HOUSE OF REPRESENTATIVES—*Monday, November 1, 1971*

The House met at 12 o'clock noon.

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

Be not overcome by evil, but overcome evil with good.—Romans 12:21.

O God and father of us all, Ruler of the world, by whose law the gates of morning are opened and the shades of evening fall, we thank Thee for the day in which to work and for the night in which to rest.

May the worship and work of this day strengthen our faith in Thee and increase our concern for our fellow men. Let not the wrongs of others make us do wrong. Let us not meet evil with evil but by patience and understanding and self-control help us to overcome evil with good. May the good live forever in our hearts and in the heart of our Nation.

In all our activities may Thy guiding hand lead us and Thy love lift us to nobler effort.

In the spirit of Him who went about doing good we pray. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 30. An act to establish the Arches National Park in the State of Utah.

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

S. 861. An act to designate the Federal office building and U.S. courthouse to be constructed in Atlanta, Ga., as the Richard B. Russell Federal Building".

S. 1273. An act to amend Public Law 89–701, as amended, to extend until June 30, 1973, the expiration date of the act and the authorization of appropriations therefor, and for other purposes.

S. 2687. An act to authorize the acquisition of certain real property in square 724 in the District of Columbia, and for other purposes.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House:

WASHINGTON, D.C.,
October 29, 1971.

The Honorable the SPEAKER,
U.S. House of Representatives.

DEAR SIR: Pursuant to the authority granted by the House on October 28, 1971, the Clerk received today the following message from the Secretary of the Senate:

That the Senate agreed to the House amendment on S.J. Res. 167, to extend the authority conferred by the Export Administration Act of 1969.

With kind regards, I am

Sincerely,

W. PAT JENNING,
Clerk, U.S. House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on Thursday, October 28, 1971, he did, on Friday, October 29, 1971, sign the following enrolled bill and joint resolution of the Senate:

S. 137.—An act to provide for the conveyance of certain public lands in Wyoming to the occupants of the land.

S.J. Res. 167.—Joint resolution to extend authority conferred by the Export Administration Act of 1969.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the first bill on the Consent Calendar.

AUTHORIZING THE ESTABLISHMENT OF A NATIONAL GUARD UNIT IN THE VIRGIN ISLANDS

The Clerk called the bill (H.R. 3817) to amend titles 10 and 32, United States Code, to authorize the establishment of a National Guard for the Virgin Islands.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

DEFERMENT OF CONSTRUCTION CHARGES PAYABLE BY WESTLANDS WATER DISTRICT

The Clerk called the bill (H.R. 1682) to provide for deferment of construction charges payable by Westlands Water District attributable to lands of the Naval Air Station, Lemoore, Calif., included in said district, and for other purposes.

There being no objection, the Clerk read the bill as follows:

H.R. 1682

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That construction charges payable by the Westlands Water District to the United States pursuant to contract number 14–06–200–2020A, dated April 1, 1965, or as it may be amended, between the United States and the district entered into under the Federal reclamation laws, Act of June 17, 1902 (32 Stat. 388), attributable, as determined by the Secretary of the Interior, to lands of the United States Naval Air Station, Lemoore, California, as are included in the Westlands Water District shall be deferred except as hereinafter provided, and no assessments shall be made on behalf of such charges against such lands until the Federal title thereto shall have been extinguished, and such lands become subject to assessment.

SEC. 2. All rentals and other payments received by the Navy in connection with the leasing of lands for agricultural and/or grazing purposes at the Naval Air Station, Lemoore, shall be and remain available to the Department of the Navy for payment to the Westlands Water District of charges for operation and maintenance and for water: *Provided, however,* That after *payment of* such charges for a given year any accumulation of rentals in excess of estimated requirements for the following two-year period shall be covered into the reclamation fund and credited to the construction charges attributable to the aforesaid lands.

With the following committee amendments:

On page 2, line 6, strike "assessment." and insert "assessment, whereupon such deferred charges shall be repaid by the Westlands Water District in not more than 40 years from such date."

On page 2, line 7, strike Section 2 in its entirety and substitute a new Section 2 reading as follows:

SEC. 2. Lands of the Naval Air Station, Lemoore, California, irrigable through facilities constructed for the Westlands Water District, when offered for lease for agricultural or grazing purposes, shall be offered competitively on such terms as the Secretary of the Navy, or his designee, determines will provide the highest return to the United States consistent with sound land management practices. Such leases shall provide for payment by the lessees to the Department of the Navy of an amount sufficient to provide repayment to the United States of construction charges attributable to such lands which would be applicable if such lands were not owned by the Federal Government. The proceeds from the leases shall be paid by the Department of the Navy to the Department of the Interior and shall be covered into the reclamation fund and credited to the construction charges attributable to such lands until such construction charges are fully paid. The leases shall also be offered subject, insofar as practicable, to acreage limitations of the Federal reclamation laws. Direct charges for water shall be paid by lessees to the Westlands Water District and shall be not less than the cost of such water service plus the District's operating and maintenance costs of delivering water. The leases may contain such provisions as to cancellation, use of land, term, and other matters as the Secretary of the Navy may determine are necessary to assure that national defense purposes are served.

The committee amendments were agreed to.

Mr. ASPINALL. Mr. Speaker, H.R. 1682 is a bill designed temporarily to relieve the Westlands Water District of an obligation which it has no ready means to meet while at the same time assuring that maximum public benefits will be realized from the construction and operation of the San Luis unit of the Central Valley project in California.

The need for this legislation, for the information of Members, is found in the fact that the United States has acquired a substantial body of irrigable land within the boundaries of the Westlands Water District for use by the Lemoore Naval Air Station. Being in public ownership, these lands are exempt from assessment and there is, accordingly, no way for the Westlands District to collect money with which to repay the construction charge

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assessments owing to the United States for having constructed the irrigation distribution system for service to the lands of the district.

The bill provides that such charges may be deferred for as long as the lands remain in public ownership, after which such charges must be met by the district in not to exceed 40 additional years from that date.

The bill contemplates that the Navy Department will lease these lands from time to time to private citizens for agricultural and grazing purposes, and in so doing will minimize public expense of their maintenance and upkeep. H.R. 1682 provides that the lands will be leased under terms and conditions that will promote sound land management practices and that the proceeds from such transactions will be turned over to the Secretary of the Interior for credit against the construction charge obligations against such lands.

It is conceivable, Mr. Speaker, that the lease operations I have described will return enough revenue to substantially repay the outstanding obligations during the period that the lands are in Navy ownership. To the extent that this occurs, deferred charges will be reduced and the implied cost of the measure will be minimized. I speak of the costs as being "implied" as distinct from "direct" for the reason that any delay in repayment, however slight, might be construed by some as a public cost.

As I pointed out initially, this bill provides fairness to the local water group in that it will not be penalized for its association with a defense program and provides a reasonable degree of protection for the Government. I, therefore, unhesitatingly, commend it to the House and recommend its passage.

Mr. SISK. I appreciate the opportunity to submit this statement on behalf of H.R. 1682. The bill would permit the deferral of construction costs which would be assumed by Westlands Water District for extending water distribution facilities to agricultural lands of the Lemoore Naval Air Base.

A portion of the capacity of the Westlands distribution system will be used to deliver Federal Central Valley project water to 13,000 acres on the air base. But because these lands are owned by the Federal Government, the Westlands district cannot assess the land for taxes to pay for distribution facility construction as it would for systems to deliver Federal water to private land within the district.

Thus private owners of land in Westlands would be asked to assume a greater portion of the taxes assessed for the distribution construction which actually is being performed for and benefits the Government.

The bill would defer payment of construction costs that Westlands would owe to the Bureau of Reclamation until such time as the lands are assessable for taxes.

I would like to add one more statement, Mr. Speaker, so that the obligations of Westlands are clearly understood. Westlands is not obligated to construct distribution facilities for the Navy. It would have no such obligation unless district officials agreed to it in a contract.

If the district refused to build the distribution system, the Navy would have to build duplicate facilities. Thus, the inclusion of the capacity to serve the Navy lands in the present system is actually a saving to the U.S. Government in that it avoids the construction of more expensive duplicate facilities by the Navy.

The Navy has asked the water district to include this capacity in its system and the district is willing to comply. It asks only the deferrance of costs—which I think is a reasonable request.

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

INTERNATIONAL MORATORIUM ON KILLINGS OF CETACEA

The Clerk called the concurrent resolution (H. Con. Res. 387) requesting the Secretary of State to call for an international moratorium of 10 years on the killing of all species of whale, porpoise, and dolphin—comprising the order of cetaceans.

The SPEAKER. Is there objection to the present consideration of the concurrent resolution?

Mr. HALL. Mr. Speaker, reserving the right to object, I would very much like to inquire as to whether or not there have been any departmental views offered in connection with this concurrent resolution submitted by the Committee on Foreign Affairs?

I will be glad to yield to the gentleman from Minnesota for that purpose.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

The SPEAKER. This concludes the call of the eligible bills on the Consent Calendar.

COMMENDATION FOR U.N. AMBASSADOR GEORGE BUSH

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

Mr. MONTGOMERY. Mr. Speaker, I would like to join with those of my colleagues who have stood in this well to commend U.N. Ambassador George Bush for his tremendous efforts of recent days in the United Nations. We who knew him as a colleague in the House always found George Bush to be an effective and dedicated legislator. He has continued to exhibit these traits in the performance of his duties as U.N. Ambassador. In reference to the explusion of Nationalist China, Ambassador Bush is quoted as saying:

Obviously, I did not do a good job.

Mr. Speaker, I do not believe even King Solomon would have been able to save Nationalist China from losing its U.N. seat. George Bush, unfortunately, was battling against insurmountable odds. He was also battling against a growing hostility against America. A hostility that was even evidenced by some of our so-called allies. I commend Ambassador Bush for putting up a good fight. He will continue to perform well.

EMERGENCY SCHOOL AID ACT OF 1971

Mr. PUCINSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2266) 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, as amended.

The Clerk read as follows:

H.R. 2266

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 "Emergency School Aid Act of 1971".

FINDINGS, PURPOSE, AND POLICY

SEC. 2. (a) The Congress hereby finds that the process of establishing and maintaining stable, quality, integrated schools and eliminating or preventing racial minority group isolation improves the quality of education for all children and often involves the expenditure of additional funds to which local educational agencies do not have access.

(b) It is the purpose of this Act (1) to encourage comprehensive planning for the elimination of racial minority group isolation in school systems throughout the Nation, (2) to provide financial assistance to encourage the establishment and maintenance of stable, quality, integrated schools throughout the Nation serving students from all backgrounds which offer enriched educational opportunities derived from the presence of children from diverse backgrounds in an environment sensitive to the potential contribution of each child to the education of all, through the use of modern educational methods, practices, and techniques, including, where appropriate, programs of integrated bilingual, bicultural education, (3) to assist in eliminating racial minority group isolation in school systems throughout the Nation, and (4) to aid schoolchildren in overcoming the educational disadvantages of racial minority group isolation.

(c) It is the policy of the United States that guidelines and criteria established pursuant to this Act shall be applied uniformly in all regions of the United States in dealing with conditions of segregation by race in the schools of the local educational agencies of any State without regard to the origin or cause of such segregation.

APPROPRIATIONS

SEC. 3. (a) There are authorized to be appropriated for carrying out this Act not in excess of $500,000,000 for the fiscal year ending June 30, 1972, and not in excess of $1,000,000,000 for the succeeding fiscal year.

(b) Notwithstanding subsection (a) of this section, for the fiscal year ending June 30, 1972, and each subsequent fiscal year, no funds are authorized to be appropriated to carry out the provisions of this Act for any fiscal year in which the funds appropriated for any program authorized by the Elementary and Secondary Education Act of 1965 and Public Law 81–874 are not at least equal to the funds appropriated for such program for the fiscal year immediately preceding.

(c) Funds appropriated under subsection (a) shall remain available for obligation for one fiscal year beyond that for which they are appropriated.

(d) From the sums appropriated under

subsection (a) for each fiscal year there shall be reserved to the Secretary, an amount equal to not less than 4 per centum of the sums so appropriated for the purpose of carrying out bilingual education programs in accordance with section 5(e).

ALLOTMENTS AMONG STATES

SEC. 4. (a) From the sums appropriated pursuant to section 3(a) for carrying out this Act for any fiscal year, the Secretary shall allot an amount equal to 90 per centum among the States by allotting to each State $100,000 plus an amount which bears the same ratio to the balance of such 90 per centum of such sums as the aggregate number of children aged five to seventeen, inclusive, in the State who are Negroes, American Indians, Spanish-surnamed Americans, or members of other racial minority groups (such as Orientals, Alaskan natives, and Hawaiian natives) as determined by the Secretary, bears to the aggregate number of such children in all of the States. The remainder of such sums (other than sums reserved under section 3 (a) may be expended by the Secretary as he may find necessary or appropriate (but only for activities described in section 6 and in accordance with the other provisions of this Act) for grants or contracts to carry out the purpose of this Act stated in section 2(b). The number of such children in each State and in all of the States shall be determined by the Secretary on the basis of the most recent available data satisfactory to him.

(b)(1) The amount by which any allotment to a State for a fiscal year under subsection (a) exceeds the amount which the Secretary determines will be required for such fiscal year for programs or projects within such State shall be available for reallotment to other States in proportion to the original allotments to such States under subsection (a) for that year, but with such proportionate amount for any such other States being reduced to the extent it exceeds the sum the Secretary estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a fiscal year shall be deemed part of its allotment under subsection (a) for such year.

(2) In order to afford ample opportunity for all eligible applicants in a State to submit applications for assistance under this Act, the Secretary shall not fix a date for reallotment, pursuant to this subsection, of any portion of any allotment to a State for a fiscal year which date is earlier than sixty days prior to the end of such fiscal year.

(3) Notwithstanding the provisions of paragraph (1) of this subsection, no portion of any allotment to a State for a fiscal year shall be available for reallotment pursuant to this subsection unless the Secretary determines that the applications for assistance under this Act which have been filed by eligible applicants in that State for which a portion of such allotment has not been reserved (but which would necessitate use of that portion) are applications which do not meet the requirements of this Act, as set forth in sections 6, 7, and 8, or which set forth programs or projects of such insufficient promise for achieving the purpose of this Act stated in section 2(b) that their approval is not warranted.

