in the field of saline water conversion and to contribute materially to development of low cost desalination processes. We believe we should take advantage of this opportunity.

Section 219 of the foreign assistance Act of 1961, as amended, specifically provides, furthermore, that pursuant to any agreement into which the United States enters with Israel,

> All information, products, uses, processes, patents, and other development obtained or utilized in the development of this prototype plant will be available without further cost to the United States.

Let me emphasize again Israel's urgent need for large scale desalination. The mandate of Congress should be implemented. And the administration should wholeheartedly support the funding of the prototype plant.

To this end I have today introduced legislation appropriating $20 million for the undertaking of this project—the maximum amount authorized by the law.

The need is a real one. In describing the need for desalination programs, President Kennedy said in 1961:

> No water resources program is of greater long-range importance—for relief not only of our shortages, but for arid nations the world over—than our efforts to find an effective and economical way to convert water from the world's greatest cheapest natural resources—our oceans—into water fit for consumption in the home and by industry. Such a breakthrough would end bitter struggles between neighbors, states, and nations—and bring new hope for millions who live out their lives in dire shortage of usable water and all its physical and economical blessings, though living on the edge of a great body of water throughout that parched lifetime.

At this point, I include the letter which I have sent to the administration of the Agency for International Development urging implementation of section 219:

AID ISRAELI DESALINIZATION,
July 2, 1971.

DR. JOHN A. HANNAH,
Administrator, Agency for International Development, Twenty-First Street and Virginia Avenue, Washington, D.C.

DEAR DR. HANNAH: I am writing to urge the Agency for International Development to carry out the commitment which President Johnson made to the late Premier Eshkol for United States participation in the construction of a desalinization plant in Israel.

Congress authorized $20 million in the Foreign Assistance Act of 1969, Public Law 91–175, and appropriated $20 million in the Foreign Assistance and Related Programs Appropriations Act, 1970, Public Law 91–708, for this project.

Unfortunately, the program has nevertheless never been implemented. I believe this to be a grave mistake.

The Israel desalinization project has been considered for a number of years. The feasibility study conducted pursuant to the 1965 agreement between the United States and Israel, and carried out by Kaiser Engineers in association with Catalytic Construction Co., established the feasibility of the desalting plant. The February, 1966, report of that study entitled "Engineering Feasibility and Economic Study for Dual-Purpose Electric Power Water Desalting Plant for Israel," concluded that an operating plant could be in existence by late 1972, if begun then.

This plant is urgently needed for Israel's future well-being, since she has largely harnessed her available fresh water resources. It also would, as made clear in former Assistant Secretary of the Interior Max N. Edwards' letter of January 17, 1969, to the Congress, be highly beneficial to the United States, which would gain the expertise experience this plant would provide.

I urge that this project authorized by the Congress, and engendered by an executive commitment, be implemented now.

With best regards,

Sincerely,

WILLIAM F. RYAN,
Member of Congress.

Mr. ROGERS. Mr. Chairman, in view of the impending potential water crisis in our country, programs which provide for new water sources are urgently needed.

No example more dramatically demonstrates the proximity of this water crisis than the recent droughts in south Florida and Texas. Had the Florida drought continued any longer, salt water intrusion into the underground water supplies there was imminent, and would have resulted in a water crisis of disaster proportions.

With this tremendous and increasing dependence on our scarce supplies of fresh water, it is imperative that we continue to expand programs which will provide for research and development of new sources of fresh water.

This legislation to expand and extend the desalting program is vital if we are to meet our growing demands for water.

We cannot ignore our responsibility to provide new water sources at a time when the lives of several million people in south Florida depend on a water supply that came within a few weeks of extinction.

We have made many significant breakthroughs since this legislation was initiated in 1952, and I am hopeful that the Congress will act quickly to continue this important program.

Mr. JOHNSON of California. Mr. Chairman, I have no further request for time.

Mr. HOSMER. Mr. Chairman, I have no further request for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 9093

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The Saline Water Conversion Act of 1971".

SEC. 2. The Congress in consideration of the Federal responsibility for water resource conservation by means of comprehensive planning, planning and construction of water resource development projects, administration of the navigable waterways, and maintenance of water quality standards finds that the technology for the conversion of saline and other chemically contaminated waters is vital to all these areas of responsibility. It is the policy of the Congress, therefore, to provide for the development and demonstration of practicable means to convert saline and other chemically contaminated water to a quality suitable for municipal, industrial, agricultural, and other beneficial uses.

SEC. 3. The Secretary of the Interior is authorized and directed to—

(a) conduct, encourage, and promote basic scientific research and fundamental studies to develop effective and economical processes and equipment for the purpose of converting saline and other chemically contaminated water into water suitable for beneficial consumptive uses;

(b) pursue the findings of research and studies authorized by this Act having potential practical applications to matters other than water treatment to the stage that such findings can be published in an effective form for utilization by others;

(c) conduct engineering and technical work including the design, construction, and testing of pilot plants, test beds, and modules to develop desalting processes and plant design concepts to the point of demonstration on a practical scale;

(d) study methods for the recovery and marketing of byproducts resulting from the desalination of water to offset the costs of treatment and to reduce impact on the environment from the discharge of brines into lakes, streams, and other waters; and

(e) undertake economic studies and surveys to determine present and prospective costs of producing water for beneficial consumptive purposes in various parts of the United States by the saline water processes as compared with other standard methods, and by means of mathematical models or other methodologies prepare and maintain information concerning the relation of desalting to other aspects of State, regional, and national comprehensive water resource planning: *Provided,* That in carrying out this function, the Secretary shall coordinate these studies with planning being performed under the provisions of the Water Resources Planning Act (79 Stat. 244), as amended.

SEC. 4 (a) The Secretary is authorized and directed to conduct preliminary investigations and to explore potential cooperative

agreements with non-Federal utilities and governmental entities in order to develop recommendations for Federal participation in the construction, operation, and maintenance of prototype plants utilizing desalting technologies for the production of water for consumptive use.

(b) The Secretary is authorized and directed to report to the President and to the Congress, not later than one year after the date this subsection becomes effective, his recommendation as to the best opportunity for the early construction of a large-scale prototype desalting plant. In making his recommendation, the Secretary shall consider the following—

(i) plant size and process type best suited, within the presently available technology, to demonstrate the practicability of construction and operation of a large-scale plant for water supply on a reliable basis, and to provide information on the management problems and economics of such operation;

(ii) availability of cooperating entities or utilities willing to enter, and capable of entering, into agreements and contracts to provide a market for water and an operating agency for the plants;

(iii) availability of entities or utilities willing to enter, and capable of entering, into agreements and contracts to provide an energy source for the plants;

(iv) availability of a site, the environmental implications of the energy source, and brine disposal problems; and

(v) need for the development of new water sources in the area.

(c) In carrying out the provisions of this section, the Secretary shall utilize the expertise of the water and power marketing agencies of the Department of the Interior or of other Federal agencies to insure that the recommended prototype plant and the supporting agreements are fully integrated and compatible with the water and power systems of the region.

(d) The Secretary is authorized to accept financial and other assistance from any State or public agency in connection with studies or surveys relating to saline water conversion problems and facilities and to enter into contracts with respect to such assistance.

SEC. 5. In carrying out his functions under this Act, the Secretary may—

(a) make grants to educational institutions and scientific organizations, and enter into contracts with such institutions and organizations and with industrial or engineering firms;

(b) acquire the services of chemists, physicists, engineers, and other personnel by contract or otherwise;

(c) utilize the facilities of Federal scientific laboratories;

(d) establish and operate necessary facilities and test sites to carry on the continuous research, testing, development, and programing necessary to effectuate the purposes of this Act;

(e) acquire secret processes, technical data, inventions, patent applications, patents, licenses, land and interests in land (including water rights), plants and facilities, and other property or rights by purchase, license, lease, or donation;

(f) assemble and maintain pertinent and current scientific literature, both domestic and foreign, and issue bibliographical data with respect thereto;

(g) cause on-site inspections to be made of promising projects, domestic and foreign, and, in the case of projects located in the United States, cooperate and participate in their development when the purposes of this Act will be served thereby;

(h) foster and participate in regional, national, and international conferences relating to saline water conversion;

(i) coordinate, correlate, and publish information with a view to advancing the development of low-cost saline water conversion projects; and

(j) cooperate with other Federal departments and agencies, with State and local departments, agencies and instrumentalities, and with interested persons, firms, institutions, and organizations.

SEC. 6. (a) Research and development activities undertaken by the Secretary shall be coordinated or conducted jointly with the Department of Defense to the end that developments under this Act which are primarily of a civil nature will contribute to the defense of the Nation and that developments which are primarily of a military nature will, to the greatest practicable extent compatible with military and security requirements, be available to advance the purposes of this Act and to strengthen the civil economy of the Nation.

(b) The Secretary shall cooperate with the Environmental Protection Agency to insure that research and development work performed under this Act contributes, to the extent practicable, to the attainment of the water quality objectives of the Federal Water Pollution Control Act, as amended.

(c) The Secretary shall cooperate fully with the Atomic Energy Commission, the Department of Health, Education, and Welfare, the Department of State, and other concerned agencies in the interest of achieving the objectives of this Act.

(d) All research within the United States contracted for, sponsored, cosponsored, or authorized under authority of this Act, shall be provided for in such manner that all information, uses, products, processes, patents, and other developments resulting from such research developed by Government expenditure will (with such exceptions and limitations, if any, as the Secretary may find to be necessary in the interest of national defense) be available to the general public. This subsection shall not be so construed as to deprive the owner of any background patent relating thereto of such rights as he may have thereunder. Within six months of the date of this Act, the Secretary shall publish rules in the Federal Register to give effect to the provisions of this subsection and shall subsequently publish all revisions in the same manner.

(e) The Secretary may dispose of water and byproducts resulting from his operations under this Act. All moneys received from dispositions under this section shall be paid into the Treasury as miscellaneous receipts except where such operations may be undertaken as a part of a Federal reclamation project in which case the financial provisions of Reclamation Law (32 Stat. 388 and Acts amendatory thereof and supplementary thereto) will govern.

(f) Nothing in this Act shall be construed to alter existing law with respect to the ownership and control of water.

SEC. 7. The Secretary of the Interior may issue rules and regulations to effectuate the purposes of this Act.

SEC. 8. The Secretary shall submit to the President and to the Congress not later than December 31, 1975, a report on—

(i) the status of research and development work in progress under the provisions of section 2, subsections (a), (b), (c), and (d), along with a program for the orderly termination of these activities in accordance with subsection (a) of this section; and

(ii) the status of work in progress under the provisions of subsection 2(e) and section 3 along with recommendations for the integration of these remaining functions within the on-going water resources programs of the Department of the Interior.

SEC. 9. As used in this Act—

(a) the term "Secretary" means the Secretary of the Interior;

(b) the term "saline water" includes sea water, brackish water, mineralized ground or surface water, and irrigation return flows;

(c) the term "other chemically contaminated water" includes agricultural runoff, municipals and industrial effluent, mine drainage, and naturally contaminated waters which contain chemicals not susceptible to removal by conventional sewage treatment methods but susceptible to removal by desalting processes;

(d) the term "United States" extends to and includes the District of Columbia, the Commonwealth of Puerto Rico, territories of American Samoa, Guam, and the Virgin Islands; and the provisions of this Act shall also apply to the Trust Territory of the Pacific Islands;

(e) the term "pilot plant" means an experimental unit of small size, usually less than one hundred thousand gallons per day capacity, used for early evaluation and development of new or improved processes and to obtain technical and engineering data;

(f) the term "test bed" means an intermediate-sized, experimental desalting plant of up to two million gallons per day capacity used for further evaluation and refinement of processes in the field and designed to facilitate the incorporation of experimental features for performance testing and to permit process changes and improvements as required;

(g) the term "module" means a section or integral portion of a desalting plant which is used initially to study large-scale technology and critical design features in preparation for subsequent prototype construction;

(h) the term "prototype" means a full-size, first-of-a-kind production plant used for the development, study, and demonstration of full-sized technology, plant operation, and process economics.

SEC. 10. (a) There is authorized to be appropriated to carry out the provisions of this Act during fiscal year 1972, the sum of $27,025,000, to remain available until expended as follows:

(1) Research expense, not more than $5,475,000;

(2) Development expense, not more than $10,200,000;

(3) Design, construction, acquisition, modification, operation, and maintenance of saline water conversion test beds and test facilities, not more than $7,385,000;

(4) Design, construction, acquisition, modification, operation, and maintenance of saline water conversion modules, not more than $1,425,000; and

(5) Administration and coordination, not more than $2,540,000.

Expenditures and obligations under paragraphs (1), (2), (3), and (4) of this subsection may be increased by not more than 10 per centum, and expenditures and obligations under paragraph (5) may be increased by not more than 2 per centum, if any such increase under any paragraph is accompanied by an equal decrease in expenditures and obligations under one or more of the other paragraphs.

(b) There are authorized to be appropriated such sums, to remain available until expended, as may be specified in annual appropriation authorization Acts to carry out the provisions of this Act during the fiscal years 1973 to 1977, inclusive, and to finance, for not more than three years beyond the end of said period, such grants, contracts, cooperative agreements, and studies as may theretofore have been undertaken pursuant to this Act and such activities as are required to correlate, coordinate, and round out the results of studies and research undertaken pursuant to this Act.

(c) Not more than 2 per centum of the funds to be made available in any fiscal year for research under the authority of this Act may be expended, subject to the approval of the Secretary of State to assure that such activities are consistent with the foreign policy objectives of the United States, in cooperation with public or private agencies in foreign countries for research useful to the program in the United States.

SEC. 11. The Act of July 3, 1952 (66 Stat. 328), as amended, is repealed.

Mr. JOHNSON of California (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, that it be printed in the RECORD, and open to amendment at any point.

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

There was no objection.

The CHAIRMAN. If there are no amendments to be offered, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BOGGS) having assumed the chair, Mr. TIERNAN, 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. 9093) to expand and extend the desalting program being conducted by the Secretary of the Interior, and for other purposes, pursuant to House Resolution 527, he reported the bill back to the House.

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

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

The SPEAKER pro tempore. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 325, nays 0, not voting 108, as follows:

[Roll No. 184]

YEAS—325

Abbitt	Burke, Fla.	Dorn
Abernethy	Burke, Mass.	Dow
Abourezk	Burleson, Tex.	Dowdy
Abzug	Burlison, Mo.	Downing
Adams	Byrne, Pa.	Drinan
Anderson, Calif.	Byrnes, Wis.	Dulski
	Byron	Duncan
Anderson, Ill.	Cabell	Eckhardt
Anderson, Tenn.	Camp	Edwards, Calif.
	Carey, N.Y.	Erlenborn
Andrews, Ala.	Carney	Esch
Andrews, N. Dak.	Carter	Eshleman
	Casey, Tex.	Evans, Colo.
Annunzio	Cederberg	Fascell
Archer	Chamberlain	Fisher
Ashley	Chappell	Flood
Aspin	Clancy	Flowers
Aspinall	Clark	Flynt
Badillo	Clausen, Don H.	Foley
Baker		Ford, Gerald R.
Barrett	Clawson, Del	Forsythe
Begich	Cleveland	Fountain
Belcher	Collier	Fraser
Bennett	Collins, Ill.	Frenzel
Bergland	Collins, Tex.	Frey
Betts	Colmer	Fulton, Pa.
Biaggi	Conable	Fulton, Tenn.
Bingham	Cotter	Fuqua
Blackburn	Coughlin	Galifianakis
Blatnik	Crane	Gallagher
Boggs	Culver	Garmatz
Boland	Daniel, Va.	Gaydos
Bolling	Daniels, N.J.	Gettys
Bray	Davis, Ga.	Giaimo
Brinkley	Davis, S.C.	Gonzalez
Brooks	Davis, Wis.	Goodling
Brotzman	Dellums	Green, Oreg.
Brown, Mich.	Denholm	Green, Pa.
Brown, Ohio	Devine	Griffin
Broyhill, N.C.	Dickinson	Gross
Broyhill, Va.	Dingell	Gubser
Gude	Mathias, Calif.	Sandman
Hagan	Mazzoli	Sarbanes
Haley	Meeds	Satterfield
Hall	Metcalfe	Saylor
Halpern	Michel	Scherle
Hamilton	Miller, Calif.	Schneebeli
Hammer-schmidt	Miller, Ohio	Schwengel
	Mills, Md.	Sebelius
Hanley	Minish	Shipley
Hanna	Mink	Shoup
Harrington	Minshall	Shriver
Harsha	Mitchell	Sisk
Hastings	Mizell	Skubitz
Hathaway	Mollohan	Slack
Hawkins	Monagan	Smith, Calif.
Hays	Montgomery	Smith, Iowa
Hechler, W. Va.	Moorhead	Smith, N.Y.
Heckler, Mass.	Morgan	Snyder
Helstoski	Morse	Spence
Henderson	Mosher	Springer
Hicks, Wash.	Moss	Stafford
Hillis	Murphy, Ill.	Staggers
Holifield	Myers	Stanton, James V.
Horton	Natcher	
Hosmer	Nedzi	Steed
Hull	Nelsen	Steele
Hungate	Nix	Steiger, Ariz.
Hunt	Obey	Steiger, Wis.
Hutchinson	O'Hara	Stephens
Ichord	O'Konski	Stokes
Jacobs	O'Neill	Sullivan
Jarman	Passman	Symington
Johnson, Calif.	Patman	Talcott
Johnson, Pa.	Patten	Taylor
Jonas	Pelly	Teague, Calif.
Jones, N.C.	Perkins	Teague, Tex.
Karth	Pickle	Terry
Kazen	Poage	Thompson, Ga.
Keating	Podell	Thomson, Wis.
Kee	Poff	Thone
Keith	Powell	Tiernan
Kemp	Preyer, N.C.	Ullman
Kluczynski	Price, Ill.	Van Deerlin
Kyl	Price, Tex.	Vander Jagt
Kyros	Pryor, Ark.	Vanik
Landgrebe	Pucinski	Vigorito
Latta	Quie	Waggonner
Leggett	Railsback	Waldie
Lennon	Randall	Watts
Lent	Rarick	Whalen
Lloyd	Rees	Whalley
Long, Md.	Reid, Ill.	White
Lujan	Reid, N.Y.	Whitehurst
McClory	Reuss	Widnall
McClure	Rhodes	Wiggins
McCollister	Riegle	Williams
McDade	Robinson, Va.	Wilson, Charles H.
McDonald, Mich.	Robison, N.Y.	
	Roe	Winn
McEwen	Rogers	Wolff
McFall	Roncalio	Wright
McKay	Rooney, N.Y.	Wyatt
McKevitt	Rooney, Pa.	Wydler
McKinney	Rosenthal	Wylie
McMillan	Rostenkowski	Wyman
Macdonald, Mass.	Rousselot	Yatron
	Roy	Young, Fla.
Madden	Runnels	Zablocki
Mahon	Ruth	Zion
Mailliard	Ryan	
Martin	St Germain	

NAYS—0

NOT VOTING—108

Addabbo	du Pont	Landrum
Alexander	Dwyer	Link
Arends	Edmondson	Long, La.
Ashbrook	Edwards, Ala.	McCloskey
Baring	Edwards, La.	McCormack
Bell	Eilberg	McCulloch
Bevill	Evins, Tenn.	Mann
Biester	Findley	Mathis, Ga.
Blanton	Fish	Matsunaga
Bow	Ford, William D.	Mayne
Brademas		Melcher
Brasco	Frelinghuysen	Mikva
Broomfield	Gibbons	Mills, Ark.
Buchanan	Goldwater	Murphy, N.Y.
Burton	Grasso	Nichols
Caffery	Gray	Pepper
Celler	Griffiths	Pettis
Chisholm	Grover	Peyser
Clay	Hansen, Idaho	Pike
Conte	Hansen, Wash.	Pirnie
Conyers	Harvey	Purcell
Corman	Hébert	Quillen
Danielson	Hicks, Mass.	Rangel
de la Garza	Hogan	Roberts
Delaney	Howard	Rodino
Dellenback	Jones, Ala.	Roush
Dennis	Jones, Tenn.	Roybal
Dent	Kastenmeier	Ruppe
Derwinski	King	Scheuer
Diggs	Koch	Schmitz
Donohue	Kuykendall	Scott
Seiberling	Stuckey	Whitten
Sikes	Thompson, N.J.	Wilson, Bob
Stanton, J. William	Udall	Yates
	Veysey	Young, Tex.
Stratton	Wampler	Zwach
Stubblefield	Ware	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Brasco with Mr. Arends.
Mr. Matsunaga with Mr. Bow.
Mr. Danielson with Mr. Dennis.
Mr. Donohue with Mr. Goldwater.
Mr. Purcell with Mr. Ashbrook.
Mr. Pickle with Mr. Derwinski.
Mr. Nichols with Mr. Kuykendall.
Mr. Addabbo with Mr. Fish.
Mr. Kastenmeier with Mr. Bell.
Mr. William D. Ford with Mr. McCloskey.
Mr. Corman with Mr. Biester.
Mr. Bevill with Mr. Mayne.
Mr. Udall with Mr. Dellenback.
Mr. Sikes with Mr. Edwards of Alabama.
Mr. Stratton with Mr. Findley.
Mr. Landrum with Mr. Pettis.
Mr. Caffery with Mr. Broomfield.
Mr. Mathis of Georgia with Mr. Peyser.
Mr. Mikva with Mr. Conte.
Mrs. Grasso with Mr. du Pont.
Mr. Thompson of New Jersey with Mr. Frelinghuysen.
Mr. Stuckey with Mr. Buchanan.
Mr. Celler with Mr. Grover.
Mr. Delaney with Mr. Pirnie.
Mr. Evins of Tennessee with Mr. Hansen of Idaho.
Mr. Jones of Alabama with Mr. Quillen.
Mr. Dent with Mr. Harvey.
Mr. Mills with Mr. King.
Mr. Melcher with Mr. Hogan.
Mr. Rodino with Mr. Wampler.
Mrs. Griffiths with Mrs. Dwyer.
Mr. Links with Mr. Ruppe.
Mr. Burton with Mr. Scott.
Mr. Blanton with Mr. Veysey.
Mr. Howard with Mr. J. William Stanton.
Mr. Hébert with Mr. Schmitz.
Mr. Murphy of New York with Mr. Ware.
Mr. Edmondson with Mr. Bob Wilson.
Mr. Roberts with Mr. Zwach.
Mr. Rangel with Mr. Eilberg.
Mr. McCormack with Mr. Clay.
Mr. Yates with Mr. Diggs.
Mrs. Chisholm with Mr. Roybal.
Mr. Alexander with Mrs. Hansen of Washington.
Mrs. Hicks of Massachusetts with Mr. Jones of Tennessee.
Mr. Brademas with Mr. Baring.
Mr. Koch with Mr. Conyers.
Mr. Pepper with Mr. Gray.
Mr. Scheuer with Mr. Roush.
Mr. Gibbons with Mr. Edwards of Louisiana.
Mr. Mann with Mr. Long of Louisiana.
Mr. Young of Texas with Mr. Whitten.
Mr. Stubblefield with Mr. Seiberling.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. JOHNSON of California. Mr. Speaker, pursuant to House Resolution 527, I call up from the Speaker's table the bill S. 991.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. JOHNSON OF CALIFORNIA

Mr. JOHNSON of California. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. JOHNSON of California moves to strike out all after the enacting clause of S. 991 and to insert in lieu thereof the provisions of H.R. 9093, as passed.

The motion was agreed to.

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

The title was amended so as to read: "To expand and extend the desalting program being conducted by the Secretary of the Interior, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 9093) was laid on the table.

GENERAL LEAVE

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days during which to extend their remarks on the bill just passed.

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

There was no objection.

FEDERAL BOAT SAFETY ACT OF 1971

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 525 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 525

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. 19) to provide for a coordinated national boating safety program. 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 Merchant Marine and Fisheries, 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.

The SPEAKER. The gentleman from Massachusetts, Mr. O'NEILL, is recognized for 1 hour.

Mr. O'NEILL. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 525 provides an open rule with 1 hour of debate for consideration of H.R. 19, the Federal Boat Safety Act of 1971.

The purpose of this bill is to improve boating safety by encouraging State boating safety programs, with Federal funds on a share basis being provided for this purpose, and by authorizing the establishment of construction and performance standards for boats and equipment. Under the bill, the U.S. Coast Guard, through the office of the Secretary of Transportation, would set safety standards for recreational boats. Manufacturers would be required to certify that their boats and equipment meet these standards. Penalties are provided for manufacturing or selling products that do not meet these requirements and for mislabeling with respect to these standards.

H.R. 19 is identical to H.R. 15041 which passed the House on December 7, 1970, except for two clarifying amendments. These amendments appear on page 1 of the report accompanying H.R. 19.

At the present time, there are approximately 9,000,000 small boat operators and it is expected that this number will reach 50 million in the next few years. In each of the past 5 years, about 1,350 persons have died while engaged in recreational boating. Through enactment of this bill, it is hoped that the public will be able to enjoy recreational boating with greater safety.

Mr. Speaker, I urge the adoption of House Resolution 525 in order that H.R. 19 may be considered.

Mr. LATTA. Mr. Speaker, the purpose of the bill is to improve safety with respect to recreational boating.

Over the last 5 years about 1,350 people each year have been killed while engaged in recreational boating. Excluding cars, this is a larger figure than for any other mode of transportation including civil aviation. Most deaths occur when boats capsize or people fall overboard. Boat safety requires that manufacturers construct their boats in such a way as to minimize these dangers.

The bill requires that recreational boats be built according to standards prescribed by the U.S. Coast Guard and promulgated by the Secretary of Transportation. Further, manufacturers will be required to certify that their boats have been constructed in accordance with such standards.

The bill applies to all noncommercial vessels excluding foreign boats, military vessels, or those belonging to a State or its political subdivisions. The bill preempts State action in the field, but in cases of uniquely hazardous situations, a State, with the approval of the Secretary, may prescribe certain marine equipment to meet such unique conditions.

No boat may be manufactured or sold, except for export, which does not conform to the standards promulgated under authority of this bill. While no system of Federal licensing or certification of boats or owners is provided for by the legislation, all manufacturers must certify to the Secretary of Transportation that their boats are constructed in compliance with standards set by the Secretary.

Penalties are provided for persons manufacturing, selling or mislabeling as to compliance with the established standards. A fine of up to $2,000 for each violation with the maximum fine for a series of violations of $100,000 is provided as civil penalties. Criminal penalties for use of a boat which does not meet the standards are a fine of up to $1,000 or imprisonment for up to 1 year, or both. The Coast Guard and the Secretary may also seek injunctive relief to restrain the sale or manufacture of boats which do not meet the established standards.

5-year cost estimates

First full year operating expenses	$2,578,517
4 succeeding years operating expenses ($2,394,927 per year)	9,579,708
5-year operating expenses	12,158,225
5-year research and development costs (at $300,000 per year)	1,500,000
Financial assistance funds for 5 years to States ($7,500,000 per year)	37,500,000
Total 5-year implementation costs	51,158,225

Finally, the bill requires the Secretary to name a National Boating Safety Advisory Council of 21 members who are to advise and consult with the Secretary on safe boating matters.

The bill is supported by the Department of Transportation, the Coast Guard, and the Department of Interior.

Mr. O'NEILL. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. CLARK. 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. 19) to provide for a coordinated national boating safety program.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. CLARK).

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. 19, with Mr. MCFALL 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 Pennsylvania (Mr. CLARK) will be recognized for 30 minutes and the gentleman from Massachusetts (Mr. KEITH) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. CLARK).

Mr. CLARK. Mr. Chairman, we have before us today H.R. 19, the Federal Boat Safety Act of 1971, which is a recreational boat safety bill to provide for a coordinated national boating safety program. The record of the hearings indicates that this legislation is necessary and that there is a great and growing need for it. Last year there were approximately 1,300 fatalities in small boat accidents and the Coast Guard was called upon approximately 31,000 times in 1969 to help small-boat operators.

Although the bill does not provide for Federal licensing or certification of small-boat operators, which is a controversial proposal, it does provide in section 22 that the States may require the operator of a numbered vessel to hold a valid safety certificate. The bill does not apply to foreign vessels, military vessels, vessels of a State or political subdivision used principally for governmental purposes or ships' lifeboats. The bill does apply to any

noncommercial vessel leased, rented, or chartered for noncommercial use or engaged in the carrying of six or fewer passengers.

The thrust of the various sections of H.R. 19 is to promote and encourage safety in the manufacture and use of recreational boats. One of the primary purposes of the bill is to provide the recreational boater with a boat constructed to provide safe boating through the means of construction and performance regulations and standards. In this connection, the bill provides for the issuance of regulations, first, establishing safety standards for boats and allied equipment, and, second, governing the installation and use of associated equipment.

A basic purpose of the bill is to encourage the States to participate in boating safety through the establishment of boating safety programs and to encourage the States already having boating safety programs to enlarge and intensify their participation in these programs. The bill is designed to foster State participation by setting up a system of Federal funding to the States. H.R. 19 provides that $7½ million be authorized and appropriated every year beginning in fiscal year 1972 with the $7½ million being allocated to the States in each of the next 4 succeeding fiscal years.

In allocating this $7½ million for a 5-year period, the bill sets out an initial level of Federal funding set at a Federal contribution of 75 percent the first fiscal year which then phases down at the fifth year to a Federal contribution of 33⅓ percent. No State may receive more than 5 percent of the Federal funding available for allocation in any fiscal year. The purpose of the phaseout device is to provide large Federal funding in the beginning and phasedown the Federal contribution as the States become more involved financially and operationally so that at the end of the 5-year period, the Federal Government hopefully will be out of the picture completely, at least with respect to the funding of the State boating safety programs. The total 5-year implementation costs of the legislation including financial assistance costs, operating expenses, and research and development costs is estimated by the Coast Guard to be $51,158,225.

Another important feature of the bill is that it provides for a Boating Safety Advisory Council which will consist of 21 members selected to assure adequate representation from all segments of the boating community. The purpose of this Advisory Council is to insure that the boating community will have an input into such important recreational boat safety matters as the promulgation of standards for the manufacture of recreational boats.

In addition to the features mentioned above, this bill provides for the numbering of all undocumented vessels equipped with propulsion machinery and encourages boating safety by providing uniformity among the various States with respect to the aspects of boating safety.

Any person who willfully uses a vessel in violation of this act or the regulations issued thereunder shall be subject to a fine of not more than $1,000 for each violation or imprisonment not more than 1 year, or both. Any person who manufactures, constructs, assembles or introduces into interstate commerce a vessel in violation of the act or its regulations shall be subject to a civil penalty of not more than $2,000 for each violation. The maximum civil penalty for any related series of violations shall be $100,000.

The Subcommittee on Coast Guard, Coast and Geodetic Survey, and Navigation held extensive hearings on this legislation from March until July 1970, both here in Washington and in various boating centers of the United States.

This bill is the same as H.R. 15041, which passed the House last December 7. Unfortunately, the Senate never acted on the bill. The House Merchant Marine and Fisheries Committee voted out virtually the same bill on June 29, 1971, except that we added two minor amendments.

In the course of the hearings and subsequent deliberations, we ironed out the many problems which were raised initially so that this bill comes to the House floor with virtually the total support of the various organizations and interested parties comprising the boating community. For this reason, because the bill is timely, it fills the need, and is a good bill, I urge the support of all the Members for the passage of this very worthy piece of legislation.

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

Mr. CLARK. I yield to the gentleman.

Mr. MONAGAN. Mr. Chairman, I support H.R. 19, the Federal Boating Safety Act of 1971. This bill is substantially the same as legislation which I sponsored in the 91st Congress and which passed the House on December 7, 1970. I am hopeful that this bill will be enacted into law without undue delay.

Recreational boating is increasingly popular. Currently there are more than 40 million people participating in the sport and the number is expected to increase by 10 million in the next 5 years. There are approximately 9 million recreational boats on the waters, and the number is increasing by 200,000 annually.

While the numbers of persons and craft involved in recreational boating is increasing at a rapid rate, our laws governing the manufacture and use of boats have not kept pace. The shortcomings of the existing laws and regulations are being cataloged in terms of unnecessary deaths, personal injuries and property damage directly related to boating accidents. There are currently two laws on the books relating to recreational boating: the Motorboat Act of 1940 which deals with specific items of safety equipment required to be carried by such boats, and the Federal Boating Act of 1958 which is primarily a boat numbering statute. Because of the limited scope of these two laws, there is a tremendous need to update and expand the recreational laws. I am proud to have played an active part in the development of the comprehensive boating safety bill we are considering today as chairman of the Special Studies Subcommittee of the Government Operations Committee in the 91st Congress.

The subcommittee held hearings on motorboat safety in 1967 and 1968 and also on the effectiveness of the U.S. Coast Guard's administration of its statutory responsibilities for boating safety. The hearings pointed up the need for safer boats, more uniform regulations, increased seamanship education for boat operators, and documented the need for a national, coordinated boating safety program.

The March 8, 1968, subcommittee report on this subject focused on the need to revise current laws to achieve greater safety, and it recommended that the Merchant Marine and Fisheries Committee consider revising existing laws to apply safety standards at the manufacturing level and to expand existing numbering and licensing requirements. I am pleased that the bill under consideration follows the subcommittee recommendations.

This bill for the first time introduces uniform Federal standards for recreational boat construction; second, authorizes the States to require the operator of a numbered vessel to hold a valid safety certificate; third, provides for the establishment of a uniform numbering system; and, fourth, authorizes $7.5 million per year to aid in the establishment of State boating safety programs.

Enactment of this comprehensive bill will greatly enhance the ability of citizens to enjoy recreational boating in safety, and I urge my colleagues to join me in voting for passage.

Mr. KEITH. Mr. Chairman, I rise to support H.R. 19, legislation to establish the Federal Boat Safety Act of 1971.

This legislation providing for a coordinated national boating safety program is long overdue. It has been pointed out that there were over 1,300 deaths resulting from small boat accidents in 1969. The tally for 1970 was approximately 1,400. Much can be done to reverse this toll through improved vessel design and construction and through educating the boating public. H.R. 19 is the result of combined efforts on the part of the Subcommittee on Coast Guard, Coast and Geodetic Survey, and Navigation; the Coast Guard; the States and representatives of the boating industry and public. It is the culmination of intense legislative effort which began in 1968.

H.R. 19 is almost identical to H.R. 15041, which passed the House during the 91st Congress on December 7, 1970. The Senate failed to consider the bill in the 91st Congress and accordingly the bill died.

During consideration of this legislation your committee amended last year's bill in two respects. These changes reflect the amendments proposed by the Department of Treasury, which last year deferred to the Department of Transportation.

The first of these amendments is on page 9, lines 7, 8, and 9. It places the lead agency responsibility for the issuance of regulations regarding the importation of nonconforming boats and associated equipment with the Secretary of the Treasury in consultation with the Coast Guard. The bill which passed the House last year provided for joint regulations.

The committee felt that the lead agency approach would insure streamlined enforcement of this provision and avoid problems associated with joint regulations. Both the Treasury Department and the Coast Guard concurred in this approach.

The second committee amendment, on page 9, line 17 through 21 of the bill—would more clearly define those boat component items which the Bureau of Customs must evaluate in regard to allowing their importation by requiring the Coast Guard to list by regulation the items of "associated equipment" to which importation provisions would apply.

Other than these two items of a clarifying nature, there are no changes in the bill which the House is considering now and the bill which passed the House during the 91st Congress.

In the vital area of recreational boat design and construction this legislation for the first time recognizes the fact that responsibility should be placed upon the manufacturer to produce a safe product. The Motorboat Act of 1940, the first Federal small boat law, placed responsibility for compliance solely upon the boat owner. This was true even for such devices as backfire flame control equipment sold as an integral part of the boat. The boat owner is responsible for the effective operation of this device even though it may have been poorly designed or constructed. The average small-boat owner is no better equipped to judge the quality of the various components which go into his boat than the average automobile purchaser. Responsibility for providing the boatman with a boat and equipment meeting Federal safety standards properly should lie with the manufacturer. A single set of standards is therefore necessary. To leave responsibility for the establishment of standards to the States could result in safety standards and equipment requirements so varied as to make compliance by the manufacturers extremely difficult. Varying State requirements also tend to raise the cost to the boatman, since the manufacturer must tailor his product for the area of boat use.

As reported by your Committee on Merchant Marine and Fisheries therefore, the legislation authorizes the Secretary of the Department in which the Coast Guard is operating to issue regulations establishing minimum safety standards for boats and associated equipment, and to establish procedures and tests required to measure conformance with such standards. These standards must be reasonable and geared to meet the needs of boating safety. All noncommercial boats regardless of size or method of propulsion are included within the standards-setting authority of this act.

In establishing standards, the Secretary must consult with the Boating Safety Advisory Council. The Council, composed of 21 members drawn from State officials, boat and associated equipment manufacturers and boating organizations and the general public, will insure that there is adequate communication between the Federal Government and the private sector in the establishment and enforcement of standards.

The States may establish regulations governing the carriage or use of marine safety equipment which exceed or are in addition to Federal requirements to meet uniquely hazardous conditions with the State. Except in the case of such unique conditions the legislation prohibits the imposition of State or local standards or requirements. This preemption is essential.

Following the precedent established in the field of motor vehicle safety standards, this legislation provides for the notification of boat owners by the manufacturer whenever a defect in design or construction is discovered. The notice must be furnished to the Secretary who may publish this information to insure that the public is fully informed.

The second principal element of the Federal Boat Safety Act is the encouragement of State boating safety programs. The safe use and enjoyment of boats should be fostered at levels of government which are closer to the boating public. Through a program of financial assistance, the States will be encouraged to increase their safety patrol and enforcement activities and boat safety education. A boating safety program must be adopted and approved by the Secretary in order for a State to receive full financial assistance under the act. As reported by your committee, the act authorizes $7.5 million for the current fiscal year and for each of the succeeding years.