ELIGIBILITY FOR FINANCIAL ASSISTANCE

SEC. 5. (a) The Secretary shall provide financial assistance by grant upon application therefor approved in accordance with this Act to a local educational agency—

(1) which is implementing a plan—

(A) which has been undertaken pursuant to a final order issued by a court of the United States, or a court of any State, or any other State agency or official of competent jurisdiction, and which requires the desegregation of racially segregated students or faculty in the elementary and secondary schools of such agency, or otherwise requires the elimination or reduction of racial isolation in such schools; or

(B) which has been approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 for the desegregation of racially segregated students or faculty in such schools;

(2) which, without having been required to do so, has adopted and is implementing, or will, if assistance is made available to it under this Act, adopt and implement, a plan for the complete elimination of racial isolation in all the racially isolated schools in the school district of such agency;

(3) which, without having been required to do so, has adopted and is implementing, or will, if assistance is made available to it under this Act, adopt and implement, a plan—

(A) to eliminate or reduce racial isolation in one or more of the racially isolated schools in the school district of such agency.

(B) to reduce the total number of Negro, American Indian, or Spanish-surnamed American children, or children of other racial minority groups as determined by the Secretary under section 4(a), who are in racially isolated schools in such district, or

(C) to prevent racial isolation reasonably likely to occur (in the absence of assistance under this Act) in any school in such district in which school at least 10 per centum, but not more than 50 per centum, of the enrollment consists of such children;

(A) which, without having been required to do so, has adopted and is implementing, or will, if assistance is made available to it under this Act, adopt and implement a plan to enroll and educate in the schools of such agency children who would not otherwise be eligible for enrollment because of nonresidence in the school district of such agency, where such enrollment would make a significant contribution toward reducing racial isolation in one or more of the school districts to which such plan relates; or

(5) which, upon a determination by the Secretary—

(A) that more than 50 per centum of the number of children in attendance at the schools of a local educational agency is Negro, American Indian, or Spanish-surnamed American children, or children of other racial minority groups as determined by the Secretary under section 4(a), and

(B) that such local educational agency has applied for and will receive at least an equal amount of assistance under subsection (b),

has established or will establish one or more stable, quality, integrated schools. For the purposes of this paragraph, an integrated school shall be a school with (i) an enrollment in which a substantial proportion of the children is from educationally advantaged backgrounds, and in which the Secretary determines that the number of children who are not in groups described in clause (A) constitutes that proportion of the enrollment which will achieve stability, in no event more than 70 per centum thereof, and (ii) a faculty which is representative of persons who are Negroes, American Indians, or Spanish-surnamed Americans, or members of other racial minority groups as determined by the Secretary under section 4(a) and persons who are not members of such groups in the population of the larger community in which it is located, or, whenever the Secretary determines that the local educational agency concerned is attempting to increase the proportions of racial minority group teachers, supervisors, and administrators in its employ, a faculty which is representative of the racial minority group and nonminority group faculty employed by the local educational agency.

(b) The Secretary is authorized to make grants to local educational agencies, which are eligible under subsection (a)(5), for unusually promising pilot programs or projects designed to overcome the adverse effects of racial isolation by improving the academic achievement of children in one or more racially isolated schools, if he determines that the local educational agency had a number of Negro, American Indian, or Spanish-surnamed American children, or children of other racial minority groups as determined by the Secretary under section 4(a) enrolled in its schools, for the fiscal year preceding the fiscal year for which assistance is to be provided, which is at least 15,000.

(c) In cases in which the Secretary finds that it would effectively carry out the purpose of this Act stated in section 2(b), he may assist by grant or contract any public or private nonprofit agency, institution, or organization (other than a local educational agency) to carry out programs or projects designed to support the development or implementation of a plan or activity described in subsection (a).

(d)(1) No local educational agency shall be eligible for assistance under this Act if it has, after the date of enactment of this Act—

(A) transferred (directly or indirectly by gift, lease, loan, sale, or other means) real or personal property to, or made any services available to, any nonpublic school or school system (or any organization controlling, or intending to establish, such a school or school system) without prior determination by such agency that such nonpublic school or school system (i) is not operated on a racially segregated basis as an alternative for children seeking to avoid attendance in desegregated public schools, and (ii) does not otherwise practice discrimination on the basis of race, color, or national origin in the operation of any school activity;

(B) had in effect any practice, policy, or procedure which results in the disproportionate demotion or dismissal of instructional or other personnel from racial minority groups in conjunction with desegregation or the implementation of any plan or the conduct of any activity described in this section, or otherwise engaged in discrimination based upon race, color, or national origin in the hiring, promotion, or assignment of employees of the agency (or other personnel for whom the agency has any administrative responsibility);

(C) in conjunction with desegregation or the implementation of any plan or the conduct of any activity described in this section, had in effect any procedure for the assignment of children to or within classes which results in the separation of racial minority group from nonminority group children;

(D) had in effect any other practice, policy, or procedure, such as limiting curricular or extracurricular activities (or participation therein by children) in order to avoid the participation of racial minority group children in such activities, which discriminates among children on the basis of race, color, or national origin;

except that, in the case of any local educational agency which is ineligible for assistance by reason of clause (A), (B), (C), or (D), such agency may make application for a waiver of ineligibility, which application shall specify the reason for its ineligibility, contain such information and assurances as the Secretary shall require by regulation in order to insure that any practice, policy, or procedure, or other activity resulting in the ineligibility has ceased to exist or occur and include such provisions as are necessary to insure that such activities do not reoccur after the submission of the application.

(2) All determinations pursuant to this subsection shall be carried out in accordance

with criteria and investigative procedures established by regulations of the Secretary for the purpose of compliance with this subsection.

(3) All determinations and waivers pursuant to this subsection shall be in writing.

(e)(1) The Secretary shall carry out a program to meet the needs of children who are from an environment in which the dominant language is other than English and who, because of language barriers and cultural differences, do not have equality of educational opportunity. From the amount reserved pursuant to section 3(d) the Secretary is authorized to make grants to and contracts with—

(A) private nonprofit agencies, institutions, and organizations to develop curricula, at the request of one or more local educational agencies which are eligible for assistance under this section, designed to meet the special educational needs of children who are from environments in which the dominant language is other than English for the development of reading, writing, and speaking skills in the English language and in the language of their parents or grandparents, and to meet the educational needs of such children and their classmates to understand the history and cultural background of the groups of which such children are members;

(B) local educational agencies eligible for assistance under this section for the purpose of engaging in such activities;

(C) local educational agencies eligible for assistance under this section for the purpose of carrying out activities authorized under section 6 of this Act to implement curricula developed under clause (A) or (B) or curricula otherwise developed which the Secretary determines meets the needs described in clause (A).

In making grants and contracts under this paragraph, the Secretary shall assure that sufficient funds from the amount reserved pursuant to section 3(d) remain available to provide for grants and contracts under clause (C) of this paragraph for implementation of such curricula as the Secretary determines meet the needs described in clause (A) of this paragraph. In making a grant or contract under clause (C) of this paragraph, the Secretary shall take whatever action is necessary to assure that the implementation plan includes provisions adequate to insure training of teachers and other ancillary education personnel.

(2)(A) In order to be eligible for a grant or contract under this subsection—

(i) a local educational agency must establish a program or project committee meeting the requirements of subparagraph (B), which will fully participate in the preparation of the application under this subsection and in the implementation of the program or project and join in submitting such application; and

(ii) a private nonprofit agency, institution, or organization must (I) establish a program or project board of not less than ten members which meets the requirements of subparagraph (B) and which shall exercise policymaking authority with respect to the program or project and (II) have demonstrated to the Secretary that it has the capacity to obtain the services of adequately trained and qualified staff.

(B) A program or project committee or board established pursuant to subparagraph (A) must be broadly representative of parents, school officials, teachers, and interested members of the community or communities to be served, not less than half of the members of which shall be parents and not less than half of the members of which shall be members of the group, the educational needs of which the program or project is intended to meet.

(3) All programs or projects assisted under this subsection shall be specifically designed to complement any programs or projects carried out by the local educational agency under this section. The Secretary shall insure that programs of Federal financial assistance related to the purposes of this subsection are coordinated and carried out in a manner consistent with the provisions of this subsection, to the extent consistent with other law.

AUTHORIZED ACTIVITIES

SEC. 6. Financial assistance under this Act shall be available for programs or projects which would not otherwise be funded and which involve activities designed to carry out the purpose of this Act stated in section 2(b), including—

(1) remedial and other services to meet the special needs of children (including gifted and talented children) in schools which are affected by a plan or activity described in section 5 or a program described in section 9(2), when such services are deemed necessary to the success of such plan activity, or program;

(2) the provision of additional professional or other staff members (including staff members specially trained in problems incident to desegregation or the elimination, reduction, or prevention of racial isolation) and the training and retraining of staff for such schools;

(3) comprehensive guidance, counseling, and other personal services for such children;

(4) development and employment of new instructional techniques and materials designed to meet the needs of such children;

(5) educational programs using shared facilities for career education and other specialized activities;

(6) innovative interracial educational programs or projects involving the joint participation of Negro, American Indian, or Spanish-surnamed American children, or children of other racial minority groups as determined by the Secretary under section 4(a), and other childern attending different schools, including extra-curricular activities and cooperative exchanges or other arrangements between schools within the same or different school districts;

(7) repair or minor remodeling or alteration of existing school facilities (including the acquisition, installation, modernization, or replacement of equipment) and the lease or purchase of mobile classroom units or other mobile educational facilities;

(8) community activities, including public education efforts, in support of a plan or activity described in section 5 or a program described in section 9(2);

(9) special administrative activities, such as the rescheduling of students or teachers, or the provision of information to parents and other members of the general public, incident to the implementation of a plan or activity described in section 5 or a program described in section 9(2);

(10) planning and evaluation activities; and

(11) other specially designed programs or projects which meet the purpose of this Act stated in section 2(b).

CRITERIA FOR APPROVAL

SEC. 7. (a) In approving applications submitted under this Act (except for those submitted under sections 5(e) and 9(2)), the Secretary shall apply only the following criteria;

(1) the need for assistance, taking into account such factors as—

(A) the extent of racial isolation (including the number of racially isolated children and the relative concentration of such children) in the school district to be served as compared to other school districts in the State,

(B) the financial need of such school district as compared to other school districts in the State,

(C) the expense and difficulty of effectively carrying out a plan or activity described in section 5 in such school district as compared to other school districts in the State, and

(D) the degree to which measurable deficiencies in the quality of public education afforded in such school district exceed those of other school districts within the State;

(2) the degree to which the plan or activity described in section 5, and the program or project to be assisted, are likely to effect a decrease in racial isolation in racially isolated schools, or in the case of applications submitted under section 5(a)(3)(C), the degree to which the plan and the program or project, are likely to prevent racial isolation from occurring or increasing (in the absence of assistance under this Act);

(3) the extent to which the plan or activity described in section 5 constitutes a comprehensive districtwide approach to the elimination of racial isolation, to the maximum extent practicable, in the schools of such school district;

(4) the degree to which the program or project to be assisted affords promise of achieving the purpose of this Act stated in section 2(b);

(5) that (except in the case of an application submitted under section 9(1)) the amount necessary to carry out effectively the program or project does not exceed the amount available for assistance in the State under this Act in relation to the other applications from the State pending before him; and

(6) the degree to which the plan or activity described in section 5 involves to the fullest extent practicable the total educational resources, both public and private, of the community to be served.

(b) The Secretary shall not give less favorable consideration to the application of a local educational agency (including an agency currently classified as legally desegregated by the Secretary) which has voluntarily adopted a plan qualified for assistance under this Act (due only to the voluntary nature of the action) than to the application of a local educational agency which has been legally required to adopt such a plan.

ASSURANCES

SEC. 8. (a) An application submitted for approval under this Act shall contain such information as the Secretary may prescribe and shall contain assurances that—

(1) the appropriate State educational agency has been given reasonable opportunity to offer recommendations to the applicant and to submit comments to the Secretary;

(2) the applicant has adopted effective procedures, including provisions for such objective measurement of educational and other change to be effected by this Act as the Secretary may require for the continuing evaluation of programs or projects under this Act, including their effectiveness in achieving clearly stated program goals, their impact on related programs or projects and upon the community served, and their structure and mechanisms for the delivery of services, and including, where appropriate, comparisons with proper control groups composed of persons who have not participated in such programs or projects;

(3) the applicant will provide such other information as the Secretary may require to carry out the purpose of this Act stated in section 2(b);

(4) the applicant is not reasonably able to provide, out of non-Federal sources, the assistance for which the application is made; and

(5) staff members of the applicant who work directly with children, and professional staff of such applicant who are employed on the administration level, will be hired, assigned, promoted, paid, demoted, dismissed or otherwise treated without regard to their membership in a racial minority group, except that no assignment pursuant to a court order

or a plan approved under title VI of the Civil Rights Act of 1964, or otherwise adopted under section 5, will be considered as being in violation of this subsection.

(b) An application for assistance under this Act submitted by a local educational agency shall, in addition to meeting the requirements of subsection (a), contain satisfactory assurances that—

(1) to the extent consistent with the number of children, teachers, and other educational staff in the school district of such agency enrolled or employed in private nonprofit elementary and secondary schools whose participation would assist in achieving the purpose of this Act stated in section 2(b) or, in the case of an application under section 5(e), would assist in meeting the needs described in paragraph (1)(A) of that subsection, such agency (after consultation with the appropriate private school officials) has made provisions for their participation on an equitable basis;

(2) such agency has not reduced its fiscal effort for the provision of free public education for children in attendance at the schools of such agency for the fiscal year for which assistance is sought under this Act to less than that of the second preceding fiscal year;

(3) the current expenditure per pupil (as defined in section 11(a)) which such agency makes from revenues derived from its local sources for the academic year for which assistance under this Act will be made available to such agency is not less than the current expenditure per pupil such agency made from such revenues for (A) the academic year preceding the academic year during which the implementation of a plan or activity described in section 5 or in section 9(2) was commenced, or (B) the third academic year preceding the academic year for which such assistance will be made available, whichever is later;

(4) the plan with respect to which such agency is seeking assistance (as specified in section 5(a)(1)) does not involve freedom of choice as a means of desegregation, unless the Secretary determines that freedom of choice has achieved, or will achieve, the complete elimination of a dual school system in the school district of such agency;

(5) for each academic year for which assistance is made available to the applicant under this Act, such agency has taken or is in the process of taking all practicable steps to avail itself of all assistance for which it is eligible under any program administered by the Commissioner of Education;

(6) such agency will not institute or have in effect any practice, policy, or procedure prohibited by clause (B), (C), or (D) of section 5(d)(1);

(7) such agency will not engage in a transaction described in clause (A) of section 5(d)(1); and

(8) such agency will carry out, and comply with, all provisions, terms, and conditions of any plan or activity as described in section 5 or section 9(2) upon which a determination of its eligibility for assistance under this Act is based.

(c) The Secretary shall not finally disapprove in whole or in part any application for funds submitted by a local educational agency without first notifying the local educational agency of the specific reasons for his disapproval and without affording the agency a reasonable time to modify its application.

(d) The Secretary may, from time to time, set dates by which applications shall be filed.

(e) In the case of an application by a combination of local educational agencies for jointly carrying out a program or project under this Act, at least one such agency shall be an agency described in section 5(a) or (e) or section 9 and any one or more of such agencies joining in such application may be authorized to administer such program or project.

SPECIAL PROGRAMS

SEC. 9. From the funds available to him under the second sentence of section 4(a) the Secretary is authorized to make grants—

(1) to eligible local educational agencies to carry out model or demonstration programs related to the purpose of this Act stated in section 2(b) if in the Secretary's judgment these programs make a special contribution to the development of methods, techniques, or programs designed to eliminate racial segregation or to eliminate, reduce, or prevent racial isolation in elementary or secondary schools; and

(2) to local educational agencies to carry out programs for children who are from environments where the dominant language is other than English and who, (A) as a result of limited English-speaking ability, are educationally deprived, (B) have needs similar to the needs of other children participating in programs or projects assisted under this Act, and (C) attend a school in which they constitute more than 50 per centum of the enrollment.

PAYMENTS

SEC. 10. (a) Upon his approval of an application for assistance under this Act, the Secretary shall reserve from the applicable allotment (including any applicable reallotment) available therefor the amount fixed for such application.

(b) The Secretary shall pay to the applicant such reserved amount, in advance or by way of reimbursement, and in such installments consistent with established practice, as he may determine.

(c)(1) If a local educational agency in a State is prohibited by law from providing for the participation of children and staff enrolled or employed in private nonprofit elementary and secondary schools as required by paragraph (1) of section 8(b), the Secretary may waive such requirement with respect to local educational agencies in such State and, upon the approval of an application from a local educational agency within such State, shall arrange for the provision of services to such children enrolled in, or teachers or other educational staff of, any nonprofit private elementary or secondary school located within the school district of such agency if the participation of such children and staff would assist in achieving the purpose of this Act stated in section 2(b) or in the case of an application under section 5(e) would assist in meeting the needs described in paragraph (1)(A). The services to be provided through arrangements made by the Secretary under this paragraph shall be comparable to the services to be provided by such local educational agency under such application. The Secretary shall pay the cost of such arrangements from such State's allotment or, in the case of an application under section 5(e), from the funds reserved under section 3(d), or in case of an application under section 9, from the sums available to the Secretary under the second sentence of section 4(a).

(2) In determining the amount to be paid pursuant to paragraph (1), the Secretary shall take into account the number of children and teachers and other educational staff who, except for provisions of State law, might reasonably be expected to participate in the program carried out under this Act by such local educational agency.

(3) If the Secretary determines that a local educational agency has substantially failed to provide for the participation on an equitable basis of children and staff enrolled or employed in private nonprofit elementary and secondary schools as required by paragraph (1) of section 8(b), he shall arrange for the provision of services to children enrolled in, or teachers or other educational staff of, the nonprofit private elementary or secondary school or schools located within the school district of such local educational agency, which services shall, to the maximum extent feasible, be identical with the services which would have been provided such children or staff had the local educational agency carried out such assurance. The Secretary shall pay the cost of such services from the grant to such local educational agency and shall have the authority for this purpose of recovering from such agency any funds paid to it under such grant.

(d) After making a grant or contract under this Act, the Secretary shall notify the appropriate State educational agency of the name of the approved applicant and of the amount approved.

(e) The amount of financial assistance to a local educational agency under this Act may not exceed those net additional costs which are determined by the Secretary, in accordance with regulations prescribed by him, to be the result of the implementation of a plan or activity described in section 5 (a), (b), or (e), or of the operation of a program under section 9(2).

DEFINITIONS

SEC. 11. As used in this Act, except when otherwise specified—

(a) The term "current expenditure per pupil" for a local educational agency means (1) the expenditures for free public education, including expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but not including expenditures for community services, capital outlay and debt service, or any expenditures made from funds granted under such Federal program of assistance as the Secretary may prescribe, divided by (2) the number of children in average daily attendance to whom such agency provided free public education during the year for which the computation is made.

(b) The term "equipment" includes machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, and includes all other items necessary for the provision of education services, such as instructional equipment and necessary furniture, printed, published, and audiovisual instructional materials, and other related material.

(c) The term "gifted and talented children" means, in accordance with objective criteria prescribed by the Secretary, children who have outstanding intellectual ability or creative talent.

(d) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control, or direction, of public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools, or a combination of local educational agencies; and includes any other public institution or agency having administrative control and direction of a public elementary or secondary school; and where responsibility for the control and direction of the activities in such schools which are to be assisted under this Act is vested in an agency subordinate to such a board or other authority, the Secretary may consider such subordinate agency as a local educational agency for purpose of this Act.

(e) The term "nonprofit" as applied to an agency, organization, or institution means an agency, organization, or institution owned or operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(f) The terms "racially isolated school"

and "racial isolation" in reference to a school mean a school and condition, respectively, in which Negro, American Indian, or Spanish-surnamed American children, or children who are members of other racial minority groups as determined by the Secretary under section 4(a), constitute more than 50 per centum of the enrollment of a school.

(g) The terms "elementary and secondary school" and "school" mean a school which provides elementary or secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

(h) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(i) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law for this purpose.

(j) The term "State" means one of the fifty States or the District of Columbia, and for purposes of section 9, Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands shall be deemed to be States.

EVALUATION

SEC. 12. Such portion as the Secretary may determine, but not more than 1 per centum, of any appropriation under this Act for any fiscal year shall be available to him under the second sentence of section 4(a) for evaluation (directly or by grant or contract) of the programs, activities, and projects authorized by this Act.

JOINT FUNDING

SEC. 13. Pursuant to regulations prescribed by the President, where funds are advanced by the Department of Health, Education, and Welfare and one or more other Federal agencies for any program, project, or activity funded in whole or in part under this Act, any one Federal agency may be designated to act for all in administering the funds advanced.

NATIONAL ADVISORY COUNCIL

SEC. 14. (a) There is hereby established a National Advisory Council on Equality of Educational Opportunity, consisting of fifteen members, at least one-half of whom shall be representatives of racial minority groups, appointed by the President, which shall—

(1) advise the Secretary with respect to the operation of the program authorized by this Act, including the preparation of regulations and the implementation of the criteria for the approval of applications;

(2) review the operation of the program (A) with respect to its effectiveness in achieving the purpose stated in section 2(b), and (B) with respect to the Secretary's conduct in the administration of the program;

(3) meet not less than four times in the period during which the program is authorized and submit through the Secretary to the Congress at least two interim reports, which reports shall include a statement of its activities and of any recommendations it may have with respect to the operation of the program; and

(4) not later than December 1, 1973, submit to the Congress a final report on the operation of the program.

(b) The Commissioner shall submit an estimate under the authority of section 401 (c) and part C of the General Education Provisions Act to the Congress for the appropriations necessary for the Council created by subsection (a) to carry out its functions.

REPORTS

SEC. 15. The Secretary shall make periodic detailed reports concerning his activities in connection with the program authorized by this Act and the program carried out with appropriations under the paragraph headed "Emergency School Assistance" in the Office of Education Appropriations Act, 1971 (Public Law 91-380), and the effectiveness of programs and projects assisted under this Act in achieving the purpose of this Act stated in section 2(b). Such reports shall contain such information as may be necessary to permit adequate evaluation of the program authorized by this Act, and shall include application forms, regulations, program guides, and guidelines used in the administration of the program. The report shall be submitted to the President and to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives. The first report submitted pursuant to this section shall be submitted no later than ninety days after the enactment of this Act. Subsequent reports shall be submitted no less often than two times annually.

GENERAL PROVISIONS

SEC. 16. (a) The provisions of parts B and C of the General Education Provisions Act shall apply to the program of Federal assistance authorized under this Act as if such program were an applicable program under such General Education Provisions Act, and the Secretary shall have the authority vested in the Commissioner of Education by such parts with respect to such program.

(b) Section 422 of such General Education Provisions Act is amended by inserting "the Emergency School Aid Act of 1971;" after "the International Education Act of 1966;".

ATTORNEY AT FEES

SEC. 17. Upon the entry of a final order by a court of the United States in litigation against a local educational agency, a State (or any agency thereof), or the United States (or any agency thereof), seeking compliance with any provision of this Act or alleging discrimination on the basis of race, color, or national origin in violation of title VI of the Civil Rights Act of 1964, or the fourteenth amendment to the Constitution of the United States as they pertain to elementary and secondary education, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the cost upon a finding that the proceedings were necessary to bring about compliance. Where the prevailing party is the defendant and is a local educational agency, a State (or any agency thereof), or the United States (or any agency thereof), the court, in its discretion, may allow such prevailing party a reasonable attorney's fee as part of the cost upon a finding that the proceedings were unnecessary to bring about compliance.

The SPEAKER. Is a second demanded?

Mr. BELL. Mr. Speaker, I demand a second.

Mr. ASHBROOK. Mr. Speaker, I demand a second; I am opposed to the bill.

The SPEAKER. Is the gentleman from California (Mr. BELL) opposed to the bill?

Mr. BELL. No, I am not, Mr. Speaker.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

CALL OF THE HOUSE

Mr. HALL. 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. 328]

Abernethy	Grasso	Quillen
Abourezk	Gray	Railsback
Ashley	Gubser	Rangel
Baring	Halpern	Rees
Barrett	Hanley	Robison, N.Y.
Bevill	Hanna	Rooney, N.Y.
Blanton	Hastings	Rousselot
Burleson, Tex.	Hathaway	Roy
Caffery	Hawkins	Roybal
Chamberlain	Hays	St Germain
Clark	Hillis	Sandman
Clay	Hogan	Sarbanes
Collier	Holifield	Saylor
Colmer	Jacobs	Scheuer
Conyers	Jarman	Shipley
Cotter	Karth	Skubitz
Culver	Kee	Stanton, J. William
Daniels, N.J.	Keith	Stanton, James V.
Danielson	Koch	Steele
Delaney	Long, La.	Stokes
Dent	McClure	Stubblefield
Derwinski	McEwen	Talcott
Diggs	McFall	Teague, Calif.
Dow	McKay	Terry
Drinan	Madden	Tiernan
Eckhardt	Mathias, Calif.	Veysey
Edmondson	Minshall	Wampler
Edwards, La.	Monagan	Whalley
Eilberg	Morgan	Whitten
Findley	Murphy, Ill.	Wilson, Charles H.
Fish	Nix	Young, Tex.
Galifianakis	Patman	
Gallagher	Pickle	
Gaydos	Pike	
Giaimo	Pirnie	
Goldwater	Price, Ill.	

The SPEAKER. On this rollcall 326 Members have answered to their names, a quorum.

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

EMERGENCY SCHOOL AID ACT OF 1971

The SPEAKER. A second has been demanded by the gentleman from Ohio; and therefore the gentleman from Illinois (Mr. PUCINSKI) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. ASHBROOK) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. PUCINSKI).

Mr. PUCINSKI. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the bill under consideration today is basically the same bill that the House adopted last December by a two to one majority. In fairness to the House, I would point out that the bill before us today does not have the same amendment dealing with busing of students as last year's bill had, but this bill does have a prohibition that nothing in this law can be construed to require the busing of teachers or students to overcome racial imbalance.

The authorized appropriations are $500,000,000 for the fiscal year 1972 and $1,000,000,000 for the fiscal year 1973.

Ninety percent of these funds are allotted to the States according to a formula which considers each State's percentage of the number of minority children in the country.

Mr. Speaker, I should like to call to the attention of the House that this is a voluntary bill. There is nothing in the bill that requires a school district to seek assistance under this act. No school district can be forced to seek assistance, nor can any school district be compelled to

participate in the assistance provided under this act.

Under this act, no school district can be forced to do anything that it otherwise does not wish to do.

I would like to make that point very clear because there seems to be some misunderstanding that there is some compulsion in seeking assistance under this act.

Under the act there are five broad categories of eligibility for grants with the highest priority going to school districts under court order. In other words, a school district under a court order would qualify first for such assistance if it desired to get such assistance. The others are those meeting standards approved by the Department of Health, Education, and Welfare; school districts voluntarily integrating their schools; school districts voluntarily integrating some of their schools but not all of their schools; and school districts trying to save their schools from resegregation.

Remember, however, in any case the school district must voluntarily seek assistance if it qualifies.

The funds available under this bill may be used to hire additional teachers for remedial services, reducing class sizes, hiring guidance counseling officers, new instructional techniques and materials, and for repair and minor remodeling.

Mr. Speaker, this bill specifically prohibits any Federal control over educational systems that benefit under this bill. It also specifically provides that nothing in this bill may be construed to require the assignment of or transportation of teachers or students in order to overcome racial imbalance.

This is written into the bill and so there will be no question about forcing anyone to bus children under this act. It specifically prohibits any such requirement under this act.

I know there is a strong feeling in this House about busing and I share that feeling with my colleagues. I am opposed to busing too. My record is clear on that both in committee and in public office. I supported every amendment in committee to prohibit the use of funds under this bill for payment of busing.

But I submit to you that those of you who are opposed to busing are in the right church but the wrong pew, when you try to do something about it in this bill.