The States will have 3 years within which to develop their boating safety programs. During these 3 years, all States will be entitled to their share of Federal assistance based upon the allocation formula of the act. During the fourth and fifth years, however, assistance to States which have not adopted an approved boating safety program will be reduced. The Federal share of each State's program may not exceed 75 percent of the total cost in fiscal year 1972 decreasing to approximately one-third in fiscal year 1976.

Mr. Chairman, I believe that the system of financial assistance to the States established in H.R. 19 is sound. It provides an incentive to the States to increase their activity in this vital area and requires the States to take over the total burden of operating their programs within a reasonable period of time.

The Federal Boating Safety Act of 1971 contains a number of other important provisions which I would like to discuss briefly. Section 13 of the bill authorizes Coast Guard officers to direct boat operators to take corrective steps including, if necessary, returning to port whenever the officer observes a boat being used without sufficient lifesaving or firefighting equipment or in an overloaded or otherwise unsafe condition. Overloading and capsizing are the primary causes of boating fatalities. Some concern was expressed during previous hearings over this provision; however, it is an unfortunate fact that a great many people go out on their boats without regard to the most elementary safety requirements. Their guests may be completely unaware of the operator's negligence in inviting too many people aboard or in failing to provide enough lifejackets. Under existing law, the Coast Guard has limited authority to cite boat operators for unsafe or negligent operation, but no authority to direct the operator to take immediate corrective action. I do not believe the Coast Guard will use this authority to second-guess the actions of responsible boatmen. This section of the bill, however, will enable the Coast Guard to intervene when there has been a failure to adhere to basic safety requirements.

Another important provision of the act is the so-called good Samaritan clause, section 16. This provision requires the operator of a vessel to render assistance to persons involved in a marine casualty to the extent that he can do so without endangering his own vessel or passengers. Any person complying with this requirement in good faith is immune from civil damages. Often emergency first-aid is required by the victims of marine casualties. While the lack of this protection has not inhibited dedicated boatmen in the past, the tremendous increase in recreational boating which is now taking place warrants its adoption.

Mr. Chairman, this legislation is an important step forward. While we may not entirely overcome the problem of the boating fool, we are insuring that the boats which are offered to the public are safe, if used with reason and consideration for others. At the same time, we are encouraging the States to assert their proper role in the field of boating safety and education.

I urge my colleagues to support the Federal Boat Safety Act of 1971.

(Mr. PELLY (at the request of Mr. KEITH) was granted permission to extend his remarks at this point in the RECORD.)

Mr. PELLY. Mr. Chairman, I rise to support the bill, H.R. 19, which would establish a Federal boating safety program, and to associate myself with the very able remarks of my colleague on the committee, the gentleman from Massachusetts (Mr. KEITH).

This bill is a recreational boat safety bill. Its thrust is to promote and encourage safety in the manufacture and use of recreational boats. The bill would insure that our millions of recreational boaters will be on the waters of this country in a safely constructed boat through the means of construction and performance regulations and standards.

In addition, the establishment of a 21-man Boating Safety Advisory Council representing all segments of the industry, boating public, and State and Federal agencies, will insure that the promulgation of regulations and standards will be accomplished with the needs and interests of the entire boating community in mind.

One of the basic purposes of the bill is to encourage the States to participate in and foster boating safety. This is accomplished through the medium of Federal funding in order to encourage States having existing boating safety programs to upgrade and expand the programs in addition to assisting those States who do not now have such a program to take immediate steps to implement the boating safety program required under the bill.

Regional hearings were held by your committee in Seattle, Wash., June 18,

1970, in addition to other hearings in Washington and throughout the country during the 91st Congress. This extensive work culminated in the passage of the same bill being considered by the House today during the 91st Congress.

It is imperative that we take action now to reverse the steadily increasing trend of boating accidents and deaths. More and more of the general public are turning to our inland waters, lakes, rivers, and coastal areas for both recreational activities and boating pleasures.

The importance of the bill's passage can be more readily understood when it is learned that approximately 8.8 million persons owned or operated boats in 1970. A key factor in the prevention of boating accidents and deaths is to insure that our boating public is protected against the use of potentially hazardous boats. This bill will provide that protection by requiring manufacturers of small boats to build a boat which complies with certain specified safety criteria and standards.

President Nixon, pursuant to a joint resolution of Congress, has declared the week of July 4, 1971, as "National Boating Week"—a time when the entire boating public should educate themselves as to various safety measures to be used and followed when boating. It is fitting that this body lend support to such a declaration by passage of the Federal Boating Safety Act of 1971.

Mr. CLARK. Mr. Chairman, I yield to the gentleman from Mississippi (Mr. GRIFFIN).

Mr. GRIFFIN. Mr. Chairman, I rise in support of H.R. 19, the Federal Boat Safety Act of 1971, of which I am coauthor. I urge my colleagues to approve this significant and important measure

Mr. Chairman, in each of the last 5 years, about 1,350 people have died in recreational boating accidents. The significance of this statistic becomes apparent when the fatality rate in all modes of transportation is compared.

Such analysis reveals the startling fact that more Americans die in recreational boating than in any other mode of transportation; with the exception of automobile travel which is a case in and of itself. And, even the fatality rate of highway travel pales when one considers the number of hours spent behind the wheel by the average driver as compared to number of hours behind the helm of the typical small boat operator.

Additionally, and no less important, is the amount of property damage incurred in boating accidents. With only some 8.4 million people owning small boats, the Coast Guard was called on over 31,000 rescue operations in 1969 and property damage has averaged over $7 million per year for the last 5 years.

Of all the various types of accidents in boating, such as grounding, capsizing, sinking, fire, fuel explosion, collision with another boat, with a fixed or floating object, or man overboard, clearly the most potentially fatal accident is capsizing.

An average of 600 fatalities occurred in capsizing accidents in each of the last 5 years. This is virtually half of all fatalities which occurred among 14 separate and distinct categories. The second largest category is man overboard in which an average of 325, nearly one out of four total fatalities, occurred in each of the last 5 years.

While such accidents as collision, man overboard, or others are most likely the result of operator mistake, the design and manufacture of a boat is a critical factor in whether it may capsize and in its floatability once capsized.

This is the direction in which the Federal Boat Safety Act of 1971 is designed to act. It will provide authority for establishment and enforcement standards in the manufacture of boats and their related gear so as to reduce the potential for accidents and provide greater survivability once an accident has occurred.

Similar authority has existed for years in regard to the manufacture of aircraft. Such authority has been greatly expanded, in recent years, in the manufacture of automobiles. It is time, now, for Congress to exercise the same authority to protect citizens in their purchase, operation, and enjoyment of recreational boats.

An important feature of H.R. 19, will provide our States financial assistance for their boating safety law enforcement and education programs. I point out to my colleagues that every State may participate in this program during the first 3 years merely by having a boating safety program, or expressing an intention to develop one during the 3-year period. This gives our State legislatures time to enact parallel legislation where required in conformity with the Model State Boat Act. Our purpose in assigning this flexibility early in the program is to encourage uniform laws and enforcement which this Congress urged upon States and Federal Government alike in the Federal Boating Act of 1958. That important policy is reiterated in the preamble to this bill.

During the final 2 years of the financial assistance program, all States may continue to receive some funds merely by applying—as was the case in the earlier years. But the majority of funds will be available only to those States establishing their eligibility through more uniform laws and a more active boating safety program. This important provision assures progress toward the goal of uniformity. It further assures increased State participation in this important program.

Again, I urge passage of H.R. 19.

Mr. Chairman, I wish to commend the able gentleman from Pennsylvania (Mr. CLARK) for his expert handling of this important bill.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman from Pennsylvania yield for a question?

Mr. CLARK. I yield to the gentleman.

Mr. BROWN of Michigan. I thank the gentleman for yielding.

Mr. Chairman, in reading the report you have listed the cost of the legislation. I can presume that those figures, the total of which you will find on that page, constitute the cost to the Federal Government.

Has there been any estimates made of the cost to the State governments of this legislation or eventually as to the consumer because of the safety equipment features and so on that necessarily will be required on both if this legislation is passed?

Mr. CLARK. We have no estimate of the cost to the States. The figures here of the cost as estimated for the Federal Government and also giving funds to the States.

Mr. BROWN of Michigan. This is the cost to the Federal Government, including the portion that the Federal Government would be contributing to the States?

Mr. CLARK. That is right.

Mr. BROWN of Michigan. The reason I ask this question is—I think the House and the Congress itself sometime has got to come to the conclusion in passing legislation of this nature, that there has got to be a reflection of the ultimate cost—and not just the cost to the Federal Government, because if we look at all the protecton and safety legislation that has passed, we do not begin to scratch the surface of the ultimate cost to the consumer by passing legislation such as this. I think the public should be informed when we pass legislation of this kind.

Mr. LATTA. Will the gentleman yield?

Mr. CLARK. I yield to the gentleman from Ohio.

Mr. LATTA. The gentleman stated before the Rules Committee that there was no authorization in this bill for a licensing provision, a licensing of the operator; is that correct?

Mr. CLARK. There is permissive legislation for licensing by the States.

Mr. LATTA. But not by the Federal Government?

Mr. CLARK. No.

Mr. LATTA. I think it is important to point this out, because on page 5, line 16, the bill states—

SEC. 5. (a) The Secretary may issue regulations—

(1) establishing minimum safety standards for boats and associated equipment,

et cetera. It might be implied that the Secretary would have the power under that section to license boat operators, and I think it is important to get that on the record, that they do not have that authority.

Mr. CLARK. To get it on the record, I repeat that they do not have that authority whatsoever.

Mr. LATTA. One further thing. I would hope that, when you get this bill in conference that you abandon the definition on page 2 dealing with boats so that every rowboat in the country will not be covered.

Mr. KEITH. Mr. Chairman, I have one further request for time. I yield whatever time he may require to the gentleman from Michigan (Mr. CHAMBERLAIN).

Mr. CHAMBERLAIN. Mr. Chairman, I rise in support of H.R. 19, the Federal Boat Safety Act of 1971.

This week is National Safe Boating Week as proclaimed by President Nixon according to legislation approved by the Congress in 1958 which I had the privilege of sponsoring. There could be no better time than now at the height of the recreational boating season, and at a time specifically dedicated to promot-

ing boating safety, for the Congress to act to equip the Coast Guard to do an even better job of insuring safety on our waterways.

As I pointed out in remarks appearing in the CONGRESSIONAL RECORD of July 1, while much is being done to keep boating accidents to a minimum in the face of the increasing popularity of recreational boating, more needs to be done. The latest estimates indicate that during calendar year 1970 about 44 million people participated in some form of boating, that is one-fifth of our entire population. Last year a total of 4,762 vessels were involved in 3,803 boating accidents involving property damage of at least $100 each. While this represents 264 fewer accidents than in 1969, the number of boating accident deaths increased from 1,350 in 1969 to 1,418 in 1970, and total property damage rose to about $8.2 million or an increase of $1.9 million over 1969.

It is apparent then that while good efforts are now being made, additional steps will be needed if our waterways are to be made safe. One of these major steps needs to be an updating of current safety requirements since present regulations are based on a 30-year-old law. The updating and tightening of these regulations is a principal purpose of H.R. 19, which is almost identical to legislation passed by the House last year but which the Senate failed to consider. Under the provisions of the Federal Boat Safety Act of 1971 minimum Federal safety standards for boats and associated equipment will be established and for the first time responsibility for building a safe boat will be placed on the manufacturer. The boatman, of course, will still be responsible for the safe operation and proper maintenance of his craft. I support this bill and urge every Member of Congress to do likewise.

Mr. CLARK. Mr. Chairman, I yield to the Chairman of the full Committee, the gentleman from Maryland (Mr. GARMATZ).

Mr. GARMATZ. Mr. Chairman, the bill we have before us for consideration, H.R. 19, the Federal Boat Safety Act of 1971, is a recreational boat safety bill to promote and encourage recreational boat safety.

It is the same as H.R. 15041, which passed the House last year on December 7, 1970, except that the committee in executive session last week added two minor amendments.

The House Committee on Merchant Marine and Fisheries has been working on this type of legislation since 1968. Originally, there were a number of problems concerning this legislation. However, by holding hearings in the various boating centers of the Nation, as well as hearings in Washington, and by constant consultation between staff members, the Coast Guard, and the various parties from the boating community, we are able to bring a bill to the floor today which has the support of virtually all the interested parties in the recreational boat community.

Of all the areas of marine activity, the recreational boat field is the one at the present time most in need of reasonable legislation to foster and promote safety. Last year there were approximately 1,400 fatalities arising from small boat accidents. H.R. 19 will make a significant contribution to decreasing this statistic and minimizing the hazards which give rise to it. The bill would enhance small boat safety in several material respects:

First. It would provide a safe boat by authorizing the Secretary to promulgate performance and construction standards governing the manufacture of small boats.

Second. The bill would provide a Boating Safety Advisory Council which will be available to consult with the Secretary on the many important aspects of boating safety including the promulgation of construction and performance standards mentioned above.

Third. It will go a long way toward encouraging the States to participate in boating safety through the establishment of boating safety programs set up and maintained by a system of Federal funding to the States.

Fourth. The bill would also contribute to boating safety by establishing uniformity in the area of boating safety.

The need for this legislation is all too apparent. The bill before us is a sound and reasonable legislative proposal which goes a long way toward promoting needed safety in the recreational boat field. I urge all the Members to join with me in support of H.R. 19, especially since this is National Boat Safety Week.

Mr. BYRNE of Pennsylvania. Mr. Chairman, although a number of factors account for fatal accidents in recreational boating, by far the largest number of fatalities is due to capsizing of the boat and by people falling overboard. Expert opinions vary on the precise cause of boating accidents and accident reports frequently attribute the final cause of an accident to multiple reasons but 1,350 fatalities are far too many to permit further academic discussion whether accidents are caused by the negligence of the operator, or inadequacies in the construction of the boat.

For every argument that a recreational boat capsizes or that a person falls overboard due to negligence, there is a counter argument that the boat would not have capsized or the person would not have fallen overboard if the boat had been built to standards making it more difficult for a boat to capsize or for a person to fall overboard. Accordingly, the major thrust of this legislation is to introduce for the first time general requirements that manufacturers of recreational boats shall construct those boats in accordance with standards prescribed by the Secretary of Transportation. Similar authority exists with respect to the construction of civil aircraft and, in growing degree, the construction of passenger automobiles and motor vehicles on our highways. It is time that recreational boats be built in accordance with standards prescribed by one Federal agency—in this case the Coast Guard—so that the public can enjoy recreational boating with greater safety.

This bill will accomplish that purpose by requiring manufacturers to certify they have built their recreational boats in accordance with applicable Federal standards.

Mr. DINGELL. Mr. Chairman, I rise in support of H.R. 19, which will establish the responsibility of boat and equipment manufacturers to deliver to our constituents new boats and equipment which meet needed minimum safety standards. The act of April 25, 1940, as amended—the Motorboat Act—now places the responsibility for compliance with the standards listed therein solely upon the owner-operator. The person who buys a boat should not have to evaluate for himself the safety features provided by manufacturers, but should have assurance that the boat he buys meets needed and reasonable safety standards.

The more flexible standards authority of this act will allow the Coast Guard to respond to safety problems where need is established. Establishment of required standards covering major safety hazards will assure that boat and equipment manufacturers will build to a nationally recognized safety level. It will no longer be necessary for a manufacturer to balance the cost of safety features he provides against those provided by his competitors. The result will be safer boats for the public.

Mr. ANDERSON of California. Mr. Chairman, I rise in support of H.R. 19, the Federal Boat Safety Act.

As a cosponsor of this measure, I am pleased that it has arrived on the floor of the House for our consideration and passage. The House Committee on Merchant Marine and Fisheries, of which I am a member, has been working on this legislation since 1968. On December 7, 1970, the House passed H.R. 15041, a bill identical to H.R. 19. Unfortunately, no action was taken on this measure by the Senate in the 91st Congress.

This recreational-boat safety bill seeks to provide for a coordinated national boating safety program. The need for such a program is apparent when we consider that there were approximately 1,300 fatalities arising from small boat accidents in 1969.

H.R. 19 will make a significant contribution to decreasing this statistic and minimizing the hazards which bring it about.

This measure would encourage small-boat safety by setting standards for boat manufacturers.

The average small boatowner is no more able to judge the quality of the various components which go into his boat than the average automobile purchaser. The responsibility for providing the boatman with a boat and equipment, meeting Federal safety standards, properly should be with the manufacturer. They have recognized this responsibility and their cooperation has resulted in a more effective bill.

Further, H.R. 19 enhances small boat safety by aiding the States in funding boating safety programs. I believe the system of financial assistance to the States is sound and encourages them to participate in boating safety. Those States which already have boating safety programs are encouraged to enlarge and intensify their participation in these programs.

Mr. Chairman, the popularity of recreational boating has increased to the point where over 40 million people

presently participate in the sport, and it is estimated that the number will exceed 50 million by 1975. By 1980, another 10 million people will take up the sport. The number of recreational boats now in use is estimated to be 9 million and this number is increasing by 200,000 annually.

This great surge in recreational boating must be met with a corresponding growth in safety regulations to govern the quality of recreational boating equipment and the conduct of those engaged in the sport. This legislation before us today will take some long-needed steps toward greater boating safety.

I urge my colleagues to support the Federal Boat Safety Act.

Mr. JONES of North Carolina. Mr. Chairman, I wish to comment on the background of this bill. Boating accidents often involve a chain of avoidable circumstances which include the boatman, the boat and its equipment, and the environment in which the boat operates. Operator fault is most often considered as the principal cause of boating accidents, since the boatman is the last person who can avoid an accident. But by breaking the chain of contributing events, accidents can be avoided and their consequences reduced.

A major part of a balanced program is education. The boatman must know safety rules and his responsibility to others for safe operation. Once he knows these responsibilities, effective enforcement is necessary to assure his continued awareness. Good engineering safety standards for his boat and its equipment will reduce the contribution of his boat to accidents. Finally, up-to-date and pertinent environmental and weather information will help him to avoid circumstances which are dangerous. Taken together, these four points offer a balanced and effective boating safety program. This bill provides incentives for greatly increased state enforcement and education programs, and broad authority to establish required engineering safety standards. I urge your support.

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

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 19

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Boat Safety Act of 1971".

DECLARATION OF POLICY AND PURPOSE

SEC. 2. It is hereby declared to be the policy of Congress and the purpose of this Act to improve boating safety and to foster greater development, use, and enjoyment of all the waters of the United States by encouraging and assisting participation by the several States, the boating industry, and the boating public in development of more comprehensive boating safety programs; by authorizing the establishment of national construction and performance standards for boats and associated equipment; and by creating more flexible regulatory authority concerning the use of boats and equipment. It is further declared to be the policy of Congress to encourage greater and continuing uniformity of boating laws and regulations as among the several States and the Federal Government, a higher degree of reciprocity and comity among the several jurisdictions, and closer cooperation and assistance between the Federal Government and the several States in developing, administering, and enforcing Federal and State laws and regulations pertaining to boating safety.

DEFINITIONS

SEC. 3. As used in this Act, and unless the context otherwise requires—

(1) "Boat" means any vessel—

(A) manufactured or used primarily for noncommercial use; or

(B) leased, rented, or chartered to another for the latter's noncommercial use; or

(C) engaged in the carrying of six or fewer passengers.

(2) "Vessel" includes every description of watercraft, other than a seaplane on the water, used or capable of being used as a means of transportation on the water.

(3) "Undocumented vessel" means a vessel which does not have and is not required to have a valid marine document as a vessel of the United States.

(4) "Use" means operate, navigate, or employ.

(5) "Passenger" means every person carried on board a vessel other than—

(A) the owner or his representative;

(B) the operator;

(C) bona fide members of the crew engaged in the business of the vessel who have contributed no consideration for their carriage and who are paid for their services; or

(D) any guest on board a vessel which is being used exclusively for pleasure purposes who has not contributed any consideration, directly or indirectly, for his carriage.

(6) "Owner" means a person who claims lawful possession of a vessel by virtue of legal title or equitable interest therein which entitles him to such possession.

(7) "Manufacturer" means any person engaged in—

(A) the manufacture, construction, or assembly of boats or associated equipment; or

(B) the manufacture or construction of components for boats and associated equipment to be sold for subsequent assembly; or

(C) the importation into the United States for sale of boats, associated equipment, or components thereof.

(8) "Associated equipment" means—

(A) any system, part, or component of a boat as originally manufactured or any similar part or component manufactured or sold for replacement, repair, or improvement of such system, part, or component; and

(B) any accessory or equipment for, or appurtenance to, a boat; and

(C) any marine safety article accessory, or equipment intended for use by a person on board a boat.

(9) "Secretary" means the Secretary of the Department in which the Coast Guard is operating.

(10) "State" means a State of the United States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the District of Columbia.

(11) An eligible State means one that has an accepted State boating safety program.

APPLICABILITY

SEC. 4. (a) This Act applies to vessels and associated equipment used, to be used, or carried in vessels used, on waters subject to the jurisdiction of the United States and on the high seas beyond the territorial seas for vessels owned in the United States.

(b) Sections 5 through 11 and subsections 12(a), (b), and (c) of this Act are applicable also to boats moving or intended to be moved in interstate commerce.

(c) This Act, except those sections where the content expressly indicates otherwise, does not apply to—

(1) foreign vessels temporarily using waters subject to United States jurisdiction;

(2) military or public vessels of the United States, except recreational-type public vessels;

(3) a vessel whose owner is a State or subdivision thereof, which is used principally for governmental purposes, and which is clearly identifiable as such;

(4) ships' lifeboats.

BOAT AND ASSOCIATED EQUIPMENT STANDARDS AND USE

SAFETY REGULATIONS AND STANDARDS

SEC. 5. (a) The Secretary may issue regulations—

(1) establishing minimum safety standards for boats and associated equipment, and establishing procedures and tests required to measure conformance with such standards. Each standard shall be reasonable, shall meet the need for boating safety, and shall be stated, insofar as practicable, in terms of performance;

(2) requiring the installation, carrying, or using of associated equipment on boats and classes of boats subject to this Act; and prohibiting the installation, carrying, or using of associated equipment which does not conform with safety standards established under this section. Equipment contemplated by this clause includes, but is not limited to, fuel systems, ventilation systems, electrical systems, navigational lights, sound producing devices, fire fighting equipment, lifesaving devices, signaling devices, ground tackle, life and grab rails, and navigational equipment.

(b) A regulation or standard issued under this section—

(1) shall specify an effective date which is not earlier than one hundred and eighty days from the date of issuance, except that this period shall be increased in the discretion of the Secretary to not more than eighteen months in any case involving major product design, retooling, or major changes in the manufacturing process, unless the Secretary finds that there exists a boating safety hazard so critical as to require an earlier effective date; what constitutes major product redesign, retooling, or major changes shall be determined by the Secretary;

(2) may not compel substantial alteration of a boat or item of associated equipment which is in existence, or the construction or manufacture of which is commenced, before the effective date of the regulation; but within that limitation may require compliance or performance that the Secretary considers appropriate in relation to the degree of hazard that the compliance will correct; and

(3) shall be consistent with laws and regulations governing the installation and maintenance of sanitation equipment.

PRESCRIBING REGULATIONS AND STANDARDS

SEC. 6. In establishing a need for formulating and prescribing regulations and standards under section 5 of this Act, the Secretary shall, among other things—

(1) consider the need for and the extent to which the regulations or standards will contribute to boating safety;

(2) consider relevant available boat safety standards, statistics and data, including public and private research, development, testing, and evaluation;

(3) shall be consistent with laws and regulation or standard is reasonable and appropriate for the particular type of boat or associated equipment for which it is prescribed;

(4) consult with the Boating Safety Advisory Council established in compliance with this Act regarding all of the foregoing considerations.

DISPLAY OF LABELS EVIDENCING COMPLIANCE

SEC. 7. The Secretary may require or permit the display of seals, labels, plates, in-

signia, or other devices for the purpose of certifying or evidencing compliance with Federal safety regulations and standards for boats and associated equipment.

DELEGATION OF INSPECTION FUNCTION

SEC. 8. The Secretary may, subject to regulations, supervision, and review as he may prescribe, delegate to any person, or private or public agency, or to any employee under the supervision of such person or agency, any work, business, or function respecting the examination, inspection, and testing necessary to carry out his responsibilities under sections 5 and 6 of this Act.

EXEMPTIONS

SEC. 9. The Secretary may, if he considers that boating safety will not be adversely affected, issue exemptions from any provision of this Act or regulations and standards established thereunder, on terms and conditions as he considers appropriate.

FEDERAL PREEMPTION

SEC. 10. Unless permitted by the Secretary under section 9 of this Act, no State or political subdivision thereof may establish, continue in effect, or enforce any provision of law or regulation which establishes any boat or associated equipment performance or other safety standard, or which imposes any requirement for associated equipment, except, unless disapproved by the Secretary, the carrying or using of marine safety articles to meet uniquely hazardous conditions or circumstances within the State, which is not identical to a Federal regulation issued under section 5 of this Act.

ADMISSION OF NONCONFORMING FOREIGN-MADE BOATS

SEC. 11. (a) The Secretary of the Treasury, in consultation with the Secretary (of the department in which the Coast Guard is operating), may issue regulations authorizing the importation of a nonconforming boat or associated equipment upon terms and conditions, including the furnishing of bond, which will assure that the boat or associated equipment will be brought into conformity with the applicable Federal safety regulations and standards before it is used on water subject to the jurisdiction of the United States.

(b) For the purposes of this section and the prohibition concerning the importation of associated equipment of section 12(a), the term "associated equipment" means only those items which shall be listed by the Secretary of the Department of Transportation in implementing regulations.

PROHIBITED ACTS

SEC. 12. (a) No person may manufacture, construct, assemble, introduce, or deliver for introduction in interstate commerce, or import into the United States, or if engaged in the business of selling or distributing boats or associated equipment, may sell or offer for sale, any boat, associated equipment, or component thereof to be sold for subsequent assembly, unless—

(1) it conforms with regulations and standards prescribed under this Act, or

(2) it is intended solely for export, and so labeled, tagged, or marked on the boat or equipment and on the outside of the container, if any, which is exported.

(b) No person may be held liable for a violation of this section if he establishes that he did not have reason to know in the exercise of due care that a boat or associated equipment does not conform with applicable Federal boat safety standards, or who holds a certificate issued by the manufacturer of the boat or associated equipment to the effect that such boat or associated equipment conforms to all applicable Federal boat safety standards, unless such person knows or reasonably should have known that such boat or associated equipment does not so conform.

(c) No person may affix, attach, or display a seal, label, plate, insignia, or other device indicating or suggesting compliance with Federal safety standards on, in, or with a boat or item of associated equipment, which is false or misleading.

(d) No person may use a vessel in violation of this Act or regulations issued thereunder.

(e) No person may use a vessel, including one otherwise exempted by subsection 4(c) of this Act, in a negligent manner so as to endanger the life, limb, or property of any person. Violations of this subsection involving use which is grossly negligent, subject the violator, in addition to any other penalties prescribed in this Act, to the criminal penalties prescribed in section 34.

(f) No vessel equipped with propulsion machinery of any type and not subject to the manning requirements of the vessel inspection laws administered by the Coast Guard, may while carrying passengers for hire, be used except in the charge of a person licensed for such service under regulations, prescribed by the Secretary, which pertain to qualifications, issuance, revocation or suspension, and related matters.

(g) Subsection 12(f) of this Act does not apply to any vessel being used for bona fide dealer demonstrations furnished without fee to business invitees. However, if on the basis of substantial evidence the Secretary determines, pursuant to section 6 hereof, that requiring vessels so used to be under the control of licensed persons is necessary to meet the need for boating safety, then the Secretary may promulgate regulations requiring the licensing of persons controlling such vessels in the same manner as provided in subsection 12(f) of this Act for persons in control of vessels carrying passengers for hire.

TERMINATION OF UNSAFE USE

SEC. 13. If a Coast Guard boarding officer observes a boat being used without sufficient lifesaving or firefighting devices or in an overloaded or other unsafe condition as defined in regulations of the Secretary, and in his judgment such use creates an especially hazardous condition, he may direct the operator to take whatever immediate and reasonable steps would be necessary for the safety of those aboard the vessel, including directing the operator to return to mooring and to remain there until the situation creating the hazard is corrected or ended.

INSPECTION, INVESTIGATION, REPORTING

SEC. 14. (a) Every manufacturer subject to the provisions of this Act shall establish and maintain records, make reports, and provide information as the Secretary may reasonably require to enable him to determine whether the manufacturer has acted or is acting in compliance with this Act and the regulations issued thereunder. A manufacturer shall, upon request of an officer, employee, or agent authorized by the Secretary, permit the officer, employee, or agent to inspect at reasonable times factories or other facilities, books, papers, records, and documents relevant to determining whether the manufacturer has acted or is acting in compliance with this Act and the regulations issued thereunder.

(b) All information reported to or otherwise obtained by the Secretary or his representative pursuant to subsection (a) containing or relating to a trade secret or other matter referred to in section 1905 of title 18 of the United States Code, or authorized to be exempted from public disclosure by subsection 552(b) of title 5, United States Code, shall be considered confidential for the purpose of that section of title 18, except that such information may be disclosed to other officers, employees, or agents concerned with carrying out this Act or when relevant in any proceeding under this Act.

NOTIFICATION OF BOAT DEFECTS

SEC. 15. (a) Every boat manufacturer shall furnish notification of a defect in any boat produced by the manufacturer, which he determines in good faith relates to safe use of the boat, to the dealer to whom the boat was delivered and to the purchaser (when known to the manufacturer) of the boat, within a reasonable time after the manufacturer has discovered the defect.

(b) Notification shall be accomplished—

(1) by certified mail to the first purchaser (not including any dealer of the manufacturer) of the boat containing the defect, and to any subsequent purchaser to whom has been transferred any warranty on the boat; and

(2) by certified mail or other more expeditious means to the dealer to whom the boat was delivered.

(c) Notification shall contain a clear description of the defect, an evaluation of the risk to boating safety reasonably resulting from the defect, and a statement of measures to be taken to repair the defect.

(d) Every manufacturer shall furnish to the Secretary a true or representative copy of all notices, bulletins, and other communications to purchasers or dealers required under this Act. The Secretary may publish so much of the information contained in the communication as he deems will contribute to boating safety.

RENDERING OF ASSISTANCE IN CASUALTIES

SEC. 16. (a) The operator of a vessel, including one otherwise exempted by subsection 4(c) of this Act, involved in a collision, accident, or other casualty, to the extent he can do so without serious danger to his own vessel, or persons aboard, shall render all practical and necessary assistance to persons affected by the collision, accident, or casualty to save them from danger caused by the collision, accident, or casualty. He shall also give his name, address, and the identification of his vessel to any person injured and to the owner of any property damaged. The duties imposed by this subsection are in addition to any duties otherwise imposed by law.

(b) Any person who complies with subsection (a) of this section or who gratuitously and in good faith renders assistance at the scene of a vessel collision, accident, or other casualty without objection of any person assisted, shall not be held liable for any civil damages as a result of the rendering of assistance or for any act or omission in providing or arranging salvage, towage, medical treatment, or other assistance where the assisting person acts as an ordinary, reasonably prudent man would have acted under the same or similar circumstances.

NUMBERING OF CERTAIN VESSELS

VESSELS REQUIRING NUMBERING

SEC. 17. An undocumented vessel equipped with propulsion machinery of any type shall have a number issued by the proper issuing authority in the State in which the vessel is principally used.

STANDARD NUMBERING

SEC. 18. (a) The Secretary shall establish by regulation a standard numbering system for vessels. Upon application by a State the Secretary shall approve a State numbering system which is in accord with the standard numbering system and the provisions of this Act relating to numbering and casualty reporting. A State with an approved system is the issuing authority under the Act. The Secretary is the issuing authority in States where a State numbering system has not been approved.

(b) If a State has a numbering system approved by the Secretary under the Act of September 2, 1958 (72 Stat. 1754), as amended, prior to enactment hereof, the system need not be immediately revised to conform with this Act and may continue in effect without change for a period not to exceed three years from the date of enactment of this Act.

(c) When a vessel is actually numbered in

the State of principal use, it shall be considered as in compliance with the numbering system requirements of any State in which it is temporarily used.

(d) When a vessel is removed to a new State of principal use, the issuing authority of that State shall recognize the validity of a number awarded by any other issuing authority for a period of at least sixty days before requiring numbering in the new State.

(e) If a State has a numbering system approved after the effective date of this Act, that State must accept and recognize any certificate of number issued by the Secretary, as the previous issuing authority in that State, for one year from the date that State's system is approved, or until its expiration date, at the option of the State.

(f) Whenever the Secretary determines that a State is not administering its approved numbering system in accordance with the standard numbering system, or has altered its system without his approval, he may withdraw his approval after giving notice to the State, in writing, setting forth specifically wherein the State has failed to meet the standards required, and the State has not corrected such failures within a reasonable time after being notified by the Secretary.

EXEMPTIONS

SEC. 19. (a) The Secretary, when he is the issuing authority, may exempt a vessel or class of vessels from the numbering provisions of this Act under such conditions as he may prescribe.

(b) When a State is the issuing authority, it may exempt from the numbering provisions of this Act any vessel or class of vessels that has been exempted under subsection (a) of this section or otherwise as permitted by the Secretary.

DESCRIPTION OF CERTIFICATE OF NUMBER

SEC. 20. (a) A certificate of number granted under this Act shall be pocket size, shall be at all times available for inspection on the vessel for which issued when the vessel is in use, and may not be valid for more than three years. The certificate of number for vessels less than twenty-six feet in length and leased or rented to another for the latter's noncommercial use of less than twenty-four hours may be retained on shore by the vessel's owner or his representative at the place from which the vessel departs or returns to the possession of the owner or his representative. A vessel which does not have the certificate of number on board shall be identified while in use, and comply with such other requirements, as the issuing authority prescribes.

(b) The owner of a vessel numbered under this Act shall furnish to the issuing authority notice of the transfer of all or part of his interest in the vessel, or of the destruction or abandonment of the vessel, within a reasonable time thereof, and shall furnish notice of any change of address within a reasonable time of the change, in accordance with prescribed regulations.

DISPLAY OF NUMBER

SEC. 21. A number required by this Act shall be painted on, or attached to, each side of the forward half of the vessel for which it was issued, and shall be of the size, color, and type as may be prescribed by the Secretary. No other number may be carried on the forward half of the vessel.

SAFETY CERTIFICATES

SEC. 22. When a State is the issuing authority it may require that the operator of a numbered vessel hold a valid safety certificate issued under terms and conditions set by the issuing authority.

REGULATIONS

SEC. 23. The issuing authority may prescribe regulations and establish fees to carry out the intent of sections 17 through 24 and section 37 of this Act. A State issuing authority may impose only terms and conditions for vessel numbering which are prescribed by this Act or the regulations of the Secretary concerning the standard numbering system.

FURNISHING OF INFORMATION

SEC. 24. Manufacturers may request from an issuing authority vessel numbering and registration information which is retrievable from vessel numbering system records of the issuing authority. When the issuing authority is satisfied that the request is reasonable and related to a boating safety purpose, the information shall be furnished upon payment by the manufacturer of the cost of retrieval and furnishing of the information requested.

STATE BOATING SAFETY PROGRAMS

ESTABLISHMENT AND ACCEPTANCE

SEC. 25. In order to encourage greater State participation and consistency in boating safety efforts, and particularly greater safety patrol and enforcement activities, the Secretary may accept State boating safety programs directed at implementing and supplementing this Act. Acceptance is necessary for a State to receive full rather than partial Federal financial assistance under this Act. The Secretary may also make Federal funds available to an extent permitted by subsection 27(d) of this Act to national nonprofit public service organizations for national boating safety programs and activities which he considers to be in the public interest.

BOATING SAFETY PROGRAM CONTENT

SEC. 26. (a) The Secretary shall accept a State boating safety program which—

(1) incorporates a State vessel numbering system previously approved under this Act or includes such a numbering system as part of the proposed boating safety program;

(2) includes generally the other substantive content of the Model State Boat Act as approved by the National Association of State Boating Law Administrators in conjunction with the Council of State Governments, or is in substantial conformity therewith, or conforms sufficiently to insure uniformity and promote comity among the several jurisdictions;

(3) provides for patrol and other activity to assure enforcement of the State boating safety laws and regulations;

(4) provides for boating safety education programs;

(5) designates the State authority or agency which will administer the boating safety program and the allocated Federal funds; and

(6) provides that the designated State authority or agency will submit reports in the form prescribed by the Secretary.

(b) The requirements of subparagraph (a) (2) of this section shall be liberally construed to permit acceptance where the general intent and purpose of such requirements are met and nothing contained therein is in any way intended to discourage a State program which is more extensive or comprehensive than suggested herein, particularly with the regard to safety patrol and enforcement activity commensurate with the amount and type of boating activity within the State, and with regard to public boat safety education, and experimental programs which could enhance boating safety.

ALLOCATION OF FEDERAL FUNDS

SEC. 27. (a) The Secretary shall allocate the amounts appropriated to the several States as soon as practicable after July 1 of each fiscal year for which the funds are appropriated.

(b) In order to encourage and assist the States in the development of boating safety programs during the first three fiscal years for which funds are available under this Act, the funds shall be allocated among applying States having a boating safety program, or which indicate to the Secretary their intention to establish boating safety programs in accordance with section 25 of this Act. One-half of the funds shall be allocated equally among the applying States. The other half shall be allocated to each applying eligible State in the same ratio as the number of vessels propelled by machinery numbered in that State bears to the number of such vessels numbered in all applying eligible States.

(c) In fiscal years after the third fiscal year for which funds are available under this Act the moneys appropriated shall be allocated among applying States. Of the total available funds one-third shall be allocated each year equally among applying States. One-third shall be allocated so that the amount each year to each applying eligible State will be in the same ratio as the number of vessels numbered in that State, under a numbering system approved under this Act, bears to the number of such vessels numbered in all applying eligible States. The remaining one-third shall be allocated so that the amount each year to each applying eligible State shall be in the same ratio as the State funds expended or obligated for the State boating safety program during the previous fiscal year by a State bears to the total State funds expended or obligated for that fiscal year by all the applying eligible States.

(d) The Secretary may allocate not more than 5 per centum of funds appropriated in any fiscal year for national boating safety activities of one or more national nonprofit-public service organizations.

ALLOCATION LIMITATIONS; UNOBLIGATED OR UNALLOCATED FUNDS

SEC. 28. (a) Notwithstanding the allocation ratios prescribed in section 27 of this Act, the Federal share of the total annual cost of a State's boating safety program may not exceed 75 per centum in fiscal year 1972, 66⅔ per centum in fiscal year 1973; 50 per centum in fiscal year 1974, 40 per centum in fiscal year 1975, and 33⅓ per centum in fiscal year 1976. No state may receive more than 5 per centum of the Federal funds appropriated or available for allocation in any fiscal year.

(b) Amounts allocated to a State shall be available for obligation by that State for a period of three years following the date of allocation. Funds unobligated by the State at the expiration of the three-year period shall be withdrawn by the Secretary and shall be available with other funds to be allocated by the Secretary during that fiscal year.

(c) Funds available to the Secretary which have not been allocated at the end of a fiscal year shall be carried forward as part of the total allocation funds for the next fiscal year for which appropriations are authorized by this Act.

DETERMINATION OF STATE FUNDS EXPENDED

SEC. 29. In accordance with regulations prescribed by the Secretary computation by a State of funds expended or obligated for the boating safety program shall include the acquisition, maintenance, and operating costs of facilities, equipment, and supplies; personnel salaries and reimbursable expenses; the costs of training personnel; public boat safety education; the costs of administering the program; and other expenses which the Secretary considers appropriate. The Secretary shall determine any issues which arise in connection with such computation.

AUTHORIZATION FOR APPROPRIATIONS FOR STATE BOATING SAFETY PROGRAMS

SEC. 30. For the purpose of providing financial assistance for State boating safety programs there is authorized to be appropriated $7,500,000 for the fiscal year ending June 30, 1972, and $7,500,000 for each of the four succeeding fiscal years, such appropriations to remain available until expended.

PAYMENTS

SEC. 31. (a) Amounts allocated under section 27 of this Act shall be computed and paid to the States as follows:

(1) During the first three fiscal years that

funds are available the Secretary shall schedule the initial payment to each State at the earliest possible time after application and compliance with subsection 27(b) of this Act.

(2) For fiscal years after the third fiscal year for which funds are available, the Secretary shall determine during the last quarter of a fiscal year, on the basis of computations made pursuant to section 29 of this Act and submitted by the States, the percentage of the funds available for the next fiscal year to which each eligible State shall be entitled. Notice of the percentage and of the dollar amount, if it can then be determined, for each State shall be furnished to the States at the earliest practicable time. If the Secretary finds that an amount made available to a State for a prior year is greater or less than the amount which should have been made available to that State for the prior year, because of later or more accurate State expenditure information, the amount for the current fiscal year may be increased or decreased by the appropriate amount.

(b) Notwithstanding any other provision of law, the Secretary shall schedule the payment of funds consistent with the program purposes and applicable Treasury regulations, so as to minimize the time elapsing between the transfer of funds from the United States Treasury and the subsequent disbursement thereof by a State.

(c) Whenever the Secretary, after reasonable notice to the designated State authority or agency, finds that—

(1) the boating safety program submitted by the State and accepted by the Secretary has been so changed that it no longer complies with this Act or standards established by regulations thereunder; or

(2) in the administration of the boating safety program, there has been a failure to comply substantially with the standards established by the regulations;

the Secretary shall notify the State authority or agency that no further payments will be made to the State until the program conforms to the established standards or the failure is corrected.

(d) The Secretary shall, by regulation, provide for such accounting, budgeting, and other fiscal procedures as are necessary and reasonable for the proper and efficient administration of this section. The Secretary and the Comptroller General of the United States shall have access for the purpose of audit and examination, to any books, documents, papers, and records that are pertinent to Federal funds received by the States under this Act.

CONSULTATION AND COOPERATION

SEC. 32. (a) In carrying out his responsibilities under this Act the Secretary may consult with State and local governments, public and private agencies, organizations and committees, private industry, and other persons having an interest in boating and boating safety.

(b) The Secretary may advise, assist, and cooperate with the States and other interested public and private agencies, in the planning, development, and execution of boating safety programs. Acting under the authority of section 141 of title 14, United States Code, and consonant with the policy defined in section 2 of this Act, the Secretary shall insure the fullest cooperation between the State and Federal authorities in promoting boating safety by entering into agreements and other arrangements with the States whenever possible. Subject to the provisions of chapter 23, title 14, he may make available, upon request from a State, the services of members of the Coast Guard Auxiliary to assist the State in the promotion of boating safety on State waters.

BOATING SAFETY ADVISORY COUNCIL

SEC. 33. (a) The Secretary shall establish a National Boating Safety Advisory Council, which shall not exceed twenty-one members, whom the Secretary considers to have a particular expertise, knowledge, and experience in boating safety. Insofar as practical, to assure balanced representation, members shall be drawn equally from (1) State officials responsible for State boating safety programs, (2) boat and associated equipment manufacturers, and (3) boating organizations and members of the general public. Additional persons from those sources may be appointed to panels to the Council which will assist the Council in the performance of its functions.

(b) In addition to the consultation required by section 6 of this Act the Secretary shall consult with the Advisory Council on any other major boat safety matters related to this Act.

(c) Members of the Advisory Council or panels may be compensated at a rate not to exceed the rate provided for Federal classified employees of grade GS–18 when engaged in the duties of the Council. Members, while away from their homes or regular places of business, may be allowed travel expenses, including a per diem in lieu of subsistence as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently. Payments under this section shall not render members of the Advisory Council employees or officials of the United States for any purposes.

CRIMINAL PENALTIES

SEC. 34. Any person who willfully violates subsection 12(d) of this Act or the regulations issued thereunder shall be fined not more than $1,000 for each violation or imprisoned not more than one year, or both.

CIVIL PENALTIES

SEC. 35. (a) In addition to any other penalty prescribed by law any person who violates subsection 12(a) of this Act shall be liable to a civil penalty of not more than $2,000 for each violation, except that the maximum civil penalty shall not exceed $100,000 for any related series of violations.

(b) In addition to any other penalty prescribed by law any person who violates any other provision of this Act or the regulations issued thereunder shall be liable to a civil penalty of not more than $500 for each violation. If the violation involves the use of a vessel, the vessel, except as exempted by subsection 4(c) of this Act, shall be liable and may be proceeded against in the district court of any district in which the vessel may be found.

(c) The Secretary may assess and collect any civil penalty incurred under this Act and, in his discretion, remit, mitigate, or compromise any penalty prior to referral to the Attorney General. Subject to approval by the Attorney General, the Secretary may engage in any proceeding in court for that purpose, including a proceeding under subsection (d) of this section. In determining the amount of any penalty to be assessed hereunder, or the amount agreed upon in any compromise consideration shall be given to the appropriateness of such penalty in light of the size of the business of the person charged, the gravity of the violation and the extent to which the person charged has complied with the provisions of section 15 of this Act or has otherwise attempted to remedy the consequences of the said violation.

(d) When a civil penalty of not more than $200 has been assessed under this Act, the Secretary may refer the matter for collection of the penalty directly to the Federal magistrate of the jurisdiction wherein the person liable may be found for collection procedures under supervision of the district court and pursuant to order issued by the court delegating such authority under section 636(b) of title 28, United States Code.

INJUNCTIVE PROCEEDINGS

SEC. 36. The United States district courts shall have jurisdiction, for cause shown and subject to the provisions of rule 65 (a) and (b) of the Federal Rules of Civil Procedure, to restrain violations of this Act, or to restrain the sale, offer for sale, or the introduction or delivery for introduction, in interstate commerce, or the importation into the United States, of any boat or associated equipment which is determined not to conform to Federal boat safety standards, upon petition by the Attorney General on behalf of the United States. Whenever practicable, the Secretary shall give notice to any person against whom an action for injunctive relief is contemplated and afford him an opportunity to present his views, and except in the case of knowing and willful violation, shall afford him a reasonable opportunity to achieve compliance. The failure to give notice and afford such opportunity does not preclude the granting of appropriate relief.

CASUALTY REPORTING SYSTEMS

SEC. 37. (a) The Secretary shall prescribe a uniform vessel casualty reporting system for vessels subject to this Act, including those otherwise exempted by terms (1), (3), and (4) of subsection 4(c).

(b) A State vessel numbering system and boating safety program approved under this Act shall provide for the reporting of casualties and accidents involving vessels. A State shall compile and transmit to the Secretary reports, information, and statistics on casualties and accidents reported to it.

(c) A vessel casualty reporting system shall provide for the reporting of all marine casualties involving vessels indicated in subsection (a) of this section and resulting in the death of any person. Marine casualties which do not result in loss of life shall be classified according to the gravity thereof, giving consideration to the extent of the injuries to persons, the extent of property damage, the dangers which casualties create, and the size, occupation or use, and the means of propulsion of the boat involved. Regulations shall prescribe the casualties to be reported and the manner of reporting.

(d) The owner or operator of a boat or vessel indicated in subsection (a) of this section and involved in casualty or accident shall report the casualty or accident to the Secretary in accordance with regulations prescribed under this section unless he is required to report to a State under a State system approved under this Act.

(e) The Secretary shall collect, analyze, and publish reports, information, or statistics together with findings and recommendations he considers appropriate. If a State accident reporting system provides that information derived from accident reports, other than statistical, shall be unavailable for public disclosure, or otherwise prohibits use by the State or any person in any action or proceeding against an individual, the Secretary may utilize the information or material furnished by a State only in like manner.

APPROPRIATIONS AUTHORIZATION

SEC. 38. There is authorized to be appropriated amounts as may be necessary to administer the provisions of this Act.

MISCELLANEOUS PROVISIONS

SEC. 39. (a) The following are repealed:

(1) Section 7, as amended, and sections 13 and 14 of the Motorboat Act of 1940, Public Law 76–484, April 25, 1940 (54 Stat. 165);

(2) The Federal Boating Act of 1958, Public Law 85–911, September 2, 1958 (72 Stat. 1754), except subsections 6(b) and 6(c) thereof;

(3) The Act of March 28, 1960, Public Law 86–396 (74 Stat. 10); and

(4) The Act of August 30, 1961, Public Law 87–171 (75 Stat. 408).

(b) Subsection (c) of section 6 of the Federal Boating Act of 1958, September 2, 1958 (72 Stat. 1754), is amended to read as follows:

"(c) Such Act of April 25, 1940 (46 U.S.C. 526–526t), is further amended by adding

at the end thereof the following new section:

"'SEC. 22. (a) This Act applies to every motorboat or vessel on the navigable waters of the United States, Guam, the Virgin Islands, the Commonwealth of Puerto Rico, and the District of Columbia, and every motorboat or vessel owned in a State and using the high seas, except that the provisions of this Act other than sections 12, 18, and 19 do not apply to boats as defined in and subject to the Boat Safety Act of 1971.

"'(b) As used in this Act—

"'The term "State" means a State of the United States, Guam, the Virgin Islands, the Commonwealth of Puerto Rico, and the District of Columbia.'"

(c) Any vessel, to the extent that it is subject to the Small Passenger Carrying Vessel Act, May 10, 1956 (70 Stat. 151), or to any other vessel inspection statute of the United States, is exempt from the provisions of this Act.

(d) Nothing contained in this Act shall be deemed to exempt from the antitrust laws of the United States any conduct that would be unlawful under such laws, or to prohibit under the antitrust laws of the United States any conduct that would be lawful under such laws.

(e) Regulations previously issued under statutory provisions repealed, modified, or amended by this Act continue in effect as though promulgated under the authority of this Act until expressly abrogated, modified or amended by the Secretary under the regulatory authority of this Act.

(f) A criminal or civil penalty proceeding under the Motorboat Act of 1940, as amended, or the Federal Boating Act of 1958, as amended, for a violation which occurred before the effective date of this Act may be initiated and continue to conclusion as though the former Acts had not been amended or repealed hereby.

Mr. CLARK (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, and that it be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 9, beginning in line 6, strike out "The Secretary of the Treasury and the Secretary may, by joint regulations, authorize" and insert in lieu thereof the following: "The Secretary of the Treasury, in consultation with the Secretary (of the department in which the Coast Guard is operating), may issue regulations authorizing".

Page 9, line 6, insert "(a)" immediately after "Sec. 11."; and after line 13 insert the following:

"(b) For the purposes of this section and the prohibition concerning the importation of associated equipment of section 12(a), the term 'associated equipment' means only those items which shall be listed by the Secretary of the Department of Transportation in implementing regulations".

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the committee rises.

Accordingly the Committee rose; and the Speaker having resume the Chair, Mr. MCFALL, 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. 19) to provide for a coordinated national boating safety program, pursuant to House Resolution 525, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

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

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

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

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

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CLARK. 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 Pennsylvania?

There was no objection.

LEGISLATIVE PROGRAM

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

Mr. RHODES. Mr. Speaker, I take this time to ask the distinguished majority leader if he will advise the House of the program for next week.

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

Mr. RHODES. I yield to the gentleman from Louisiana.

Mr. BOGGS. Mr. Speaker, first I should like to announce that this completes our program for this week, and I plan to ask for a unanimous-consent adjournment to Monday next.

Monday is District day. We have four bills:

H.R. 6968, Uniform Commercial Code amendment, re: Warehousemen's lien;

H.R. 7718, Tax Exemption of Property of Scottish Rite of Free Masonry;

H.R. 8407, Authorize District of Columbia To Enter into Interstate Agreement on Qualifications of Educational Personnel; and

H.R. 9395, Authorize Salary Deductions from School Employees.

On Tuesday we will have:

H.R. 8699, Administrative Assistant for the Chief Justice, under an open rule, with 1 hour of debates; and

House Joint Resolution 3, providing for creation of a Joint Committee on the Environment.

On Wednesday we will have:

The Department of Transportation Appropriations for fiscal year 1972; and

H.R. 9020, Egg Products Inspection Act amendment, which is subject to a rule being granted.

On Thursday and the balance of the week we will have:

H.R. 9388, Atomic Energy Commission Authorization, under an open rule, with 1 hour of debates; and

H.R. 9092, Equitable System Wage Board, which is subject to a rule being granted.

Mr. Speaker, conference reports and privileged matters may be brought up at any time and any further program will be announced later.

Mr. VAN DEERLIN. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from California.

Mr. VAN DEERLIN. Mr. Speaker, I thank the gentleman for yielding.

I wonder if the majority leader can give us any guidance as to when we might expect the privileged resolution on the matter of CBS and Dr. Frank Stanton to come to the floor.

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

Mr. RHODES. I yield to the gentleman from Louisiana.

Mr. BOGGS. Mr. Speaker, as the gentleman knows, the majority leader does not control the resolution. Once the resolution has been filed, the Chairman of the Committee may call that up at his pleasure.

I might say the Chairman of the Committee has indicated to some of us informally he might call it up on Tuesday.

Mr. VAN DEERLIN. Mr. Speaker, I notice the presence of the Chairman of the Committee, and I assume that is the case, that on Tuesday of next week we can expect the Stanton resolution? Will the gentleman yield for the inquiry?

Mr. RHODES. I yield to the gentleman from California for the inquiry, and later to the gentleman from West Virginia if he does care to make any statement, of course.

Mr. BOGGS. Mr. Speaker, I have no further statement to make.

Mr. STAGGERS. Mr. Speaker, I have no comment to make to the gentleman from California. We will bring it up as soon as we can.

ADJOURNMENT OVER TO MONDAY, JULY 12

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMERCIAL AIR TRAGEDIES

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

Mr. HILLIS. Mr. Speaker, the two recent commercial air tragedies of June 6 and 7, 1971, have greatly concerned me, particularly the accident occurring at New Haven, Conn., in which 28 of 31 persons were killed.

According to newspaper accounts, the minimum operating ceiling of the New Haven airport was 380 feet. The aircraft attempted a landing with a ceiling at 200 feet or less.

This accident is presently under investigation, and I do not attempt to prejudge the results. An instrument or mechanical failure may have been at fault, but in all probability, the investigation will disclose the pilot was attempting a below-minimum landing.

The statements which appeared in the press indicated that perhaps this accident would not have occurred if an instrument landing system had been installed, and this further disturbs me. This gives the impression that by merely spending millions of dollars at airports around the country these horrible accidents could be eliminated. Unfortunately this is not the case. As long as pilots continue to disregard minimum requirements and as long as they attempt landings below these requirements, these tragic accidents will continue to occur.

I recently wrote to the Department of Transportation concerning this matter, and have now received a reply from Mr. Shaffer, the Administrator of Federal Aviation Administration.

The FAA is hard at work on this problem and should be congratulated on the development of a system which will expose the pilot who disregards the rules, thereby bringing about greater safety to the general commercial air traveling public.

Also I commend this Agency for further integrating into the air traffic control system military operations whenever possible.

Mr. Speaker, I hereby include Mr. Shaffer's letter with my remarks:

DEPARTMENT OF TRANSPORTATION,
FEDERAL AVIATION ADMINISTRATION,
Washington, D.C., July 3, 1971.

Hon. ELWOOD H. HILLIS,
House of Representatives,
Washington, D.C.

DEAR MR. HILLIS: Thank you for letter of 15 June 1971 regarding the two recent commercial air tragedies of 6 and 7 June 1971.

The Allegheny accident at New Haven is still undergoing investigation and every effort is being made to determine why the aircraft descended below the prescribed altitude for that portion of the instrument approach.

The airlines and the agency in recognition of the need for inflight monitoring of flight crew performance have for several years been engaged in a project to accomplish this objective by use of airborne integrated data systems. This method of monitoring pilot proficiency provides an effective way of inflight safety monitoring through the use of sophisticated flight recorders. This concept hinges on a total systems approach in problem solving and decision making. One of the benefits can be an effective method of monitoring pilot proficiency while reducing the actual number of airline training flights.

When fully developed, this system will benefit industry and fill one of the agency's most vital needs since so much time expended by our inspectors is used in determining what happened. In-flight monitoring and analysis programs give promise for changing this.

With regard to the "see and be seen concept" the agency continually promotes and encourages participation in the air traffic control system through the use of instrument flight plans. As a result, the commercial airline operations are usually conducted within the system as well as considerable military and civil operations. The specialized and variety of military operations at times dictate the use of visual flight rules to accomplish their mission. Also, the recognizable public right of freedom of transit through the navigable airspace prevents the "closing" of all airspace to those other than the system users.

In the case of the accident between the Air West DC-9 and the Marine F-4 jet, at this moment investigations are in progress to determine the circumstances surrounding the accident and whether there were violations of Federal Aviation Regulations that may have played a part in this terrible tragedy.

In the interim until these investigations are completed, we are redoubling our efforts with the military authorities to incorporate existing military visual flight rule operations within the air traffic control system to the maximum extent practicable. In consonance with our efforts the military services have issued instructions to their commands to work closely with the local Federal Aviation Administration facilities to minimize the number of visual flight rule operations that must still be conducted within the nation's airspace. For these operations a joint study has been undertaken with the military services to determine what steps can be taken to provide additional safety, either through segregation or by integration into the air traffic control system.

Thank you again for passing along those two ideas and our special thanks for your kind remarks about our facilities which you have visited. We appreciate your continued interest in air safety.

Sincerely,

J. H. SHAFFER,
Administrator.

CAMPAIGN SPENDING

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

Mr. STAFFORD. Mr. Speaker, there has been a great deal of debate, controversy, and proposed legislation on the issue of limiting campaign spending. Most of the legislation introduced to date has had a broad scope, targeted at national and local elections, for President, Senators, and Congressmen. It is my opinion that my colleagues and I, as Members of the House of Representatives, should set our own spending and disclosure policies.

Therefore, Mr. Speaker, I have introduced H.R. 7299, the "Campaign Expenditure Disclosure Act of 1971," a bill designed specifically for campaign spending disclosure and limitation in the House of Representatives.

This act, presently being considered by the Committee on Standards of Official Conduct, of which I am a member, has three parts. I will mention them briefly today and discuss them fully in subsequent weeks.

First and most importantly, my bill provides for full and complete disclosure of any campaign contributions—public or private—in the amount of over $10. There will be two reporting dates—10 days before the election and 28 days after the election. This will insure each candidate sufficient time to assemble and submit complete and thorough reports.

Second, my bill would place a limit of $100,000 on the amount any candidate may spend in a general election. There is to be no stipulation on how this money is to be spent.

Finally my bill provides for the establishment of a Registry of Election Finance, attached to the General Accounting Office, to be responsible for keeping financial records of elections and making them available to the public on demand.

Further, the bill provides for each candidate to designate one bank within his State as the campaign depository to hold, register, and record all campaign funds.

My bill also includes stiff penalties for failure to comply with any of the above provisions.

Mr. Speaker, it is important that the House act as swiftly as possible to enact campaign spending limitations. We all know too well how expensive the last two elections have been to all parties involved, and how expensive future elections will be if we do not act promptly.

Mr. Speaker, I earnestly believe that if the House of Representatives passes a campaign spending bill, responsive to its own particular characteristics and needs, it will set a strong and positive example to the Nation, proving that Government is a servant of the Nation, capable of honorably policing its own affairs.

SOME OF THE NEWS IS TAILORED TO FIT

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

Mr. TIERNAN. Mr. Speaker, recently, I had the opportunity to brouse through the Columbia Journalism Review for May–June 1971. In the supplement to the Review, the New Press Critics, there appeared an interesting article by Frank Keane of Journalists Newsletters, originally published in April 1970.

The article tells of a story in the Providence Journal describing a reorganization of a subsidiary company of the Providence Journal Co.

In my review, the article illustrates that actual news management is more the prerogative and practice of publishers and owners rather than editors. In light of the Pentagon Papers case, it seems to me that some publishers ought to leave the job of editing to the editors and not involve themselves in the dubious practice of tailoring the news to fit their views.

At this point in the RECORD, I enclose a copy of the article:

ALL THE NEWS WE CHOOSE TO PRINT
(By Frank Keane)

Did you know there are local stories in the Providence Journal that are considered perhaps so sensitive or so technical that the news or financial departments are not permitted to write or edit them?

There are such stories, and, interestingly enough, they are about the Providence Journal or its associated companies.

Such was the case when the Providence Journal Company bought a cable TV firm

in July, 1969, Colony Communications, Inc., which operates Westerly Cable TV and Vision Cable Company of R.I., Inc.

Such was the case, too, this year when Providence Gravure, Inc., brought in a new president and made some other changes among its executive officers.

On March 20 the financial department was given a galley proof of a story with accompanying picture of Jack L. Briggs, the president of the Gravure Company with the instructions that the story was to run "As is." The financial department followed instructions and the story appeared with its headline: Gravure Names New President—on the financial page of the Journal.

One of the duties of the Journal copydesk is to read through the paper after the first edition has come out to check for errors, backstopping themselves, the composing room, and the proofreaders. So it was that Harry Bernstrom was reading the financial page and the Gravure story thereon and noticed that the headline said Gravure Names New President. But the story didn't say that. The story only said that John C. A. Watkins was elected chairman of the board and that Jack L. Briggs was elected president. At the end of the story there was a paragraph of biography on Mr. Briggs, but no specific reference to his succeeeding anybody as president.

So after conferring with Don Breed, who had been the makeup man for the financial page, Harry changed the headline to read: Gravure Names New Board, Officers. That was true and fudged the issue of whether Mr. Briggs was the new president or just a reelected one.

But a check with the clips from last year's Gravure annual election story shows that Mr. Briggs was indeed a newly elected president. Because John C. A. Watkins, who is president of the Providence Journal Company, was also reelected president of the Gravure Company last year. Mr. Briggs' name was not among the list of officers.

So it seems that what has happened here is that Mr. Watkins has been moved upstairs to become chairman of the board and Mr. Briggs has been brought in to run the Gravure Company.

Do you suppose the people who prepared the story did not want those inquisitive reporters and copyeditors asking potentially embarrassing questions about this reorganization? The way to avoid that, of course, is to go around the reporters and copyeditors and put the story in the paper the way you want it.

I'll bet Textron and Leesona wish they could do that.

It seems we have a double standard here. News about the Journal and its associates is privileged. Other profitmaking organizations are fair game.

What is the motto the Journal liked to use in Editor and Publisher? Something about Clarity, Competence, and Color, wasn't it? Well, I guess we only have to be clear when we want the reader to know what's going on. And we only have to be competent when we are writing about something other than the Journal. That leaves color. I'd color those standards hypocritical.

MANPOWER TRAINING AND EMPLOYMENT ACT OF 1971

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

Mr. ANNUNZIO. Mr. Speaker, today I have introduced the Manpower Training and Employment Act of 1971. This is the same bill that has previously been introduced by Mr. HANSEN of Idaho and Mr. ALEXANDER. The purpose of this legislation is to continue the basic intent and purposes of the Manpower Development and Training Act of 1962, as amended, by providing education and training opportunities to unemployed and underemployed individuals, by continuing to assist in the relief of skills shortages both in critical and in emerging occupations, and to make essential and timely improvements to the existing legislation.

First, let me briefly outline the major provisions of this legislation. Title I establishes the National Manpower Advisory Council, and directs the council to prepare an annual report pertaining to manpower requirements, resources, research, use, training, and evaluation. It further sets forth provisions for evaluation, information, and research programs, and for training and technical assistance.

Title II describes the various manpower training services and activities that may be conducted under the act, including the Job Corps now under the Economic Opportunity Act of 1964. It sets forth the requirements for State participation under the act, including the establishment of State manpower advisory councils; provides for a comprehensive manpower planning system at the State level; establishes State apportionment of benefits; describes participant eligibility and allowance payments; and describes the responsibilities of the Secretary of Health, Education, and Welfare and the Secretary of Labor.

Title III establishes a labor market information and job-matching program as well as career and employment development programs in both public and private agencies; career training through public service employment with public and private nonprofit agencies; and an emergency employment assistance program to provide relief to designated job-distressed areas.

Title IV contains a number of miscellaneous provisions relating to the responsibilities of the Secretary of Health, Education, and Welfare and the Secretary of Labor in carrying out their duties under the act.

Several provisions in the Manpower Training and Employment Act have already been developed and tested during the almost 10 years of operation of the Manpower Development and Training Act.

In the consideration of the future direction and development of our Nation's manpower training programs we should note that recent evaluation efforts sponsored jointly by the Department of Labor and the Department of Health, Education, and Welfare have reported favorably on the effectiveness of the institutional training program under the Manpower Development and Training Act of 1962. For example, a recent study completed by the North American Rockwell Information Systems Co. for the Department of Labor states:

> MDTA institutional training is regarded by manpower professionals as being an "ongoing" program that "runs itself." Although there appear to be a number of administrative impediments, this attitude seems to be justified. It may be that the program, because it is running without major difficulty, does not receive the emphasis or critical analysis that it deserves.
>
> On the whole, the MDTA institutional program is fulfilling its mission of providing useful employment training to the disadvantaged, notwithstanding a number of administrative impediments.

The MDTA program has been a popular program. It is notable for its continued bipartisan support in both Houses throughout its history. Since its enactment in 1962 and in the subsequent years of operation and improving amendments, the Manpower Development and Training Act sustained only a handful of "nay" votes in both Houses, which is a phenomenal record for any piece of legislation. Yet, it is possible that this important piece of legislation, which is the cornerstone of our Nation's manpower policy will terminate without an appropriate substitute.

The benefits of the MDTA program which have been beneficial to my constituency may be measured in dollars and cents and in numbers of trainees who complete programs and are employed. There are, of course, many other ways, including the effect on the lives of the participants, that a program may be measured. These benefits must not be lost and one way to assure this is to improve our manpower programs by building on the strengths of what is currently in existence and to seek to correct those shortcomings and problems that have been identified for us by existing reports and studies such as the one I mentioned conducted by the North American Rockwell Information Systems Co. This is the aim of the Manpower Training and Employment Act of 1971. There are three major areas—the creation of the National Manpower Advisory Council, decentralization of program administration, and the provisions for public service employment where this effort is most apparent and is most needed. As my colleague, Mr. HANSEN of Idaho, pointed out in his speech before this body on May 26:

> Unlike other pending comprehensive manpower legislation, my Manpower Training and Employment Act of 1971 would strengthen the structures for interagency planning and cooperation in the conduct of our national manpower program. In spite of the complexity of manpower problems, adequate structures for Federal interagency cooperation and coordination of manpower programs and resources do not now exist to the extent I feel is desirable. My bill addresses this problem by providing for a National Manpower Advisory Council whose members would be appointed by the President and represent all Cabinet-level agencies having a manpower input or expertise. The Council would establish national manpower goals; advise all manpower agencies of the Federal Government on manpower programs and services; review the administration and operation of manpower training programs; and report to the President and to the Congress concerning their findings including recommendations for legislative change. This provision would help us avoid some of the problems engendered by unilateral agency administration of the multiagency manpower input which have plagued us in the present manpower program. Manpower problems acknowledge no agency jurisdictional boundaries. I hasten to assure those who see this as diffusion of program responsibility, that such is not the case. Based on the findings of such an advisory council

which is not an arm of any single agency as the present National Manpower Advisory Committee, the Congress will clearly be better able to identify program lines and fix or shift the burden of responsibility. The Council, with its full-time staff, should greatly assist in providing the Congress with feedback concerning program areas needing legislative action or additional oversight—a gap we have long needed to fill.

Mr. HANSEN also noted that my esteemed colleague from Illinois (Mr. PUCINSKI) had introduced an almost identical measure, H.R. 18101, to create a National Manpower Advisory Council. He then went on to say:

The existing administrative structure and manpower expertise developed through 8 years of program operations under the Manpower Development and Training Act of 1962 must not be lost in the rush to decentralize manpower program initiatives. The Manpower Training and Employment Act of 1971 I am proposing would provide for orderly institutional change without destroying the solid base which has been established by the Congress under the Manpower Development and Training Act of 1962; and, in effect would provide for the expansion of State and local agency responsibility—a trend given great impetus by the 1968 amendments to the MDTA which vested greater responsibility for program control with the States.

The Manpower Training and Employment Act of 1971 incorporates a public service employment feature urgently needed at the present time to relieve pressing pockets of unemployment; and, to enable our fiscally hard-pressed State and local governments to keep up with expanding demands for public services. Contrary to other proposed public service employment measures, including the one recently reported out by the House Education and Labor Committee, my bill would assure that individuals who went on public payrolls are provided with the necessary education and training to enhance their attachment to the labor force and assure that quality public services would be provided. Central to the provision is the concept of career development. To do less than this is a disservice both to the public and to the participants in public service employment programs.

Among the effective features of the Manpower Development and Training Act of 1962 that have been retained in the Manpower Training and Employment Act of 1971 are building the expertise of State and local program administrators. As the North American Rockwell information systems report states:

Perhaps the strongest impression received is that the methods of individualized instruction and attention to the needs of the disadvantaged developed in MDTA are of potentially great benefit to vocational education and to the entire field of general education. It is said that instructors experiences in MDTA training have an outstanding ability to relate to their students in general education.

This unexpected, but welcome, benefit of the Manpower Development and Training Act of 1962 is one which is mentioned over and over by program evaluators. Our educational needs being as great as they are today, we certainly should continue to promote improvements in our educational programs and processes through every effective means. It is for this reason as well as others, especially because of his concerns in the areas of human health and welfare, that new manpower legislation must provide for the continued involvement of the Secretary of Health, Education, and Welfare. The stewardship of HEW responsibilities in manpower training programs has been effectively and imaginatively carried out, while the inherent administrative problems in joint responsibility have been minimized.

Program administrators in both agencies are constantly seeking ways to further remove administrative impediments to effective program operations and the benefits of their experience should not be lost.

Finally, we must not delude ourselves into thinking that we have plenty of time to consider new manpower legislation. The Manpower Development and Training Act of 1962 will expire in less than 1 year. While program disbursements may continue for an additional 6 months after that time, the effect of this termination date is beginning to be felt. We must not lose all that we have gained during the past 9 years and we should seek to preserve all of those developments that will further our Nation's manpower training program. It is for these reasons that I have introduced the Manpower Training and Employment Act of 1971 and that I advocate its provisions.

SPECIALTY TUBULAR PRODUCTS AND FOREIGN IMPORTS

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

Mr. CLARK. Mr. Speaker, on June 15 I introduced H.R. 9136, a bill to provide for orderly trade in iron and steel products.

We, who represent steel-producing communities in the United States, recognize the seriousness of the import situation to the steel industry. A healthy steel industry means the difference between life and death to many of those communities. I do not believe, however, that some Members of this body, and others in policymaking and decisionmaking capacities realize how completely all of us depend upon our domestic steel industry for our day-to-day living. It is extremely doubtful that the United States could long survive in this world, as it is today, without a healthy domestic steel industry fully capable of serving the needs of the domestic markets for the many mill forms and grades of steel involved.

Imports have injured our domestic steel industry. With each passing day, this injury becomes more serious. We think it is time the injury should be treated.

Steel is more than just a piece of metal. Steel, instead, is a great many different products which we, as individuals; we, as communities; we, as industries; and we, as a nation, must have if we are to maintain our rank in the world in which we live. Let us look at some facts related to just one of the mill forms of steel—specialty steel tubular products.

Does this country need electrical power? By far the major share of electrical power is generated by coal-, oil-, or gas-fired boilers of a nuclear-type boiler. These boilers and auxiliary equipment are made up of a maze of specialty steel tubular products—boiler tubes, high temperature piping, heater and condenser tubes of carbon, alloy, or stainless steels. Imports of these highly specialized tubular products have increased rapidly since the mid-1960's.

Does this country need oil products, gasoline, industrial hydrocarbon products, chemical products? An oil refinery, a gas processing plant, a chemical processing plant is a maze of furnaces, heat exchangers, condensers and piping employing custom-produced speciality tubular products of carbon, alloy, and stainless steels to meet specific problems involving temperatures, pressures, corrosion, and oxidation. Imports of these specialty tubular products have increased rapidly since the mid-1960's.

Does this country need food products and modern up-to-date farming machinery? Food processing equipment and farm machinery employ the whole gamut of specialty steel tubing—stainless steel pipe and tubing for product purity in food processing, carbon and alloy steel tubular products in food packaging equipment and structural parts of farm machinery and the bearings and hydraulic equipment they employ. Imports of these specialty tubular products have increased rapidly since the 1960's.

Does this country need transportation equipment, construction equipment, machine tools, and defense-related equipment? Structural parts of this equipment and functional parts such as gears, transmission parts, bearings and hydraulic equipment are produced from specialty steel tubing of carbon and alloy steels. Imports of these highly specialized tubular products have increased rapidly since the mid-1960's.

In just about every one of the cases I have cited—no substitute material—or no other mill form of steel can do the job.

The voluntary quota system for steel imports was negotiated in 1968. Did it ease the import problems for producers of steel specialty tubular products of the types used by the industries mentioned? I can assure you, the answer is "No."

Let us look at the record.

First, let us look at the whole picture—all types of steel tubular products. In 1968 imports were 1,618,000 tons. In 1970, imports were 1,927,000 tons—an increase of nearly 20 percent. In share of market, imports had 14.10 percent of the domestic markets in 1968. In 1970, imports had 20.29 percent of the market. Perhaps the reason for this increase rests in the fact that of all the mill forms of steel—tubular products have the highest dollar value per ton. This is so because of the complexity of manufacturing operations, the quality control procedures demanded by users of the product, and the manpower needed to manufacture it. Foreign trade is not a battle for tons but a battle for dollars.

Now let us look at specialty tubular products—the sophisticated types needed to bring us electrical power, oil and chemical products, food products, and those types of tubes which enable our machinery to function economically.

These specialized tubular products account for about 1 percent of total steel shipments. These are tubular products whose individual markets are small—considerably less than a hundred thousand tons in most cases. They also have a rather high dollar value because of their complexity.

Seamless stainless and heat resisting. Import rates so far in 1971 are equal to over 50 percent of domestic production. Over 80 percent of it comes from Japan and the import rate in 1971 from Japan is over three times that which it was in 1968—the base voluntary quota year.

Welded stainless steel tubular products. Import rates of this product in 1971 are about double that in 1968. Over 75 percent of it comes from Japan and the rate in 1971 from Japan is nearly twice that which it was in 1968—the base voluntary quota year.

Seamless alloy steel bearing tubing. Import rates so far in 1971 are 23 percent higher than in 1968. About half of it comes from countries which were nonsignatory parties to the voluntary agreements. The import rate so far in 1971 for Japan, a signatory to the agreement, is 50 percent higher than in 1968. The import rate for United Kingdom, a nonsignatory to the agreement, in 1970–71, is 10 times over that during 1968.

New annotations have been added to the tariff schedules in 1970 and 1971 which now permit the measurements of imports of alloy steel pressure tubing and seamless and welded carbon steel pressure tubing. These are the products used in power generation and oil and chemical processing.

Imports of alloy pressure tubing are now equivalent to over 25 percent of domestic production. Of the imports of this product over 80 percent comes from one nation—Japan.

Imports of seamless carbon steel pressure tubing so far this year are about 20 percent of domestic production and during the first 4 months over 80 percent came from one nation—Japan.

Imports of welded carbon steel pressure tubing so far this year are equivalent to about a third of domestic production and, according to Department of Commerce records, over half of it came from Japan with major tonnage also coming from Italy and Switzerland.

These are just a few of the facts of the case. The 1968 voluntary quota system did harm to the domestic manufacturers of steel tubular products. This quota system also placed the domestic producers of specialized steel tubular products into an even more precarious position. This harm came because little or no attention was given to the product mix part of the agreement. Also, there are other nations, not part of the agreement, who export specialty tubular products to the U.S. markets.

From just about any point of view one might have, the products and services of the domestic specialty steel tubular products industry are vital to the people in the United States. The current situation must be a national concern and I ask for your cooperation in seeking an equitable solution to the import situation involving these products.

CIVIL DISORDER

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

Mr. ABBITT. Mr. Speaker, in these days when so many militant groups and individual activists are stirring our land, it has become increasingly puzzling and frustrating that so many of these people freely roam from one disorder to another, even though they are on bail.