In a recent study we found that in most cases, most school districts are being ordered to bus youngsters to overcome racial imbalance on constitutional grounds. There is no legislative act involved but the courts are ordering busing because of constitutional requirements as the courts interpret the constitution. I do not agree with these interpretations. But if you really want to address yourself to the problem of busing and do something to stop the courts, I suggest that you come up here and sign the discharge petition on the Speaker's desk. I signed it and I hope you will sign it because that is the way to deal with this problem. The discharge petition would permit a rule so the House could consider a constitutional amendment barring busing to overcome racial imbalance.

Most of our problems come about because of constitutional requirements as the courts interpret them and not because of legislation in this bill. So if you really want to do something about busing, I suggest you sign the discharge petition. You will be on solid ground because the Gallup poll shows 76% Americans oppose busing; 47% black people also oppose busing.

The need for this bill is even more grave today than it was last year. In the hearings and investigations conducted since last December, the committee has learned of the impending breakdown of public education in certain areas of our country due to court-ordered school desegregation.

Since the end of the school term in June 1970, the Norfolk public schools have lost some 7,000 white children. This represents an incredible loss of 20 percent of the white students in less than 16 months. South Holland, Ill., lost 1,200 white children.

Within the last 2 years Atlanta has lost almost a quarter of its white pupils through a flight to the suburbs by many white families and an exodus to private schools by the children of many other white families. Shreveport, La., and San Antonio, Tex., have lost almost 20 percent of their white pupils within the last 2 years. And my fear from the reactions to the court orders in Detroit and San Francisco is that this white flight will not be limited to the South.

So the question before us really is what can we do to save public education in many parts of the country. I believe that this bill, the Emergency School Aid Act, can provide the financial assistance to help many local school districts survive court orders imposed on them against their will.

This bill, for example, makes eligible for funds those districts which have plans to prevent racial isolation from happening in "tilting schools," which are defined as those with at least 10 percent, but no more than 50 percent, minority enrollment. These eligible school districts can submit projects for concentrating on such schools as part of overall desegregation or integration plans or as single projects to be funded.

It does not make much difference whether schools are located in De Kalb County, Ga., or on the fringes of the ghettos in Detroit, witness after witness told the committee that unless schools are stabilized in enrollment and the quality of education is maintained or hopefully improved, integrating schools will tilt to almost total minority enrollments. Once this tilting point is reached, Dr. James Coleman told the committee, "achievement benefits that ordinarily occur through school integration do not occur."

May I then repeat that, first of all, this is a voluntary bill. There is not a single school district in the country that has to apply for assistance under this act. But if, indeed, a school district is under a court order and ordered to do certain things against the will of the community, the parents and the teachers, at least you would provide some financial assistance here to meet the crisis of such desegregation.

I also stress that this bill does provide that nothing in this legislation can be construed to require the transportation of teachers or students to overcome racial imbalance.

The committee has made an honest effort to bring to this floor a bill that will meet the needs of those communities that are undergoing integration, in most instances against their will, and I say those of you who feel as strongly against busing as I do, come up here and sign the discharge petition, and then vote for this bill.

There are those who will argue that if funds are not made available somehow communities will not have to bus students. This is a fallacious argument. This bill does not require busing and the Secretary said he will not release any Federal funds for this purpose. But this will not stop the courts. In a number of communities which claimed they had no funds for busing, the court has ordered local councils to levy the necessary local additional taxes to pay for busing. So you see, you do not stop anything by trying to use a vote against this bill to show your opposition to busing. But you are denying schools, under court orders, an opportunity to improve the quality of their education to hopefully stop the tragic trend toward resegregation.

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

Mr. PUCINSKI. I yield to the gentleman from Missouri.

Mr. HUNGATE. Mr. Speaker, I am voting against this so-called Emergency School Aid Act, because it would represent a total surrender on the part of Congress to the Supreme Court in the Court's efforts to act as a school board for every district in the Nation. The Supreme Court has ordered school busing in many cases where it is against the best interests of all the children and certainly against the best interests of a better education for all Americans.

As an earlier American President said:

> They have made their decision, now let them enforce it.

I do not propose to involve the American taxpayer in financing every school bus route proposed by the U.S. Supreme Court. The decision on these matters should be left in the local school districts.

By refusing to appropriate and levy taxes for these millions of dollars, these funds can thereby remain in the local districts, and if the local officials who are more responsive to local needs see the need to bus more children, they can then levy the taxes and spend the money. I do not think anyone in Washington should force these actions on them.

Mr. ASHBROOK. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. BELL).

Mr. BELL. Mr. Speaker, I rise in support of the Emergency School Aid Act of 1971.

This legislation has received thorough consideration over the past 18 months.

It was approved by this House last December.

Similar legislation was overwhelmingly passed by the other body this year.

And it has the strong support of the administration.

This measure represents the support of

this Congress for stable, quality education for all American youngsters.

It treats alike all areas of our Nation.

It provides the funding for voluntary efforts to eliminate racial isolation by any local educational agency in the country.

And it would relieve the untenable position in which some "court order" districts have found themselves.

Districts which have been ordered by the courts to comply with the law, but which are without the financial resources necesary for compliance and are, thus, placed in a position of "damned if they do, and damned if they do not."

And I would like to point out that assistance to such school districts has absolutely nothing to do with whether we as individuals might agree or disagree with the reasoning of the court which handed down the order.

The simple fact is, that it is the law; and they must comply, or be in contempt of court.

Now—some specific points about this legislation:

First, the funds provided by H.R. 2266 are needed by school districts in every geographic region of our Nation.

The emergency $75 million so far appropriated this year was inadequate to cover the 1,100 school districts eligible to apply.

Of these districts, 910 submitted applications amounting to more than $135 million.

The demand for funds should be obvious therefore, when we consider the remaining 17,000 school districts which will become eligible for assistance under this legislation.

Second, unlike many other education bills we have considered, the President is standing ready to request full funding for this measure as soon as he signs it into law.

The funds are in the budget and a supplemental appropriation will be requested as soon as the authorization is approved.

Mr. Speaker, despite assertions to the contrary, this legislation does not require any school districts to do anything.

It does, however, provide the resources to allow school districts to comply with the requirements of the Constitution and other laws.

And it also provides assistance to those school districts which, on their own initiative, voluntarily implement a plan to reduce or eliminate the facial isolation which is taking a disastrous human toll.

Funding will be allocated for every State: Louisiana and Michigan, for example, would each receive about $48 million.

New York would receive about $115 million. And Texas would receive about $148 million. A particularly important provision in the pending bill is that which provides $60 million for purposes of bilingual education.

The more than 2 million children of Spanish-speaking backgrounds from New York City to the Southwestern United States are among those who have experienced the most severe educational disadvantage of racial—and linguistic—isolation.

These children must be helped if they are ever to realize what the goals of equal opportunity in this country really mean.

Another critical problem addressed by this measure is that of the "tilting school"—that is, a school located in a racially integrating area.

The concerns of parents whose children are attending a school which is rapidly increasing in minority enrollment would be greatly alleviated if there were some assurance that the quality of education provided by that school were not diminished.

The instability caused by the "flight to the suburbs" and its attendant actions and reactions must cease.

Children cannot be expected to learn in an environment of turmoil and emotional upheaval.

That is really what this bill is all about.

We want our children, all of our children, to receive the best possible education our national resources can provide.

Simultaneously, we want to see the requirements of our Constitution respected.

This legislation is aimed at meeting both of these goals.

I urge my colleagues to support it.

Mr. PUCINSKI. Mr. Speaker, I yield 3 minutes to the distinguished chairman of the full committee, the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I rise in support of the legislation. Mr. Speaker, as in any controversial bill no Member is completely happy with the legislation. This legislation does address itself to a very serious problem in this country.

If I were to have my way with respect to this legislation I would have taken a different approach than the administration took. I would have doubled the funds in title I of ESEA. Such funds would have been available in every section of the country—distributed to those schools where not only do minority groups have educational needs but also other disadvantaged school systems.

Notwithstanding my viewpoint the President has suggested that we take another approach and the will of the committee has been worked in the legislation requested by the President and the legislation has been brought to the floor today for the consideration of all Members.

I hope the membership of this body will approve it so that we can get this bill behind us and enable us to turn to other important legislative matters.

Mr. Speaker, the bill that the House of Representatives is considering today, H.R. 2266, is a bill to assist school districts to meet the special problems incidental to desegration and to the elimination, reduction, and prevention of racial isolation.

When the President sent a bill to the Congress in March of 1970 proposing $1½ billion for the desegration and integration of school districts, he said:

Nothing is more vital to the future of our Nation than the education of its children; and at the heart of equal opportunity is equal educational opportunity. These funds will be an investment in both the quality and equality of that opportunity.

The bill before us today authorizes appropriations of $500 million for fiscal year 1972 and $1 billion for fiscal year 1973 as requested by the administration. It will be recalled that in the last Congress, the House passed H.R. 19446, a similar bill, in December of 1970 by a vote of 159 to 77. That measure was never acted upon by the Senate and expired at the end of the 91st Congress. The basic thrust of the legislation passed by the House in the last Congress remains intact, however, and the original purpose to provide for substantial funds to assist school districts to afford their minority children equality of educational opportunity is preserved and maintained.

The bill was designed to assist school districts operating elementary and secondary schools. There are a number of broad categories of school districts eligible for grants under this bill:

Those districts implementing plans to desegregate or integrate under an order from a Federal or State court or from the Department of Health, Education, and Welfare operating under title VI of the Civil Rights Act. Local educational agencies implementing plans to desegregate or integrate pursuant to orders issued by State agencies or officials are also eligible under this category.

School districts which have voluntarily adopted and are implementing, or which will voluntarily adopt and implement, plans for the complete integration of their schools.

School districts which have adopted and are implementing, or which will adopt and implement, plans for the elimination, reduction, or prevention of racial isolation.

School districts which voluntarily carry out plans to enroll and educate in their schools children who would not otherwise be eligible for enrollment because they reside outside the school district so long as that process has the effect of significantly reducing racial isolation in one or more of the districts affected.

School districts which have an attendance of more than 50 percent minority children and which have applied for and will receive at least an equal amount of money for compensatory education under this bill.

The eligible applicant school districts may use the funds received for the following purposes: first, remedial services; second, additional staff and the training and retraining of staff; third, guidance and counseling; fourth, new instructional techniques and materials; fifth, shared facilities; sixth, interracial educational programs; seventh, repair and minor remodeling; eighth, community activities; ninth, special administrative services; 10th, planning and evaluation; and 11th, other specially designed programs.

In connection with consideration of applications under this act the Secretary of Health, Education, and Welfare, who is the authorized administrator, is limited to six specific criteria which include the school district's need for assistance and the degree to which the program to be funded is likely to effect a decrease in racial isolation. For the Secretary to refuse an application the school district must be notified of the reason for his disapproval and it must be allowed an opportunity to revise and resubmit its application.

The application of each school district must be submitted to the appropriate State educational agency for comments. No school district which might otherwise be eligible will be eligible for funds if it transfers property or provides services to private segregated schools or discriminates against its minority faculty members or students after the date of enactment of this bill.

Finally, the bill authorizes the Federal courts to allow payment of reasonable attorneys' fees to successful litigant, whether plaintiff or defendant, in suits brought for violations of this act, title VI of the Civil Rights Act, or the 14th amendment of the U.S. Constitution.

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

Mr. PERKINS. I yield to the distinguished gentleman from Hawaii.

Mr. MATSUNAGA. I thank the gentleman from Kentucky for yielding.

I wish to commend the distinguished gentleman and his committee for having brought this bill to the floor and especially for including within the racial minority groups covered by this act the orientals, Alaskan Natives, and Hawaiians. The needs of these minority groups have been too long neglected. While the needs of the blacks, the Spanish surnamed and American Indians have been well established and are beginning to be met, the needs of orientals, Hawaiians, Samoans, and Alaskan Natives have hardly been recognized. For example, during the last 3 fiscal years, the Spanish surnamed were allocated $7,500,000 and the blacks $2,301,377 under HEW's community grant projects for the aged, while the orientals received not a single penny.

I do hope that upon the passage of this bill, equitable attention will be devoted to "other racial minority groups," as defined in section 4(a).

Mr. ASHBROOK. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Speaker, I am going to support this bill today. I believe we have written a fairly good piece of legislation, and I should like to see it enacted.

In so stating, I do not want the Members to gain the impression that I like the way the leadership brought up this bill. I wish those who disagree with the way the bill is written had an opportunity to offer amendments. I believe that is the proper way to do it.

I opt for trying to pass the legislation, because I believe this is an equitable piece of legislation for making aid available to schools which are forced by the courts to desegregate. The schools may gain some assistance, which voluntarily want to desegregate, also.

If a school district wants to voluntarily desegregate, it seems to me that is their business. The school board is elected by the local officials. They are elected by the citizens. If the voters want to change the school board all they have to do is to change them at the next election.

Here we have an opportunity to use some Federal money the President has promised to make available, $1.5 billion, for aiding schools with the increased cost of desegregation. Whether the segregation was de jure or de facto, the assistance would be made available to them.

On the question of busing, I would say I should like to leave this to the local school district, to make that decision, rather than to have us prohibit the use of any money for busing.

The Department of HEW cannot require any school district to bus or to use money for busing. The $75 million appropriated heretofore, saw none of the money used for busing.

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

Mr. QUIE. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. Because of the limited time, I will just ask one question. At the very top of page 35 of the bill the following language appears: "in which the dominant language is other than English." Does the term "dominant language" include pidgin English, as used in Hawaii and other areas of the Pacific region?

Mr. QUIE. I imagine it does. It does not mean people who have a different accent of English in this country, but I imagine it would include pidgin English, which surely is a different language from English.

Mr. MATSUNAGA. I thank the gentleman for helping to establish this piece of legislative history.

Mr. PUCINSKI. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HAWKINS) a cosponsor of the bill.

Mr. HAWKINS. Mr. Speaker, H.R. 2266 strikes at the very heart of education, that of providing quality and equal educational opportunities for all. Were busing not interjected as an emotional distraction this bill would be approved almost unanimously.

The issue is clear: Is the basic law to be upheld even though some aspects of it may be unpopular and are we to provide Federal aid to uphold the law?