During the recent May Day disturbances in Washington, it was ironic that two of the ringleaders of the "Chicago Seven" took an active role in planning and fomenting the activities and one, Rennie Davis, was presumably the principal mastermind of the whole endeavor. It is incredible to me that our laws now can be flaunted with impunity and that the courts have become so obsessed with the idea of protecting the right of free speech that they lose all sense of proportion on other aspects of the law.

On May 6, I wrote the Attorney General with particular reference to the Davis situation, as it seemed to me that the Government should have moved to have the bond canceled, if, in fact, Davis was under regular bond in Chicago.

I have now received a letter from Mr. James R. Thompson, first assistant U.S. attorney in Chicago, in which he says in part:

> I fully appreciate your concern over the notion that one who is on bail after conviction can apparently travel about the country and become involved in new unlawful acts without consequence insofar as his original appellate bail is concerned. I share your concern. As soon as we received word that Davis had again been arrested in Washington, we filed a motion with the Court of Appeals to restrict his travel to the district in which he resides. We did not file a motion to cancel his appellate bail because we believed that the Court of Appeals, based upon past experience, would not grant it. We hope they would grant us at least this lesser form of relief. Even these hopes, however, were not fulfilled because our motion was denied.

The case of Rennie Davis is, of course, only symptomatic of the whole problem which law enforcement officials face today. The courts are bending over backward to pamper and protect the offender without proper regard for the rights of the vast majority of our people. The militant activist has it all over society because it is he who calls the turn and it is his rights that the courts are most willing to protect.

Those who planned the May Day activities here in Washington, as well as the outrageous goings-on in Chicago nearly 3 years ago, can only be encouraged in their endeavors by the knowledge that restraining actions sought by the Government are quickly rejected by the courts. Bail thus becomes a sham and whatever restraints might be imposed by the courts, limited though they may be, are seldom enforced.

Such actions make one seriously wonder how we can expect to avoid crucial problems—such as the public release of classified documents—if the attitude toward lawbreakers continues to become more lenient all the time. Where one militant or activist chooses to vent his feelings in organizing street demonstrations or blocking traffic, another may choose to disrupt college campuses, which result eventually in tragedies such as at Kent State University last year. Another may seek out ways of protesting at political conventions, while comrades in disorder focus upon influencing Congress or the administration in taking or not taking a particular course of action. The next step may be to leak vital documents—or to deliberately interfere with the movement of troops.

Where does the line stop? When and where is the point at which the unbridled rights of the individual militant have exceeded personal privilege and become a threat to society as a whole?

The courts ought to be seriously considering the possibility that leniency in one instance may be only the initial step in something far more serious. Further, leniency, particularly dealing with the area of crime, can only encourage offenders and reduce the probable risk which they run in considering future actions.

The American people are getting sick and tired of this trend toward permissiveness on the part of the courts. They have cause to wonder at what point the courts are prepared to draw the line. If a newspaper sent one of its reporters out to the Pentagon and he stole classified papers, he would probably be brought to trial and maybe convicted. But someone, in the name of antiwar activity provides the papers with such material and this becomes a wholly different concept.

By the same token, if an individual, on his own, should do some of the things involved in these demonstrations, without any claim to be protesting anything, he would probably be convicted. The trick then seems to be to get yourself a "cause"; flaunt the law; protest when you are arrested; and bask in the sunshine of court approval.

If this is not the picture which the courts intend to convey, it is the one which often emerges loud and clear to the average American. Until this situation is corrected and erased with finality, we can expect more of the same.

DROUGHT RELIEF BILLS

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

Mr. PICKLE. Mr. Speaker, the current drought in the Southwest coupled with the absence of a full disaster declaration has pointed out glaring deficiencies in our present farm disaster relief programs and pressing needs for improvements in the administration of what programs we have.

A drought is probably the most deadly of disasters which can strike a farmer or rancher. It is so deadly because it is so enduring. It comes up on him slowly, it saps his strength slowly, and it only slowly yields to recovery efforts. Even if it does rain in the meantime, a lost crop is gone forever; a decimated foundation heard will take years to build up; topsoil will take generations to rebuild.

There are things which the Federal Government can do to help—but mostly right now Federal assistance is one mass of stumbling blocks. Perhaps this is because a drought is not so dramatic a disaster as a hurricane or a tornado or a flood. Those disasters come quickly—and go quickly, and we can all go down and survey the damage and rush in aid and rebuild. But a drought is harder to follow and the aid not so dazzling.

I think it is time for the Congress to plant its feet in the good—if dry—soil of this country and look a drought in the face. I think it is time for us to clear the dust from our eyes and give our Southwest farmers and ranchers—and future victims of drought all over the country—an aid program which will help them.

I have today introduced three bills which I hope the Congress will act promptly on. And I speak here to all the Congress, for these bills, strange as it may seem, will affect each one of our constituencies, urban or rural.

The drought now centers in the Southwest, but each of us here with a rural constituency knows that his time will come—his time to be faced with major farm disasters and only piles of redtape to scatter over decimated fields. And each of us here with urban constituencies need only watch the price of meat, of corn, of cotton goods, of bread, even of bread—to know that his time is coming too when his people back home will feel the drought dipping into their own pocketbooks.

The first bill I have introduced seeks to aid recovery from a drought by keeping a farmer's support payments on a more even keel. A farmer's support payment is based on an average yield, called the history, computed over the 3 preceding years of the farmer's operation. But whenever there is a drought year, there is every possibility that the crop yield will be extremely low—and the farmer's average pulled way down. This means that not only must he contend with the bad year but that he is penalized for the next 3 years—years in which he is trying to get back on his feet—by the low average. My bill would simply ignore drought years in computing that farmer's history, with the concurrence of the county ASCS Committee.

I recognize that the 1970 Agriculture Act gave the Secretary the discretion to take drought years into account when computing a farmer's history. And I am glad to see that this administration has finally come around to do so. It is not that I do not trust this administration or any other administration, but I simply think that this matter ought to be one of law, not of discretion. Even when an administration recognizes the need for taking drought years into account the delays in getting the thing into operation have brought our farmers down to the fall line before they know if they are going to live or die. This bill would clear the matter up for both sides.

My second bill removes the now infamous "poverty oath" which our farmers and ranchers must sign before they can receive emergency hay and feed. I think that it can be established that hay and feed are not available in an area without making a farmer or rancher sign a belittling statement that he is not only beleagured by drought but at the dry bed of his finances as well. If a farmer or rancher has a foundation herd and if there is not enough hay and feed in the area, then I think he ought to be furnished the hay and feed that he needs. Our local ASC committee are making sensible and practical decisions in this area already.

My third bill is identical to one introduced earlier by my good colleague from Oklahoma, the Honorable ED EDMONDSON. This bill attempts to remove much of the redtape surrounding a disaster declaration and expands the provisions of the forgiveness clause relating to loans made by the Farmers Home Administration. Incidentally the FHA offices in my district are doing an excellent job with the machinery they have available.

This bill authorizes the Secretary of Agriculture to designate an area of a State as a drought emergency area upon a request from the Governor of that State. He may do so if he finds that total precipitation for at least 3 of the previous 6 months has been less than one-half normal, as determined by the Environmental Science Service Administration, or if he finds that the need for agricultural credit in the area is the result of a drought.

The Secretary may then move immediately to furnish emergency hay and feed to drought-stricken farmers and ranchers, to institute emergency FHA loans, and to provide unemployment compensation up to the maximum amount or duration of payment under that State's unemployment program.

The Secretary may further cancel all portions of loans which were meant to cover losses due to a major disaster or due to a drought deemed by the Secretary to be an emergency to the extent that those losses are not compensated for by insurance or any other means.

Mr. Speaker, sooner or later a drought hits us all, affects us all. I sincerely hope that the Congress will give these proposals a full consideration and will take speedy action to clear the stumbling blocks in our drought aid.

INVESTMENT TAX CREDIT

The SPEAKER pro tempore (Mr. DINGELL). Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 5 minutes.

Mr. KEMP. Mr. Speaker, Congress must help remove obstacles to generating jobs, higher productivity, better wages, and a more favorable position with foreign manufacturers. I therefore am cosponsoring legislation today to restore the income tax credit for investment in certain depreciable property.

What determines expanding job opportunities and higher wages for workers in Erie County and the Nation is a continuous improvement in technological equipment. This legislation is a necessary step to stimulate business and industrial investment. I am working on additional bold measures to assist companies and workers injured economically by foreign competition and the flow of U.S. capital to other nations.

Congress cannot stand by while workers in steel, electrical, and machine tool plants in Buffalo and across the country are furloughed or taken off payrolls because our exports are lagging and imports are rising. We all know these trends add to the balance-of-payments deficit and the threat of a world money crisis in the future.

But, Mr. Speaker, it also adds to the already intolerable unemployment levels right now. Because of inflated costs and the inability to improve equipment and facilities, companies are setting up shops abroad in a decade when 20 million more Americans are seeking jobs.

Now is the time when we must provide investment incentives for companies to build American and for consumers to buy American. The investment credit is a proven economic tool.

During 7 years before President Kennedy instituted the credit in 1962, capital expenditures were practically static—$35 billion in 1956 and $37.3 billion in 1962.

After the credit was approved, plant equipment increased at a healthy rate, reaching $64 billion in 1968. After its repeal in April 1969, orders for metal cutting tools dropped from $1.2 billion in 1969 to $650 million in 1970 and an even lower rate in the first quarter this year.

As a result, the United States is no longer first in machine tool production, having fallen to second place behind West Germany and in danger of falling behind Russia and Japan.

Unless incentives are provided now to make U.S. firms more productive, their competitive position is in danger of further erosion, including American steel firms which, it is feared, could be surpassed by Japanese companies in 2 years.

Other steps which can be taken to take Americans off welfare and placed on payrolls include agreements with U.S. allies to assume a greater share of defense burdens, a tougher U.S. policy toward Europe and Japan on trade restrictions, and a realinement of the relative values of the dollar, the yen, the mark and other currencies in order that U.S. products become easier to buy in world markets.

Although it helps our unemployment problem somewhat indirectly, I would also favor tax breaks for exports and investment incentives for companies that build and sell overseas—not runaway plants that flood American markets with foreign products bearing American labels.

As a case in point, in 1970, Caterpillar Tractor exported approximately 235,000 tons of American steel in the products they shipped abroad. Caterpillar recorded that of $1.1 billion in foreign sales in 1970, $767 million were generated by exports from the United States. This is fine, but we can also see that Caterpillar's foreign plant is selling overseas.

Moreover, Mr. Speaker, they calculate that of 50,000 Caterpillar jobs in the United States, every third one is dependent on exports. Caterpillar has steadily increased the size of its wholly owned foreign plant. In each case where Caterpillar has established a plant outside the United States, exports to that country have increased.

U.S. companies face the challenge of

foreign, Government-supported cartels, including the powerful Japan, Inc., in a wide variety of markets. We face the prospect of taking the same course which brought Britain to her economic knees.

Mr. Speaker, I have requested the General Accounting Office to investigate the decline of the U.S. machine tool industry in addition to requesting my own legislative staff to research possible antidumping legislation. From preliminary information, I expect the GAO study will dramatize the effects of foreign imports on American machine tool firms and their workers.

Failure to act decisively and quickly on the investment credit and other steps to expand job opportunities would be self-destructive. With unemployment already at an intolerable rate, with 370,000 former GI's unemployed, with a million teenagers out of work and the fact that 20 million more Americans will be looking for jobs by the end of this decade, we have a clear mandate to act now.

As a member of the House Education and Labor Committee, I urged my colleagues last May to reinstate the credit and called upon the Internal Revenue Service to adopt a simplified and modernized system of tax depreciation for industrial equipment. There are ample precedents for such modernization in that France, West Germany, Great Britain, and Italy permit businessmen to recover an average of 85 or 90 percent of the costs of assets within 7 years after they are placed in operation.

Mr. Speaker, at this point I include two letters from constituents which speak very well to this subject and commend the comments of Phil O'Reilly and Michael Speranza to the attention of my colleagues:

HOUDAILLE INDUSTRIES, INC.,
Buffalo, N.Y., June 29, 1971.

HON. JACK F. KEMP,
House of Representatives,
Longworth House Office Building,
Washington, D.C.

DEAR JACK: Your letter of June 15 directed to Mr. Saltarelli has been forwarded to me for comment on two specific topics: 1) Reinstatement of the Investment Tax Credit, and 2) Establishment of import quotas.

I personally spent several days in Washington, D.C. in early May talking to various of your colleagues and soliciting their support for reinstatement of the Investment Tax Credit. Your gracious office staff attempted to provide me with an appointment at which time I had hoped that you and I could discuss the subject; however, your busy schedule and my appointments did not permit our meeting. Perhaps we can do so in the near future.

I am attaching a copy of a letter that I directed to Wilbur Mills on March 22 in part describing my thoughts relative to the reinstatement of the Investment Tax Credit and describing a slightly different approach to the subject that might make the Investment Tax Credit more palatable particularly to organized labor. I am also taking the liberty of attaching several confidential charts indicating the very substantial impact that the recession has had on Houdaille Industries' machine tool operations. On one of these schedules, you will see a comparison of orders written for the first quarter of 1971 with various other recent quarters and the very dramatic decrease that has occurred. On the second study, you will see the impact that these reduced orders has made on employment at these respective divisions. I am also attaching a chart entitled, "The ADR," which compares capital recovery in the United States with other industrialized countries and shows the effect of (1) the President's current program (ADR) (2) with the addition of a 7% Investment Tax Credit, and (3) the implementation of the full Alexander Committee Report, and in each case showing capital recovery after one, three, and seven years. You will see from these charts that we lag behind the rest of the world by a considerable margin. You will see also in the fourth chart the effect that activation of the Investment Tax Credit has had on machine tool orders and how responsive the level of these orders is to changes in the status of the Investment Tax Credit.

It is our opinion that the country is badly in need of a complete restructuring of capital recovery embracing the full recommendations of the Alexander Committee coupled with reinstatement of an Investment Tax Credit. Certainly, nothing is more important to our economy than providing modern tools to enable our productive work forces to remain competitive in the world market. With our high wage rates, we must enable productivity through modern tools. The recommendation contained in my letter to Wilbur Mills wherein Investment Credit would be allowed on a domestic value added basis provides a possible positive means of overcoming the dearth of imports without imposition of additional tariffs or quotas which, in themselves, might invite further retaliation.

For an excellent primer on capital recovery and business taxation worldwide, may I refer you to a U.S. Government Printing Office publication 1970, 0-402-574, entitled, "Business Taxation" The Report of the President's Task Force on Business Taxation, September 1970.

If you feel there is any further information we can provide at this time, please do not hesitate to call upon us.

Very truly yours,

PHILLIP A. O'REILLY.

HOUDAILLE INDUSTRIES, INC.,
Buffalo, N.Y., March 22, 1971.

HON. WILBUR D. MILLS,
Chairman, House Ways and Means Committee, Congress of the United States, House of Representatives, Washington, D.C.

SIR: I would respectfully submit to you and your committee a concept of a tax incentive stimulus for capital goods.

I view this proposal as one of, hopefully, several alternative concepts that might be considered extantly to achieve our recognized basic goals; i.e., the resurgence of our economy which, in large measure, can be accomplished by an increase in capital spending (substantial capital investment creates an air of confidence with the populace and probably would stimulate a commensurate increase in consumer purchasing), and, perhaps even more importantly, the need to bolster the long-term viability of the capital goods sector. (My personal opinion is that insufficient recognition is being given to the erosion of our more basic industries caused by imports. While we continue our trend toward a service-oriented economy, we overlook the fact that the income required to support such an economy must be derived from basic industries. Our extractive industries have been hurt by depletion of our natural resources and now we are further cutting off the true income-producing sources when we permit our basic industries to diminsh and be supplanted by importation.)

While we all strongly urge caution in considering further duties or import restrictions because of the possibility of backlash, nonetheless, we must give some consideration to basic industry if we are to retain our industrial base and our mobilization capability. The capital goods sector is the very basis of our mobilization posture and items like machine tools and other capital goods are under the most severe import pressure currently.

Certainly, if we have to undergo a war mobilization effort through importation of equipment, our very existence could be threatened. As we all realize, the current forecasts indicate that the U.S., which has been the No. 1 producer of machine tools since the early 1800's, could well fall to fourth place in the next year with every indication that the downslide would continue.

As an alternative to further duties or restrictions, I would propose a program which should stimulate quick recovery of our economy and, at the same time, offer favored treatment to domestic capital goods producers long term. I would propose that we reinstate an investment tax credit on capital equipment; however, the value of the tax credit claimed by the purchaser would be dependent upon the percentage of domestic (U.S.) value added to the ultimate product sold; e.g., if the investment tax credit in total is 7%, and a capital equipment item (such as a machine tool, etc.) contained a value of 50% of its sale price in imported components or cost value, then the purchaser would be entitled to 50% of the 7% investment tax credit, or 3.5%. If the item is 100% imported, then the investment tax credit would be zero and, contrariwise, if the capital item represented 100% domestic production, then the full 7% investment tax credit would be applicable. The domestic value added would be established by a certification from the seller establishing the percentage.

A rationale for such seeming discrimination could be based on the fact that the foreign content had not contributed to the local or federal tax base other than through duties while, obviously, the domestic content contributed heavily through the stack of taxes paid by suppliers (i.e., the steel producer paid real estate and income taxes, the hydraulics producers paid a multitude of taxes, etc.) and thus any relief afforded through an investment tax credit is merely a tax equalization factor. I would speculate that this type of proposal should be favorably received by labor since it encourages domestic production with commensurate higher employment. Free trade advocates should not object since it in no way would alter the present status as far as laid down import prices are concerned. Since conditions change, I could foresee imposition of a limited duration of four years on the act with it then subject to renewal. The limited duration feature should force some sense of urgency on buyers to take advantage of the relief immediately since renewal would not be automatic and would always remain a question.

Obviously, the proposal poses the problem of a two-edged sword for many businesses, including our own, which avail themselves of low-cost foreign components and yet the overriding benefits of some type of similar proposal to American industry should be given careful consideration.

We should not overlook the fact that depreciation reform as contained in the administrative act of January 11 is tax deferral, while an investment tax credit is tax forgiveness. This factor is most important currently since many companies are attempting to bolster earnings for 1971 and increased depreciation is a penalty to earnings, while a tax credit should have a more immediate stimulating effect.

The subjects of duties, taxes, and trade are complex, interrelated problems and do not lend themselves to simple solutions but perhaps, if enough people search for alternatives, a viable solution can be found.

Thank you for your consideration.

Very truly yours,

PHILLIP A. O'REILLY.

HOUDAILLE INDUSTRIES, INC., MACHINE TOOL DIVISIONS—NET ORDERS WRITTEN

[In thousands of dollars]

	1st quarter 1971	1st quarter 1969	Percent increase (decrease)	1st quarter 1970	Percent increase (decrease)	4th quarter 1970	Percent increase (decrease)
Burgmaster—Los Angeles, Calif	1,541	3,645	(58)	3,028	(49)	1,515	———
Di-Acro—Lake City, Minn	1,059	1,576	(33)	1,777	(40)	939	13
Powermatic—McMinnville, Tenn	1,464	2,796	(52)	2,259	(35)	1,324	11
Strippit—Buffalo, N Y	2,645	3,342	(21)	2,967	(11)	2,121	25
Houdaille Machine Tool Canada—Brantford, Ontario	409	683	(40)	404	1	498	(18)
International/Burgmaster Ltd., London, England	221	391	(43)	494	(55)	236	(6)
Logan Engineering Co., Chicago, Ill	369	571	(35)	553	(33)	410	(10)
Universal Engineering, Frankenmuth, Mich	1,689	2,411	(30)	2,154	(22)	1,316	28
Total	9,397	15,415	(39)	13,636	(31)	8,359	12

Note: Increase and decrease percentages relate in 1st quarter of 1971 to respective quarters shown.

HOUDAILLE INDUSTRIES, INC.—TOTAL EMPLOYMENT COMPARISON

Division	Peak employment	Current employment	Number of employees reduced	Percent reduction
Burgmaster—Los Angeles, Calif	517	204	313	60.5
Di-Acro—Lake City, Minn	332	203	129	38.9
Powermatic—McMinnville, Tenn	774	382	392	50.6
Strippit—Buffalo, N.Y	681	452	229	33.6
Houdaille Machine Tool Canada—Brantford, Ontario	71	42	29	40.8
Logan Engineering Co.—Chicago, Ill	144	80	64	44.4
Universal Engineering—Frankenmuth, Mich	557	353	204	36.6
Total, machine tools group	3,076	1,716	1,360	44.2
Total, corporation	8,408	6,754	1,654	19.7

BUFFALO, N.Y.,
July 4, 1971.

CONGRESSMAN JACK KEMP: I am enclosing a news article that was published in the Buffalo Evening News July 3, 1971, it shows the seriousness that is caused by steel imports from other countries, at a time when our nation's unemployment is at a serious high.

The steel negotiations between the steel companies and the United Steel Workers union which go in full strength this month will bring out many legitimate arguments for both sides. Here are some of them.

The steel companies will claim their profits are extremely low due to state, local and always increasing sales taxes, I assume they will also bring out the high cost of pollution control. Incidentally I may add that foreign steel companies have not such problems and expenses.

The steel union will also present strong arguments for a higher wage contract, due to a high cost of living, and also a sharp rise in local taxes and sales taxes.

The cost of food in the last few years have risen from fifty to a hundred per cent.

My city (Buffalo) and county (Erie) taxes have risen 100% in ten years. The sales tax has risen from 1 to 8 cents on a dollar during the same period. I assume that the foreign steelworker has not had this problem.

Congressman Kemp having presented the above arguments I petition you, Congress, and the president of United States to curtail steel imports to the United States from foreign countries.

I am a member and a union steward of Local 2602 of U.S.W. and I am also a registered Republican who also votes conservative who is pleased with your work in Congress.

I remain your constituent,
MICHAEL L. SPERANGA.

P.S.—In the matter of revenue sharing for the cities, I believe the city taxpayer shall benefit not the city politicians.

"FORD ORDERED FRENCH STEEL AS HEDGE AGAINST U.S. STRIKE

"A Ford Motor Co. spokesman said today that the 6600 tons of French-made steel received at Buffalo Port Terminal Friday was contracted months ago in anticipation of a threatened U.S. steel strike later this year.

" 'Less than 2.5 per cent of Ford's 1971 consumption will be received from foreign markets in Britain, Europe, and Japan,' he said.

" 'Although we prefer U.S. producers, we must go to other markets when continuity of the supply is threatened,' he said.

"In light of a nationwide steel strike threatened for August, the spokesman said, 'Ford is requiring stockpiling of steel for protection in the event of disruption.'

"The spokesman said the French-made steel's arrival was a matter of 'bad timing' in view of the curtailed production and layoffs by Buffalo steel plants.

"Earlier this week, Bethlehem Steel Corp. announced it was laying off hundreds of workers and Republic Steel said it plans to close virtually all of its plant next week. The companies said the actions stemmed from a severe slump in the steel business, which they blamed partly on increased foreign competition."

TRIBUTE TO GENERAL THADDEUS KOSCIUSZKO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 10 minutes.

Mr. STOKES. Mr. Speaker, all Americans owe a tribute to the Polish people, one of the many ethnic cultures which combine to make our Nation dynamic and vital. It is the spirit of the Polish people, their tenacious commitment to the concept of freedom, the backbone of the American philosophy of government, which must be commemorated. The Polish people have made a tremendous contribution to the intellectual and moral growth of our Nation. Their tireless efforts and unselfish dedication to American ideals have sealed a bond of friendship between the United States and their native Poland.

It is with great pleasure and a sense of rich privilege that I introduce a bill to honor that outstanding military leader of both Poland and the United States, General Thaddeus Kosciuszko. This bill would establish Kosciuszko's former home in Philadelphia as the Kosciuszko Home National Historic Site.

It was Kosciuszko's undaunted dedication to the principle of freedom and liberty for all that urged him to offer his service to the cause of the American colonies in their struggle for independence. It was his strategic skill and commitment to the highest ideals of morality which helped to change the course of history for the colonies. Thaddeus Kosciuszko distiguished himself as the first foreign patriot to come to the aid of the colonies. His military skill was invaluable in his fortification of Bemis Heights which was instrumental in the victory of Saratoga and his strengthening of the defenses of the Hudson at West Point. Of his latter accomplishment, General Armstrong wrote: "Kosciuszko's merit lies in this that he gave the fortification such strength that they frightened the very enemy from all temptation of even trying to take the Highlands."

Kosciusko's unfaltering commitment to the independence of the American Colonies was again demonstrated in his role as chief engineer of the Army of the South. When the campaign changed into guerrilla warfare, he disregarded his rank of colonel and fought with the rest as a soldier, exemplifying his quality of leadership and willingness to serve in any capacity for the cause of freedom. As a token of the "high sense of his long, faithful, and meritorious service," Congress awarded him the brevet commission of brigadier general as well as U.S. citizenship.

A great humanitarian, Kosciuszko lived by the principle of love for his fellow man. These efforts are worthy of the highest praise. Moved by the misery of the English prisoners of war, he unselfishly divided his own rations and pay among them while at West Point.

In the South, he witnessed at close quarters the deplorable situation of the blacks. Upon his departure from America, more than 50 years before the Emancipation Proclamation, he left a will with his friend Thomas Jefferson instructing that his property in the United States be utilized for purchasing slaves and setting them free. Funds arising from the sale of his property were used to found the Colored School in Newark, N.J., one of the first educational institutions for blacks in America.

Kosciuszko's commitment to freedom for his native land is well known to all of us. Yet, on his death, he was honored by the Polish people as simply "the friend of Washington." It is only fitting that we who have benefited so greatly from his dedicated spirit honor his memory by establishing the Kosciuszko Home National Historic Site, which will serve as both a reminder of the past and an inspiration for the future freedom of all men.

The bill follows:

H.R. —

A bill to provide for the establishment of the Thaddeus Kosciuszko Home National Historic Site in the State of Pennsylvania, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to preserve in public ownership the historically significant property associated with the life of Thaddeus Kosciuszko for the benefit and inspiration of the people of the United States, the Secretary of the Interior is authorized to acquire by donation, purchase with donated or appropriated funds, or exchange in accordance with the provisions of 35(b) of the Act of July 15, 1968 (16 U.S.C. 460 1–22 (Supp. V)), the land and interests in land, together with buildings and improvements thereon, located at, or in the vicinity of, 301 Pine Street, Philadelphia, Pennsylvania, together with such other lands and interests in lands, including scenic easements, as the Secretary shall deem necessary for the administration of the area. The Secretary shall establish the Thaddeus Kosciuszko Home National Historic Site by publication of a notice to that effect in the Federal Register at such time as he deems sufficient lands and interests in lands have been acquired for administration in accordance with the purposes of this Act.

SEC. 2. Pending establishment and thereafter, the Secretary shall administer lands and interests in lands acquired for the Thaddeus Kosciuszko Home National Historic Site in accordance with the Act approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2–4) as amended and supplemented and the Act approved August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–467) as amended.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

MOTIVES BEHIND MERCHANDISING STOLEN PROPERTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. DEVINE) is recognized for 15 minutes.

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

Mr. DEVINE. Mr. Speaker, much has been said and written about the publication of classified Government documents by the New York Times, the Washington Post, the Boston Globe, and so forth, and this matter undoubtedly will be hashed and rehashed at length in the weeks to come.

Many segments of the media, Mr. Speaker, apparently purposefully neglect to treat the issue of merchandising stolen property and elect to ride the matter of the first amendment suggesting that the only issue involved is freedom of the press and the right of people to know.

The position of the Times, Post, and so forth, has been strengthened measurably by the decision of the U.S. Supreme Court, which incidentally was pretty well confined to the substantive matter of whether or not the security of the United States was endangered by the revelations. The Court decision, in my opinion, did not reach the gut issue.

One cannot help but wonder just how far the champions of these freedoms might go when they suggest "the public has a right to know." Do they really feel that all classified Government information, no matter how obtained, should be publicized? If so, would they suggest that those who deal in stolen goods might start stealing the income tax returns of persons connected with the Times, like Arthur Sulzberger, Rosenthal, and so forth, and publishing this information on the basis of the "people's right to know"? Would they go a step further and suggest that newspapermen no longer can hide behind the faceless nebulous informants such as "an authoritative source" or "it is reliably reported" or "a high Government official suggests"?

CBS at the same time, in righteous indignation, is facing possible contempt citations by the Congress because they do not wish to have certain information revealed, again claiming immunity under the first amendment, freedom of the press, and so forth. These issues cannot be separated and the overall subject matter must be treated as a whole in an effort to avoid double standards.

In last Monday's Columbus, Ohio, Dispatch, July 5, 1971, there was an excellent feature by Jeffrey Hart under the headline of "Undermining Nixon Is Goal of Use of Pentagon Papers." This article went on as follows:

UNDERMINING NIXON IS GOAL OF USE OF PENTAGON PAPERS

(By Jeffrey Hart)

In all the furor now surrounding the Pentagon papers, the essential thing to keep in mind is the reason the Times printed the documents in the first place. That reason has nothing whatsoever to do with "the people's right to know" or anything of the kind. Again and again in the past the Times has howled with rage about "the integrity of government" when some official has leaked information, even to a congressman, about, say, "security risks."

No, the point of the disclosures is specifically political. The aim is to create the impression that we have been the victims of massive deception, and to cast doubt on the integrity of all government officials, most particularly those now in office, and force President Nixon to abandon his carefully considered Vietnamese phase-out.

Whatever else he may be, Lyndon Johnson is a shrewd politician, and he grasped the political point instantly. The danger is, Newsweek reports Johnson as thinking, that President Nixon will be pressured to get out of Vietnam before achieving the main objective—getting South Vietnam in shape to protect itself.

Here, in my view, Johnson underestimates the tenacity of Richard Nixon, who has taken on tougher characters than Messrs. Sulzberger, Rosenthal, Wicker, and the rest.

The Times clearly believes, no doubt correctly, that hardly anyone will read the text of the government documents and compare this text with the Times' running commentary; the text, for example, flatly refutes the claim of the commentary that Lyndon Johnson had made up his mind to bomb the North long before his 1964 election campaign.

That the Times could print the refutation of its claims on the same page as the claims themselves reflects an arrogance matched only by the nauseating self-righteousness of its editorials.

In the days following the disclosure of the documents, demagogic columnists and editorial writers played the story for all the anti-administration mileage they could get. "The government still doesn't want Americans to know what is happening," wailed the Times' own Tom Wicker in simulated outrage, "or even what has happened, because it is still afraid to let the truth be known."

Now the goal of all this, and the goal of the Times' original disclosure, is to wreck Nixon's steady policy in Southeast Asia.

More is at stake than even that. The ultimate political goal embraces the defeat of Nixon in 1972 and an advance on wider social and political objectives.

A substantial anti-administration cabal now exists with roots in the government bureaucracy, the academy and the mass media which sees itself, in an unaccustomed way, without much influence in the White House.

The pity is that the Times, as all those rolls of microfilm in every college library testify, used to be a great and valuable newspaper of record, its news columns, at least, generally reliable.

Now it has descended from that eminence and become, instead, only a kind of political pamphlet, the scheming voice of a mere faction.

Another article appeared in the same issue of the Columbus Dispatch by Joseph Kraft, wherein he seriously doubts the judgment of Dan Ellsberg who apparently has provided the classified information to the New York Times and possibly others. This article, too, relates to the overall subject and is worthy of the attention of our colleagues.

ENCOUNTERS WITH ELLSBERG REFLECT PLIGHT OF NATION

(By Joseph Kraft)

No one connected with Vietnam brings to bear on the problem more formidable equipment than the apparent purveyor of the Pentagon papers, Dan Ellsberg. With intimate knowledge of the war on the ground, he combines experience in the Washington bureaucracy, intelligence of the highest order, and a well-nigh starting capacity for articulation of difficult themes. Unlike most Americans, moreover, he truly cares about what happens to individual Vietnamese.

But if I came to admire Ellsberg abundantly over a period of five years of intermittent meetings on Vietnam, I also came to doubt his judgments profoundly. And the story of those encounters is worth telling, for it says something about the present plight of both Ellsberg and the country.

Our first meeting took place in the Pentagon when Ellsberg was working for the late John McNaughton who was then assistant secretary of defense for international security affairs.

I had recently seen something of the Vietnamese Communists. At that time not much was known of them and I went to the Defense Department to tell McNaughton and Ellsberg my impressions.

Ellsberg in particular posed a series of hard questions. He wanted to know about Communist morale, about possible leadership rifts, about conflicts between North and South Vietnamese Communists, about their relations with China and Russia, about the origins and history of the Liberation Front, about its infrastructure and doctrinal notions. At the end I was asked what way I saw of ending the conflict.

I replied that the key was fostering in Saigon a regime that would negotiate with the Communists. That idea McNaughton and Ellsberg flatly rejected. There was no possible way for negotiation in their view. Vietnam was a test of the American will to resist Communist aggression.

A second meeting took place in Saigon when Ellsberg was working for Brig. Gen. Edwin Lansdale. The Lansdale idea, of which Ellsberg had become a violent partisan, was that a Saigon regime friendly to the United States could filch the Communist appeal to the countryside by a combination of social

reform and vigorous police action. That notion seemed to me a pernicious fallacy and I had written as much.

When I first called him in Saigon, Ellsberg refused to see me. Then we arranged a clandestine meeting. He told me that in view of my doubts about the policy there was no point in our talking.

I next ran into Ellsberg in the spring of 1968 at a lunch in the home of Sen. Edward Kennedy in McLean, Va. By that time Ellsberg had changed his views and to the considerable embarrassment of everybody at lunch he talked at great length of how wrong he had been.

A last meeting took place several months ago at my house in Washington. By this time Ellsberg had long since become convinced that the war was profoundly immoral. He talked obsessively of America's guilt and the need to cleanse the national soul.

He recounted in every detail debates he had had with leading figures in the government. He kept casting about for things that might be done to expose the officials responsible for Vietnam. It must have been about that time that the Pentagon papers were turned over to the New York Times.

Two themes run through these different, and not very consequential, meetings. One is the notion of national struggle. From first to last Ellsberg regarded Vietnam as something terribly important for the United States, a critical test of American strength and discipline and probity.

The other constant theme is ego involvement. Ellsberg at all times saw Vietnam as a measure of personal as well as national commitment. His sense of his own standing with himself and the world became a function of who was right when and where and for what reasons on Vietnam.

But the central fact about the Vietnam problem is that it is vastly remote from such exalted considerations. It is a shabby affair in an insignificant country distant from the big issues of world history.

It matters immensely to most Vietnamese but cannot for long matter much to most Americans. Thus there has been no way of meeting the problem by the force of positive achievement—either national or personal.

That is why Vietnam has been a special disaster for the best and brightest Americans, those most dedicated to find some good way out. And of these victims, not the least is Dan Ellsberg.

THE CALIFORNIA DESERT

.The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MATHIAS) is recognized for 10 minutes.

Mr. MATHIAS of California. Mr. Speaker, the overall environment of the California Desert with its ecological, economic, and recreational resources is in danger of being destroyed.

The California Desert, which once represented the unfriendly land Americans had to cross to settle the West, is now a symbol of the new needs of our country—recreation areas and protection of the environment.

The ecologist knows that we depend upon the land for our existence. The social scientist has learned in recent years that we depend upon land for healing powers—open space to clear our minds of too much city and too many people. We are placing a greater and greater premium on what can probably best be termed "room to roam".

The need for open space is receiving much attention in our great cities, as well it should. Park lands in and near urban centers are important, way-out yonder lands, where a man can stretch himself physically and spiritually from horizon to horizon.

Although it was once considered a wasteland, the California Desert is rich in a multitude of resources: minerals, unique vegetation and wildlife, historical and archaeological values, unparalleled scenery, and recreational opportunities. Since the desert is so large, it would seem that these resources would always be protected and available, but, unfortunately, the desert is limited and its resource exhaustible. The desert is, in fact, very fragile, like other areas of our environment.

The struggle is harsh and the delicate balance between soils, plants, animals, water, and air can be damaged or destroyed by thoughtless exploitation.

The land, or course, will probably be there forever. But the things that give the desert its appeal—fragile flowers, unique wildlife, ancient relics of a past civilization, and a sense of untouched open space—are in peril.

We cannot afford such losses. We must seek to understand the total desert environment so that we can use it wisely. We can only enjoy its benefits when we are assured that we can protect its values.

I am today introducing legislation that will provide for the immediate and future protection, development, and administration of the public lands in the California Desert. My bill will establish the California Desert National Conservation Area.

This plan of action is designed to meet the present and future needs of the land balanced with the needs of the people all within the framework of a program of multiple use, sustained yield, and maintenance of environmental quality.

The California Desert is a land with many faces. It stretches 200 miles by 240 miles across the bottom of the State, from the Mexican border north to the Death Valley National Monument and from the Colorado River west to the borders of Los Angeles.

This 16 million acres of starkly beautiful land is located within minutes of 10 million people.

The desert is so big, so vast, that there appears to be room for everyone, and everything. Because of this illusion, our Nation has played tic-tac-toe on a good bit of this region. The land is scarred with ever-increasing road and utility rights-of-way, pockmarked by past, present, and speculative mining operations, desecrated by substandard construction, littered with trash and debris, and plundered of its natural and scientific values.

It is a storehouse of wealth, capable of serving many needs and uses. It cannot however, be considered from a single point of view. In fact, the single purpose approach has been responsible for many of the problems that exist there today.

If we are not willing to look ahead, understand and appreciate the pressures on the desert lands, and provide wise management for their use, then we may very well lose the natural, scientific, economic, and social values that are there.

The twofold need is to provide better management of the desert lands and better management of the ways in which people use the desert.

Three-fourths of the land in the California Desert belongs to all Americans. It is public domain land under the stewardship of the Bureau of Land Management in the U.S. Department of the Interior.

Since the BLM has the responsibility of managing the 12 million acres in the California Desert, they undertook a study beginning in 1968 of its resources and uses. The initial study by the California State Office of the Bureau of Land Management clearly demonstrated two facts: first, the desert land has a great potential for providing outstanding recreation and is, in fact, serving far more people than had been realized; second, the tremendous demands being placed on the desert lands for recreation and many other uses can soon lead to the reduction or total destruction of a wealth of outdoor recreation opportunities.

The outcome of this valuable study was a plan of action to preserve the desert environment and to satisfy the public's demand for new and expanded uses.

The legislation I am introducing today will implement this plan of action. It will provide for a program that will meet the present and future needs of the California Desert.

I would like to include in the RECORD at this time a copy of a statement by Secretary of the Interior Rogers Morton on the need to protect the California Desert and its resources. His comments clearly point out the way the desert is being degraded and why there is such an urgent need for positive action.

The Department of Interior and the administration are giving this matter close attention. I am hopeful that by working together we can have a program that will provide for better management of the desert lands as well as meet the recreational needs of the people.

Secretary Morton's statement follows:

REMARKS OF SECRETARY OF THE INTERIOR ROGERS C. B. MORTON CONCERNING PROTECTION AND ENHANCEMENT OF THE CALIFORNIA DESERT

The California Desert is a 17-million-acre national treasure. We, as Americans, own more than 12 million acres of the California Desert. The California Desert once symbolized the hostile land that Americans crossed to win the West and create our nation. Today, the desert is a playground for millions of people; home for many; source of livelihood for others. Its wide open spaces beckon to millions, particularly the great urban population of Southern California only a few miles away, to relax from the pressures of urban life.

Now, because the desert is so attractive to so many people, it is in serious trouble and immediate action is needed if the desert as we know it is to survive the mounting pressures being placed upon it.

The very values people seek on the desert are being degraded. Wildlife habitat is being diminished. Vegetation and soil mantle are being damaged by indiscriminate off-road vehicle use, improper grazing, careless mining operations and unplanned construction, including road building.

That is why the Department of the Interior, through the Bureau of Land Management—the agency responsible for approximately three-fourths of all the public

land in the Desert, has made a California Desert Study. The Bureau now proposes a California Desert Program, which is now being carefully reviewed by the Department of the Interior.

There is need for a program that will give us an opportunity to protect the California desert and its resources. The Administration is giving this matter very close attention. Its 1972 fiscal year budget calls for the beginnings of a desert ranger force and—as in Fiscal 1971—some funds for planning. Additional authorization and funding may be required, and we are giving careful consideration to that question.

Meanwhile, we welcome the vigorous interest shown by Congressman Bob Mathias and we know we can count on his help as we proceed to determine how far and how fast we can move on this important matter.

ENACTMENT OF MAJOR MONEY BILLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MICHEL) is recognized for 5 minutes.

Mr. MICHEL. Mr. Speaker, the news media have taken note that this Congress has again failed to enact the major money bills with the fiscal year underway. There have been only three bills cleared, and the press is making note that funds to operate Congress is one of them.

Since 1964 there have been 86 major money bills passed by the Congress. Only six of them have made it before the start of the fiscal year. This, of course, breeds inefficiency and uncertainty in the operation of government. Some bills are not passed until the following session of Congress, which promotes panic spending during the last fiscal quarter by agencies attempting to dispose of funds they could not adequately plan for.

It is time that we give serious consideration to changing our fiscal year. The pattern is clear—with the huge budgets we are considering, the mid-year fiscal year termination places an unfair burden on us, and is creating chaos at the local level where budgets are built around Federal grants. Many localities borrow money to tide them over. This adds to costs. They delay projects. This adds to costs.

I have introduced legislation to change from the fiscal to the calendar year. We should be able to read the fiscal handwriting on the wall and take steps to bring Congress into the 1970's budget-wise. A full year to pass the appropriations would give us more time to take a closer look at what is being requested, and would benefit not only Federal fiscal procedure, but the thousands of local governments left holding the bag when we are unable to meet the fiscal year budget deadline. The calendar should tell us that it is time for a change.

TAKE PRIDE IN AMERICA

The SPEAKER pro tempore. 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.

There are more than 20,000 State, county, and municipal health and sanitation jurisdictions in the United States, assuring consumers purity and nutritive value of dairy products.

CAMP PENDLETON MARINE CORPS BASE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BELL) is recognized for 30 minutes.

Mr. BELL. Mr. Speaker, we expect to hear very soon the decision of the White House concerning the proposed transfer of a portion of underutilized lands currently closed to the public as part of the Camp Pendleton Marine Corps base in California.

The people in my district and the rest of southern California have been awaiting this decision eagerly since March 31 of this year when President Nixon issued a directive to report that approximately 6 miles of beach and 3,400 upland acres would be declared excess and available for public use.

In his announcement the President declared that the Pendleton transfer was to be the first in a series of actions by the executive branch to transfer to the public a substantial number of parcels of property throughout the country.

As the President pointed out, over half the land—apart from park land—in the Western States is owned and controlled by the Federal Government. This land is closed to public use.

But the new program announced by the President and set into action with the Pendleton transfer would recognize the concept of insuring the best use of the public lands of the Nation so that the beauty of the mountains, the beaches, and the seas would be preserved for, and opened to, the public wherever possible.

The people of southern California and the rest of the Nation received the President's announcement enthusiastically and with much fanfare as the beginning of an exciting effort to preserve the enjoyment of our natural environment.

And these same people were stunned by the recommendation of the House Armed Services Committee that the vast majority of the acreage proposed for transfer be held by the Marines in spite of the fact that it is virtually unused today.

The committee's recommendation, if followed, would close to the public an area of beach used as an exclusive enlisted men's club and not for any military purpose. It would freeze the entire 3,400-acre upland tract in the hands of the Marines and bar turning that beautiful land over to the public for use as urgently needed picnic and campgrounds. The upland acreage is not currently used for military purposes; some of it is leased to private ranchers to grow strawberries.

The Pendleton lands had been thoroughly studied and surveyed by the General Services Administration, the Property Review Board, and the Marine Corps, and Department of Defense. It was agreed that of the 18 miles of choice coastal beachland and 126,000 acres of mountains, lakes, and canyons which comprise the enormous area of Camp Pendleton, a small portion—3 percent—of this could be opened for the use of the people living in the burgeoning areas of southern California.

It is, of course, essential that the entire area be protected from private development and be maintained in as wild and natural a state as possible. The intention is not to create a crowded "asphalt playground" but to make accessible to the public a gigantic nature park. The California State Parks director, Mr. William Penn Mott, Jr., has assured us that the State is determined "to preserve both the beach and the upland camping complex in as wild a state as possible."

I am confident that the President will not allow this bold new program to be crippled in its very first step by an arbitrary recommendation of the House Armed Services Committee, but that he will adhere to his original call for the transfer of these beautiful lands for recreational purposes for the people of California. Thus, the President will demonstrate that the Pendleton transfer is, as he declared on March 31, merely the first step in a series of transfers "in all sections of the country, in the East, the North, the South, whereby we will declare excess property that presently is being used by the Federal Government, or some agency of the Federal Government, but in a way that we have determined is not the best use."

Mr. Speaker, I am introducing below a collection of materials which indicate the enthusiastic endorsement of the President's proposal by the people of my district and the rest of southern California for this incomparable beachland and campground area. The people in this area overwhelmingly support the President's program for preserving and making available these lands.

The materials follow:

LOS ANGELES, CALIF., June 30, 1971.

Hon. ALPHONZO BELL,
House Office Building,
Washington, D.C.

BEACH FRONT LAND AROUND CAMP PENDLETON

I hereby certify that the attached report of the State, County and Federal Affairs Committee was adopted by the Los Angeles City Council at its meeting held June 30, 1971.

REX E. LAYTON,
City Clerk.

RESOLUTION

Whereas, Congressman Alphonso Bell of Los Angeles has been leading a fight for public control and use of beach front surrounding Camp Pendleton for public recreation purposes; and

Whereas, Camp Pendleton has 17 miles of empty beach front presently going to waste, although it contains some of the most beautiful, unspoiled beach front available for public recreation of all kinds, including surfing, swimming, sunning and fishing; and

Whereas, a lease has already been negotiated for a three and one-half mile stretch of beach in this area to be turned over to the State of California for public use, but the remaining area is still not available to the public; and

Whereas, the President of the United

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States has ordered six miles of Camp Pendleton's beach front to be released for public recreational purposes, but this is being opposed by the Armed Services Committee of the United States House of Representatives;

Now, therefore, be it resolved that the City Council of Los Angeles goes on record as urging that the State of California be given control over the coastline area around Camp Pendleton as provided for in President Nixon's Executive Order, so that this beach area will be available to the public for recreational purposes; and

Be it further resolved that the action of the City Council be communicated to the President of the U.S., the U.S. Senators from California, the Southern California Congressional delegation and the House of Representatives Armed Services Committee.

To the Council of the City of Los Angeles:

Your State, County and Federal Affairs Committee reports as follows:

We have received a resolution urging that the State of California be given control over beach front land around Camp Pendleton for public recreational purposes.

We recommend that this resolution be adopted as amended, to indicate support for the President's Executive Order for release of six acres of beach front land around Camp Pendleton.

Respectfully submitted,

STATE, COUNTY AND FEDERAL AFFAIRS COMMITTEE.

ACTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIF.

Addressed to: The Commandant of the Marine Corps.

Copy to: Senator Alan Cranston, Senator John Tunney, Representative John G. Schmitz, Commanding General of Camp Pendleton.

Subject: 109—Resolution No. 62-71 re Disposition and Use of Camp Pendleton Lands as Described in Press Release by President Nixon.

Mayor Evans presented a proposed Resolution regarding the disposition and use of 3400 acres of undeveloped Camp Pendleton land lying in the back of Highway 101 on the San Clemente side of the Camp Pendleton base as described in an April press release by President Nixon and proposed to be made available either to public bodies, or for public sale, in which case the proceeds would be added to the Land and Water Conservation Fund and used for Federal and local park developments.

Discussion ensued on the four sections of the proposed Resolution which are summarized as follows: (1) Said lands be made available for recreation purposes with some consideration being given to the possibility of a national park, (2) That this should be accomplished on a lease basis with a reclaim clause for protection of military interests in the event of a national emergency, (3) That said lands should not be made available for purchase by private developers as said lands serve as a buffer zone between the City and Camp Pendleton, and (4) That the existing leases to farmers on portions of said lands are in the best interest of the area and should not be terminated.

Mayor Evans explained that Representative Alphonzo Bell was urging support of the original intent of the press release, but the Mayor expressed opinion that it would be better to have a national park than a state park and in either case the property not be available for sale. It was determined to add the words "long term" before "lease basis" and "when needed" after "military interests" in section 2.

A motion by Councilman O'Keefe to adopt the Resolution with sections 1 and 3 only and omitting 2 and 4, died for lack of a second.

The Resolution with all four sections, as amended, was further considered and upon motion of Councilman Northrup, seconded by Mayor Evans, and unanimously carried, Resolution No. 62-71, being a resolution of the city council of the city of San Clemente, California, expressing its opinion as to disposition and use of 3,400 acres of Camp Pendleton lands as described in a press release by President Nixon in April, 1971, was introduced, passed, and adopted.

RESOLUTION No. 62-71

Resolution of the city council of the city of San Clemente, California, expressing its opinion as to disposition and use of 3,400 acres of Camp Pendleton lands as described in a press release by President Nixon in April, 1971.

Whereas, in April, 1971, President Nixon issued a press release to the effect that 3,400 acres of undeveloped Camp Pendleton land lying in back of Highway 101 on the San Clemente side of the Camp Pendleton base would be made available either to public bodies, or for public sale, in which case the proceeds would be added to the Land and Water Conservation Fund and used for Federal and local park developments, and

Whereas, the City of San Clemente lies adjacent to the north boundary of the above described lands,

Now, therefore, be it resolved by the City Council of the City of San Clemente that it is of the opinion and urges as follows:

1. That the above described lands be made available to the people of the country for recreation purposes with some consideration given to the possibility of a national park.

2. That this should be accomplished on a long term lease basis with a reclaim clause for the protection of military interests, when needed, in the event of a national emergency.

3. That said lands should not be made available for purchase by private developers in that said lands serve as a buffer between the City of San Clemente and heavy artillery firing sounds emanating from the base during practice maneuvers and operations.

4. That the existing leases to farmers on portions of said lands are in the best interest of the area and that said leases should not be terminated.

Be it further resolved that the City Clerk is hereby authorized and directed to transmit copies of this Resolution to Senator Alan Cranston, Senator John Tunney, Representative John G. Schmitz, the Commandant of the U.S. Marine Corps, and the Commanding General of Camp Pendleton.

Adopted, signed, and approved this 16th day of June, 1971.

CITY OF EL MONTE,
El Monte, Calif., June 9, 1971.

Congressman ALPHONZO BELL,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BELL: At their regularly scheduled meeting on Tuesday, June 8, 1971, the El Monte City Council voted unanimously to support your position endorsing President Nixon's plans to transfer beach and upland areas of Camp Pendleton for California public recreational use.

The Council instructed me to request background material mentioned in your correspondence so that this information might be considered by our City Attorney for the purpose of writing an appropriate resolution.

When the resolution has been adopted, copies will be forwarded to your office for your file.

Very truly yours,

KENNETH E. BOTTS,
Administrative Officer.

CITY OF LOS ALAMITOS,
June 16, 1971.

Congressman ALPHONSO BELL,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BELL: May we take this opportunity to advise you that the Los Alamitos City Council took the following action at its regular meeting of June 14, 1971. Please find enclosed a copy of the Council's action and I trust it will assist you in your present efforts at Camp Pendleton. As you may know, this City is also engaged in a very critical encounter with the federal government, more specifically the United States Navy, relating to the future uses of the Naval Air Station, Los Alamitos.

Could you please, at your early convenience, "touch bases" with our Congressman Dick Hanna and any assistance you may be able to offer will be greatly appreciated.

Our very best regards,

WILLIAM H. KRAUS,
City Manager.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ALAMITOS URGING THE UNITED STATES GOVERNMENT TO TRANSFER CERTAIN LANDS AT THE U.S. MARINE CORPS FACILITY AT CAMP PENDLETON, CALIFORNIA FOR RECREATION PURPOSES

Whereas, there exists an extremely serious need to provide additional public recreational areas for the State of California, and

Whereas, the President of the United States and many other federal, state, county and local officials and the general public have attempted to seek the transfer of approximately six miles of beach and 34 upland acres at Camp Pendleton, California, and

Whereas, the proposal would not be detrimental to the best interest of this Nation and its military establishment, and

Whereas, the City of Los Alamitos is engaged in a similar situation to secure the 1400 acre U.S. Naval Air Station, Los Alamitos for public recreation and open space uses following the recent phase-out of air-related activities at said base, and

Whereas, the proposal to utilize a portion of Camp Pendleton for recreational activities is in conformance with previous stands taken by said City regarding NAS, Los Alamitos,

Now, therefore, be it resolved by the City Council of the City of Alamitos that the federal government be urged to transfer six miles of beach area and 34 upland acres at Camp Pendleton, California for public recreational use due to the dire need of the general community for open space and recreational purposes, and

Be it further resolved by the City Council of the City of Los Alamitos that said endorsement of this proposal be made in conformance to this City's current efforts to secure the vacated Naval Air Station, Los Alamitos facility for general public and community purposes.

[From the Los Angeles Times, May 31, 1971]

PENDLETON BEACH AND THE PUBLIC

President Nixon overlooked the House Armed Services Committee last month when he ordered several miles of Camp Pendleton's unspoiled beachfront released for public recreation.

He should have been more careful. That powerful committee, at the urging of the Marine Corps, has blocked, temporarily we hope, the gift of six miles of beach and 3,400 adjacent upland acres to the State of California.

Taking advantage of a law that allows it to review the disposal of federal property, the committee decided the land should remain under Marine control for emergency use. It is not adverse to a 25-year lease to the state.

So far, a lease has been negotiated on a 3½-mile stretch. Nothing has been done about the remaining 2½ miles which contain an enlisted men's club and some of the finest surfing, swimming and fishing beach on the West Coast.

Fortunately, something can be done to obtain the entire stretch. The committee ruling is not binding on either the President or the Department of Defense.

Rep. Alphonzo Bell (R-Los Angeles), who testified before the committee on behalf of

the public, urges a massive letter-writing campaign to Mr. Nixon, the Department of Defense, the Marines and members of Congress.

Camp Pendleton has 17 miles of empty, inviting beachfront going to waste. Of course, the beach should be available for maneuvers when needed. The rest of the time, however, the entire 17 miles, not just six, should be firmly in the public domain.

[From the Washington Post, Apr. 10, 1971]

CALIFORNIA'S NEW PUBLIC BEACH

It's easy to understand why the Marine Corps was not particularly eager to give up any of that 18 miles of the California coast it has controlled for years at Camp Pendleton. The beaches are among the best in the nation and the place is deeply involved in the history of the corps. Nevertheless, President Nixon quite properly intervened to open up a third of that coast for civilian recreational purposes and we hope that Congress will not object to his act. There are simply too many people in Southern California now for the Marines to hang on any longer to so much prime sand and surf.

The President's action seems to have taken both the Marine Corps and his neighbors at San Clemente by surprise. The corps, after years of heavy pressure, had agreed to lease a three-mile stretch of the beach to the State of California but was putting off the opening date until every last detail was tied down. San Clemente's city council held an emergency session to discuss the whole situation a few hours after the President doubled the beach area and tossed in a 3,400-acre inland tract as well.

The one remaining problem, as we understand it, is that the state and local recreational funds may not be sufficient to handle the whole inland area. In that event, the President's order says the remaining parts of that tract will be sold to private interests. We hope this will not come to pass, either through action by California officials to raise the funds they need or through a change in federal policy.

The 3,400-acre tract ought to be preserved, one way or another, for all the people to enjoy and not turned into housing or commercial development sites.

SOUTHERN CALIFORNIA ROD AND REEL CLUB, INC.,
Los Angeles, Calif., June 17, 1971.

Hon. ALPHONZO E. BELL JR.,
House of Representatives
Washington, D.C.

DEAR CONGRESSMAN BELL: On June 9, 1971, during a General Meeting of our Club, a resolution was passed unanimously supporting your efforts to act on President Nixon's plan to transfer six miles of beach and 3400 acres of Camp Pendleton for California Public recreational use.

It is our sincere wish that you succeed in having the President's plan endorsed by the House.

Any assistance that our 120 members and their families can provide is yours for the asking.

Yours truly,

AARON M. SHANNON,
Secretary.

TREVOR SIMPSON,
Board Chairman.

KFI EDITORIAL

As an Easter Gift to the people of California, President Nixon announced that six miles of beautiful beach land, adjacent to Camp Pendleton, would be granted to the state as an addition to the state parks and beaches. This grant included two and one-half miles to the north of the nuclear generating plant at San Onofre . . . and three and one-half miles of shoreline south of San Onofre. The grant also included 3400 acres of upland property on the other side of Highway 101.

Now the House Armed Services Committee in Washington has failed to endorse the President's move to transfer the six miles of beach to California for recreational use.

This refusal by the committee is not binding on the President . . . but past events have shown that few, if any, ever dare challenge the powerful House Armed Services Committee.

KFI feels that this land is needed by the people of the state. The plan to keep it unspoiled . . . and yet available to the public . . . is in keeping with our ecological needs.

But the President must be made aware of the feelings of the people of California. KFI urges its listeners to write or wire the President . . . urging him to sign the grant . . . to keep his promise to the people of California . . . and not to be swayed by the House Armed Services Committee.

A letter or wire to the President of the United States at the White House in Washington will let Mr. Nixon know you are concerned. And further . . . that you expect him to live up to his Easter promise.

THE MARINES AND A BEACH II—KABC RADIO EDITORIAL

We're flying in the KABC Air Traffic Watch plane over 17 miles of virgin swimming and surfing beach just south of San Clemente. The nearly 1100 miles of beaches along California's shoreline are perhaps our greatest recreational resource. But tragically, only about 300 of that 1100 miles remain available for public use. The stretch of beach along Camp Pendleton below us belongs to the Marines, or more correctly, to the Federal government. The Camp Pendleton Beach is only used a few days each year for amphibious maneuvers. The rest of the time it is absolutely vacant . . . used only by a few privileged military officers. The waste of this Pendleton Beach is totally unnecessary.

Last April, a three-and-one-half mile section of the beach was opened to the public, on lease to the State . . . but only after six tedious years of negotiations with the Marine Corps. It took the persistent effort of Congressman Alphonzo Bell, and finally the direct intervention of President Nixon himself to accomplish the lease. At the same time, the President declared that a total of six of the 17 mile Pendleton Beach, along with 3400 adjacent acres, would be turned over as a gift to California for recreational use.

Now, the House Armed Services Committee has refused to approve the President's decision . . . presumably because it doesn't want to yield an inch of Federal military land. Fortunately, the Committee's decision is not final. It can still be reversed by President Nixon or the Department of Defense. The President, when he announced the transfer of the beach property to the State, said that his decision was the result of his own presidential initiative. In so doing, he said he overrode some very deep bureaucratic and Congressional opposition. Now, it's time for the President to again use that same initiative and reject the vote of the House Armed Services Committee.

Congressman Bell, and Congressman Chet Holifield, the dean of the California Congressional delegation, have promised KABC they will make every effort to see that the President carries out the intentions he expressed last March. The Pendleton Beach below us will be a precious addition to the dwindling California coastline that still remains open to all the public. KABC asks you to please write directly to President Nixon and urge him to act promptly in transferring six miles of the Pendleton Beach to the people of California.

PENDLETON REVISITED

When and if a state park does open at what is now Camp Pendleton, it will probably hold the all-time record for causing conflict and bitterness between branches and various levels of government.

On one side are President Nixon, Congressman Alphonso Bell, the State Department of Parks and Recreation and about 20 million Californians. On the other side, outnumbered but not defeated, are the Marine Corps and the House Armed Services Committee.

The issue is whether or not the Marines will give up part of Camp Pendleton, and how much they'll give up. The camp now contains 17 miles of beach. And according to an announcement by President Nixon in April, 6 miles of that beach is supposed to be turned over to the state, along with 3400 acres back in the hills, for San Onofre State Park. That announcement *seemed* to settle years of bargaining between the Marine Corps and the State.

It seemed to, but it didn't.

Last week, very quietly, the House Armed Services Committee voted not to approve the President's plan, which tosses the whole park question back up in the air.

That committee's approval or disapproval won't kill the park, but it could delay it or force another expensive and unnecessary redesign of the park facilities.

It's our opinion the Committee made its negative decision not on the basis of the Marine Corps' real need for the land, but because the State didn't go through channels to get it.

And that seems to us a petty attitude we wouldn't have expected from the United States Marines. The President can act without the Committee's approval. In this case, we think he should.

[From Oceanside (Calif.) Blade-Tribune, Mar. 31, 1971]

NIXON GIVES PENDLETON LAND, BEACH TO STATE

(By Norm Covington)

CAMP PENDLETON.—President Nixon is ordering the Marine Corps to part with six miles of beach and 3,400 upland acres to be used for public recreation.

The property, declared surplus by Nixon, totals 4,055 acres.

The release order, signed by Nixon Tuesday, was confirmed today at a news conference held on a bluff outside the Western White House.

He told newsmen that this was the beginning of a move to turn over to state control some of the surplus federal lands throughout the country.

The presidential order includes 3.5 miles of beach which were to be leased to the state for 25 years as a beach park.

Dedication of the San Onofre Beach Park is scheduled for Saturday.

The six miles of beach property extends south from the Western White House in San Clemente both north and south of the San Onofre nuclear generating plant.

The 3,400-acre inland parcel runs along the entire south limits of San Clemente, a distance of about five miles.

The rectangular property, all within San Diego County, begins at the San Diego Freeway and includes the valleys of San Mateo Creek and San Onofre Creek. Much of the area is now farmland.

Congressman Alonzo Bell, who led the battle to open up the Camp Pendleton beaches, said today he was elated over the President's action.

"In his message to the Congress on the nation's environment last month, President Nixon pledged to make suitable federal lands available for state parks," Bell said in Washington.

"Today he has demonstrated that he is as

good as his word, and I hope that this will be just the beginning of a continuing national program to convert unused federal land to recreational purposes."

The Presidential decision will open up the famed Testles surfing beach and bring to end the private San Onofre Surfing Club.

The additional coastline will increase the new San Onofre Beach Park to 655 acres.

As soon as Congress approves the plan, the six miles of coastline will become the property of California.

Recreational development of the inland acreage will be decided by the city of San Clemente, San Diego and Orange counties and the state of California.

* * * * *

Surfers, in particular, will now be able to reach two of the best beaches in California: Trestles, and the San Onofre Surfing Club beach.

The state parks department has already drawn up plans to designate the Trestles beach exclusively for surfing, the first such beach in the nation.

Nixon's order directs Secretary of Defense Melvin Laird to initiate proceedings which will offer the beach property to the state for use as a public park.

The President acted on the recommendation of the Federal Property Review Board which has been directed by Nixon to make federal lands available to the public for recreational use where possible.

Following today's announcement, Nixon took a 15-minute helicopter flight over the area.

[From the San Clemente (Calif.) Daily Sun-Post, Apr. 1, 1971]

PRESIDENT OPENS "MAGNIFICENT BEACH"

(By Craig Van Note)

SAN CLEMENTE.—"This is a magnificent beach. This is one of the last great swimming beaches in America," commented President Nixon Wednesday as he made an aerial inspection of the San Onofre coastline in his helicopter.

Less than an hour before, he had announced he was turning over to the state parks department six miles of beach south of the Western White House and opening to public use 3,400 acres of Camp Pendleton land on the south city limit of San Clemente.

The President suggested the huge acreage inland from the San Diego Freeway be used as a camping area. The entire San Mateo Creek basin and the smaller Cristianitos Creek are included in the one by five-mile strip.

State parks director William Penn Mott today agreed with Mr. Nixon, predicting "this will probably be the largest camping and beach recreation development in the United States. Between two and three thousand campsites could be easily accommodated in the San Mateo Creek basin, Mott said.

"This represents the finest beach, not only in California, but on the East and West Coasts," Mott stated. "Naturally, we are very pleased."

With President Nixon making the inland acreage available, he said, the six-mile strip of coastline west of the freeway, covering a total of 655 acres, "can now be kept in its natural, virgin state," the parks director stated.

Previous plans for the San Onofre Bluffs campgrounds and parking lots along the beach bluffs. Now, Mott said, the camping and parking can be kept inland. "We should work out new, innovative ideas of transporting people from the back areas to the beach."

The 3,400 acres will be made available to all public agencies, including the state, city of San Clemente, and Orange and San Diego counties. The federal government will decide how the property will be allocated.

Presidential aide John Ehrlichman said Wednesday that the Property Review Board, established by Mr. Nixon to convert federal lands to better uses, had concluded neither the city nor the state would use all the 3,400 acres. He predicted part of the acreage would be sold on the open market, private to developers, and the proceeds would go toward park development.

SURFING BEACHES

Mr. Nixon seemed particularly pleased that he was providing sorely-needed public beach. Speaking on his office lawn overlooking the Trestles beach, he said:

"Just two years ago I was walking along this beach, and I realized that here in Southern California there were millions of people who wanted to go to the beach, and that when you go by Santa Monica, Long Beach, or any of the other great beaches that I used to go to as a youngster, that they are just too crowded these days, and there is a great need for more beaches where people can go."

The President said the new public beaches probably wouldn't have become a reality "unless I had taken a walk on the beach two years ago at San Clemente and walked an extra mile and saw the great possibilities and decided that the time had come for Presidential initiative."

Later, making a helicopter tour of the beach, he exclaimed. "You really can't appreciate this unless you walk the beach."

"This is a good place to surf because of the waves," he stated. He used to marvel at the skill of the surfers riding the waves at the Cotton's Point and Trestles surf spots in front of his house, until the Secret Service chased them off.

The Secret Service will keep a quarter-mile buffer zone between the Western White House and the new state park while Mr. Nixon remains in office. It will extend into the middle to San Mateo Creek. Surfers will still be able to use the lower Trestles beach, considered by some the best surf spot in the state.

Farther south down the beach, Mr. Nixon flew over the small Marine Corps recreation and camping area. He ordered the buildings there turned over to the state park. Also gobbled up in Mr. Nixon's executive order is the San Onofre Surfing Club beach, stretching 3,500 feet on the north of the nuclear plant.

A total of 2.5 miles of additional beach between the Western White House and the nuclear plant will be added to San Onofre Bluffs State Beach.

The presidential order is subject to review by the House Armed Services Committee and the Senate Armed Forces Committee. Mr. Nixon predicted they would approve the new public lands within 30 to 45 days.

The lease for the 3.5 miles of beach south of the nuclear plant has been given final approval by the federal government and the dedication of that portion of the park will occur as scheduled Saturday.

NIXON GIVES STATE CAMP PENDLETON LAND

(By Craig Van Note)

SAN CLEMENTE—President Nixon is ordering the Marine Corps to give up an additional 2.5 miles of beach—stretching from the Western White House to the San Onofre Nuclear Generating Station—to the state parks department, the Daily Sun-Post has learned.

And the President will turn over to the public 3,400 acres of Camp Pendleton property immediately south of the San Clemente city limits and inland from the freeway.

A statement from Mr. Nixon ordering the release of the military property is expected late today.

The presidential decision will open up the famed Trestles surfing beach and bring to an end the private San Onofre Surfing Club.

The additional coastline will increase the new San Onofre Bluffs State Beach to six miles in length, covering a total of 655 acres.

President Nixon may attend Saturday's dedication of the 3.5-mile section of San Onofre Bluffs State Beach south of the nuclear plant. Security plans are already being organized if he should decide to participate. The Western White House reports no firm decision has been made.

The new public beach will be given to the state, instead of leased, the President has decided. As soon as Congress approves the plan, the six miles of coastline will become the property of California. The original plan for the San Onofre beach south of the nuclear plant called for a 25-year lease from the Marine Corps.

SAN CLEMENTE LAND

The 3,400 acres to be turned to public use runs inland along the entire south limits of the city of San Clemente, a distance of about five miles. The rectangular property, lying within San Diego County, begins at the inland side of the San Diego Freeway and runs about one mile deep into Camp Pendleton.

It is more than five square miles and includes the valleys of San Mateo Creek and San Onofre Creek. Much of the flatland area is now farmed.

Just how the 3,400 acres are put to use will be decided by the city of San Clemente, San Diego and Orange counties, and the state of California. The federal General Services Administration will negotiate the ultimate use of the land with the state and local governments.

It could become a sprawling recreational area, complementing the nearby state beach. Or the property could be sold to private interests and the funds turned to other public uses.

The President's decision to give the state all the beach north of the nuclear plant will greatly expand the recreational potential of the new state park. The beach south of the nuclear station is relatively inaccessible because of the high bluffs.

In contrast, the 2.5 miles of beach south of the Western White House is not fronted by bluffs and will easily accommodate thousands of beachgoers.

Surfers, in particular, will now be able to reach two of the best breaks in California. Trestles (so named for the railroad trestles crossing San Mateo Creek) and at the San Onofre Surfing Club beach.

The state parks department has already drawn up plans to designate the Trestles beach exclusively for surfing, the first such beach in the nation.

BELL ELATED

Congressman Alphonzo Bell, who led the battle to open up the Camp Pendleton beaches, was elated over the President's action:

"In his message to the Congress on the nation's environment last month, President Nixon pledged to make suitable federal lands available for state parks," Bell stated in Washington.

"Today he has demonstrated that he is as good as his word, and I hope that this will be just the beginning of a continuing national program to convert unused federal land to recreational purposes."

Earlier this month Bell wrote the President a letter urging additional beach be included in the new state park. "I had no idea the response would be so quick or so generous."

SACRAMENTO, CALIF.,
May 18, 1971.

Mr. DARRELL TRENT,
Executive Secretary, Property Review Board, White House, Washington, D.C.

As director of the California Department of Parks and Recreation the need for the 3,400 acres of Camp Pendleton east of Interstate 5 proposed by President Nixon is essential for park purposes. The department will develop this land for campground and picnic facilities with necessary support structures. This will insure preserving the beach

and the bluff in their natural condition and make possible maximum use of the beach by people. Camping needs in this area of California are greater than any other region of the State. There is a deficit of 30,760 camp spaces and 30,810 picnic areas for this area. Unless the 3,400 acres of land is made available to us we cannot possibly eliminate this deficiency. Making the land available to the State will insure that it will be preserved in perpetuity for public park and recreation use.

WILLIAM PENN MOTT, Jr.,
Director, California Department Parks and Recreation.

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., May 18, 1971.

Hon. ALPHONZO BELL,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BELL: As you requested, I have reviewed future utilization plans for the back 3400 acres of Camp Pendleton announced excess by the President on March 31, 1971, at San Clemente.

At the time the property was announced excess, the President stated that it would be made available to the State of California and the City of San Clemente for possible development. Mr. William Penn Mott, Jr., Director, California Department of Parks and Recreation, has sent the attached telegram to Darrell Trent, Executive Secretary of the Property Review Board. The property has been found to be particularly well suited for development for parkland. The telegram states that the property is essential for park purposes and that the State is prepared to develop the land for campground and picnic facilities with necessary support structures. It further stated that the need for additional parkland becomes more pressing every year, especially in Southern California.

Under Section 202 and 203 of the Federal Property and Administrative Services Act of 1949 as amended (40 USC 83), the Administrator of General Services has the responsibility for determining the best utilization of Federal real property which has been declared excess by departments or agencies, and the authority to dispose of surplus real property pursuant to law.

I have determined that priority consideration must be given to conversion of this property for park use.

Sincerely,

ROBERT L. KUNZIG,
Administrator.

DEPARTMENT OF THE NAVY—SUBMITTED BY: COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

DISPOSAL REPORT NO. 322

Station Designation: U.S. Marine Corps Base, Camp Pendleton, Calif.

Former Use: Marine Corps Training Base.

	Area in acres	Acquisition cost		
		Land	Improvements	Total
Fee	125,567	4,237,419	149,708,269	153,945,688
To be retained	121,512	4,098,657	149,608,269	153,706,926
For disposal	4,055	138,762	100,000	238,762

Consideration: To be reported to General Services Administration as excess.

1. The Department of the Navy proposes to report to GSA as excess for disposal approximately 4,055 acres of fee owned land with improvements comprising a portion of the Marine Corps Base, Camp Pendleton, California. The total area comprising Camp Pendleton was acquired by two condemnation actions in 1942 and 1943, by transfer of 1,575 acres from the Department of Interior in 1945, and by direct purchase of 112 acres in 1949.

2. The area proposed for disposal consists of approximately 655 acres of land with approximately 6 miles of frontage on the Pacific Ocean. A nuclear power plant is located on 84 acres of the beach. The plant was built and is operated by Southern California Edison Company and San Diego Gas and Electric Company. The power plant, together with appurtenant facilities including a railroad spur tract, roads, and electric transmission lines were constructed on land on which the Navy has granted easements to the Power Company. The remaining area of approximately 3,400 acres to be disposed of is located along the northern boundary of the Base. The 4,055 acres are a part of the land acquired through condemnation. On the land to be excessed are improvements which consist primarily of water wells and distribution lines, sewage holding ponds, roads and other utility systems. The disposal of the land will be subject to the reservation of water rights, water wells, the sewage holding ponds and ingress and egress for maintenance. Relocation of the Enlisted Recreation Beach facility will be at no cost to the Government.

3. The excess property has been screened throughout the Department of Defense and with the Coast Guard with negative results. The Navy does not contemplate the acquisition of land for similar use at or near the excess properties in the foreseeable future.

4. The State of California has expressed an interest in acquiring the excess beach front property for public park purposes.

5. Disposal of the property will be under the authority of the Federal Property and Administrative Services Act of 1949, as amended. Disposal has been approved by the Assistant Secretary of Defense (Installations and Logistics) and is being reported pursuant to Title 10 U.S.C. 2662.

DEPARTMENT OF PARKS AND RECREATION,
Sacramento, Calif., July 24, 1970.

Hon. ALPHONZO E. BELL, JR.,
Cannon Building,
Washington, D.C.

DEAR CONGRESSMAN BELL: I wanted to take this opportunity to express our most sincere thanks to you for your good efforts regarding the Camp Pendleton area.

As you know, the State of California, and specifically our Department, has been interested for a number of years in obtaining a portion of the Camp Pendleton beach area for public use. The Marine Corps, perhaps understandably, has been very reluctant to release any of the seventeen miles of beach frontage for public use.

I know that you are personally interested in this problem and I have had several conversations with Mr. Thompson of your office about the status of the lease negotiations. I know that you became involved in this during a time when the Camp Pendleton district did not have congressional representation due to the untimely death of Congressman Utt. We are of the opinion that any breakthrough will have to be accomplished at the Washington level in the Department of Defense.

There is nowhere in California where there is any greater deficiency of recreational activities than in the Southern California beach areas. Our adjacent state parks are jammed to beyond capacity and the turn-aways amount to well over 100,000 people a year. The four and one-half miles of Camp Pendleton beach property that we are interested in obtaining would give us a large enough area to justify the several million dollars of capital improvements in utilities and road improvements necessary to properly service the public.

I want you to know that we are most appreciative of your efforts, and if I may add a personal note, as you may know, I have been and still am, a long-time constituent of yours and maintain my place of voting in Pacific Palisades. My very best personal regards.

Sincerely,

ROBERT H. MEYER,
Deputy Director.

CAMP PENDLETON SEESAW—BELL SAYS BEACH "LOSS" NOT BINDING

(By Thomas D. Elias)

Congressman Alphonzo Bell said today a House committee's decision not to give six miles of Camp Pendleton beachfront to the state is not binding.

"If we press very hard for this beach, we will still be able to get it all." Bell, R-Santa Monica, West Los Angeles, said.

But the congressmen said that even though the President and the Defense Department can overrule the House Armed Services Committee, this never has been done "autocratically" in the past.

Bell, who has been the leading advocate of creation of a San Onofre State Park, said he was the only pro-park witness allowed to appear before the congressional committee last week.