In meeting this challenge well may we consider why busing has become the overriding and emotional issue beclouding all other considerations. Why 17 years after the 1954 Supreme Court school desegregation decision this issue has emerged and then as a judicial mandate and not as an educational problem?

Why did most educators and public officials leave this problem and the leadership in seeking solutions to the courts?

Instead of good faith efforts to comply with the decision many school districts openly defied the courts and employed gimmicks to avoid compliance: private academies, "freedom of choice" plans, track systems, token integration, and compensatory education in segregated schools.

In the meantime the courts patiently deferred to local leadership in the execution of plans which might meet constitutional tests with due diligence and speed. It has in recent years become clearer that as school administrators have refused to equalize educational opportunities among schools, as a final resort such equalization depends on transporting students from inferior to better schools.

Until recently the courts did not order or suggest busing, but merely directed school boards to adopt, in good faith, integrated or quality education, with due diligence and speed, leaving the manner, means, mechanics, and techniques to local people.

It is the failure of local school boards that has brought on the issue of busing. A variety of options could have achieved feasible integration, including:

First, a regional approach; second, development of educational parks; third, redrawing of attendance-area boundaries and selection of alternate sites for new buildings; fourth, pairing of schools; fifth, reevaluation of transfer policies; sixth, establishment of model schools, and seventh, equalizing educational opportunities so that the inferior schools would have been upgraded.

Particularly on this last point the emergency school bill addresses itself to creating quality education for all children, thereby achieving equality of excellence and not of inferior education. And the way it does this is by making Federal assistance available for improving the curriculums, strengthening the teacher personnel, modernizing textbooks, materials, and school facilities, establishing model schools, increasing bilingual programs, use of educational television, and intercultural enrichment.

Those who oppose this bill have created the evil image of "forced busing." Actually they fear racial mixing in our schools, not the simple act of riding a bus to school which 60 percent of children do already.

Our schools have an historic role to play in this world today as the recent vote in the United Nations indicated. We had better learn to live and go to school together, otherwise the United States can be reduced to a minor world power. This American education can prevent by positive and creative leadership.

Mr. ASHBROOK. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, I find some interesting language on page 5 of the report accompanying this bill. It says:

> All of these things cost money.

That is the understatement of the year.

Continuing to read from the report:

> Witnesses from Miami, Florida, Houston, Texas, and Cook County, Ga., told of the all too frequent defeat of bond issues and tax referenda that might have provided the money.

That is the money to fund the activities under this bill, the $1.5 billion.

Where in the name of all that is holy is it proposed to get the $1.5 billion if not from the taxpayers of Houston, Tex., Cook County, Ga., and Miami, Fla., and all of their counterparts across the country? Where is the $1.5 billion going to come from, I would like to ask the gentleman from Illinois?

Mr. PUCINSKI. The President has recommended and intends to ask the appropriate committees for this money.

Mr. GROSS. If the counties across the Nation refuse to vote bond issues to finance activities under this bill, then you have to go out and borrow it, do you not, and pay 6-percent interest on it?

Mr. PUCINSKI. I can only tell the gentleman that the President has budgeted all this money for this bill.

Mr. GROSS. He has budgeted something that does not exist, and the gentleman knows it. There is no money. If they are turning down bond issues all over this country, as your report says they are, then there is only borrowed money or printing press money to finance this monstrosity.

Let me ask another question. The report says:

> Finally, the bill authorizes the Federal courts to allow payment of reasonable attorneys' fees to successful litigant, whether plaintiff or defendant, in suits brought for violations of this act, title VI of the Civil Rights Act, or the 14th amendment of the U.S. Constitution.

What is this? A lawyers' bonanza? Why should the Federal Government pay for the legal services of a plaintiff or defendant under the terms of this bill?

Mr. PUCINSKI. The Government would also pay the legal fees of school boards which must defend themselves if their defense prevails. These legal fees are a two-way street.

Mr. ASHBROOK. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Speaker, I support the principle of this bill. I voted for the bill when it was reported from our committee, but I am not for the procedure that is being used today; bringing a bill of this nature with this amount of controversy connected with it on the floor through the process of suspension of the rules. I will vote today against the bill.

I think that there may be some antibusing amendment that I might support, although generally I believe these funds should be available to take care of those necessary expenses occasioned by court order or voluntary compliance which requires a school district to bus children. I think very clearly nothing in this bill should require busing for the purpose of achieving racial balance.

I do not believe anything in the bill does so require, but the whole issue of busing ought to be heard in a regular manner and a bill should be before us which would allow those who want to offer amendments to do so.

Mr. ASHBROOK. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. WILLIAM D. FORD).

Mr. PUCINSKI. Mr. Speaker, I yield the gentleman from Michigan (Mr. WILLIAM D. FORD) 1 additional minute.

Mr. WILLIAM D. FORD. Mr. Speaker, today we are considering the Nixon administration's, so-called desegregation bill, and in the 7 years that I have served on the Education and Labor Committee, this is the first time I voted against a bill brought to the floor from that committee dealing with education. I should like to say that this is a bill with which I have had difficulty ever since the administration first sent it up to us about a year and a half ago.

I might point out the fact that I led a fight to make changes in it when it was before us late one afternoon last December.

The basic deficiencies in this bill have not been corrected, although in its present form, it is much better than the original version, sent to us by the administration.

Mr. Speaker, the basic weakness of the bill is that it was fathered by hypocrisy. You will notice that the proponents of the bill including the gentleman from Illinois, all assure you that nothing is going to happen as a result of the passage of this bill to encourage desegregation. They have dressed it up in other language but what they are talking about is its effect on busing. The fact of the matter is that they are advocating that we pass a $1.5 billion desegregation bill that will not compel nor aid in the desegregation of schools. I am prepared to take the issue on that basis, because I can see the fundamental needs in our schools, and believe equality of educational opportunity to be a fundamental need.

I am prepared to support a bill that will encourage desegregation of the schools in this country and one which will help school districts that are undertaking desegregation. I am not however, at the same time prepared to say to the people of this country that the only problem facing the schools is the single problem of racial balance or desegregation. I am not prepared to say that to my school districts, that they must continue to struggle with half-day sessions and double sessions, as well as the many other problems that plague our high schools and actually threaten some of the high schools in Michigan with loss of accreditation because of lack of funds. What we are talking about here today is a Nixon administration proposal to spend an amount of money equal to the total of title I, for this one very narrow purpose.

What this bill amounts to is either a general purpose or general aid proposal for that minority of American school districts claming a need for extra funds because of the presence of minority students or worse yet a billion dollar "slush fund" to be granted where, when and in amounts at the whim of an administration with the worst record for support to public schools or equal treatment for minorities in several decades.

I will vote against this bill today and ask you to consider my minority views in the committee report, starting at page 28, as follows:

DISSENTING VIEWS OF MR. O'HARA AND MR. FORD ON EMERGENCY SCHOOL AID ACT OF 1971

From time to time we have joined a majority of our colleagues in supporting education measures containing some provisions which had less than our enthusiastic support. For the first time the Education and Labor Committee has reported a measure which prompts our vigorous dissent.

The Emergency School Assistance Act, sometimes referred to as the Desegregation bill, recommended by President Nixon to the Congress more than a year ago was initially pressed upon the Congress as a means of relieving those heavy financial burdens placed upon communities who were changing from a dual segregated school system to an integrated school system pursuant to orders of the Secretary of Health, Education and Welfare or the courts.

That this Administration recognized the financial plight of any school system was indeed heartening to us at that time. But, as this legislation developed through the hearing processes of the Committee it became quite apparent that the Administration intended that funds provided under the authority of the legislation would be used primarily for the purpose of relieving school districts of the cost of transporting students in compliance with such orders. When this became apparent and the legislation came to be known as the "busing bill" we suddenly had an Administration disavowal that this was the purpose of the legislation at all. It came in the form of an announcement by the President that none of the Emergency School Assistance funds could be used for transportation followed shortly by a request from the Secretary of Health, Education, and Welfare that an amendment be included in the bill prohibiting the funds from being used for this purpose. It is clear now that these Federal dollars will not be used to bus but will replace local dollars which HEW is requiring to be expended to transport pupils. Thus, the Administration's bill emerges as the "Back Door School Bus Financing Bill of 1971."

We are at a loss to account for the reason the Administration chose to call this the Emergency School Assistance Act. If, in fact, desegregating school situations pose national emergencies requiring the immediate expenditure of another Billion and a half dollars, then the Administration would have had to simply budget funds for expenditure under provisions of the Elementary and Secondary Education Act. This law is in existence. It stands ready to be used. It would have provided an immediate means of pumping dollars into school districts heavily burdened with an array of emergency conditions. Perhaps the word "emergency" was chosen in an effort to expedite the legislation—legislation which would give the Administration authority to allocate One and a half Billion Dollars not according to a formula establishing an entitlement for each school district, but according to the almost unlimited discretion of the Secretary of Health, Education, and Welfare.

However, our major point of dissent with this legislation is even more fundamental and basic. The educational needs of our children are not being met in any of our schools—North, South, East, or West—not in our rural areas; not in the inner city; not in our suburban areas; not in our small towns; not in our ghettos.

Already the local property owner is taxed beyond his ability to respond. Yet, classrooms are overcrowded, teachers are underpaid, and facilities, textbooks and materials are obsolete.

Rather than abandon this Nation's traditional concept of the neighborhood school and embark upon the expensive, burdensome, awkward, and inconvenient transportation of children out of their neighborhoods, let us re-think our educational needs and priorities. Let us commit sufficient financial resources to assure that every child will have an opportunity for a high quality education in his own neighborhood school.

JAMES G. O'HARA.
WILLIAM D. FORD.

Mr. ASHBROOK. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, as I pointed out here on the floor last Thursday, in my judgment Congress can ill afford to embrace highly expensive and expansive new legislation at a time when the Government is running into the red in Federal funds to the tune of at least $35 billion, as it is in the current fiscal year. We were in a deficit position last year, fiscal 1971, in Federal funds in the sum of $30 billion, and the year before to the extent of $13 billion. The deficit is deepening.

The pace of deficit spending is quickening. The Nation and the Government are in acute financial distress.

Mr. Speaker, in the circumstances, it seems to me that as a general proposition we ought to proceed with these authorization bills at not greater than the current levels. To launch into this 2-year, $1.5 billion probusing program—just from the standpoint of commonsense—would be very ill advised at this time. It would help create more inflation and more difficulty on all sides and undoubtedly contribute to making the dollar worth less. This would in turn create problems for education, for the economy, and for the Government.

Mr. Speaker, one of the reasons I am glad to have this opportunity to say a few words on the bill is that I am unalterably opposed to the provision on page 25, specifically, section 3(b). Section 3(a) proposes to authorize the appropriation of $500 million for fiscal 1972 and $1 billion for the fiscal year 1973. But then section 3(b) immediately follows and reads:

(b) Notwithstanding subsection (a) of this section, for the fiscal year ending June 30, 1972, and each subsequent fiscal year, no funds are authorized to be appropriated to carry out the provisions of this Act for any fiscal year in which the funds appropriated for any program authorized by the Elementary and Secondary Education Act of 1965 and Public Law 81-874 are not at least equal to the funds appropriated for such program for the fiscal year immediately preceding.

This provision, in subsection (b), seems to me to be somewhat of a blackjack approach, an effort to undertake to force the hand of the appropriations process to appropriate not less than certain amounts for programs not related to this emergency assistance bill.

What earthly rhyme or reason is there in trying to say in this bill, how much we will or will not appropriate at some future date for other programs authorized in other bills? Such a provision crosses the borders of absurdity.

I hope this bill will be voted down, and voted down by a resounding vote. As I indicated, I am opposed to the bill on other grounds . . . not just because of this indefensible provision in section 3(b). This provision makes the measure all the more unacceptable.

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

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

Mr. BOW. Mr. Speaker, I would like to say to the gentleman from Texas that I thoroughly agree with the gentleman as to the invasion of the prerogatives of the Committee on Appropriations and in the Congress, by setting up now what we must appropriate in other sections of other bills in the next year. And I will oppose this bill on that ground.

Mr. MAHON. I thank the gentleman from Ohio.

Let me say that I do not look upon the provision as an attack upon the Committee on Appropriations per se. It is an affront to the entire appropriations process. It seeks to pledge what we are going to do toward funding other legislation in both fiscal years 1972 and 1973, and this I believe is indefensible and improper. I have never known anything like this to appear in any other bill. Let us set the record straight, and let us not start this practice in the House of Representatives.

Mr. PUCINSKI. Mr. Speaker, I yield one minute to the distinguished chairman of the Committee on Education and Labor, the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, let me explore the point that the distinguished gentleman from Texas, the chairman of the Committee on Appropriations, has just made, a little further.

In the event that we were to strike the section that the gentleman from Ohio (Mr. Bow) has referred to in his colloquy with the gentleman from Texas, could we then have any meeting of the minds in support of this legislation? Without committing myself to supporting such a deletion, I am just wondering about that. I would like to ask the gentleman from Texas if that provision were out of the bill, and I know that we cannot get it out of the bill here, but if it were taken out later could we have the support of the gentleman from Texas and the gentleman from Ohio for this legislation?

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. PUCINSKI. Mr. Speaker, I yield 1 additional minute to the gentleman from Kentucky (Mr. PERKINS).

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

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

Mr. BOW. Mr. Speaker, I might say to the gentleman from Kentucky that what the gentleman has suggested is one more reason why this bill should not be brought up under a suspension of the rules. The gentleman has just suggested that if one of the deficiencies now in the bill could be stricken out, that perhaps we could agree to support the bill. I would state to the gentleman from Kentucky that if that had been taken out of the bill then my position might have been different, but since it is in the bill then I still will oppose the bill, because I think the gentleman from Kentucky has just made it clear as to why we should have the bill here in the regular order instead of under a suspension of the rules.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. ASHBROOK. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. O'HARA).

Mr. O'HARA. Mr. Speaker, the gentleman from Illinois, who has been a tireless exponent of this bill, denies that it is a busing bill. I would have to agree. When it started out it was a busing bill, but after the gentleman's subcommittee got through with it it was a busing bill plus more besides, and the more besides consists of a program of general aid to education that in my opinion is distributed in the wrong way, and with the wrong emphasis. That is the greatest criticism of this bill.