President Nixon has recommended that the Marine Corps give the land to the state, and Bell told newsmen in Westwood he will continue to press the Defense Department to go ahead with its original plan.

The state Parks and Recreation Department currently leases 2½ miles of the beach frontage, but under Nixon's proposal it would get outright possession of the full six miles and 3,400 upland acres.

The committee recommended that five miles of the beach frontage be leased to the state, and the upland acreage be sold by the federal General Services Administration.

Bell said the best way Californians can fight for the park would be with a strong letter-writing campaign.

The next step which Bell wants taken, he said, is for Defense Department representatives to meet with committee members in the next week and to attempt to convince them the park is needed.

Meanwhile, State Parks and Recreation Department officials expressed depression and frustration today in the wake of the decision not to permit President Nixon to give six miles of beach at Camp Pendleton to the state.

Instead, the committee called for leasing of 2½ miles of the beach to the state and another section to the San Onofre Surfing Club.

The Marine Corps would retain title to the land and would turn 3,400 acres of property over to the General Services Administration for sale, rather than giving it to the state for a park.

"We were very disappointed," State Parks Director William Penn Mott Jr. said from Sacramento. "This land was being made available to the public in the area where it is most critically needed, in Southern California.

"It has excellent freeway access so that people from Los Angeles and most other parts of Southern California can get there within one to two hours."

Mott's deputy, Robert Meyer, said the committee's decision came as a shock to him, since Nixon had made it clear he wanted the land devoted entirely to park use. It is adjacent to the Western White House.

"I probably feel now like some people in

California feel about state government," he said. "I am at a loss for how to deal with the federal government on this issue. I am sure there are some things going on beneath the surface which may let us decide on some new action to try to reverse the decision."

Meyer said his department, which had been counting on using the upland portions of the proposed San Onofre State Beach to alleviate a severe shortage of campgrounds, didn't learn until late last week the congressional committee was considering any action at all.

"By the time we found out about it, they had already completed most of their hearings," Meyer said. "They never even asked us if we'd like to testify before them."

SENT TELEGRAM

When Mott heard the action was coming, he sent a telegram to the executive secretary of the Federal Property Review Board which had originally recommended that the land be turned over to the state.

The committee said it took its action because it believed the Marine Corps may some day need the beach property.

But Mott's telegram assured the federal lands office that at any time it was needed, the land would be cleared and made available to the Marines.

Parks officials also believe fears expressed in San Diego County that the state intended to sell part of the property to private developers may have played a role in the congressional decision.

LAGUNA BEACH, CALIF.,
June 10, 1971.

Representative ALPHONZO BELL,
House of Representatives,
Washington, D.C.

DEAR MR. BELL: Many of us in southern Orange County have been following your efforts to effect the opening of Camp Pendleton beaches which seldom, if ever, have been used for national defense training purposes, since acquisition of the Santa Margarita Ranch by the federal government in the early 1940's.

I am enclosing some newspaper clippings from the local newspaper in 1929, indicating that park status for the area has long been considered.

Please continue your efforts, and let us hope that this matter does not become bogged in personalities or politics for another forty years.

Very truly yours,
WILLIAM M. WILCOXEN.

OUTLOOK FOR PARK IS ENCOURAGING

The first objective in the drive to make the Santa Margarita Rancho a State park has been gained, according to W. H. Griswold, chairman of the Rancho Santa Margarita for State Park Association, following the meeting held by the State Park commission in Los Angeles Monday afternoon.

Griswold stated that the first objective of the organization was to have the project receive the official consideration of the Park Commission and have the proposed park listed as one of the sites to be investigated.

A committee consisting of Griswold, Capt. H. H. Hammer of San Clemente, and M. F. Forster of San Juan Capistrano was heard by the commission and the project listed. Griswold addressed the commission, sketched the advantages of the Rancho as a State park, presented the body with a resolution of endorsement by the San Juan Capistrano Chamber of Commerce, a set of maps illustrating the topographical contour of the property, and an invitation from the association, inviting the members of the commission to partake of an airplane trip over the Rancho at a date to be set by themselves.

The commission politely declined the invitation to fly over the property at this time because of lack of time, but turned over the project for survey to Frederick Law Olmsted, chief engineer for the Park Commission.

The next move contemplated by the park association will be to hold a mass meeting of the members of the body to discuss further action in the promotion of the project. The date of this meeting will be announced later, according to Griswold—Capistrano Missionite.

A PARKSITE FOR THE WORLD

In the suggestion of the Santa Margarita Ranch, known widely as the O'Neil ranch, as a State park lies plenty of food for thought.

It is of especial interest to the counties of Orange, Riverside and San Diego as it lies within them. Over 200,000 acres are comprised in the great grant.

Southern California is destined to become more and more the world's playground and recreation center. More and more it will draw tourists. Already the interest of Europeans is being secured, and Southern California can well be included in their itineraries.

This being true, it is the duty of Southern California toward its visitors, and good business practice as well, to provide for them.

In the great Santa Margarita ranch lies the opportunity to create a park which will be more than tri-county, more than State, more than national. It can become a world park.

In support of this broad assertion, it may be pointed out that in the old Spanish Grant, or immediately contiguous, lie forests, mountains which are snow-clad during much of the year, beautiful canyons, hot springs, rivers, 18 miles of shore line, deserts, fertile areas. What it may lack in absolute grandeur of scenery is made up in beauty and variety. And added to this is the highly important fact that the climate permits full use of this park during the entire winter.

Many of those who come to California do so in the winter. They want the outdoors climate. That is one of the reasons why they come. That is why a park which is comfortable in mid-winter is imperative.

These visitors come to enjoy the ocean, for to many of them the ocean is a supreme attraction.

It is an important consideration, likewise, that the proposed site has much arable land. Enough, it is claimed by its enthusiastic adherents, to defray much of the expense of the park.

Many Laguna people have been interested in a park between Capistrano and Newport Beach. The News has strongly advocated such a park. That it would have no such magnificent appeal to the imagination as the O'Neil site is apparent, though there are some compensating advantages.

MARGARITA PARK OFFICERS MEET—DECIDE ON PLAN TO PRESENT PROJECT BEFORE STATE BOARD MARCH 25

Representatives from Laguna Beach, San Clemente, San Juan Capistrano and Oceanside met in San Clemente Monday evening in a called meeting to discuss the best method of presenting the Santa Margarita Ranch State park project before the State park board.

The meeting was called by W. H. Griswold of Capistrano, who read letters and a questionnaire before those present. He stated that the State park board did not hold the meeting in Yosemite Valley at which it was expected the proposal would be presented, and to which meeting it had been planned representatives go by plane. The board has tentatively set March 25 as a meeting date.

The plan outlined at the San Clemente meeting Monday evening was to take the board by airplane over the big ranch, if possible. Mr. Griswold was made a committee of one on arrangements. Data to be laid before the board is to consist chiefly of photos, it was decided, with Capt. H. H. Hammer of San Clemente entrusted with the task of procuring certain beachline photos.

That the Santa Margarita Ranch is a park without any work being done on it, with no expense beyond the initial purchase price, and with certainty of income from much of the land, are points to be presented to the park board. Stress was laid on the fact that though the initial purchase price might be high, it would probably total no more than the cost of property of less value which would require expensive improvements. That the 18 miles of beach are not surpassed anywhere was averred.

Those who attended the meeting, which was chiefly of officers of the Santa Margarita Ranch for State Park Association were W. H. Griswold of Capistrano, H. H. Hammer of San Clemente, H. F. Crandall, Dr. Fred Loe, Bernard McDonald and R. L. Loucks, three of them city officials, of Oceanside; George E. Thompson, E. S. Wooster and W. T. Lambert of Laguna Beach.

That Laguna should continue to urge the contemplated park area near here was agreed.

REMARKS OF THE PRESIDENT UPON ORDERING PORTIONS OF CAMP PENDLETON PROPERTY RELEASED FOR PUBLIC USE, SAN CLEMENTE, CALIF.

Ladies and gentlemen: I am sending today to the Secretary of Defense a directive that he is to report to the House and Senate Committees on Armed Services that six miles of beach and 3400 acres of upland, which presently are part of Camp Pendleton, will be declared excess and will become available for public use.

In the case of the beach property—and Mr. Erlichman will brief you later with regard to the technical details—three miles of it will be available starting this Sunday because there will be approximately a 30-day, and maybe a 45-day period in which the two committees have an opportunity to veto the President's declaration of the property being excess. If they do veto it, and I do not expect them to, that would mean that we would have to reconsider what we are doing.

But in that 30-day period, and particularly with the Easter vacation period coming up, we have arranged on a temporary basis to lease three miles of beach, the best beach, right in this area so that starting Sunday, all of the people that like to go to the beach on the Easter vacation period will have three more miles of the best beach in the world to go to.

I should point out that this action, while it deals with property very close to my home in California, relates to the whole Nation, but I should also point out that what we are doing here has triggered my thoughts with regard to activities throughout the Nation.

Just two years ago I was walking along this beach, and I realized that here in Southern California there were millions of people who wanted to go to the beach, and that when you go by Santa Monica, Long Beach, or any of the other great beaches that I used to go to as a youngster, that they are just too crowded these days, and there is a great need for more beaches where people can go.

Consequently, I checked and found, and with the cooperation of the Marine Corps, that they did not need the total of 18 miles of beach which they presently occupy. So we have worked out that this six miles will be declared excess, and that in the future, millions of particularly young people in California, and older ones as well, who enjoy the beach will have greater access to this property, which has been closed since World War II when the Marine Corps took it over, for obvious reasons.

In addition to that, having made that decision two years ago with regard to this particular property, I asked that a survey be

made of all properties held by the Federal Government, properties held by the Department of Defense, by the GSA, by the Veterans Administration, and by the Department of the Interior.

Over half of the land, for example, in the Western States is owned by and controlled by the Federal Government. This is apart from parklands. This is land which is used by and controlled by the Federal Government, and denied to the public, as far as their use is concerned.

Much of this use is not proper in terms of the best use. Consequently, this is the first of a series of announcements that will be made over the next few months in which, in all sections of the country, in Northern California as well as in Southern California, in the East, the North, the South, announcements will be made whereby we will declare excess property that presently is being used by the Federal Government, or some agency of the Federal Government, but in a way that we have determined is not the best use.

That means that then the State, in this case, gets the opportunity to use this as parkland. In other cases, it may be determined that property, for example, that is in the middle of a city may be turned over to the tax rolls and the funds that are acquired thereby can then be used to develop parks.

In any event, this is an indication of the scope of this program. I say that it probably wouldn't have happened unless I had taken a walk on the beach two years ago at San Clemente and walked an extra mile and saw the great possibilities and decided that the time had come for Presidential initiative, Presidential initiative which has overridden, I must say, very deep and understandable bureaucratic opposition and very deep and understandable opposition in some segments of the Congress, only because Members of the Congress at times were reflecting the views of the bureaus. Most Members of the Congress, I am sure, will applaud this decision.

STATEMENT BY THE PRESIDENT

Camp Pendleton, California, is part of the legacy which the World War II era left for the Seventies. For thirty years these 18 miles of choice coastal land have served as an important training center for the U.S. Marine Corps. During that same period, California has become the Nation's most populous and most urban State; several million people now live within an hour's drive of Camp Pendleton in the San Diego-Los Angeles metropolitan complex.

For these people, as for all Americans, we must seek to leave a legacy that goes beyond good housing, vital industries and strong defense. We must also provide an endowment of parklands and recreational areas that will enrich their leisure opportunities and make the beauties of the earth and sea more accessible to them. As an important step toward creating such a legacy for the people of Southern California, I am pleased to announce today that fully one-third of the beach front area within Camp Pendleton will soon be made available for recreational use by the general public.

I recently requested the Secretary of Defense to initiate proceedings which will offer approximately six miles of the Camp Pendleton beach front, located on both sides of the San Onofre nuclear generating station, for parkland and public use, by transfer of title to the State of California. Another 3,400 acres of undeveloped land lying in back of Highway 101 on the San Clemente side of the base will also be made available either to public bodies, or for public sale, in which case the proceeds would under the law be added to the Land and Water Conservation Fund and used for Federal and local park development. In accordance with statute, Secretary Laird will inform the interested committees of the Congress that this property is to be released.

On Tuesday the Department of the Navy signed a lease agreement making some three miles of beach front south of the nuclear generating station available for immediate public use. This is a temporary arrangement undertaken in order to provide immediate public access to the beach area and to avoid any interference with plans which have been made by the State of California to open this segment of the beach front to the public during the school holidays in April. As soon as it becomes possible formally to declare that the entire six miles of beach front are in excess of Federal Government needs, the lease will be terminated and the six mile beach front area—with the exception of the site of the San Onofre nuclear generating station—will be deeded to the State of California for park purposes.

The Property Review Board, which I established last year, has studied the Camp Pendleton lands at my request, and has recommended the action I am announcing today. The Board is continuing its survey of the real property held by the Federal Government in every area of the country, and will make further recommendations concerning lands which can be better utilized if they are opened to the public. Further announcements will be forthcoming as quickly as additional properties can be cleared for improved use. I am confident that the result will be better Federal property management, improvements in the preservation and enjoyment of our natural environment, and a growing legacy of parks and recreational facilities that will benefit all Americans just as the Camp Pendleton action does.

IT APPEARS OUR DETERMINATION TO IMPLEMENT VIETNAMIZATION PROGRAM IS BEARING FRUIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. TERRY) is recognized for 1 minute.

Mr. TERRY. Mr. Speaker, in any nation's history, there are times when its entire existence seems threatened by events not capable of being controlled. In the past few years, we have seen this Nation edge toward such a position as a war in a far off land has all but engulfed us. Optimism has turned to despair. Commitment at times replaced by vacillation. In the wake of the New York Times case, our entire credibility as a Nation was laid bare before the world.

Suddenly despite the self-incrimination that resulted from these reports, we have for the first time in many, many months, the opportunity of hope that our adversary in Vietnam is responding at the conference table in Paris.

The degree of frustration which has resulted from our involvement in Vietnam is represented by many individuals, well motivated, but in my judgment working against an early settlement to the conflict, who have attempted to conduct negotiations through channels other than the normal means. Unfortunately these efforts have contributed to a confusion in this country and in many other nations.

The determination of the present administration to end our involvement in Vietnam was apparent from the first days of the President in office. Unfortunately, when the mistakes of the previous 8 years could not be rectified in the first months, the critics of the war again started their private diplomacy. Those who warned about such activities were rebuked as individuals who favored a continuation of the war.

Our experience in dealing with the Communists should have taught us that they respect strength and exploit weaknesses. Hanoi and the Vietcong have played on the confusion of the American people with great skill.

But in the past weeks, there are indications that at long last, the Vietcong and the North Vietnamese are willing to negotiate. Proposals have been offered which offer a real chance for substantive negotiations.

There are elements in their proposals which are unacceptable. They have called for the removal of President Thieu as well as withdrawal of all American men, material, and financial assistance. This of course would place the South Vietnamese in a vulnerable position.

Their proposal is still very encouraging. It appears that our determination to implement the Vietnamization program is bearing fruit.

There is undoubtedly tough negotiating ahead. Indications are that the enemy is planning an offensive undoubtedly designed to weaken the South Vietnamese negotiating position.

But we can only have cause for optimism that at long last, the Vietcong and the North Vietnamese have decided to propose a plan which has elements designed to produce meaningful negotiations.

CITATION OF DR. FRANK STANTON FOR CONTEMPT OF CONGRESS IS DIRECT CHALLENGE TO THE FIRST AMENDMENT'S LONG-STANDING PROTECTION OF PRESS FREEDOM

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Ohio (Mr. JAMES V. STANTON) is recognized for 10 minutes.

Mr. JAMES V. STANTON. Mr. Speaker, to cite Dr. Frank Stanton for contempt of Congress is a direct challenge to the first amendment's longstanding protection of press freedom.

The House should reject the charge for several reasons.

First, there must be a clear and compelling national interest which cannot be served by any other alternative before a congressional subcommittee can demand to see a reporter's notes. Certainly there is not such national interest involved in "The Selling of the Pentagon." This principle was reaffirmed last year in the decision on Caldwell against United States.

Second, the grounds cited by the subcommittee are insufficient to support the charge of contempt of Congress.

In support of its subpena, the subcommittee contends that although a reporter's notes cannot be reached by subpena, as stated in Caldwell against United States, unused film outtakes can, since they "pertain to actual events" and are "not the private thoughts of the reporter."

However, outtakes are in fact television's counterpart to a reporter's notes.

A film interview is constitutionally undistinguishable from an interview in which a reporter makes his own written notes or uses a recording device.

The Supreme Court has repeatedly held that the first amendment prohibits compulsory disclosure of confidential associations and private communications obtained in a context analogous to a newsman's situation.

These decisions have placed the broadcast and print journalists on precisely the same footing. Whatever the test applied, the general rule is that the first amendment protects a newsman's sources and notes from compulsory disclosure by a court, Congress or any other investigating agency.

The first amendment provides broadcasters with the same protection as other forms of the press. And this protection is sufficient grounds to reject the charge of contempt and withdraw the subpena.

THE FAILURE OF THE SUMMER HIRING PROGRAM BY THE FEDERAL GOVERNMENT IN CLEVELAND, OHIO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 15 minutes.

Mr. VANIK. Mr. Speaker, for over 6 years my office has closely followed the role of the Federal agencies in the Cleveland community in regard to summer employment for students who have taken the summer Civil Service test and for those young people who are economically disadvantaged.

I am very sorry to report today that this year's efforts by the Federal agencies in my home community of Cleveland are the lowest of any year in which this program has been in operation.

Several weeks ago, in connection with my great interest in this enormous employment problem, I wrote the following letter to every Cabinet officer in the hopes of stimulating greater effort on the part of every Federal agency for this critical summer. The letter was sent to the following Federal officials: Hon. Elliot L. Richardson, Hon. Clifford M. Hardin, Hon. George W. Romney, Hon. Melvin R. Laird, Hon. Maurice H. Stans, Hon. Rogers C. B. Morton, Hon. John N. Mitchell, Hon. James D. Hodgson, Hon. William P. Rogers, Hon. John A. Volpe, and Hon. John B. Connally, Jr. A sample of the text of the letter is as follows:

WASHINGTON, D.C.,
June 3, 1971.

Hon. ELLIOT L. RICHARDSON,
Secretary, Department of Health, Education and Welfare, Washington, D.C.

DEAR MR. SECRETARY: As the summer approaches, I must share with you my deep concern for the plight of young people in the Greater Cleveland Community and similar communities throughout the Nation. Student employment opportunities are at a lower level than I have known them to be in the past twelve years.

I have noted that the Administration has announced plans for a massive job program for students this summer in an effort to deal with the massive unemployment among our young people. While these plans are laudable, they are tardy and may reach only a segment of those so critically needing employment to continue education.

In years past, I have worked closely with Cabinet Officers in an effort to open significant numbers of summer positions among the federal establishments within cities like ours to help meet this critical shortage of employment. It is my hope this year, that it would be possible for you to direct your offices in Cleveland to develop a greater number of summer positions than normally would be considered. Usually, in the past, one summer position would be developed for every 100 federal workers. In view of the unemployment crisis this year, would it not be possible to increase the ratio of summer positions to one for every 25–30 regular federal employees? Such a plan was effectively carried out during the summers of 1963, 1964 and 1965 and helped immeasurably in lessening the tensions which resulted from the frustration of unemployment and idleness.

It is essential that such positions should be fairly apportioned among young people who depend on such employment to continue their education or to upgrade their skills. It is essential for the federal government to provide leadership in the most critical area of unemployment confronting the Nation.

Your assistance and cooperation in this vital effort would be deeply appreciated.

Sincerely yours,

CHARLES A. VANIK,
Member of Congress.

The following are the texts of the replies which I received from some of the Cabinet Officers who replied. The letters are as follows:

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., June 11, 1971.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: The Attorney General has asked that I reply to your letter of June 3, 1971, regarding your concern for student employment opportunities in Cleveland.

This Department shares your concern for student employment, and we are engaged in a sizable summer employment program. This year, our offices throughout the country will hire about 1,000 youngsters for the summer. This will include 14 young people in the Cleveland area. This number represents a ratio of approximately one young summer employee for each 23 regular Justice employees in Cleveland.

Sincerely,

KENNETH J. STALLO,
Director of Personnel and Training.

THE SECRETARY OF THE TREASURY,
Washington, D.C., June 22, 1971.

Hon. CHARLES A. VANIK,
House of Representatives, Washington, D.C.

DEAR MR. VANIK: I share with you your deep concern for unemployed young people throughout the Nation. As has been the case for the past several years, the President again this year asked that Federal agencies employ at least one disadvantaged youth for each 40 permanent full-time employees. The Department of the Treasury has always met this goal and in addition has hired many young people who are not disadvantaged. This year we hope to hire in excess of 2,700 young people throughout the country. In the greater Cleveland community, our four bureaus expect to hire one youth for each 24 permanent employees. We have 1,236 permanent employees and plan to hire 52 young people.

It is my goal that wherever the funds are available, we will hire just as many young people as we can where there is meaningful work to be performed. You have my best wishes for success in your efforts to increase the number of jobs available for young people.

Sincerely yours,

JOHN CONNALLY.

SECRETARY OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., June 28, 1971.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: Thank you for your letter of June 3, 1971, in which you shared deep concern for the plight of young people in the Greater Cleveland Community and similar communities throughout the nation as far as summer employment opportunities are concerned, and of your suggestion that in view of the unemployment crisis this year that we consider the feasibility of increasing the ratio of summer positions from one for every 100 Federal workers to one for every 25–30 regular Federal employees in the Cleveland Community.

I am very happy to report that our summer hiring in the Cleveland Community is quite in line with your recommendation, in that we have allocated three positions for the 84 regular Federal employees.

This Department has always been quite concerned about job opportunities for our young people, and we appreciate your interest in this vital area. Whenever funds permit, we shall endeavor to provide more and more opportunities for the employment of our young people.

Thank you again for your interest in young people, and this Department.

Sincerely,

GEORGE ROMNEY.

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., June 11, 1971.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: Secretary Stans has asked me to reply further to your letter of June 3, 1971, which was earlier acknowledged by Mr. Sol Mosher on June 4, 1971.

I have reviewed the Department of Commerce policy on Summer Employment of students in Washington as well as nationwide and have found the following.

This year the Department of Commerce will hire 1 disadvantaged youth for approximately every 40 permanent employees nationwide. These figures are based on March 31 personnel ceilings which were somewhat higher than our present employment figures.

We also will be hiring high school summer aides and high school junior fellows. Another program will be our "stay in school" group. These students are hired as part time employees during the school year and then converted to full time summer employees.

The combination of all these programs should result in the Department of Commerce hiring approximately 1250 summer employees nationwide. You can be assured that our office in Cleveland will also hire its fair share based on the ratio of approximately 1 summer for every 40 permanent employees.

I am sorry we cannot quite meet the ratio of 1 summer employee for every 25 or 30 permanent employees but I know you will agree that 1:40 is an improvement over 1:100.

If I can be of any further help in this matter, please feel free to contact me at any time.

Sincerely,

EDWARD W. HUFFCUT,
Special Assistant.

DEPARTMENT OF STATE,
Washington, D.C., June 18, 1971.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: The Secretary has asked me to reply to your letter dated June 3 in which you express deep interest in summer employment with the Federal Government for young people in the Cleveland area.

The Department of State has no offices in the Cleveland area. However, you may be

interested in knowing that in those cities where we do have field offices, we will be employing a number of economically depirved youngsters. This is in addition to the youths we plan to employ in the Washington D.C. area.

We appreciate your writing us about the summer employment situation, and we hope that you will continue to call on us whenever you believe we can be of assistance.

Sincerely yours,

DAVID M. ABSHIRE,
Assistant Secretary,
Congressional Relations.

U.S. DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 18, 1971.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: Secretary Hardin has asked me to thank you for your letter of June 3, 1971.

I want to assure you that the Department of Agriculture actively participates in the President's effort to provide summer jobs for students. Last summer we hired more than 10,000 students, including 2,800 under special programs for the economically disadvantaged. We plan to hire about the same number this summer. Since our permanent employment is approximately 83,000, I think you will agree that we are doing our part.

Here is a recent Secretary's Memorandum in which Secretary Hardin has committed the Department to hiring at least one needy person for every 40 regular employees.

I wholeheartedly concur in your estimation of the importance of summer employment of youth. You can be sure that this program will continue to be given high-priority consideration in this Department.

Sincerely,

S. B. PRANGER,
Director of Personnel.

U.S. DEPARTMENT OF LABOR,
Washington, D.C., June 16, 1971.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN VANIK: Thank you for your letter of June 3, 1971, expressing your concern about the lack of summer employment opportunities for young people. Secretary Hodgson has referred your letter to this office for reply.

As you know, the State of Ohio has recently received additional funds from the $105 million summer supplemental appropriation. The revised Neighborhood Youth Corps (NYC) summer program slot allocation for Cleveland will be 8,213.

In addition, the Manpower Administration, working through the Federal-State employment service system sponsors a nationwide Summer Employment Program to encourage employers to hire youth during the summer months. Applicants are referred from local employment service offices to private employers, government agencies and employers participating in the National Alliance of Businessmen's Youth/JOBS Program.

As you know the Civil Service Commission has implemented the Federal Summer Employment Program for Needy Youth every year since 1965. The Civil Service Commission has indicated that since 1968 the President has announced the goal of employing one needy youth in Federal agencies for every 40 regular employees. The Federal agencies in the Cleveland area have met, and generally exceed, this goal every year. This program is expected to provide meaningful work experience as well as financial assistance to youth to enable them to return to school in the fall. Although it is not one of the stated objectives of the program, the summer jobs may provide youth with opportunities to continue working part-time after returning to school in the fall.

I hope this information will be helpful to you. Please feel free to call on us if we can be of any further assistance.

Sincerely,

PAUL J. FASSER, Jr.,
Deputy Assistant Secretary,
Manpower and Manpower Administrator.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., June 11, 1971.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: This is in reply to your letter of June 3, 1971, concerning summer employment opportunities for youth in the Greater Cleveland Community.

In January of this year we asked the military departments and defense agencies to establish their plans for the employment of youth during the summer. While minimum component goals were prescribed in order to assure the continued support of this program at desirable levels, it was recognized that a successful campaign would depend on more than meeting numerical goals; that challenging and interesting work assignments would have to be provided these young people, particularly assignments which could be related to future adult employment. Consequently, all components of Defense were cautioned to not only direct their maximum available resources toward the employment of needy youth, but also to emphasize the development of productive and meaningful work assignments.

The summer employment plans of the Defense installations in the Cleveland area have been reviewed, and we are pleased to report that these installations plan to hire this summer one youth for every twenty-seven regular employees. More than three-fourths of the youths to be hired will be those with an established economic or educational need.

It is hoped that the above information will be helpful to you.

Sincerely,

CARL W. CLEWLOW,
Deputy Assistant Secretary of Defense,
Civilian Personnel Policy.

As can be seen, many of the agencies specified the numbers of young people to be employed in the Cleveland area. At this point it would be helpful to examine the actual statistics of the numbers of young people who were hired from Civil Service rolls, Special Civil Service Direct Hire; Youth Opportunity Corps, Schools Neighborhood Youth Corps, and the stay-in-school program. The chart is as follows:

CENSUS ON SUMMER HIRING IN CLEVELAND—1971

Agency	Civil Service Summer Program [1]	Civil Service Special Hire [2]	S. NYC	YOC	Stay-in school
I.R.S.	2	0	20	0	0
Navy Finance	0	5	0	21	0
Social Security	0	0	10	10	0
Veterans Hospital, East Boulevard	0	0	175	0	0
Veterans Hospital, Brecksville	0	0	55	11	0
Coast Guard	0	0	4	8	2
Defense Contractor Administration	16	1	3	42	0
Post Office	5	0	0	5	0
NASA	1	0	121	0	0
FTC	0	0	0	1	0
FHA	0	0	0	1	2
SBA	0	0	2	2	0
Navy Printing	0	0	4	0	0
Navy Reserve Training Center	0	0	6	0	0
GSA	0	0	6	4	0
FAA	0	0	0	7	0
Labor-Bureau of Employees Compensation	0	0	5	1	0
Coast Guard U.S.S. Cod	0	0	2	0	0
EEOC	0	0	0	1	0
U.S. Marshal	0	0	0	3	0
Navy Recruiting	0	0	3	0	0
Army Recruiting	0	0	2	0	0
Civil Service Commission	0	0	2	0	0
Secret Service	0	0	0	2	0
Veterans Administration	0	1	15	4	0
	23	7	435	123	4

[1] The regular Civil Service Summer Hire program requires a special Civil Service entrance examination designed for this program. At present, entrants with scores in the high 90's are not being hired for lack of employment opportunities.

[2] The Special Hire Program of Civil Service allows a young person to be hired for the summer if his or her grade average is 3.5 out of 4 points or above without the usual Civil Service summer examination.

The remainder of the programs are associated with the Economic Opportunity program and are totally federally funded. The agencies involved do not have to use "in-house" funds for these programs. Obviously, they are oriented toward economically disadvantaged young people.

The Northern Ohio Region is comprised of several counties. Last year in the Northern Ohio Region, 320 young people were hired under the regular Summer Civil Service program. This year 82 were hired.

As can be seen, a total of 30 young people have been hired from the Civil Service rolls. This compares with a total of 93 in 1970 and 513 from all Civil Service programs for the summer of 1966. It is simply disgraceful that the Federal agencies in Cleveland have cut back their efforts to hire from regular summer Civil Service rolls in Cleveland. It appears to me from these statistics, contrary to the expressed intent of the letters which I received from heads of agencies in Washington, that most of the Federal agencies have not invested any of their resources to hire summer employees or interns as has always been the case in the past.

At a time when regular employment in the Cleveland area and throughout the Nation is severely curtailed, many young people had only the Federal Government to whom they could look for meaningful and gainful employment. In the instances brought to my attention through personal interviews, many of these young people took the summer Civil Service examination in the good faith and in the belief that there was a chance for summer employment if their scores were sufficient. As it turns out, that was hardly the case. Those with

scores of 90 and above are not now being hired because the agencies did not budget for such employment in the first instance.

Apparently, the departments never authorized funds to be set aside from their budget to allow field offices of their agencies to allocate positions for summer hire. This attitude by the various Federal agencies has dashed the hopes of thousands of well-meaning young people who have desperately sought such employment and who believed that the already arduous employment application process for summer employment would mean a chance at gainful employment. This policy will critically affect plans for higher education. It will also spread disillusionment among young people concerning their opportunity to participate in Government programs.

As for the hiring program of those young people who are economically disadvantaged, the story is not too much better. As can be seen from the chart, a total of 562 disadvantaged young people have been hired. The funds for this program, as far as I can determine, are allocated from special Office of Economic Opportunity money, and other specially allocated funds, recently announced by the President. In other words, the hiring of these disadvantaged young people does not cost the agencies any funds from their regular budgets. Obviously, there is a commitment of staff time required to supervise these young people. But this commitment is by no means overwhelming.

While 562 disadvantaged young people have been hired in this year's summer program, that compares with 1,127 in 1970, 979 in 1969, 971 in 1968, and 894 in 1966. Even in the area of hiring the economically disadvantaged, the Federal agencies have fallen way below their own previous standards.

I might take this time to point out that the U.S. Postal Service is the worst of any of the agencies. In previous years, as can be seen from the chart, the Postal Service hired well over 500 per summer under all of the summer hire programs. This year they hired a grand total of five. It appears that this is now the policy of the new Postal Service since it has become partially independent of the Congress and the executive. This does not, in my judgment, mean that the Postal Service is independent of its responsibility to the public and especially hard-pressed young people who were expecting to be considered for employment in the Service.

What I fear, Mr. Speaker, is that the same situation is prevalent throughout the Nation. I suspect that if the other Members of this body check Federal summer hiring practices in their districts, they will find the same deplorable conditions.

Mr. Speaker, it is my sincere hope that the executive departments can still redirect the efforts of their agencies so that young people can still be hired throughout the Nation this summer. It is not too late. There is still time if the Cabinet officers in charge will take the responsibility to direct their field offices to apply the philosophy which they themselves expressed to me in the letters which I cited above.

I sincerely hope that the Cabinet officers and personnel directly involved in every Federal agency will avail themselves of this last opportunity to hire more young people both from the summer Civil Service rolls and the various Federal summer programs for the economically disadvantaged before time runs out. I shall again urge each Cabinet Officer and the Postmaster General to face up to this critical need.

In conclusion, I wish to insert at this point in the RECORD, the charts listing the Federal summer employment efforts for 1966 and 1970 to provide a direct means for my colleagues to compare them with the dreadful 1971 statistics. The 1966 and 1970 statistics on summer hiring by the Federal Government in Cleveland are as follows:

SUMMER EMPLOYMENT OF THE DISADVANTAGED, 1966—FEDERAL AGENCIES, CLEVELAND

Agency	Youth Opportunity	School Work Study	Neighborhood Youth Corps	Women's Job Corps	Total
Cleveland VA Hospital	12	191	21	36	260
NASA-Lewis Research Center	181	11			192
Post Office	183				183
Navy Finance Center	17	10	19		46
Department of Labor	18		15		33
Defense Supply Agency	28				28
Internal Revenue Service	21	1	4		26
VA Regional Office	8	17			25
Social Security Administration	10	13			23
Brecksville VA Hospital	10	9			19
Federal Aviation Agency	11	4			15
Immigration and Naturalization	2		6		8
Ninth Coast Guard District	5				5
General Services Administration	3		2		5
Customs Bureau	4				4
Federal Housing Administration	4				4
Air Force Recruiting			4		4
Army recruiting			4		4
Navy recruiting			2		2
Small Business Administration	2				2
Department of Agriculture	1				1
Department of Commerce	1				1
Federal Trade Commission	1				1
National Labor Relations Board	1				1
U.S. Army Engineers	1				1
U.S. Attorney	1				1
Total	525	256	77	36	894

OTHER SUMMER EMPLOYMENT PROGRAMS—1966 FEDERAL AGENCIES, CLEVELAND

Agency	ASPA intern	Student trainee	PO seasonal assistant	Office and science assistant	Total
Post Office			279		279
Defense Supply Agency	7	18		71	96
NASA-Lewis Research Center	4	53		25	82
Internal Revenue Service	3	2		29	34
Brecksville VA Hospital		9			9
Navy Finance Center	1			3	4
Social Security Administration				4	4
Federal Aviation Agency	2				2
Civil Service Commission	1				1
Cleveland VA Hospital				1	1
U.S. Attorney				1	1
Total	18	82	279	134	513

SUMMER EMPLOYMENT, DISADVANTAGED YOUTH—FEDERAL AGENCIES, CLEVELAND, OHIO

Agency	Aid hires [1]	Stay in school	School NYC	Total	Summer CSC exams
Post Office	185	320		505	62
Cleveland VAH	8		150	158	
NASA	54		81	135	
Brecksville VAH	10		69	79	
DCASR	29	2	19	50	26
VA Regional Office	15	2	16	33	
Internal Revenue Service	27	4		31	1
Navy Finance Center	21			21	2
Social Security	13		3	16	
Coast Guard	12			12	
Federal Aviation	4		7	11	1
Army Recruiting			8	8	
GSA	6			6	
Labor, BEC			6	6	
Agriculture	5			5	
EEO Commission	5			5	
Marine Recruiting			5	5	
AFEES			4	4	
Army Support Detachment	4			4	
Navy, FAA	4			4	
Small Business	1		3	4	
Corps of Engineers	3			3	
FHA	3			3	
Navy Reserve			3	3	
CSC-IAB	1		1	2	
Customs	2			2	
National Bank Examiners	2			2	1
Navy Recruiting			2	2	
Federal Trade Commission	1			1	
Labor, Wage and Hour	1			1	
NLRB	1			1	
Navy Printing	1			1	
Secret Service	1			1	
U.S. Attorney	1			1	
U.S. Marshal	1			1	
Weather Bureau	1			1	
Total	422	328	377	1,127	93

[1] State employment service referrals.

THE SHARPSTOWN FOLLIES—XI

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Texas (Mr. GONZALEZ) is recognized for 10 minutes.

Mr. GONZALEZ. Mr. Speaker, yesterday I began a discussion of how the now Assistant Attorney General Will Wilson, earned his very substantial fees from Frank Sharp and all the enterprises controlled by that felonious fraud. It would appear that the Department of Justice wants to protect Mr. Wilson from exposure, and so it has arranged to free Mr. Sharp from facing any criminal trial for his deeds. In fact, the Justice Department procured such a sweeping immunity order for Sharp that his attorneys argued that the Securities and Exchange Commission could not even ask for a Federal court injunction that would order Sharp to obey securities laws in the future. I understand that Judge Hughes, of Dallas, has nevertheless agreed to hear the case that the SEC will present.

Most of the enterprises that Sharp owned or controlled, and which he employed Will Wilson to represent as general counsel, are now either defunct or in various states of disarray and failure.

It seems to me that a duty of a counsel is to help his client know what the law is, and to see that his client stays within the law. According to that interpretation this is what Will Wilson was being paid by Frank Sharp to do.

However, in examining another example of the Sharp company dealings today, I can only conclude that Counselor Wilson knew nothing about his client's problems or that he saw nothing wrong with what Sharp was doing, or that his advice was ignored, although he did not seem constrained to quit the job as he would have done if he had felt strongly about the strange deals of his boss, Mr. Sharp. For that matter, Mr. Wilson does not protest at all the strange deal made by his present boss, Mr. Kleindeinst, that resulted in virtually no penalty and no possibility of penalty for Mr. Sharp.

Mr. Wilson was employed as general counsel of the Sharpstown State Bank. That bank performed fairly well in its first years of operation, but developed some problems in 1967. From that time on, Sharpstown State Bank was the site of wheeling and dealing that is almost beyond comprehension or belief. Bad management became progressively worse, and it is a matter of sheer conjecture whether the bank would have collapsed of its own weight had not events hastened its demise.