It is not true that the only school districts that need help are those that have problems of racial segregation or of racial balance.

For instance, in the metropolitan area that I represent, the largest share of the racial problems are in the city of Detroit. Yet, the city of Detroit is able, with less tax effort, to spend more per child than almost every one of the 21 school districts in my congressional district. These other districts also need help. They get no help from this bill.

Mr. Speaker, I hope the bill will be defeated on suspension, or defeated if it is later brought up in the regular order.

Mr. PUCINSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana (Mr. WAGGONNER).

Mr. WAGGONNER. Mr. Speaker and Members of the House, the purpose of this legislation is understandable. The bill itself however is defective in several respects. Through the years some of us have tried to talk commonsense to you people about the problems of the public schools. But you have been sitting back there with cotton in your ears paying no attention to us. You thought this was only a Southern problem and you were immune. The only thing I can say today is that circumstances are finally changing and now when the shoe is on the other foot, it certainly makes a lot of difference in the attitudes of some of you about the approach to public education in this country. It is no fun to say "I told you so" but you brought the problem on yourselves. The experience we have had with the bill prior to now has not been very satisfactory. It has not been satisfactory because ample safeguards were not written into the law to assure compliance with the congressional intent. The administrative guidelines have been devastating.

If we do not do anything else today, we ought to vote this bill down, because under suspension it cannot be amended and bring it back when we can consider amendments and when we can do something that assures compliance with congressional intent so we can write some safeguards into it to be sure that what the Congress wants done can be done.

Let me tell you something—we have had all kinds of unnecessary trouble down south, but you have more troubles up north than we have now. You have not seen anything yet. The new shoe has just started to pinch. You can talk about busing all you want to, but busing problems are now not nearly so much our problem as your problem. But you had better listen to us this time. You had better consider this bill when you can amend it. You had better be sure you write language in it which will protect you against the Singleton court decision having to do with the ratio of teachers by race and you had better be sure regardless of what the administration has said that you have language in here that will require when the guidelines are written down at HEW that busing cannot occur unless you want to lend credence to it and you had better write language in which provides for neighborhood schools with certainty if you want to do something about salvaging public education. You had also better get rid of all language on appropriations limitations and attorneys fees.

Vote this bill down here today and bring it back when you can amend it.

Mr. ASHBROOK. Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. ANDREWS).

Mr. ANDREWS of Alabama. Mr. Speaker, this bill is nothing but a carrot bill, a bait bill. Under this bill the Federal Government offers schools money to integrate more than they have by busing, of course, they will bus. Those of you who up until now have advocated busing should read the Gallup poll that came out this morning—74 percent of the American people are opposed to busing.

The Senator from one northern State recently came out proposing busing and it is on the new ticker now—his constituents nearly have enough names on a petition to recall him. You can bet he will be recalled.

Mr. Speaker, you had better vote against this bill.

Mr. PUCINSKI. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Speaker, I am supporting this bill.

However, I think it should be clearly understood that there are many of us who are equally unhappy about the way this bill has been brought up before the House—but for different reasons. Some of us are unhappy because we feel this bill does not go far enough toward ending segregation. It should be clear to all of us that busing alone will not end segregation, nor will our limiting the scope of our efforts to de jure segregation.

I want to advise my colleagues that if this bill is defeated today, I will offer in the House the same amendment that Senator RIBICOFF introduced in the Senate, so that we can have a test in this Congress as to whether this Congress is, in 1971, going to uphold the Supreme Court decision of 1954. This amendment has support in the House and we intend to have a record vote on it.

Mr. Speaker, it is unfortunate that we are taking up this important legislation under suspension of the rules. The Emergency School Aid Act should have been granted a rule and brought up under regular order. I agree with those who maintain that this is a major bill that deserves full and fair debate.

On the other hand, the House enacted a similar bill last December and the major issues involved in the legislation before us today are basically the same as they were then. I think the bill approved by the General Subcommittee on Education, on which I am proud to serve, and the full Committee on Education and Labor is a better bill than the one passed by the House last year. One of the improvements—an amendment I sponsored in committee—establishes a 3-percent set-aside for bilingual programs—an important tool in breaking down the barriers of segregation and racial isolation which plague our educational systems.

This is a good bill that deserves our full support. It would be unfortunate indeed, if it failed to achieve the necessary two-thirds vote today and instead became entangled in an already-complex higher education bill later this week. I urge my colleagues to vote for the bill reported by the Education and Labor Committee so that we can go to conference with the Senate without further delay.

At the same time, I want to point out that while this bill may prove extremely helpful in relieving racial isolation in many areas, it will not get at the real roots of both de jure and de facto segregation throughout our Nation. It was for this reason that I sponsored last April a companion measure in the House to Senator ABRAHAM RIBICOFF'S Urban Education Act of 1971. This legislation, which I am prevented from introducing today because of the rule, takes the same direction as a number of recent court decisions, attacks the problem of school segregation and racial isolation in terms not of individual school districts but in terms of entire metropolitan areas. At the heart of this bill is a requirement that each State prepare and file a plan under which each of its standard metropolitan statistical areas, as defined by the Office of Management and Budget, will reduce minority group isolation in the schools. The plan must insure that, no later than July 1, 1983, the percentage of minority group children enrolled in each school of the SMSA shall be at least half the percentage of minority group children enrolled in all schools in the SMSA.

This legislation does not mandate any particular plan or set of plans to be imposed from community to community across the country. Instead it leaves great flexibility to those involved at the local level, including parents and community members as well as educators and school officials.

A number of possible techniques are contemplated by this bill, including construction of magnet schools and educational parks together with school redistricting, pairing and transportation. But I want to emphasize that this is not primarily a busing proposal. It seems clear that if we have to depend solely on busing children from one area to another on a metropolitanwide basis to achieve integration, we will not succeed.

Success will come only if we open up the suburbs for housing and employment as well as education. Experience demonstrates that we will never have truly integrated schools until we have an integrated society. Schools have borne the burden of integration alone too long.

This does not mean we should not continue to attack the problem of school segregation. We must.

But we must go beyond that. For too long we have allowed race to be pitted against race, region against region, and class against class. The result has been inevitable. Anger, distrust, and suspicion infect the relationships of millions of Americans. Whites fear blacks and blacks distrust whites; southerners are bitter about the North, which continually castigates the South; and the lower middle class are encouraged to take out their frustrations on the poor, the young and the black.

We cannot allow this to continue if our Nation is to survive. Millions of Americans realize this and are looking to us for leadership. We simply cannot refuse their mandate.

Mr. Speaker, I present for inclusion in the RECORD at this point a section-by-section analysis of H.R. 7212, the House version of the Urban Education Act authored by Senator RIBICOFF. I commend this to the attention of our colleagues with the notice that they might well have an opportunity to vote on it as an amendment later this week should the Emergency School Aid Act before us today fail to achieve the necessary two-thirds vote.

URBAN EDUCATION ACT OF 1971 (H.R. 7212): SECTION-BY-SECTION ANALYSIS

Sections 201 and 202: State that the purpose of this Act is to end minority group isolation in the public schools of our Nation's metropolitan areas regardless of the origin of such isolation.

Section 301: Provides definitions of terms used throughout the Act. The term "minority group children" includes Negro, American Indian, or Spanish-surnamed Americans, and, as determined by the Secretary, children from environments where the dominant language is other than English. "Minority group isolation" is a situation where minority group children in a school constitute more than 50% of the average daily enrollment of that school. "Standard Metropolitan Statistical Area" or "SMSA", as defined by the Office of Management and Budget, is the area in and around cities of 50,000 inhabitants or more.

Section 401: Requires each state to prepare and file an acceptable plan pursuant to which it will establish and supervise the operation of an SMSA agency, within each SMSA, to develop with local educational agencies a plan to reduce minority group isolation in their schools.

Section 402 (generally): Sets forth the requirements of the plan to be prepared.

Section 402(b): The plan must insure that, no later than July 1, 1983, the percentage of minority group children enrolled in each school of the SMSA shall be at least half the percentage of minority group children enrolled in all schools in the SMSA.

Section 402(c): As appropriate in local circumstances the plan must use such techniques as redrawing school boundaries, creating unified districts, and establishing magnet schools and educational parks so as to end minority group isolation in all schools within the SMSA.

Section 402(d): Local committees of parents, teachers, and students representative of minority and majority groups and the geographical areas within the SMSA agency in open consultation regarding the development of the plan and must report periodically to the Secretary on the extent of compliance with the requirements of this Act.

Section 402(e): Provides that parents of the children and representatives of the areas must be consulted and involved in the operation of the proposed programs.

Section 402(f): Substantial progress toward the goal must be demonstrated in each year of operation of the plan.

Section 402(g): Per pupil contributions of the State to any minority-group isolated school shall not be less than per pupil contributions to non-minority group isolated schools.

Section 403: Requires submissions of the plan and approval by the Secretary no later than July 1, 1975.

Section 404: Allows the Secretary in extreme and unusual cases to exempt portions of an SMSA from the plan where necessary because of the size, shape, or population distributions of an SMSA.

Section 405: Each SMSA agency must file an annual report setting forth the results achieved under the plan. The Secretary must assure the ready availability of the plan to the public and the local committees.

Section 406: The Secretary must review

each plan and report for each SMSA agency annually and require revised plans where necessary.

Section 407: Provides that the District of Columbia SMSA shall include those parts of the metropolitan areas lying in Virginia and Maryland.

Section 408: Prohibits the formulation or administration of a plan in any way that will result in separation of minority group children within a school or a classroom.

Section 501: Provides Federal funds for each SMSA agency for development of the plan required by this Act.

Section 502 (generally): Provides Federal financial assistance for implementation of an approved plan. No Federal funds are to be used to supplant funds, equipment, or services that are used to assist any private school. The Secretary is given power to file suit for restitution of any funds used for these purposes.

Section 502(d): Describe the purposes for which funds provided may be used including, among others, establishing and constructing magnet schools and educational parks, providing additional staff members, and the necessary counselling, retraining and guidance for those working with minority group children, furnishing transportation where necessary (provided that any burden of transportation shall fall equitably on both minority and majority group children) and expanding or altering facilities to accommodate students transferred.

Section 502(e): Prohibits the supplanting of State or local educational agency funds presently being expended.

Section 601: Any local educational agency in an SMSA refusing to cooperate in the formulation or implementation of a plan shall not be entitled to receive any Federal educational funds. Likewise, any State failing to participate in the preparation, submission, revision or implementation of any plan required by the act and any State continuing to provide State funds to any non-cooperating local educational agency shall not be entitled to receive Federal educational funds. The presence within an SMSA of a non-cooperating local educational agency does not affect the eligibility for Federal funds of the remaining cooperating local educational agencies.

Section 701: Provides $25 million for each of two years for SMSA's to develop and promulgate the plans required.

Sections 702 and 703: Authorizes $2 billion a year for each of ten years to implement the plans developed pursuant to this Act.

Section 801: Provides for expedited hearings by the Secretary for complaints concerning the enforcement or nonenforcement of provisions of the Act. Review of the Secretary's final decision lies with the United States Court of Appeals for the District of Columbia Circuit.

Section 901: Repeals those provisions of law which would interfere with the operation of this Act, particularly those forbidding the use of Federal funds to overcome racial imbalance.

Mr. ASHBROOK. Mr. Speaker, I yield myself the balance of the time.

The SPEAKER. The gentleman from Ohio is recognized.

Mr. PRICE of Texas. Mr. Speaker, will the gentleman yield?

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

Mr. PRICE of Texas. Mr. Speaker, I want to join the lengthy list of my distinguished colleagues here in the House who have expressed themselves as being firmly opposed to the Emergency School Aid Act of 1971.

It was over a year ago that the so-called emergency school assistance bill was first suggested. Perhaps at that moment there seemed to be a desperate financial need, particularly among those school systems operating under court-ordered desegregation mandates. However, the fact is that the schools have been adequately funded in most cases through legislation already enacted, such as the Elementary and Secondary Education Act, the Civil Rights Act, and others, and, therefore, the emergency as presently described is nonexistent.

Whatever emergency there may be is largely the responsibility of the bureaucrats at the Department of Health, Education, and Welfare, whose notorious reputation for social experimentation is all too well known. It is ironic that HEW, whose "guidelines" and dictates on busing have been largely responsible for many of the present dislocations within our Nation's schools, is the strongest proponent of aid for an emergency largely its own making.

It is increasingly clear that unless the U.S. Supreme Court appreciably widens the ban on school desegregation to the point of including de facto segregation brought on by housing patterns, and so forth, the likelihood of further massive upheavals in our education system are rather unlikely. Therefore, the need to meet an alleged "emergency" to the tune of one and one-half billion additional dollars boils down to a back-door attempt to provide massive new funds for the busing and redistribution of school students. Furthermore, attempts to prohibit the use of these assistance funds for busing are futile, since local funds would pay for busing with the Federal "emergency" funds merely offsetting these costs. In effect, it is simply a question of which hand would provide the money for busing.

Mr. Speaker, we must use all of our resources to protect and improve our Nation's schools and not to destroy them. Funds made available under this proposed act would be used for purposes inimicable to the very heart of America's unique system of education, and to the individualism it fosters.

Mr. Speaker, I believe in the neighborhood school and will oppose any Government funds for busing. I am unalterably opposed to the Emergency School Aid Act of 1971.

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

Mr. ASHBROOK. I yield to the gentleman from Washington.

Mr. PELLY. Mr. Speaker, I rise in opposition to this bill. In the past I have supported emergency Federal aid for schools to assist in making desegregation a reality. But, this bill goes too far in initiating a new massive federally aided busing program.

The schools' needs would be better met, in my view, under Federal revenue sharing where priorities could be established at the local level rather than in Washington, D.C.

Mr. ASHBROOK. Mr. Speaker, in closing the debate on this side, I would like to straighten out several things that have been said. I think probably in the heat of the moment a few mistakes were made.

For example, the gentleman from Illinois started the debate by saying that except for the busing provision this is precisely the same bill as we had before us last December. It is not. The statement of purpose is totally different from the statement of purpose that was in the bill last December.

The important matter of attorneys' fees has been inserted since then. So do not be deluded that your vote today is on the same measure as we had before us last December.

Second, it has been said time and time again that this bill does not require busing. You note how carefully they have used the word "require." It has been repeated a minimum of five times. Of course, this bill does not require busing. This bill encourages busing. Draw that very close distinction, whether or not you want to be on record for encouraging busing. The carrot of $1.5 billion is extended to districts. We all know how HEW guidelines operate, so do not be fooled.

Do not be deluded when someone tells you this bill does not require busing. That is not the point.

The gentleman from Kentucky (Mr. PERKINS) said the administration has made it perfectly clear, I think he said crystal clear, that it will not use funds for busing. That is not correct either. The administration made it crystal clear that it would not use funds under existing bills for busing. It has not made that statement regarding this bill.

The American people will be closely watching this vote today. They will be calling all of us to account for our actions. Just what is involved in this vote?

A "yes" vote on this legislation will simply mean that you do not want any restrictions which would control busing placed on this legislation. It would not be fair to say that a "yes" vote means you favor busing, but it clearly means you do not want any restrictions on busing.

Those who vote "yes" on this legislation should never be heard to complain about busing schemes in their own States or home areas. They should not stand before any PTA or parents' group and express their concern about plans to bus students out of their neighborhood schools. On the record, they will have given up their only opportunity to legislate restrictions in this vital area of national concern.

Mr. Speaker, I opposed this bill in committee and I would oppose it if it came before the House under a regular rule. But even if I supported this bill—and I think that many of my colleagues on both sides of the aisle who do support this bill will agree—I would not, and in good conscience could not, vote for it under a suspension of the rules.

This is a totally inappropriate method for the consideration of any bill carrying a $1.5 billion authorization. It is a totally inappropriate method for the consideration of this particular bill, because this bill has more flaws, more matters in controversy, than virtually any bill reported from our committee in the past 5 years. I need not remind Members of this

House how controversial this bill is; you know. Take a close look at this bill and see if you want to vote for it under a procedure that permits neither amendment nor points of order.

This is a busing bill. Even the President of the United States has asked that this bill be amended to prohibit the use of funds for busing, and that amendment was offered and defeated in our committee. It should be offered here on the floor of the House; not only because the President has requested it, but because the amendment is desperately needed.

But without amendment this is a busing bill. It will not only permit the use of funds for busing children whether or not their parents wish to have them bussed, it will positively encourage both State and Federal courts and all sorts of State agencies to order massive busing on the assumption that this bill will provide funds for it.

Even with an antibusing amendment this bill would be seriously defective and unacceptable to many Members. For example, it clearly invades the jurisdiction of other standing committees of the House. Section 3(b) on page 25, if you read it carefully, clearly attempts to dictate to the Committee on Appropriations regarding the level of funding they must approve for other education programs before they can fund this one. In effect, it fixes a condition precedent to future appropriations bills and in my judgment is subject to a point of order as a violation of clause 4 of rule XXI of the House prohibiting appropriations language in an authorization bill.

An even more flagrant example of a provision which is not within the jurisdiction of the Committee on Education and Labor and ordinarily would be subject to a point of order as to germaneness is section 17, which authorizes Federal judges to award attorneys' fees as a part of costs to the prevailing party in school desegregation cases. The scope of costs and the circumstances under which they can be awarded are spelled out in the Federal Rules of Civil Procedure under rule 54—title 28, United States Code—and in chapter 123, sections 1911 through 1929, title 28, United States Code. Clearly, any proposed changes in the Federal rules governing such matters should come from the Committee on the Judiciary. Furthermore, under normal procedure this provision obviously is subject to a point of order on germaneness since it deals not with schools or school systems, but with the authority of judges and the rights of litigants in the Federal courts.

The substantive issue on attorneys' fees is whether the House wants to stir up endless litigation on the issue of racial balance in the schools and ask your constituents—the taxpayers of this country—to pick up the costs. Such a provision might well be a bonanza for lawyers specializing in civil rights—on both sides—but it is scarcely a bonanza for the taxpayers. In any event, the provision is not subject to objection or amendment under a suspension of the rules.

There are all sorts of questions which ought to be raised about details of this bill which cannot even be mentioned in the few minutes allotted for debate, and not one detail can be altered under this procedure. For example, this bill encourages planning for the busing of children not only within school districts but between school districts—if you carefully read section 5(a)(4) beginning at the bottom of page 29 and continuing through pages 30 and 31. This could end up being unbelievably expensive. It might be good for General Motors and other manufacturers of buses, but there is a question whether it would be good for American education.

Some of the most telling arguments against this bill and against considering it under this procedure have been made by the chairman of our committee, Mr. PERKINS, and the chairman of the General Subcommittee on Education, Mr. PUCINSKI.

Last year, Mr. PERKINS pointed out numerous times—and I believe accurately—that almost everything sought to be accomplished under this bill can be done under existing Federal legislation such as special remedial programs under title I of the Elementary-Secondary Education Act and bilingual education programs under title VII of that act.

The only thing that cannot be done under existing law is to finance extensive busing and cross-busing of students.

Mr. PUCINSKI has many times asserted that once this legislation is enacted it will be continued for many, many years. He is, of course, correct if we are to judge by the history of other education legislation labeled "emergency assistance." That means that we are embarking on a long and dubious trip down a road strewn with explosive issues, but without full debate over or opportunity to amend the trip plan.

I urge the House not to approve this bill for busing, particularly under this procedure. It ought not be before us under a suspension of the rules, and we should discourage any repetition of this performance.

Mr. PUCINSKI. Mr. Speaker, in closing the debate, I would like to point out one thing. I am as much opposed to the procedure that we are following today as any other Member. I did not want to bring this bill up on suspension if we could have brought it up in an orderly manner by obtaining a rule. But I might point out to Members that if we fail to pass this legislation here today, it will be right back to confront you Wednesday, because we will be back here Wednesday with this bill as an amendment to the Higher Education Act. Federal courts are imposing impossible demands on school districts all over this country. School districts are faced with bankruptcy because they cannot meet the court orders. They need help under this bill most desperately.

It follows, then, that if you are going to have Federal courts setting down certain rules and regulations and demands on these districts, the Federal Government ought to help these districts carry out financial requirements imposed by the Federal court orders.

I said in my opening remarks that if you want to do something about busing, this is not the place to do it. There is nothing in this bill that requires busing, and the administration has told all of us that they are not going to use any of the money in this bill for busing.

But if any Member really wants to do something about busing, he should go and sign that discharge petition and encourage a constitutional amendment, because that is the only way we can deal with this problem.

There is no other way. We can pass all the amendments around here we want, and we will not change one Federal court order until we sign that discharge petition and get the constitutional amendment.

There is no question about it. We have a crisis in America. Schools are becoming resegregated, because the courts have imposed certain demands on school systems and they do not have the resources to meet these court ordered demands.

We can sit here and argue all we want, but the fact of the matter is that there are children in the school systems who urgently need help. I am opposed to busing probably as much as anybody in this Chamber. I have signed that discharge petition. I wonder if others who are making these statements around here have signed that discharge petition.

But I do not believe that your opposition to busing should prevent us from passing this bill which has nothing to do with busing. We are talking about a program of help to assist schools in developing programs which will improve the quality of education; reduce unnecessary tensions in integrated schools; keep the white children from leaving the school system because their families feel there shall be some diminution in quality of education in integrated schools; help school administrations hire additional personnel to reduce the incidence of violence between students in schools undergoing integration; and in general, help save our public school system from becoming resegregated.

That's what this bill is all about. The busing issue does not belong here because busing is not involved in this bill. In the name of America's children who are caught in the crossfire of court orders and hostile communities, I urge you to approve this bill and let us get on with the job of saving the Nation's public school system.

Mr. DELLENBACK. Mr. Speaker, the Emergency School Aid Act of 1971 gives the House an opportunity to take a giant step toward a goal we all support: Quality education. I concur wholeheartedly with what President Nixon said in his education message to Congress on March 3, 1970, about the relationship between quality education and desegregation:

> Quality is what education is all about; desegregation is vital to that quality; as we improve the quality of education for all American children, we will help them improve the quality of their own lives in the next generation.
>
> We must not permit controversy about the progress toward desegregation to detract from the shared purpose of all—better education, and especially better education for the poor of every race and color.

It has been 17 years since the Supreme Court in Brown against the Board of Education unanimously struck down the

separate but equal doctrine as being inherently unequal and in violation of the 14th amendment to the Constitution. In the years since then, study after study has shown that the Court was right: Racial isolation results in inferior education for minorities, and ending racial isolation results in improved educational quality. Desegregation and quality education do go hand in hand.

There has been some progress since 1954 toward the goal of equal educational opportunity that is commendable. Yet obviously there is still a long way to go before we reach that goal. Our committee found that almost one-third of the 9.4 million minority students in elementary and secondary schools throughout the Nation are in schools with student populations of 95 percent or more minority students.

I believe that Congress could have been helping over the years to make the road toward desegregation smoother, and I believe further that we will be evading a very great responsibility if we do not take steps now to make that road smoother in the future.

Congress has approved bill after bill intended to help improve education in this country, but we have pointedly ignored the question of desegregation. There is no question that desegregation, whether achieved under court order or on a school district's own initiative, can be costly. For many school districts which are already hard pressed financially, the costs of desegregation can be a very great burden indeed.

What H.R. 2266 does is to say to these school districts that Congress is committed to helping them realize the goal of quality education and that we recognize they are encountering financial difficulties, some of them extremely serious difficulties, in establishing and maintaining quality integrated schools in eliminating racial isolation and in establishing and maintaining quality integrated schools.

Finally, H.R. 2266 does not alter in any way the legal aspects of desegregation. Its purpose is to help school districts see that existing law is enforced.

Mr. Speaker, I think Congress has been badly remiss in its responsiiblity to help schools achieve desegregation. The Emergency School Aid Act of 1971 would put Congress squarely on the record in favor of quality education. I strongly urge its passage today.

Mr. MONAGAN. Mr. Speaker, I have introduced legislation identical to the Emergency School Aid Act before us today, and I urge my colleagues to suspend the rules and approve the bill H.R. 2266.

The major purpose of this legislation is to provide Federal financial aid to assist local school systems with the large-scale problems of desegregation. The bill authorizes for this purpose appropriations of $500 million for fiscal year 1972 and $1 billion for fiscal year 1973, for a total package of $1.5 billion. Ninety percent of these funds would be prorated among the States according to their numbers of minority children. The remaining funds would be allocated to bilingual and special education programs.

The need for Federal assistance for school desegregation has become urgent and necessary. Desegregation suits are presently pending in lower courts across the country, and based on Supreme Court cases as early as the 1954 Brown case and as recent as the Pontiac, Mich., case this year, it is safe to predict that the courts would require many communities to rearrange their public school systems. Desegregation plans would demand substantial sums of money, money which many localities find difficult to raise.

I am particularly interested in this legislation, because the city of Waterbury, Conn., the largest urban area in the congressional district which I represent, falls into this category. Waterbury was the target of the first Federal desegregation suit in the entire Northeast. Regardless of the merits of this suit, it has placed Waterbury under great pressure to take immediate action to revise its minority student enrollments. The outcome of the suit could produce further strain, and Waterbury, already hard pressed to meet current expenditures, would be forced to find yet new sources of income. The financial burden would be a difficult one to bear.

The legislation before us today would provide Waterbury, and other communities involved in court cases, with advance financial insurance that they would be able to meet the costs of desegregation. Under the terms of the bill, Connecticut would receive an estimated $3,638,133 during fiscal 1972 and $7,216,824 during fiscal 1973. The total Connecticut allotment would thus come to $10,854,957. Such assistance would help Waterbury to meet the extraordinary expenses which may become necessary as a result of the Federal desegregation suit. It guarantees that Waterbury would have the necessary financial resources in the event that the presently pending court suit demands further desegregation efforts.

I originally introduced emergency school aid legislation in the 91st Congress and I have reintroduced it in the 92d Congress, with specific emphasis on the urgency of constructing new schools as a key to the solution of the problem. I feel that this proposal would significantly broaden the educational opportunities for all children, and ultimately raise the quality of education throughout the country. On a short-term basis, it would fund the desegregation efforts of those school boards who only recently have had to consider the problems of financing such efforts. I, therefore, urge passage of this vital education legislation.

Mr. ANDERSON of Illinois. Mr. Speaker, I rise in support of H.R. 2266, the Emergency School Aid Act of 1971. This bill authorizes $1.5 billion in fiscal 1972 and 1973 to assist school districts implementing ordered or voluntary desegregation plans. I realize that there are some who object to bringing a bill of this import to the floor under a suspension of the rules, and under ordinary circumstances, I would probably object as well. But this bill is surrounded by extraordinary circumstances which I feel justify its consideration under the suspension procedure. First, the Rules Committee, of which I am a member, has twice refused to grant this bill a rule, despite the protestations of myself and my Republican colleagues. And second, this is an emergency measure which our Nation's school systems have been counting on for a year and a half now. And make no mistake about it—there is an urgent and desperate need for these funds now.

Our public schools today are having enough trouble in making ends meet to cover normal operating expenses and provide basic educational services. A recent survey by the National Education Association of 63 of our Nation's largest school systems reveals that all have had to cut back on personnel, enlarge class size, or eliminate special programs because of lack of money. The biggest cuts have come in teaching personnel. Of the 63 systems surveyed, 23 have eliminated some 4,388 teaching positions.

Now add to this financial crisis the additional expenses involved in carrying out voluntary or ordered desegregation plans and I think you can begin to comprehend just how serious the current crisis really is. I fully agree with the committee that the Federal Government has an obligation to assist these districts in their integration efforts. In the words of the committee report:

> It is time for the rhetoric of the Federal Government calling for the integration of our schools to be backed up by sufficient funds to assist them in striving for this goal.

President Nixon put it most eloquently in his school desegregation message of March 1970, when he said:

> Nothing is more vital to the future of our nation than the education of its children; and at the heart of equal opportunity is equal educational opportunity. These funds will be an investment in both the quality and the equality of that opportunity.