In analyzing the causes of the failure of the Sharpstown State Bank, the Chairman of the Federal Deposit Insurance Corporation noted that these were some of the signs of bad management in the bank:

> Self-serving transactions through extension of a large volume of questionable quality loans that exceeded statutory limitations to the control owner and related interests . . . disregard for requirements of statutes and regulations . . . and so on.

These self-serving tendencies, these dangerous practices were noted as early as 1967. Warnings of progressively more drastic nature went to the bank from supervisory agencies. Yet the conditions persisted and worsened until at last, Frank Sharp had incurred loans of $30 million to himself and his companies from his bank.

Some of this took place after Wilson left the employ of Frank Sharp; but some of it took place while he was working for Sharp. And so, especially in view of the report of the FDIC, that the bank was lending money to its officers and interests controlled by its officers in amounts above legal limits, and that it disregarded laws and regulations, I have to ask: What did Will Wilson know of all this? What part did he play in it? Was he an adviser who was ignored, or was he an adviser who operated in ignorance? Could it be that he might have been a party to these questionable practices of Sharp's insurance company, and still other odd doings of Sharp's realty company?

Wilson has not spoken. That is too bad, because as these deals are revealed, people can only conclude as I have that the Justice Department let Frank Sharp off the hook because they wanted to keep Will Wilson from being caught himself.

THE RIGHT OF AMERICAN CITIZENS TO ASSEMBLE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Tennessee (Mr. BLANTON) is recognized for 30 minutes.

Mr. BLANTON. Mr. Speaker, the right of American citizens to assemble to petition their Government for any reason whatsoever is a cherished privilege in our free society. Most important, it is a guaranteed right under the Constitution.

There comes a time, however, when we must emphasize duties which are concurrent with rights. I think we tend to talk too much about rights rather than our duties.

I have monitored the demonstrations in Washington, D.C., for the past 3 years, and have become increasingly alarmed at the expense the city of Washington incurs when mass demonstrations are held.

Last year, in a speech before this body—June 26, 1970—I listed a complete cost study made of demonstrations here in the Nation's Capital. The report and survey were conducted at my request by the Mayor of Washington.

I again requested an additional report this spring after the so-called May Day demonstrations. The Honorable Graham W. Watt, assistant to the Commissioner, responded and I would like to include the statistics he supplied me for the benefit of both my colleagues on the House Committee on the District of Columbia, and the Members of the House.

Mr. Watt said in his covering letter, in part:

> The District of Columbia government is very concerned about this situation. Until now the city has absorbed the costs of such events although they are not concerned with local issues or problems. However, the magnitude of the recent events makes it impossible for the District to continue to sustain these costs without additional financial support. We are currently examining various alternatives for obtaining relief, both for the immediate problem and for the future.

The cost of the May Day activities and the peaceful April 24 demonstration against the war was $3,920,781. Police services contributed 91.5 percent of these costs. District agencies have indicated an ability to absorb $2,021,138 of the total, leaving $1,899,643 requiring additional budget action.

The budget for the city of Washington, D.C., is lean enough without this extra burden. I think it is imperative for Congress to come up with measures which will assist the government and taxpayers of Washington, D.C.

Now these figures do not represent additional millions of dollars for the Federal Government outside of the District's expenses. The Federal Government spent as much as a half million dollars in bringing in additional Federal troops to the Washington area during the first week of May to cope with the threats of the May Day violence mongers. The National Guard had to be mobilized, costing hundreds of thousands of dollars. The total expenses for May Day probably exceed $4 million alone.

What about the local taxpayers? They bear the burden for both the cost of Federal action, as well as the loss to their own city during these demonstrations. Since 1969, damage to private property has exceeded $400,000 in antiwar demonstrations. The loss of revenue to commercial establishments in the Washington downtown area during these demonstrations probably exceed several million dollars. When commercial establishments do not generate much trade, then city tax revenues go down, thus amounting to a further burden on the District of Columbia.

I will be seeking, through the District of Columbia committee, various answers to these critical questions. Should the District of Columbia government bear the full cost through their budget for these antiwar demonstrations? Should demonstrators be forced to post some type of peace bond to pay for the costs resulting from their actions? Should the Federal Government allot specific funds in contingency to the District to take care of demonstrations?

Further, I want to have Congress to take a good hard look at the somewhat laxity of our laws relating to offenses during demonstrations.

We are relying on disorderly conduct and unlawful entry laws which were written expressly for individual incidents, such as the drunken man on the downtown streets, rather than for demonstration offenses.

We need to revise the District of Columbia Code to reflect the growing mass assembly offenses, or else tackle the perplexing problem of applying extraordinary measures during mass demonstrations from existing laws.

The system of "collateral," where a person posts $5, $10 or $25 and then can forfeit it without any further repercussions, tends to increase the tendency for youths to resort to violent acts, rather than hinder them. Collateral should be utilized as a measure to diminish criminal acts, not just as a punishment. You are not punishing people by making them pay a $10 fee. After all, a tourist from Tennessee driving in Washington can be fined $15 for making an illegal

turn on a street—$5 more than a kid who throws a brick through a window at one of the frequent demonstrations here.

The District of Columbia Board of Judges sets the collateral, and in rare cases have they raised it to a level sufficient to deter demonstration violence. The power to set collateral is solely at the discretion of the judges. I think we ought to have statutory minimums and maximums set by law for violence occurring in groups of 25 people or more. It is ridiculous to fine a drunk $10 for disorderly conduct and a demonstrator the same amount when the latter is bent on destroying public property, and the former has no measures whatsoever.

My study of antiwar demonstrations in the Nation's Capital since 1969 indicate that over 14,000 people have been arrested for offenses taking place during these mass rallies, and over 1,000 have forfeited collateral of less than $25.

I have also learned from good sources that professional demonstration organizers actually pass the word along to prospective participants on college campuses that the chances of getting arrested in Washington during a demonstration are practically nil, and that, even if one is arrested, the "fine" is probably going to be $10. This was before, of course, the mass-arrests procedures used during May Day. Further, since the collateral is so low, many organizers bring along several thousand dollars in a "defense fund" to post the collateral for those who want to toss a few bricks or harass the police, or set a fire or two.

Our lax system begets further violence, and we have no one to blame but ourselves if we permit the situation to exist without changes in the laws to cope with this new mass-violence technique being deployed against the safety and order of our Nation's Capital.

Mr. Speaker, I wish to include in the RECORD, for the review of my colleagues, statistics from antiwar demonstrations since January 1969. I believe it will be most interesting to see, first, how the judicial process has failed; second, how burdened the city government here is with the expenses; and, third, the obvious need for a response by Congress to both situations:

THE DISTRICT OF COLUMBIA,
Washington, D.C., June 25, 1971.

Hon. RAY BLANTON,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. BLANTON: Thank you for your letter of May 5, 1971, regarding the antiwar demonstrators which occurred in Washington, D.C. during April and May of 1971. I very much appreciate your concern on this matter. I am happy to answer the questions you have raised and provide whatever information you seek in determining your policy positions on handling the cost of demonstrations and any revisions to the D.C. Code on the issue of collateral.

The number of arrests for the period April 18 through May 6, 1971 was 13,501.

The number of arrests for May 3, 1971, or 7,400, is an estimate due to the fact that the Police Department changed its means of operations because of the existing conditions, and computer records were not maintained.

Our Metropolitan Police Department has no means of determining the extent and cost of any property damage, although some is known to have occurred. There were 39 police officers and 35 civilians injured during the April and May events.

The Executive Officer of the District of Columbia Courts announced on June 9, 1971, the following court actions through and including June 8, 1971, with respect to the May Day and other demonstrations that occurred from April 28 through May 7, 1971:

Total cases filed	7,473
(Number of defendants	6,624)
Total cases disposed	3,215
Number papers	631
Nolle prosequi	645
Dismissed	908
Security forfeited	268
Judgment not guilty	75
Judgment guilty	688
Total cases pending	4,258

Of the guilty findings, 605 were by plea of Nolo Contendere, 20 by plea of guilty and 63 after trial. Of the 688 findings of guilty by the court, 259 were given suspended sentences, 58 were imposed a fine and 371 committed and released.

We have just completed our study of the costs to the District government of the three major events which required extraordinary security, sanitation and other services of District agencies—the peace demonstrations of April 24 and May 8, and the May Day activities which occurred from May 1 through May 7.

The total cost of all these activities was $3,920,781; $584,080 for the April 24 Peace March, $3,271,560 for the May Day activities and $65,141 for the May 8 Peace March. Police services were the major cost, constituting 91.5% of the total cost. District agencies have indicated an ability to absorb $2,021,138 of the total, leaving $1,899,643 requiring additional budget action. Supporting detail for these amounts is attached. The study precludes assessment of any intangible costs, such as revenue losses related to lessened commercial activities during the time of the demonstrations.

The District of Columbia government is very concerned about this situation. Until now the city has absorbed the costs of such events although they are not concerned with local issues or problems. However, the magnitude of the recent events makes it impossible for the District to continue to sustain these costs without additional financial support. We are currently examining various alternatives for obtaining relief, both for the immediate problem and for the future.

I would like to thank you again for your concern in this matter.

GRAHAM W. WATT,
Assistant to the Commissioner.

INAUGURAL ARRESTS JAN. 18, THROUGH JAN. 20, 1969

Charge	Total	Elect forfeit $10	Elect forfeit $25	Elect forfeit $5	Nolle pros	No paper	Guilty	Juveniles turned over to youth aid
Disorderly	75	70			1			4
Destruction of property	4	1					(1)	1
Mutilation of U.S. flag	3		2				(2)	
Pedestrian violation	9			9				
Depositing trash	1	1						
Placing advertisement	1		1					
Burning of U.S. flag	3		3					
Throwing missiles	2		2					
C.D.W.	2					1		1
Assault on police	1					1		1
Total	101	72	8	9	1	2	3	6

[1] 1-$100 or 30 days—1 to 30 days.
[2] 1 to 60 days.

NEW MOBILIZATION AND VIETNAM EMBASSY DEMONSTRATIONS NOV. 14 THROUGH NOV. 17, 1969

Charge	Total	Elect forfeit $10	Forfeit in court	No papers	Nolle pros	Not guilty	Dismissed	Continued in court	Juveniles turned over to youth aid	Guilty
Disorderly	172	105	38	11	7	2		1	8	
Destruction of property	2								1	(1)
Mutilation of U.S. flag	2			1					1	
Unlawful entry	2					2				
Demonstrating within 500 feet of an embassy	19				15	1	3			
Pedestrian violation	21	20	1							
Dangerous Drug Act	1							1		
Defacing Washington Monument	1		1							
C.D.W., knife	1					1				
Assault on police	3				2	1				
Trespassing	3			2					1	
Impeding traffic	1	1								
Unlawful assembly	2		1						1	
Total	230	126	41	14	24	7	3	2	12	1

[1] 1 to 180 days.

PEACE MARCH, AMERICAN UNIVERSITY DEMONSTRATION, AND HEW DEMONSTRATION, MAY 8 THROUGH MAY 14, 1970

Charge	Total	Elect forfeit $10	Elect forfeit $25	Forfeit in court	Guilty	Not guilty	No papers	Nolle pros	Continued in court	Juveniles turned over to youth aid	Turned over to ASPD
Disorderly	365	174	19	133	1	1	25	3	3	4	2
Destruction of property	3			2					1		
A.D.W.	1						1				
Assault on police	1								1		
P.P.W.	1						1				
Dangerous Drug Act	1								1		
Throwing missiles	1			1							
Indecent exposure	5		4	1							
Violation police line	10	5		5							
Improper riding auto	3	2		1							
No driver's permit	1			1							
Pedestrian violation	1	1									
Total	393	182	23	144	1	1	27	3	6	4	2

INJURIES/COST—ANTIWAR DEMONSTRATIONS IN WASHINGTON, D.C.

	October 1967	January 1969	October 1969	November 1969	May 1971
Injuries:					
a. To police officers	13	(1)	None	26	13
b. To military personnel	10	(1)	None	0	0
c. To demonstrators/onlookers	24	(1)	None	580 [2]	[2] 150
Estimated damage to public and private property	(1)	(1)	None	$244,130 to $268,130	$185,325
Estimated cost to Government for police overtime and cleanup	$129,475	$265,100	$27,422	$688,714	$600,000

[1] Unknown.

[2] Major portion were those treated for exposure to tear gas.

SUMMARY OF COSTS TO THE DISTRICT OF COLUMBIA, ANTIWAR DEMONSTRATION OF MAY 9–10, 1970

Agency	Direct costs	Indirect costs	Total costs	Funds absorbed by agency	Additional funds needed
Office of the Commissioner	$253		$253	$253	
Public Affairs Office	268		268	268	
Corporation Counsel	1,909		1,909	181	$1,729
Personnel Office	417		417	417	
Office of Community Services	71		71	71	
Department of General Services		$1,283	1,283	1,283	
Office of Civil Defense	2,722		2,722	2,722	
Department of Economic Development	2,217		2,217	2,217	
Youth Opportunity Services	396		396	396	
Coroner's Office	199		199		199
Zoning Commission		60	60	60	
Metropolitan Police	528,821		528,821	528,821	
Fire Department	$1,083		$1,083	$1,083	
Juvenile Court	82		82	82	
Department of Corrections	15,000		15,000		
Recreation Department	4,198		4,198		$4,198
National Park Service	27,572		27,572	27,572	
Vocational Rehabilitation	187		187	187	
Public Health	5,418	$958	6,376	6,376	
Public Welfare	498	133	631	631	
Department of Highways and Traffic	11,402		11,402		11,402
Sanitary Engineering	8,697		8,697		8,697
Total			613,844		

Source: Office of Budget and Executive Management, May 22, 1970.

ANTIWAR DEMONSTRATION OF NOVEMBER 13–15, COSTS TO THE DISTRICT OF COLUMBIA

Agency	Direct costs	Indirect costs	Total costs	Funds absorbed by agency	Additional funds needed
Corporation Counsel	$3,399		$3,399	$3,399	
Department of General Services		$3,979	3,979		$3,979
Department of Economic Development	232		232	232	
Office of the Coroner	445		445	445	
Metropolitan Police	544,502		544,502	101,220	443,282
Fire Department	5,642		5,642		5,642
Office of Civil Defense	2,969	26	2,995		2,995
Legal Aid Agency	22		22	22	
D.C. Bail Agency	232		232	232	
Department of Corrections	10,500	630	11,130		11,130
Public Schools	$107	$830	$937	$937	
Recreation Department	4,209		4,209		$4,209
National Park Service	41,725		41,725	41,725	
Department of Public Health	33,989	1,806	35,795	15,795	20,000
Department of Public Welfare	9,508		9,508	9,508	
Department of Highways and Traffic	17,956		17,956	17,956	
Department of Sanitary Engineering	6,006		6,006		6,006
Total	681,523	7,191	688,714	191,471	497,243

Source: Office of Budget and Executive Department, Nov. 26, 1969.

COST OF DEMONSTRATIONS TO THE DISTRICT OF COLUMBIA, APRIL AND MAY 1971—SUMMARY BY PERSONAL SERVICES AND BENEFITS (01–02) AND OTHER OBJECTS (03)

Agency	Peace March, April 24			Mayday, May 1–7			Peace March, May 8			Total cost		
	Total cost	Personal services and benefits	Other objects	Total cost	Personal services and benefits	Other objects	Total cost	Personal services and benefits	Other objects	Total cost	Personal services and benefits	Other objects
Personnel Office				$233	$233					$233	$233	
Office of Civil Defense	$1,236	$1,236		1,986	1,285	$701	$78	$78		3,300	2,599	$701
Office of Corporation Counsel	518	478	$40	23,480	17,460	6,020				23,998	17,938	6,060
Finance and revenue	686	686								686	686	
Department of General Services	1,148	1,148		10,622	10,617	5	105	105		11,875	11,870	5
Public library	23	23								23	23	
Department of Economic Development	136	109	27							136	109	27
Youth Opportunity Services				700	700		531	531		1,231	1,231	
Human Relations Commission	1,250	1,000	250	1,121	1,121		119	119		2,490	2,240	250
Police department	529,035	516,490	12,545	3,002,285	2,806,878	195,407	55,516	55,516		3,586,836	3,378,884	207,952
Fire department	1,566	1,566		20,109	20,010	99	448	448		22,123	22,024	99
Superior Court	532	532		47,862	47,862					48,394	48,394	
Bail Agency				15,258	14,972	286				15,258	14,972	286
Department of Corrections	1,125	1,075	50	42,128	22,622	19,506				43,253	23,698	19,555
Department of Recreation	2,276	2,276		1,808	1,808		238	238		4,322	4,322	
Department of Human Resources	18,255	12,290	5,965	24,211	17,566	6,645	2,938	2,666	$272	45,404	32,522	12,882
Department of Highways and Traffic	8,888	8,082	806	61,572	50,315	11,257	3,244	3,051	193	73,704	61,448	12,256
Department of Sanitary Engineering	17,406	16,292	1,114	18,185	15,138	3,047	1,924	1,754	170	37,515	33,184	4,331
Total	584,080	563,283	20,797	3,271,560	3,028,587	242,973	65,141	64,506	635	3,920,781	3,656,377	264,404

FINALITY OF JUSTICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. POFF) is recognized for 10 minutes.

Mr. POFF. Mr. Speaker, the innocent accused, when wrongly convicted, desperately needs ready access to the courts. His remedy is the writ of habeas corpus. That remedy is specifically recognized and defined in the statutes.

But the remedy is meaningless when it cannot be utilized promptly and dispositively. For the innocent convict, that remedy too often today is submerged in a flood of purely frivolous post-conviction proceedings initiated by the guilty convict solely for dilatory purposes. The cause of simple justice cries out for reform.

The Attorney General of the United States recently gave voice to that cry. In a speech addressed to the Alabama Bar Association in Huntsville, Ala., on June 25, 1971, he explained in graphic detail the urgency of the need. With the unanimous consent of the House, I quote herewith Attorney General Mitchell's comments:

RESTORING THE FINALITY OF JUSTICE

(An Address by John N. Mitchell, Attorney General of the United States)

The story is told that many years ago a bishop and a judge were arguing with one another as to who was the more powerful. The bishop said to the judge "All you can say to a man is 'You be hanged,' whereas I can say to him 'You be damned.' "

To this the judge responded, "Yes, but when I say 'You be hanged,' you *are* hanged."

Certainly this tale proclaims its own antiquity. Fortunately, the day is long past when a single sentencing judge had unreviewable discretion in determining the fate of a convicted criminal.

But today, both in the Federal and state criminal court systems, we have gone to the other extreme. In Federal courts alone, petitions for appeal in criminal cases more than quadrupled during the 1960s. It is not unusual for cases to drag through the courts for years. Frank Hogan of New York, the dean of American district attorneys, said, "there is virtually no such thing as finality in a judgment of conviction."

In my opinion this a serious misdirection of justice. The process of rehabilitating offenders is seriously impeded when they never reach the point of recognizing their own guilt. Justice must be fair, impartial, and protective of human rights, but it should also have another attribute—finality.

As you know, President Nixon has been very concerned about the effectiveness of the American judicial system. Last March, at the National Conference on the Judiciary in Williamsburg, Virginia, he delivered a major address calling for court reform. The United States Department of Justice is dedicated to this cause, and is doing what it can within its jurisdiction. It drafted and promoted the passage of the District of Columbia Court Reform and Criminal Procedure Act of 1970, which is an important example of reform. Through the Department's Law Enforcement Assistance Administration, we are providing funds to states and localities for improvement of their court systems. One of the most important of such projects has been proposed to LEAA by the 23rd Judicial Circuit, covering Madison County in which we meet tonight. It would study the causes of court congestion and delay, and recommend solutions. I am pleased to announce tonight that this project has been approved, and LEAA is granting nearly $57,000 for this purpose. The 23rd Circuit is contributing the time of the four circuit judges and courtroom staff, of County Bar Association personnel, and other operating expenses. It is hoped that the proposals from this project will be a model for other circuits.

So as you can see, court reform is in the air, and there are a number of us here tonight who are already involved in the process. In my regards I would like to deal with one aspect I have already introduced—the question of finality. And I would like to concentrate on one factor which in recent years has done more than any other to compound the problem.

Today, final judgments of conviction are subject not merely to direct attack on appeal, but to collateral attack through post-conviction remedies seemingly derived from the writ of habeas corpus. This means that when a criminal defendant has been convicted and sentenced in the state courts, and has exhausted his right of direct appeal to higher courts, he may nonetheless relitigate the case all over again in Federal courts on claims of constitutional violations, using the theory of habeas corpus.

The writ of habeas corpus became of importance in England during the fight against the prerogative of the King to commit persons without disclosing the cause of the arrest. Without the cause of the arrest made known, the prisoner could neither be bailed nor tried. The writ of habeas corpus was used by the courts to force the jailer to bring the person arrested before the court so that the court could determine the legality of the detention. It was only a pre-trial device to force the disclosure of the cause of detention. It could never be used after conviction.

In the United States the present form of the writ bears little resemblance to its early counterpart. The Federal writ was made available as a post-trial remedy for Federal prisoners as early as 1789, and for state prisoners in 1867. Since then its use in this manner has been greatly expanded by court decisions, especially since 1953.

Today in the post-conviction proceedings derived from habeas corpus, a single Federal district judge is called upon to redetermine questions of Federal constitutional law which may well have already been passed upon by the trial courts and the highest court of the state. Sometimes these involve new interpretations which change the legal concept on which the trial had been based years earlier. If he determines that a Federal constitutional violations has occurred and that it prejudiced the defendant's trial, he will order the conviction overturned. His decision is appealable by the losing party to the appropriate Federal court of appeals, and thereafter review may be sought in the Supreme Court.

Under existing law there is no limit to the habeas corpus-type petitions that can be filed by a prisoner. As the Supreme Court has construed the habeas corpus statute passed by Congress in 1867, a prisoner may raise a new claim at any time regardless of the number of petitions he may have filed earlier. The only limitation—and one very difficult to enforce—is that he must not have consciously and deliberately withheld the claim from his earlier petitions. Thus there are instances substantiated by Federal court records in which prisoners have filed as many as forty or fifty petitions, and there is one case with 57 petitions.

It is entirely permissible under existing law for a prisoner to file a Federal petition claiming that a confession given by him was coerced. Much later he may file another contending that evidence seized in his home was the product of an unreasonable search and seizure. Still later he may challenge the composition of his jury, or claim that adverse publicity prior to the trial prejudiced the result.

The Federal court must consider the merits of each of these claims, notwithstanding full prior adjudication of these same issues. In short, prisoners are almost entirely free under present law to have their convictions relitigated again and again on the basis of alleged constitutional infirmities, many of which are new interpretations suggested by an imaginative defense attorney.

This, in my judgment, is an exploitation of the court system. I think that today's notions of habeas corpus are not only inconsistent with the writ's historic tradition, but serves more often than not to frustrate justice rather to promote it. I do not mean that we should deny the right of the prisoner to challenge the constitutionality of the proceedings that led to his conviction. I do feel strongly that the use of collateral attack, which was intended only as an extraordinary remedy, must be brought under manageable control in order to restore some balance to the judicial process.

The abuse of habeas corpus not only distorts the function of the courts, but gives an undue legal advantage to the offender who can afford to retain an attorney on a continuing basis to think up new modes of attack. The indigent prisoner must, without legal training, think up his own grounds for attack, and the court determines whether the merit of his petition warrants assigning him a paid lawyer. In my opinion this represents an unequal application of justice.

There is another serious reason for such reform. The lack of finality has an effect on the rehabilitation of convicted persons. Writing in the Harvard Law Review, Professor Paul M. Bator of Harvard Law School has argued persuasively for more finality, and has pointed out its impact on the rehabilitation process. He observed that the first step in rehabilitating offenders is a "realization by the convict that he is justly subject to sanction, that he stands in need of rehabilitation. . . ."

Lack of finality may well have similar negative effects on the respect for law generally. Do we not demonstrate a certain lack of confidence in our legal processes if we must keep avenues open for endless redetermination of questions long ago passed upon by competent judicial tribunals? As Judge Henry Friendly, Chief Judge of the Court of Appeals for the Second Circuit, recently observed, "It is difficult to urge public respect for the judgments of criminal courts in one breath and to countenance free reopening of them in the next." In the same vein, Mr. Justice John M. Harlan, concurring in a recent Supreme Court opinion, observed:

"No one, not criminal defendants, not the judicial system, not society as a whole, is benefited by a judgment providing that a man shall tentatively go to jail today, but tomorrow and every day thereafter his continued incarceration shall be subject to fresh litigation on issues already resolved."

If some substantial percentage of the petitions filed were determined to be meritorious, perhaps there might be a basis for concluding that the expanded writ is necessary and that, on balance, it should be retained as it is. However, the statistics indicate that less than one percent of the petitions filed in the Federal courts are found to be meritorious. For every sound petition, there are scores of patently frivolous ones. As Mr. Justice Robert H. Jackson noted nearly twenty years ago, "It must prejudice the occasional meritorious application to be buried in a flood of worthless ones."

The manpower burden which the abuse of habeas corpus imposes on the courts, defense attorneys, and both local and Federal prosecutors is intolerable. It even contributes to the significant delays that exist in certain jurisdictions between arrest and trial. The number of petitions filed by state prisoners in the Federal courts each year is staggering,

and the increases in that number over the past two decades are equally staggering.

Twenty years ago, for example, the number of petitions filed annually was less than 500. By 1960 the number had risen to 900, and since then the filings have multiplied more than eightfold to more than 7,500 in 1969.

The petitions could be disposed of in only one of two ways—either by consuming a substantial amount of time of lawyers and judges, or by being relegated to a sort of second-class type of Federal action, to which all parties concerned would give short shrift. Neither of these methods of disposition is a sound basis for administering criminal justice, in my view. Justice is not served when the litigation of frequently frivolous habeas corpus petitions diverts the energy and resources of the legal community from criminal cases, thus further undermining the Constitutional guarantee of speedy trial.

Now, if this is a fair statement of the finality problem, what can be done about it? Let me discuss three alternatives under consideration.

In his address on the subject of Federal habeas corpus, Judge Friendly has proposed that certain constitutional claims be open to review only if the petitioner makes what the judge terms a "colorable showing of innocence." Since the prisoner has already had a chance to challenge constitutionality at his trial and on direct appeal, there may be something to be said for limiting habeas corpus to claims which may demonstrate the petitioner's innocence.

Another alternative would be to limit the habeas corpus claims to those concerning the reliability of the fact-finding process. For example, where the constitutional claim does not affect the reliability of the evidence adduced—as in the case of unlawful searches and seizures, or the failure to warn of the right to counsel—such a claim could be made on direct appeal, but not on the use of the so-called Federal habeas corpus appeal. This is the same principle applied by the Supreme Court in determining whether certain of its constitutional decisions will or will not be retroactive.

Still another response could be to establish a Federal forum, other than the Supreme Court, to provide direct review of state and Federal convictions. This review could be a substitute for the present-day application of Federal habeas corpus. It could provide more opportunity for review than the Supreme Court now has time for, and there could still be the possibility of appeal from its rulings to the highest court. This could tighten up the review process and hasten finality.

You will note that none of these proposals contemplates revoking the Federal habeas corpus statute, but only providing some modification. And in identifying these various alternatives, I do not mean that we should adopt them all simultaneously or that we should choose only one. A combination of two or more, in varying degrees, might be desirable. Each has its own merits and its problems.

I have catalogued them, not to endorse any or all, but to further expand the dialogue that must occur within the legal profession if we are to restore the element of finality to the justice process. We in the Department of Justice are examining these various alternatives so as to make recommendations. I urge other interested organizations to do the same. The Judicial Conference of the United States, too, should play an instrumental role in developing any remedy. Views should also come from the Conference of State Chief Justices, the National Association of State Attorneys General, and appropriate representatives of the criminal defense bar. Since the present-day use of habeas corpus as a post-trial remedy stems from a Federal statute, I would hope that Congress will join in this review, looking toward meaningful amendment of the law.

Above all, I feel that some consensus must be reached without too much delay. As matters now stand, the unrestricted application of habeas corpus is robbing the judicial process of whatever finality it had a few years ago. Partly because of this abuse, our courts are fast moving toward a state of, to borrow Milton's words, "confusion worse confounded." There is no doubt in my mind that collateral attack using the writ of habeas corpus must be brought within reasonable bounds. If so, we can restore to American justice that moment of truth in which the guilty may begin rehabilitation, and the innocent may go free.

DR. DELYTE MORRIS—A TRIBUTE TO A GREAT EDUCATOR

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, few men can equal the record compiled by Dr. Delyte Morris retiring president emeritus of Southern Illinois University. In his 23 years as university president and president emeritus, Southern Illinois University emerged from the academic back waters as a struggling teachers college to a modern university complex that is the 17th largest university in the United States.

From 1948 until 1970 as university president, Delyte Morris' leadership and inspiration saw the university increase its student enrollment from 3,013 to 35,000 and undertake the development of a new campus at Edwardsville, Ill., in addition to its original campus at Carbondale. Additionally, a new dental school is soon to be opened.

Delyte Morris has been more than a builder or entrepreneur. He has fought valiantly for the students and the faculty. He has breathed life into the university in order that its academic standing is top rated. Delyte Morris' spirit embodies the whole of the university. It is a personal monument to his strength and imagination.

On August 31, when he retires as president emeritus the education community will lose an invaluable resource. I know of no other man who has been as responsible for bringing quality higher education to Southern Illinois than Delyte Morris. His impact, however, does not stop there. Today, Southern Illinois University has a graduate studies program in Washington, D.C., as well as a number of education components overseas.

Delyte Morris is a man of broad vision. He forged a strong partnership between the university and the areas in which it is located. To him, the unversity functions to serve all the people.

Now 67, Delyte Morris has been involved in public education for 43 years. His major positions have included instructor in public speaking and director of forensic activities at the University of Maine, chairman of the speech department and director of the special education clinics at Indiana State Teachers' College and professor of speech and director of the speech and hearing clinic at Ohio State University.

CHAPTER IX—CHILDREN AND YOUTH AND MATERNAL AND INFANT CARE PROGRAMS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, this is the ninth in a series of articles on children and youth and maternal and infant care programs. Support for H.R. 7657, as amended, is increasing. The bill which would extend for an additional 5 years the children and youth and maternal and infant care programs which are now slated for oblivion as of June 30, 1972, has at this time 77 cosponsors and 16 cosponsors in the Senate.

There are at present 59 regional children and youth programs with additional satellites and 56 maternal and infant care programs in existence delivering comprehensive health care to almost half a million children and youth of lower socioeconomic levels in central cities and rural areas. These projects represent one of the major reservoirs of experience in comprehensive health care today, especially to the poor children of the country.

I have received from the directors of these programs descriptions of the programs in their community and what it would mean if their particular program were terminated. To give our colleagues an insight into these programs, I am placing in the RECORD descriptions of six children and youth programs.

The material follows:

CHILDREN AND YOUTH PROJECT NO. 638—MIAMI, FLA.

The University of Miami Comprehensive Health Care program for Children and Youth No. 638 began in May 1967 and saw its first patient in the latter part of 1967. Its present budget is approximately $675,000 in Federal Funds and $225,000 in local matching funds from the Dade County Department of Hospitals.

Five thousand patients are presently receiving comprehensive health services. The patient population is more or less equally divided between Black, Spanish speaking and Caucasian patients. A complete range of health services is provided. Costs of care per patient have decreased 70% since project initiation. The basic service component has allowed us to augmented our program by receiving additional funds to evaluate our program and to receive HEW funds to train medical students in public health. What does terminating our C&Y Project mean:

(1) It means that a portion of the 5,000 children and youth aged birth to 20 years will return to undignified, fragmented, episodic health services; it means that the remainder will receive no care at all.

(2) It means that the promises we have made to 5,000 children and their families is broken.

(3) It means that the many patients who are now maintained in a level of health supervision, return to the meaningless and more costly curative health cycle.

(4) It means lowered immunization levels and the possibility of epidemics (like the 1970 diphtheria epidemic) spreading to include the children and youth in our 10 square mile geographic area.

(5) It means the termination of the C & Y Pediatric Rehabilitation Clinic at Jackson Memorial Hospital and that the children who now receive physical therapy, pros-

thesis and exceptional orthopedic services will continue to limp, have untreated spinal curvatures, and other untreated physical handicaps.

(6) It means the end to the enthusiasm generated at all levels of the University of Miami School of Medicine in Community Medicine. It means the end to the inroads made in educating faculty, staff, and students to the importance of health care delivery. It means an end to one of the most ingenious models ever developed to get medical students (⅓ of C & Y Projects are located in Medical Schools) excited in community and public health to the point of making career plans in this field.

(7) It means the end to our demonstration programs. Fifty predominantly Black students at Miami Jackson High School in 2 classrooms will not get the complete dental and medical services they are now receiving; they will no longer enjoy a 2 hour weekly conference with our physicians, psychologist, psychiatrist, and dentist that occurs during regular school hours.

(8) It means that the weekly health education column in dentistry that our staff writes in the local newspaper (anonymously) will terminate and the small strides that have been made in getting the concept of preventive dentistry to the public is no more.

(9) It means the end to the clothing boutique which has been set-up for the teenagers in our area; it means that the clothes donated to us by Burdines, Jordan Marsh and others do not get channelled to the ghetto teen-agers who now wear them with pride and dignity.

(10) It means that Willy Carter and Susan Morales do not go to summer diabetic camp.

(11) It means that the Boy Scout Troop which our staff people sponsor terminates.

(12) It means that children like Melodie Riviera, now 18 months and normal would have now been dead, or crippled from heart disease to the point of being unable to ambulate.

(13) It means that treatable diseases in early stages would again be left to smolder and mature. It means that high levels of anemia would again flourish, that other nutritional diseases would increase, and that children eat their school lunches in pain from caries and oral infection.

(14) And lastly it means that the children in our community decide again that they have no friends in the Establishment, and they return to a life of militancy, antisocial behavior, juvenile delinquency and cycle of poverty.

THE CHILDREN AND YOUTH PROJECT NO. 637—NASHVILLE, TENN.

The Meharry Children and Youth Project (C & Y), funded originally under a grant from the U.S. Children's Bureau of the Department of Health, Education, and Welfare, has been in operation since March 1968. This program is an integral functioning part of the Department of Pediatrics of Meharry Medical College of Nashville. The Program offers complete health care services to a patient population of approximately 12,000 children from birth to 18 years of age. At present more than 6,500 of these children have been registered for services. The target area served is approximately 85 square miles, covering the North and Northwest portions of Metropolitan Nashville. About 70% of the children registered come from families with an annual income of less than $3,000.00.

The C & Y Project is staffed by competent and well-qualified professionals, including pediatricians, dentist, public health nurses, a speech pathologist and hearing specialist, a nutritionist, child psychologist and others.

Comprehensive medical and dental care is provided to children from birth through age 18, with special emphasis on the preschool years (3 through 6 years of age). The comprehensive care provided routinely includes complete medical and dental care (with periodic planned revisits for complete well-child reevaluation and re-screening), audiometric screening and therapy, speech evaluation and therapy, psychological screening and counseling, nursing service, social service and nutritional guidance.

The complete facilities of Meharry Medical College and its teaching hospital (Hubbard Hospital) are available to all children registered under the Children and Youth Program. In addition, the Meharry Child Development Clinic provides consultation, counseling and supervision for C & Y children who are mentally retarded or emotionally disturbed.

During the past year (January through December, 1970) there were more than 10,000 patients visits to the Center, and approximately 36,000 separate items of patient service were rendered.

In addition to the wide array of services provided our patients, the Meharry Children and Youth Project also is actively involved in teaching and in health research in its ambulatory setting. Medical and dental students from Meharry Medical College and nursing students from Tennessee State University, the University of Tennessee and Vanderbilt University have rotated through the Center as a part of their out-patient experience. Fisk University senior students, who are interested in communications disorders, observe demonstrations in audiological and speech and language testing procedures and are instructed with regard to basic principles of audiology and speech pathology.

Research is now underway, in cooperation with the University of Minnesota and Ohio State University, to determine the nutritional status of our children.

The Meharry Children and Youth Project is the only Comprehensive Care Program in the whole of Middle Tennessee which is child-oriented and which concentrates all its resources on the delivery of broad and comprehensive care to needy children of all ethnic groups.

During the past 3 years of operation of the program there has been considerable improvement in the health status of children of the community, and from all indications the need for hospitalization within this group has declined perceptibly. It is our opinion, and that of knowledgeable people in the community that, the loss of this project will have disastrous results on the medical and social welfare of our children inasmuch as there is no equivalent alternate facility available to take care of their many, many health needs.

CHILDREN AND YOUTH PROJECT NO. 619—PHILADELPHIA, PA.

The Hahnemann Children and Youth Program is the core of a Family Maintenance Program of Comprehensive Health Care. It necessarily includes the need of recognizing and treating health problems not only of the children but also of the adult members in the family. Thus, the Program is essential to the introduction of Preventive Maintenance Plans in the community, and to the Hahnemann concept of community-based diagnostic service centers in the Center City area. The Ambulatory Out-patient Clinics at the Hospital serve as the back-up facility for these health centers.

This Program of Comprehensive Care includes complete history, physical examination, treatment for identified health problems, and an appropriate follow-up to insure the progress of the child toward a stable condition. The process of treatment also includes a collaborative effort between the Progress Staff and the family to correct environment and educational deficiencies which are detrimental to maintaining health.

To accomplish this goal, the Children and Youth Program and their Grantee organizations mobilize a varied staff of professional health practitioners. In the Hahnemann Department of Pediatrics C&Y Program—Project 619—our organization includes Pediatricians, Nurses, Nurses Aides, Dentists, Dental Hygienists, Social Workers, a Nutrition and Nutritional Health Education Staff, and a Community Relations Staff. This group is under the direction of the Chairman of the Department of Pediatrics. For some of the staff, funding comes from hospital or other sources, as well as from the Children and Youth Program.

Termination of the Children and Youth Program would force us to give up the Comprehensive Care Concept, drop our secondary and tertiary health service staff, and return to the concept of Emergency or Episodic Care only. This would seem to be a direct reversal of policy, and would undo much of the accomplishment listed herein, and, more importantly, would say to our Community that the things which we have already demonstrated can be done for the health of their children are really not important.

CHILDREN AND YOUTH PROJECT NO. 603—MINNEAPOLIS, MINN.

The Minneapolis Health Department has had a Maternity and Infant Care Project #509 since 1964 and a Children and Youth Project #603 since 1966.

The Maternity and Infant Care Project made it possible for the first time to set up a neighborhood maternity clinic in the City of Minneapolis. Many of the women that we are serving are very high risk. Before the Project started, over 60% of women delivering at the County Hospital had no prenatal care. At the present time only about 17% of women deliver at the hospital without prenatal care. We believe that the project has had a profound impact on quality of care not only among its own patients but also among other low-income patients through the educational programs we are conducting. At the beginning of the project, patients usually sought care in their third trimester. At present, the majority begin care in their first and second trimesters.

The Children and Youth Project was added on to the existing well child clinics of the Health Department and a sub-project was started by the University of Minnesota. Prior to the project both the Health Department and local school had found many children with health problems, but there were few resources to have these problems taken care of because of the rigid financial and residential eligibility requirements of the county hospital, which still exist. Even the advent of funds through Title XIX (Medical Assistance to Children) did not provide the help that was expected because the high risk families usually place such a low priority on health and need a great deal of assistance to get the health care for their children that they require. This is made possible through the social workers, home economist and community health aides that the project is able to hire and which are not traditionally part of health departments or other health resources.

In the past, the Minnesota State Health Department has not given priority to providing maternal and child health funds to Minneapolis because we have been told we have our own tax base and must provide services ourselves out of this. We are afraid that if federal grants do not come directly to the Minneapolis Health Department the funds will either be drastically reduced or eliminated. This is evident through a recent communication from the Minnesota State Health Department to Dr. C. A. Smith, Commissioner of Health of Minneapolis, that U.S. Public Health Service funds to the Minneapolis Health Department in the areas of tuberculosis control, immunization, etc. will be greatly reduced for the next fiscal year.

Therefore, I urgently request that legisla-

tion be introduced extending Federal jurisdiction over C & Y and M & I Projects through 1977.

CHILDREN AND YOUTH PROJECT NO. 644—OMAHA, NEBR.

The Children and Youth Project No. 644 is a combined and cooperative effort between the Creighton University School of Medicine and the Omaha-Douglas County Health Department. In 1967, before the Children and Youth Project, the Health Department conducted 26 Child Health Clinics per month, and the Creighton Out-Patient Pediatric Clinic was open five mornings a week and hospitalization was at Creighton Memorial, St. Joseph's Hospital or Children's Memorial Hospital. Average figures were: 350 Health Department visits per month and 150 to 200 for the pediatric clinic. As of March 1971, this program has grown to 40 Child Health Clinics per month, Pediatric Clinics meet all day with five evening sessions each week, and emergency services are available at all hours of the day or night or on the weekend at St. Joseph's Hospital. A full complement of services is available—general medical and subspecialities, dental, nursing, social work, nutrition, health education, speech and hearing, psychiatry, and rehabilitation and occupational therapy via referral to special institutes. The Children and Youth Project No. 644 has had a tremendous growth based primarily on the quality and quantity of services offered. As of March 31, 1971, 13,690 children have been registered in the project. In the last complete year of operation, there were 10,980 children registered; 15,430 outpatient visits were seen in the Pediatric Clinic; the Child Health Clinics saw 5,928 patient visits; and 2,349 dental visits were made as well as home visits; public health home visits were made for 8,328 home visits. New and innovative ways have reduced excessive duplication have decreased gaps in service. The emphasis of this Project is service to children and youth. Interchange of personnel has been extremely helpful in extending services of professional personnel for the maximum use. Use of central health records and telecode system has demonstrated to all staff the benefit of central health records and communications. Patients have an easy, continuous and coordinated exchange of information and services reducing unnecessary duplication, diminishing gaps in service and conserving the mother's time in seeking health services. Any reduction of the Children and Youth Project No. 644 in this area would deny comprehensive medical care to over 14,000 children in the target areas of poverty.

CHILDREN AND YOUTH PROJECT NO. 602-2—JAMAICA PLAIN, MASS.

The Martha Eliot Health Center is a comprehensive neighborhood health center located in the Bromley Health Housing Project in the Jamaica Plain section of Boston. The Center has been supported by two federal programs, the Maternal and Infant Care Program and the Children and Youth Program.

In order to understand the full impact of the Martha Eliot Health Center on this community, it is necessary to know what the community is like, what services the Center provides, and what the Center's actual experience has been over the past four years since its inception.

The portion of the Jamaica Plain community served by the Martha Eliot Health Center suffers from poverty and urban blight, both of which increase yearly. There are over 17,000 people in the area, many elderly, many children, many women, and few income producing males. The median income for a family of four is under $6,000. Over 40% of the population is on public assistance.

The population is racially and ethnically mixed. Almost 50% are black; 25% are Spanish speaking with a mixture of Cuban refugees and Puerto Ricans. There is also a small colony of Greek immigrants.

The municipal services to this community are poor. The schools are inadequate. Criminal activity increases daily while police protection appears to diminish almost as rapidly. Drugs, violence, crime, unemployment, chronic poverty, inadequate housing, poor transportation services all create the overwhelmingly depressing environment of this community.

Until the Martha Eliot Health Center was created, health services were limited to the emergency rooms and outpatients clinics of distant hospitals. The Boston City Hospital served the bulk of the needs of the community, despite the difficulty in getting there and the overcrowded impersonal fragmented service that was received once a patient did get there.

The Martha Eliot Health Center was started in 1967 through the efforts of the Harvard School of Public Health, Children's Hospital Medical Center, the Boston Hospital for Women, the community, and the State Department of Public Health. It is now a complete health center through the assistance of the Peter Bent Brigham Hospital which has helped add on an adult health service.

Services offered at the Martha Eliot Health Center include comprehensive pediatric care, maternity care, adult health care, dentistry, mental health services, social services, home nurse care, outreach and community development services and emergency child care.

The Center has become far more than a clinic delivering medical care; it has become a potent community force. It employs and trains community personnel. It has served as the catalyst in the development of an infant day care center and a drug rehabilitation center. It has brought into the community other agencies so that they might focus services thus multiplying benefits.

The Center has registered over 85% of the families in the area. The volume of health care provided is extremely high; 13,000 pediatric visits per year, 6000 obstetrical and family planning visits and over 6000 dental visits.

Published studies have documented the acceptance of the Center by the community and evaluating studies have shown significant charges in the health care patterns and general health level of the community since the Martha Eliot Health Center opened its doors.

If the Martha Eliot Health Center does not survive, this community would suffer irreparably. First, the cost of delivering health services would increase considerably for many reasons. The patients would have to travel to emergency rooms, hospitalizations would necessarily have to increase, and disease states would not be treated in their early, manageable stages.

Secondly, the general child welfare would suffer. Without the Center as the portal of entry of a large number of service organizations, coordinating and mobilizing child welfare services, the community would not be able to benefit from the services. The Center has become *the* strong community agency, a key link to the network now created.

The Martha Eliot Health Center is a dynamic, evolving, and growing institution. It has flourished on the steady base provided by the C & Y and M & I grants. Without this support the Center would lose its ability to serve the community. The Jamaica Plain community has seen the Martha Eliot Health Center survive while other government programs have faltered, failed, or found themselves no longer funded. If this was to happen to their health center, the slender bond of trust with the establishment that has been created would be severed probably permanently.

MATERNITY AND INFANT CARE PROJECTS

(Mr. MITCHELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MITCHELL. Mr. Speaker, the distinguished Appropriations Committee is now considering the Maternal and Child Health Service budget for the coming fiscal year. I would like to emphasize the important contribution one particular project is making to the organization of community health services in our Nation. I am referring to the maternity and infant care projects, authorized in 1963, and now providing comprehensive community based care to low income, high risk patients.

The maternal and infant care projects began operation in the spring of 1964. There are now 56 projects in operation in 35 States. These programs are located in rural as well as urban areas, although the emphasis has been on reaching the inner city ghetto population. Maternal and Infant care programs are providing prenatal care, hospital inpatient care, delivery and postpartum care for about 125,000 women a year. Over 60 percent of the M. & I. project centers are located in cities with a population of 100,000 and over. The centers serve exclusively low income districts. Sixty percent of all women served in 1970 were black, reflecting the urban location of the projects, as well as the predominance of blacks in the medically indigent segment of the population. Federal funds are meeting up to 75 percent of the cost of these projects, and the States are willingly contributing more than the required 25 percent.

Besides the obvious objective of reducing maternal and infant mortality and morbidity through the provision of comprehensive maternity services, the M. & I. projects have assisted communities in organizing their maternity and infant care services to increase the accessibility of care as well as improve the quality of care. These programs help to mobilize community resources to provide a better and more effective delivery system—a delivery system that is sensitive and responsive and reflects the needs of the patient population.

In many areas, M. & I. projects have served as prototypes for several subsequent programs with similar objectives to alter the present woefully inadequate pattern of providing medical care to the poor.

Maternity and infant care programs allow for the decentralization of needed services into ghetto neighborhoods, reducing the gross overcrowding of our municipal hospitals. They are providing care to areas where there are few physicians in private practice and where the existing clinics are terribly overcrowded. M. & I. projects are reaching pregnant women in low-income areas, where community workers help to promote public prenatal care. In total, M. & I. programs are helping to establish well organized, community based systems of health care delivery to provide comprehensive med-

ical services, including casefinding, prevention, health supervision, diagnosis and treatment.

The referral system between maternity and infant care projects and other community agencies allows for the provision of care on a comprehensive basis and assures coordination and cooperation between the various community projects responsible for the delivery of care. These agency interrelationships help to identify families whose problems are aggravated by the lack of coordination of community resources. Thirty-eight children and youth and M. & I. projects have working relationships with the Office of Economic Opportunity, Community Health Services and NCFPS projects and activities. The relationship among these programs may include patient referral, sharing of clinics and other facilities, or sharing of personnel.

In these programs community resources are being utilized to improve the quality of life of low-income urban people. I urge my colleagues to consider the benefits being derived from these programs, particularly the M. & I. and C. & Y. projects, as we prepare to consider the health appropriations measure for fiscal year 1972.

The American Academy of Pediatrics and the Coalition for Health Funding have recommended an appropriation of $130 million for maternal and child health special projects. This increase of $40 million over the President's request would indeed indicate that the health of our children and of our low-income citizens is a national priority.

MODEL CITIES FAILURE

(Mr. THOMPSON of Georgia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. THOMPSON of Georgia. Mr. Speaker, one of the causes of civil unrest is the disparity between the promises of government and the performance of government. When the American people are led to believe that the government is performing in one fashion and then discover that the government is, in fact, performing in another fashion, they become rightly angered. The disclosure of the Pentagon papers makes us all too painfully aware of this because of the alleged deceptions practiced by the Johnson administration in Vietnam. Those of us who live in the South are well aware of the gap, in the eyes of the public, between what the Nixon administration says it stands for and what it does in the area of housing and schools. Just 2 weeks ago I spoke out here on the floor against this particular disparity between promise and performance. Now I must address myself to yet another ugly contrast between that which we have been told to expect by the Johnson administration who conceived the Model Cities program and that which we find to be true. I am referring to the performance of the Model Cities program in Atlanta.

Model Cities was supposed to mean new housing, better health care, job development, educational improvement, and increased recreational facilities in the targeted part of Atlanta. This is what we were led to expect. What we find, however, is quite different.

After 2 years of planning and 2 more years supposedly devoted to action, $16 million has been spent in the Atlanta model cities program. The lack of results of this program are scandalous.

A conservative estimate is that at least 1,000 families have been displaced by the demolition of housing in the model cities area. Not one single new permanent housing unit—not one unit, Mr. Speaker—has been built by model cities. Atlanta model cities Director Johnny Johnson estimates that no new housing units will be ready for occupancy until January of 1973, this presumably, after 2 more years of spending millions of taxpayer dollars which displace additional families.

It should be pointed out that the failure of model cities to build housing on available land in Atlanta makes one skeptical about the purpose of model cities and seems to confirm charges that Secretary Romney is seeking to place public housing in the suburbs rather than on available land cleared of homes by model cities money.

I must say that model cities did spend $2 million for 200 mobile trailer homes, which model cities then left unoccupied and idle for more than 6 months after taking delivery. As of the end of May many of these mobile homes were still unoccupied.

Here I present only one example, a housing example, of what this program has done to, not for, the residents of Atlanta—all at a tremendous cost to the taxpayers. The Atlanta constitution, ordinarily a supporter of social action programs, has called Atlanta model cities a colossal failure.

There are those who will say that Atlanta is an isolated case. I do not think so. A recent investigation showed the same deleterious impact of model cities on New York City's housing. Though there have been some modest successes with the model cities program in some areas, we must weigh these successes both against the money expended and against the human suffering actually caused by the program in other locales. As the Atlanta director himself said, model cities both in Atlanta and throughout the country is "about to lose—its—credibility." In my opinion, and in the view of those in my district who suffer from model cities, the program has long since lost its credibility.

I believe that this disparity between promise and performance is inherent in all such schemes of social engineering. Until we realize this, the people's distrust of its government will grow.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. GRASSO (at the request of Mr. BOGGS), for today, on account of illness in the family.

Mr. MATHIS of Georgia (at the request of Mr. BOGGS), for today, on account of official business.

Mr. MCKEVITT (at the request of Mr. GERALD R. FORD), beginning 5 p.m. today, and the balance of the week, on account of official business as member of the House Subcommittee on Immigration.

Mr. DENNIS (at the request of Mr. GERALD R. FORD), beginning 5 p.m. today, and the balance of the week, on account of official business as a member of the House Subcommittee on Immigration.

Mr. CORMAN, for Thursday, July 8, 1971, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DEVINE, for 15 minutes, today, to revise and extend his remarks and include extraneous material.

(The following Members (at the request of Mr. WHITEHURST) and to revise and extend their remarks and include therein extraneous matter:)

Mr. MATHIAS of California, for 10 minutes, today.

Mr. MICHEL, for 5 minutes, today.

Mr. MILLER of Ohio, for 5 minutes, today.

Mr. BELL, for 30 minutes, today.

Mr. POFF, for 10 minutes, today.

Mr. TERRY, for 1 minute, today.

Mr. BROYHILL of North Carolina, for 1 hour, on Monday, July 12.

(The following Members (at the request of Mr. DENHOLM) and to revise and extend their remarks and include extraneous matter:)

Mr. JAMES V. STANTON, for 10 minutes, today.

Mr. VANIK, for 15 minutes, today.

Mr. GONZALEZ, for 10 minutes, today.

Mr. BLANTON, for 30 minutes, today.

Mr. MOSS, for 60 minutes, on July 12.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. STAGGERS to include extraneous matter in his remarks made today.

Mr. RARICK, and to include a press release, in his remarks during general debate in the Committee of the Whole today on the Export-Import Bank bill.

Mr. STAGGERS in two instances.

(The following Members (at the request of Mr. WHITEHURST) and to include extraneous matter:)

Mr. DEVINE.

Mr. DICKINSON.

Mr. ROBISON of New York in three instances.

Mr. MICHEL in two instances.

Mr. DERWINSKI.

Mr. KUYKENDALL.

Mr. SHRIVER.

Mr. BRAY in two instances.

Mr. HOSMER in two instances.

Mr. WYMAN in two instances.

Mr. MILLER of Ohio.

Mr. MCCLORY in two instances.

Mr. KEATING in two instances.

Mr. ZWACH in two instances.

Mr. PRICE of Texas in four instances.

Mr. VEYSEY.
Mr. SCHMITZ.
Mr. DUNCAN.
Mr. GOLDWATER.
Mr. HUNT.
Mr. BAKER in two instances.
Mr. ANDERSON of Illinois in two instances.
Mr. BROYHILL of Virginia.
Mr. BROWN of Ohio.
Mr. COLLIER in three instances.
Mr. PELLY in two instances.

(The following Members (at the request of Mr. DENHOLM) and to include extraneous matter:)

Mr. BRADEMAS in 10 instances.
Mr. FRASER.
Mr. DRINAN in two instances.
Mr. BADILLO.
Mr. DINGELL in two instances.
Mr. MCFALL in two instances.
Mr. CARNEY.
Mr. KLUCZYNSKI in two instances.
Mr. BEGICH in three instances.
Mr. WALDIE.
Mr. CORMAN.
Mr. BINGHAM in two instances.
Mr. DOWNING in two instances.
Mr. CHARLES H. WILSON in two instances.
Mr. ABOUREZK.
Mr. HUNGATE in three instances.
Mr. MCCORMACK in two instances.
Mr. HÉBERT in two instances.
Mr. ADAMS in two instances.
Mr. EILBERG.
Mr. HAGAN in three instances.
Mr. EDWARDS of California in two instances.
Mrs. ABZUG in three instances.
Mr. WOLFF in three instances.
Mr. RARICK in four instances.
Mr. JACOBS.
Mr. HANNA in two instances.
Mr. PATTEN.
Mr. BLANTON.
Mr. JAMES V. STANTON in three instances.
Mr. ANDERSON of Tennessee in two instances.
Mr. HARRINGTON in two instances.
Mr. BOLLING.
Mr. METCALFE in two instances.
Mr. PEPPER in four instances.
Mr. ANDERSON of California in four instances.
Mr. EVINS of Tennessee.
Mr. SCHEUER in two instances.
Mr. GONZALEZ in two instances.
Mr. HOLIFIELD in two instances.
Mr. PATMAN in two instances.
Mr. MOSS in three instances.
Mr. PICKLE in three instances.
Mr. STOKES in two instances.
Mr. MAZZOLI in two instances.
Mr. ROONEY of New York.
Mr. GRIFFIN in two instances.
Mr. TIERNAN.
Mr. ZABLOCKI in two instances.

ADJOURNMENT

Mr. DENHOLM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 11 minutes p.m.), under its previous order, the House adjourned until Monday, July 12, 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:

949. A letter from the secretary, Ladies of the Grand Army of the Republic, Washington, D.C., transmitting a report of the proceedings of the 84th annual national convention of the Ladies of the Grand Army of the Republic, Inc., held in Miami Beach, Fla., August 23–27, 1970, pursuant to Public Law 86–47; to the Committee on the District of Columbia.

950. A letter from the Attorney General, transmitting a draft of proposed legislation to amend the Subversive Activities Control Act of 1950, as amended; to the Committee on Internal Security.

951. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to provide overtime pay for intermittent and part-time general schedule employees who work in excess of 40 hours in a workweek; to the Committee on Post Office and Civil Service.

RECEIVED FROM THE COMPTROLLER GENERAL

952. A letter from the Comptroller General of the United States, transmitting a report entitled, "The Community Mental Health Centers Program—Improvements Needed in Management", Health Services and Mental Health Administration, Department of Health, Education, and Welfare; to the Committee on Government Operations.

953. A letter from the Comptroller General of the United States, transmitting a report entitled, "Further Action by Veterans' Administration Could Reduce Administrative Costs and Improve Service to Veterans Receiving Educational Benefits"; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HENDERSON: Committee on Post Office and Civil Service. H.R. 9092. A bill to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government, and for other purposes; with amendments (Rept. No. 92–339). Referred to the Committee of the Whole House on the State of the Union.

Mr. GARMATZ: Committee on Merchant Marine and Fisheries. H.R. 6239. A bill to amend the maritime lien provisions of the Ship Mortgage Act of 1920; with amendments (Rept. No. 92–340). Referred to the Committee of the Whole House on the State of the Union.

Mr. MCFALL: Committee on Appropriations. H.R. 9667. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1972, and for other purposes (Rept. No. 92–341). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABOUREZK:

H.R. 9650. A bill: Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Mr. ANDERSON of Tennessee:

H.R. 9651. A bill to amend the Federal Meat Inspection Act to provide that 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.

H.R. 9652. A bill to increase to 5 years the maximum term for which broadcasting station licenses may be granted; to the Committee on Interstate and Foreign Commerce.

H.R. 9653. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide a system for the redress of law enforcement officers' grievances and to establish a law enforcement officers' bill of rights in each of the several States, and for other purposes; to the Committee on the Judiciary.

By Mr. ANNUNZIO:

H.R. 9654. A bill relating to manpower requirements, resources, development, utilization, and evaluation, and for other purposes; to the Committee on Education and Labor.

By Mr. CARNEY:

H.R. 9655. A bill to provide for the orderly trade in iron and steel products; to the Committee on Ways and Means.

By Mr. COLLIER:

H.R. 9656. 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.

By Mr. HELSTOSKI:

H.R. 9657. A bill to amend the Federal Aviation Act of 1958 and the Interstate Commerce Act to authorize reduced-fare transportation on a space-available basis for persons who are 65 years of age or older; to the Committee on Interstate and Foreign Commerce.

By Mr. HENDERSON (for himself, Mr ROE, and Mr. MCKINNEY):

H.R. 9658. A bill to amend the act of August 13, 1946, to increase the Federal contribution to 90 percent of the cost of shore restoration and protection projects; to the Committee on Public Works.

By Mr. HUTCHINSON:

H.R. 9659. A bill to amend the Federal Aviation Act of 1958 and the Interstate Commerce Act to authorize reduced-fare transportation on a space-available basis for persons who are 65 years of age or older; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Pennsylvania:

H.R. 9660. 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.

By Mr. MATHIAS of California:

H.R. 9661. A bill to provide for the establishment of the California Desert National Conservation Area; to the Committee on Interior and Insular Affairs.

By Mr. O'HARA:

H.R. 9662. A bill to amend chapter 34 of title 38 of the United States Code to restore entitlement to educational benefits to veterans of World War II and the Korean conflict; to the Committee on Veterans' Affairs.

By Mr. PEPPER (for himself, Mr. LINK, Mr. NICHOLS, and Mr. FULTON of Pennsylvania):

H.R. 9663. A bill to make it unlawful in the District of Columbia to intentionally promote or facilitate illegal drug trafficking by possession, sale, or distribution, of certain paraphernalia, and further to make it unlawful for a person to possess an instrument or device for the purpose of unlawfully using a controlled substance himself; to the Committee on the District of Columbia.

By Mr. QUIE:

H.R. 9664. A bill to restore the investment tax credit and to provide that the President may suspend or reduce such credit when necessary or desirable; to the Committee on Ways and Means.

H.R. 9665. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct certain expenses paid by him for special education furnished to a child or other minor dependent who is physically or mentally handicapped; to the Committee on Ways and Means.

By Mr. RYAN:

H.R. 9666. A bill making appropriations to the President for the development of a prototype desalting plant in Israel; to the Committee on Appropriations.

By Mr. McFALL:

H.R. 9667. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1972, and for other purposes.

By Mr. ANDERSON of California:

H.R. 9668. A bill to establish a national policy and program with respect to wild predatory mammals, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ASHBROOK:

H.R. 9669. A bill to amend the Subversive Activities Control Act of 1950, as amended; to the Committee on Internal Security.

By Mr. BELL:

H.R. 9670. A bill to assist school districts to meet special problems incident to desegregation, and to the elimination, reduction, or prevention of racial isolation, in elementary and secondary schools, and for other purposes; to the Committee on Education and Labor.

By Mr. BERGLAND:

H.R. 9671. A bill to amend the Consolidated Farmers Home Administration Act of 1961, and for other purposes; to the Committee on Agriculture.

By Mr. BIAGGI:

H.R. 9672. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; to the Committee on Ways and Means.

By Mr. BROOKS:

H.R. 9673. A bill to extend the time within which assurances of local cooperation must be provided on a portion of the Texas City and vicinity, Texas, flood control project, and for other purposes; to the Committee on Public Works.

By Mr. CEDERBERG:

H.R. 9674. A bill to amend the Federal Aviation Act of 1958 and the Interstate Commerce Act to authorize reduced-fare transportation on a space-available basis for persons who are 65 years of age or older; to the Committee on Interstate and Foreign Commerce.

By Mr. DELLENBACK:

H.R. 9675. A bill to amend section 2(3), section 8c(2), section 8c(6)(I), and section 8c(7)(C) of the Agricultural Marketing Agreement Act of 1937, as amended; to the Committee on Agriculture.

By Mr. DUNCAN:

H.R. 9676. A bill to authorize the conveyance of certain lands of the United States to the State of Tennessee for the use of the University of Tennessee; to the Committee on Agriculture.

H.R. 9677. A bill to amend the act of January 8, 1971, to correct certain inequities with respect to the eligibility of surviving spouses to survivor annuity under the civil service retirement system; to the Committee on Post Office and Civil Service.

By Mr. GERALD R. FORD:

H.R. 9678. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid for the education of the taxpayer, his spouse, or his dependents; to the Committee on Ways and Means.

By Mr. GALLAGHER (for himself, Mr. HAMILTON, Mr. GUDE, Mr. MITCHELL, Mr. HALPERN, Mr. ROSENTHAL, and Mr. HARRINGTON):

H.R. 9679. A bill to amend the Foreign Assistance Act of 1961 to suspend all assistance to the Government of Pakistan; to the Committee on Foreign Affairs.

By Mr. HARRINGTON (for himself, Mr. KOCH, Mr. ASPIN, Mr. BADILLO, Mr. BEGICH, Mr. BIAGGI, Mr. BINGHAM, Mr. BURKE of Massachusetts, Mr. BURTON, Mr. DELLUMS, Mr. EDWARDS of California, Mr. EILBERG, Mr. FISH, Mr. FULTON of Tennessee, Mrs. GRASSO, Mr. HALPERN, Mr. HATHAWAY, and Mr. HELSTOSKI):

H.R. 9680. A bill to amend section 16 of the act of March 3, 1899 (30 Stat. 1121, 1153, ch. 425; 33 U.S.C. 411 and 412); to the Committee on Public Works.

By Mr. HARRINGTON (for himself, Mr. KOCH, Mr. HALPERN, Mr. HATHAWAY, Mr. HELSTOSKI, Mr. MIKVA, Mr. MORSE, Mr. NIX, Mr. OBEY, Mr. RANGEL, Mr. REES, Mr. ROSENTHAL, Mr. RODINO, Mr. RYAN, Mr. SCHEUER, Mr. SEIBERLING, Mr. TIERNAN, Mr. VANIK, Mr. VIGORITO, Mr. CHARLES H. WILSON, and Mr. WOLFF):

H.R. 9681. A bill to amend the act of March 3, 1899, commonly referred to as the Refuse Act, relating to the issuance of certain permits; to the Committee on Public Works.

By Mr. HARSHA:

H.R. 9682. A bill to further provide for the farmer-owned cooperative system of making credit available to farmers and ranchers and their cooperatives, for rural residencies, and to associations and other entities upon which farming operations are dependent, to provide for an adequate and flexible flow of money into rural areas, and to modernize and consolidate existing farm credit law to meet current and future rural credit needs, and for other purposes; to the Committee on Agriculture.

By Mr. KEATING (for himself, Mr. STAFFORD, Mr. KEMP, Mr. ARCHER, Mr. FORSYTHE, Mr. SHRIVER, Mr. FRENZEL, Mr. HARVEY, and Mr. FREY):

H.R. 9683. A bill to restore the income tax credit for investment in certain depreciable property; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. HARRINGTON, Mr. MIKVA, Mr. MORSE, Mr. NIX, Mr. RANGEL, Mr. REES, Mr. RODINO, Mr. ROSENTHAL, Mr. RYAN, Mr. SCHEUER, Mr. SEIBERLING, Mr. TIERNAN, Mr. VANIK, Mr. VIGORITO, Mr. CHARLES H. WILSON, and Mr. WOLFF):

H.R. 9684. A bill to amend section 16 of the act of March 3, 1899 (30 Stat. 1121, 1153, ch. 425; 33 U.S.C. 411 and 412); to the Committee on Public Works.

By Mr. KOCH (for himself, Mr. HARRINGTON, Mr. ASPIN, Mr. ASHLEY, Mr. BADILLO, Mr. BEGICH, Mr. BIAGGI, Mr. BINGHAM, Mr. BURKE of Massachusetts, Mr. BURTON, Mr. DELLUMS, Mr. EDWARDS of California, Mr. EILBERG, Mr. ESCH, Mr. EVANS of Colorado, Mr. FISH, Mr. FRENZEL, Mr. FULTON of Tennessee, and Mrs. GRASSO):

H.R. 9685. A bill to amend the act of March 3, 1899, commonly referred to as the Refuse Act, relating to the issuance of certain permits; to the Committee on Public Works.

By Mr. NELSEN:

H.R. 9686. A bill to direct the establishment of health standards for employees of food service establishments in the District of Columbia; to the Committee on the District of Columbia.

H.R. 9687. A bill to provide that the health regulations of the District of Columbia shall extend to the restaurants of the U.S. Senate and the House of Representatives; to the Committee on the District of Columbia.

By Mr. PATMAN (for himself, Mr. BARRETT, Mrs. SULLIVAN, Mr. REUSS, Mr. ASHLEY, Mr. MOORHEAD, Mr. STEPHENS, Mr. GONZALEZ, Mr. MINISH, Mr. HANNA, Mr. ANNUNZIO, Mr. REES, Mr. HANLEY, Mr. BRASCO, Mr. KOCH, Mr. COTTER, and Mr. MITCHELL):

H.R. 9688. A bill to broaden the national housing goals, to provide housing assistance, and promote community development through block grants with emphasis upon the preservation and more efficient use of the existing housing stock and upon the revitalization of declining neighborhoods, to improve programs of Federal planning assistance with emphasis upon modernizing and increasing the management capabilities of State and local governments, and for other purposes; to the Committee on Banking and Currency.

By Mr. PATTEN:

H.R. 9689. A bill to amend the Water Resources Research Act of 1964, to increase the authorization for water resources research and institutes, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 9690. A bill to establish a Special Action Office for Drug Abuse Prevention to concentrate the resources of the Nation in a crusade against drug abuse; to the Committee on Interstate and Foreign Commerce.

By Mr. SYMINGTON (for himself, Mr. CAREY of New York, Mr. REUSS, Mr. MITCHELL, Mr. MORSE, Mr. MOSS, Mr. RYAN, Mr. JACOBS, Mr. OBEY, Mr. BRADEMAS, and Mr. GARMATZ):

H.R. 9691. A bill to amend the Internal Revenue Code of 1954 so as to permit certain tax-exempt organizations to engage in communications with legislative bodies, and committees and members thereof; to the Committee on Ways and Means.

By Mr. THOMSON of Wisconsin:

H.R. 9692. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Saint Croix River, Minn. and Wis., as a component of the national wild and scenic rivers system; to the Committee on Interior and Insular Affairs.

By Mr. THONE:

H.R. 9693. A bill to amend the Consolidated Farmers Home Administration Act of 1961, and for other purposes; to the Committee on Agriculture.

By Mr. VEYSEY:

H.R. 9694. A bill to amend the Internal Revenue Code of 1954 to provide that blood donations shall be considered as charitable contributions deductible from gross income; to the Committee on Ways and Means.

By Mr. WILLIAMS:

H.R. 9695. A bill to make Flag Day a legal public holiday; to the Committee on the Judiciary.

By Mr. PATMAN (for himself, Mr. BARRETT, and Mr. STEPHENS):

H.R. 9696. A bill to reverse the decline in residential construction and the increase in unemployment due to rising mortgage loan interest rates and discounts; to the Committee on Banking and Currency.

By Mr. PICKLE:

H.R. 9697. A bill to amend the Agricultural Act of 1949 to delete the requirement that, in order to receive feed from the Commodity Credit Corporation during a major disaster, a farmer must first satisfy the Secretary of Agriculture that he cannot obtain such feed through normal channels without undue financial hardship; to the Committee on Agriculture.

H.R. 9698. A bill to amend the Agricultural Adjustment Act of 1938 with respect to the computation of payments for the production of cotton in any drought year, and for other purposes; to the Committee on Agriculture.

H.R. 9699. A bill to amend the Consolidated Farmers Home Administration Act of 1961 in order to establish a special emergency loan program for drought areas, and for other purposes; to the Committee on Agriculture.

By Mr. CRANE:

H.J. Res. 774. Joint resolution: Stable Purchasing Power Resolution of 1971; to the Committee on Government Operations.

By Mr. SCHMITZ (for himself, Mr. ASHBROOK, Mr. BROYHILL of Virginia, Mr. DICKINSON, Mr. RARICK, Mr. ROUSSELOT, and Mr. WAGGONNER):

H. Con. Res. 360. Concurrent resolution expressing the sense of the Congress with respect to the obligations assumed by the United States as a signatory to the Geneva Convention of 1949 Relative to the Treatment of Prisoners of War and the fulfillment of such obligations in connection with the conflict in Southeast Asia; to the Committee on Foreign Affairs.

By Mr. ANDERSON of Tennessee:

H. Res. 529. Resolution to direct the executive branch to take a scientific approach to eutrophication and its relationship to phosphates and phosphate detergents; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLINS of Texas (for himself and Mr. THOMPSON of Georgia):

H. Res. 530. Resolution to direct the Secretary of Health, Education, and Welfare to furnish certain documents to the House of Representatives; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII,

240. The SPEAKER presented a memorial of the Legislature of the State of Oregon, ratifying the proposed amendment to the Constitution of the United States extending the right to vote to citizens 18 years of age and older, which was referred to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HELSTOSKI:

H.R. 9700. A bill for the relief of Anthony John Clark; to the Committee on the Judiciary.

By Mr. DUNCAN:

H.R. 9701. A bill for the relief of Eleftheria Ligdis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

100. The SPEAKER presented a petition of the mayor and the City Council of Fairbanks, Alaska, relative to overriding the veto of the President of the accelerated public works bill, which was referred to the Committee on Public Works.

SENATE—*Thursday, July 8, 1971*

The Senate met at 12 o'clock noon and was called to order by the President pro tempore (Mr. ELLENDER).

The PRESIDENT pro tempore. The Chair has the pleasure and the honor to present the very first lady ever to lead the Senate in prayer. I present the Reverend Dr. Wilmina M. Rowland, director, educational loans and scholarships, Board of Christian Education, United Presbyterian Church, of Philadelphia, Pa.

The Reverend Dr. Wilmina M. Rowland offered the following prayer:

Eternal God, we thank You for revealing to us that You are our Father, and that all persons are Your children. Sometimes we have called ourselves Your children, but lived as if we thought others were not. When we forget that all persons are members of the family of God, forgive us, we pray. If we have despised other men and women for their ignorance, but denied them the means of knowledge; if we have forced them to fight for what they need, but condemned their aggressiveness; or if we have offered them no opportunities except servitude, but complained because they were nothing but servants, forgive us. Cause us to look within ourselves and see there all that we condemn in others.

O God, who daily bears the burden of our life, we pray for humility as well as forgiveness. As our country plays its part in the life of the world, help us to know that all wisdom does not reside in us, and that other nations have the right to differ with us as to what is best for them.

God, our ruler of the universe, give to every nation what we seek for our own country—concern for the human needs of every man and woman and child, sensitivity to moral issues, strength to be free and to carry the burden of freedom, readiness to accept responsibility and not to evade its consequences, deliverance from cynicism and despair.

And now, for those who serve in this place, we pray that they may go through today's work with faithfulness, strong to do justly, to love mercy, and to walk humbly with You. All this we ask in the name of Him whose life was perfect faithfulness, and an unmeasured outpouring of love. Amen.

Mr. MANSFIELD. Mr. President, I should like to yield the floor at this time to the two distinguished Senators from Pennsylvania.

Mr. SCOTT. Mr. President, today marks a historic first, since this is the first time in the long history of the Senate that the opening prayer has been offered by a minister of the gospel who is a very distinguished servant of God and a very distinguished woman, whose career has carried her far in the councils of the Presbyterian Church and who is honored today, thanks to the suggestion of our distinguished Chaplain, the Reverend L. R. Elson, and with the warm approval of the joint leadership.

Thus, we note this day with a great deal of pleasure.

Mr. President, I ask unanimous consent to have printed in the RECORD a short biography of our Chaplain for the day and yield to my distinguished colleague from Pennsylvania (Mr. SCHWEIKER).

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

Born in Augusta, Ga., Dr. Rowland graduated magna cum laude from Wilson College, Chambersburg, Pa., with a B.S. degree. She holds an M.A. degree from Yale University and a B.D. degree from Union Theological Seminary where she graduated cum laude. In 1957 the honorary degree of Doctor of Humane Letters was conferred upon her by Wilson College.

Dr. Rowland was the twelfth woman to be ordained to the ministry of word and sacrament in the Presbyterian Church which now has over 25 ordained women.

She is the author of "When We Pray," published in 1955 by Friendship Press, and numerous articles and book reviews for national publications. She has also studied at the New School for Social Research and was a staff member of the Merrill-Palmer Institute in Detroit.

Dr. Rowland has also been a teacher in China and delegate to the World Council of Christian Education in 1959. Dr. Rowland has traveled extensively—in Europe, the British Isles, Asia, and South America. At the present she is the Director, Educational Loans and Scholarships of the United Presbyterian Church in the United States, with offices in the Witherspoon Building, Philadelphia, Pa.

Mr. SCHWEIKER. I thank my colleague from Pennsylvania, the distinguished Republican leader, for yielding to me.

I want to associate myself with his remarks and to express my sense of pride that not only all Pennsylvanians but all the people of this country must feel to have this important first, this historic event take place today in the Senate.

It is a real tribute not only to Dr. Rowland, who is very deserving, for a long and outstanding career in religious life and in the ministry, but also to all women everywhere in this country who pursue the ministry as a way of life. It is a tribute to all of them that the Reverend Wilmina Rowland was selected to participate today.

Mr. SCOTT. I thank the distinguished majority leader for yielding this time to us.

Mr. MANSFIELD. Mr. President, so that this event will be marked clearly for what is truly intended, that is a bipartisan token of appreciation to the Reverend Dr. Rowland, let me say that I join wholeheartedly in the remarks of the two distinguished Senators from Pennsylvania.

All I can add is, amen.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Leonard, one of his secretaries.