And his message accompanying this legislation a month later, the President said:

> Few issues facing us as a nation are of such transcendent importance: important because of the vital role that our public schools play in the nation's life and in its future; because the welfare of our children is at stake; because our national conscience is at stake; and because it presents us a test of our capacity to live together in one nation, in brotherhood and understanding. The tensions and difficulties of a time of great social change require us to take actions that move beyond the daily debate. This legislation is a first major step in that essential direction.

In conclusion, Mr. Speaker, we are in the midst of a difficult and costly transition process, our school systems urgently need the financial assistance provided in this legislation, and it is incumbent upon us to get these emergency funds to the schools as soon as possible.

Mr. BROOMFIELD. Mr. Speaker, I must object most strenuously to the Emergency School Aid Act of 1971 or as it is commonly called, the school desegregation act. Call it what you will, this is clearly a busing bill. Passage of this legislation will allocate $1.5 billion to aid school districts in their desegration plans.

I am not opposed to desegregation. I am proud of my support for civil rights legislation during my years in the House. But I am against forced busing to achieve racial balance in our schools. Let me add that this view is shared by a majority of Americans both black and white. At a time when we are striving to erase all vestiges of racial consciousness, when

the goal is to treat all people as Americans rather than blacks or whites, I find the imposition of artificial racial quotas to be inconsistent with that trend.

At a time when our schools have demonstrated a desperate need for so many valid educational programs, for more teachers, smaller classrooms, and teaching aids, I must question the priority that busing should receive. These needs, Mr. Speaker, plague our entire school system without regard to racial composition. City, suburban, and rural schools are all waging a battle to deliver quality education to their children.

In the face of so many underfinanced educational programs, this bill will operate to spend $1.5 billion to facilitate desegregation. It has become quite clear that "facilitate" in this context means busing. I propose that our emphasis should be aimed at assuring quality education in all schools rather than on transporting, at a great expense of time and money, students from one school to another. There is so much in terms of money that we can do to improve the education of our children once they are inside the classroom that I wonder if we afford the luxury of $1.5 billion merely to get the child to school.

Mr. Speaker, this is hardly an emergency education bill; it is a mass transportation bill. This measure leads us down a new avenue of educational policy and carries an enormous price tag to boot. Nonetheless, it has been placed on the Consent Calendar and is impossible to amend.

Busing is a most controversial issue; one which deserves to be fully debated. Therefore, I strongly object to its placement on the Consent Calendar and urge my colleagues to vote in the negative.

Mr. SIKES. Mr. Speaker, take away the window dressing and we have before us another bill for forced busing. Remove the sugar coating and under the terms of this bill Federal agencies will again be imposing impossible requirements on school officials and school systems.

It should be very clear that the American people want no part of forced busing. They recognize it for what it is—the substitution of social experiment for orderly processes of education. This measure should not have come to the floor under conditions which prevent reasonable amendment. It should be defeated and defeated soundly.

In case there are those who are wavering in their loyalty to the doctrine of forced busing, let me remind my colleagues that the Gallup poll published today shows that 74 percent of the American people are opposed to this abominable practice and that opposition to it is solid in all parts of the Nation.

I doubt seriously that any issue now before the American public is more emotion laden or has more potential for destruction of community stability than forced busing of America's schoolchildren. It was mandated by the courts—despite recent denials—and these rulings have in effect taken it out of the hands of the lawmakers and the school executives. The result has been to create one of the greatest social and educational crises of our times. It is helping to destroy the neighborhood school system which we recognize as one of the basic foundations of America's greatness. The present situation must be resolved outside the courts. The Supreme Court apparently is trapped in the quicksands of its own confusion. It has substituted social experiment as the goal for the Nation's schools rather than education, and in doing so, it has lost sight of the very purpose for which school exist. It ignores the fact that orderly integration already has been accomplished in nearly all schools. Forced busing compounds the problems of education and makes it almost impossible for school heads to return to sound and effective education as the real goal of the schools.

In forced busing the children lose, the schools lose, and the Nation loses. The parents and the school officials are frustrated but they are not helpless. There are ways to get action if the people want it enough. One way is to defeat this bill.

The SPEAKER. The question is on the motion of the gentleman from Illinois that the House suspend the rules and pass the bill, H.R. 2266, as amended.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 135, nays 222, not voting 72, as follows:

[Roll No. 329]

YEAS—135

Abzug	Dwyer	Mitchell
Adams	Edwards, Calif.	Moorhead
Addabbo	Esch	Morse
Anderson, Calif.	Evans, Colo.	Mosher
	Fascell	Moss
Anderson, Ill.	Foley	Nelsen
Annunzio	Ford, Gerald R.	Obey
Ashley	Fraser	O'Konski
Aspin	Frelinghuysen	O'Neill
Badillo	Frenzel	Patten
Begich	Gonzalez	Pepper
Bell	Grasso	Perkins
Bergland	Green, Pa.	Podell
Biester	Gude	Pucinski
Bingham	Hansen, Idaho	Quie
Blatnik	Hansen, Wash.	Railsback
Boggs	Harrington	Rangel
Boland	Hastings	Reid, N.Y.
Bolling	Hathaway	Reuss
Brademas	Hawkins	Riegle
Brasco	Hechler, W. Va.	Rodino
Brooks	Heckler, Mass.	Roncalio
Brown, Ohio	Helstoski	Rooney, Pa.
Burke, Mass.	Hillis	Rosenthal
Burton	Horton	Rostenkowski
Byrne, Pa.	Hosmer	Ryan
Byrnes, Wis.	Howard	Schwengel
Carey, N.Y.	Johnson, Calif.	Seiberling
Carney	Kastenmeier	Sisk
Celler	Koch	Smith, Calif.
Chisholm	Leggett	Staggers
Collins, Ill.	Lujan	Symington
Conable	McClory	Thompson, N.J.
Conte	McCloskey	Thomson, Wis.
Conyers	McCormack	Udall
Corman	McFall	Van Deerlin
Cotter	McKinney	Vanik
Coughlin	Mailliard	Waldie
Culver	Matsunaga	Whalen
Davis, Wis.	Meeds	Wolff
de la Garza	Melcher	Wydler
Dellenback	Metcalfe	Yates
Dellums	Mikva	Yatron
Donohue	Miller, Calif.	Zwach
Dorn	Minish	
Drinan	Mink	

NAYS—222

Abbitt	Ashbrook	Bray
Alexander	Aspinall	Brinkley
Anderson, Tenn.	Baker	Broomfield
	Belcher	Brotzman
Andrews, Ala.	Bennett	Brown, Mich.
Andrews, N. Dak.	Betts	Broyhill, N.C.
	Biaggi	Broyhill, Va.
Archer	Blackburn	Buchanan
Arends	Bow	Burke, Fla.
Burlison, Mo.	Henderson	Preyer, N.C.
Byron	Hicks, Mass.	Price, Tex.
Cabell	Hicks, Wash.	Pryor, Ark.
Camp	Hogan	Purcell
Carter	Hull	Quillen
Casey, Tex.	Hungate	Randall
Cederberg	Hunt	Rarick
Chappell	Hutchinson	Rhodes
Clancy	Ichord	Roberts
Clausen, Don H.	Johnson, Pa.	Robinson, Va.
	Jonas	Roe
Clawson, Del	Jones, Ala.	Rogers
Cleveland	Jones, N.C.	Roush
Collier	Jones, Tenn.	Runnels
Collins, Tex.	Kazen	Ruth
Crane	Keating	St Germain
Daniel, Va.	Kemp	Sarbanes
Davis, Ga.	King	Satterfield
Davis, S.C.	Kluczynski	Scherle
Delaney	Kuykendall	Schmitz
Denholm	Kyl	Schneebeli
Dennis	Kyros	Scott
Devine	Landgrebe	Sebelius
Dickinson	Landrum	Shoup
Dingell	Latta	Shriver
Dowdy	Lennon	Sikes
Downing	Lent	Slack
Dulski	Link	Smith, Iowa
Duncan	Lloyd	Smith, N.Y.
du Pont	Long, Md.	Snyder
Edmondson	McCollister	Spence
Edwards, Ala.	McCulloch	Springer
Erlenborn	McDade	Steed
Eshleman	McDonald, Mich.	Steele
Evins, Tenn.		Steiger, Ariz.
Findley	McKay	Steiger, Wis.
Fisher	McKevitt	Stephens
Flood	McMillan	Stratton
Flowers	Macdonald, Mass.	Stuckey
Flynt		Sullivan
Ford, William D.	Mahon	Taylor
	Mann	Teague, Calif.
Forsythe	Martin	Teague, Tex.
Fountain	Mathis, Ga.	Thompson, Ga.
Frey	Mayne	Thone
Fulton, Tenn.	Mazzoli	Tiernan
Fuqua	Michel	Ullman
Galifianakis	Miller, Ohio	Vander Jagt
Garmatz	Mills, Ark.	Vigorito
Gettys	Mills, Md.	Waggonner
Gibbons	Mizell	Wampler
Goodling	Mollohan	Ware
Gray	Montgomery	White
Green, Oreg.	Murphy, N.Y.	Whitehurst
Griffin	Myers	Widnall
Griffiths	Natcher	Wiggins
Gross	Nedzi	Williams
Grover	Nichols	Wilson, Bob
Gubser	O'Hara	Winn
Hagan	Passman	Wright
Haley	Patman	Wyatt
Hall	Pelly	Wylie
Hamilton	Pettis	Wyman
Hammer-schmidt	Peyser	Young, Fla.
	Pike	Zablocki
Harsha	Poage	Zion
Harvey	Poff	
Hébert	Powell	

NOT VOTING—72

Abernethy	Goldwater	Robison, N.Y.
Abourezk	Halpern	Rooney, N.Y.
Baring	Hanley	Rousselot
Barrett	Hanna	Roy
Bevill	Hays	Roybal
Blanton	Holifield	Ruppe
Burleson, Tex.	Jacobs	Sandman
Caffery	Jarman	Saylor
Chamberlain	Karth	Scheuer
Clark	Kee	Shipley
Clay	Keith	Skubitz
Colmer	Long, La.	Stanton, J. William
Daniels, N.J.	McClure	
Danielson	McEwen	Stanton, James V.
Dent	Madden	
Derwinski	Mathias, Calif.	Stokes
Diggs	Minshall	Stubblefield
Dow	Monagan	Talcott
Eckhardt	Morgan	Terry
Edwards, La.	Murphy, Ill.	Veysey
Eilberg	Nix	Whalley
Fish	Pickle	Whitten
Gallagher	Pirnie	Wilson, Charles H.
Gaydos	Price, Ill.	
Giaimo	Rees	Young, Tex.

So (two-thirds not having voted in favor thereof) the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Charles H. Wilson and Mr. Price of Illinois for, with Mr. Abernethy against.

Mr. Diggs and Mr. Clay for, with Mr. Baring against.
Mr. Monagan and Mr. Pickle for, with Mr. Burleson of Texas against.
Mr. Stokes and Mr. Rees for, with Mr. Eilberg against.
Mr. Barrett and Mr. Abourezk for, with Mr. Blanton against.
Mr. Daniels of New Jersey and Mr. Clark for, with Mr. Bevill against.
Mr. Rooney of New York and Mr. Roybal for, with Mr. Caffery against.
Mr. Nix and Mr. Gallagher for, with Mr. Whitten against.
Mr. Madden and Mr. James V. Stanton for, with Mr. Rousselot against.
Mr. Halpern and Mr. Holifield for, with Mr. Pirnie against.

Until further notice:
Mr. Young of Texas with Mr. Whalley.
Mr. Shipley with Mr. Derwinski.
Mr. Hanley with Mr. Fish.
Mr. Stubblefield with Mr. Chamberlain.
Mr. Hays with Mr. Keith.
Mr. Hanna with Mr. McClure.
Mr. Morgan with Mr. Minshall.
Mr. Murphy of Illinois with Mr. William J. Stanton.
Mr. Scheuer with Mr. McEwen.
Mr. Dow with Mr. Veysey.
Mr. Colmer with Mr. Skubitz.
Mr. Dent with Mr. Talcott.
Mr. Jacobs with Mr. Goldwater.
Mr. Jarman with Mr. Mathias of California.
Mr. Kee with Mr. Robison of New York.
Mr. Karth with Mr. Terry.
Mr. Eckhardt with Mr. Ruppe.
Mr. Giaimo with Mr. Sandman.
Mr. Gaydos with Mr. Saylor.
Mr. Danielson with Mr. Roy.

Mr. DELANEY changed his vote from "yea" to "nay."

Mr. O'KONSKI changed his vote from "nay" to "yea."

Mr. STRATTON changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. PUCINSKI. 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 considered.

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

There was no objection.

CREDIT UNION SHARE INSURANCE AMENDMENTS

Mr. PATMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9961), to provide temporary insurance for the member accounts of certain Federal Credit Unions, and for other purposes, as amended.

The Clerk read as follows:

H.R. 9961

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

SECTION 1. Subsection (d) of section 201 of the Federal Credit Union Act (12 U.S.C. 1781(d)) is amended by striking out "one year" and inserting in lieu thereof "three years".

SEC. 2. Subsection (c) of section 201 of the Federal Credit Union Act (12 U.S.C. 1781 (c)) is amended by adding at the end thereof the following new paragraph:

"(3) With respect to State credit unions which are authorized by State law to receive demand deposits, the Administrator shall approve the application of any such State credit union for insurance of its member accounts if (A) such State credit union otherwise meets the requirements for insurance established under this Act, and (B) in the event of liquidation of such State credit union, the claims with respect to demand deposit accounts shall be subordinate to the claims with respect to member accounts. For purposes of this paragraph and for purposes of determining the extent of insurance coverage under this Act, demand deposit accounts shall not be considered member accounts and shall not be insured under the provisions of this Act."

SEC. 3. Section 208(a)(2) of the Federal Credit Union Act (12 U.S.C. 1788(a)(2)) is amended by—

(1) striking out "assumption of its liability by another insured credit union" and inserting in lieu thereof "assumption of its liability by another person";

(2) striking out "may guarantee any other insured credit union against loss by reason of its" and inserting in lieu thereof "may guarantee any person against loss by reason of his"; and

(3) adding at the end thereof the following new sentence: "For purposes of this paragraph, the term 'person' means any credit union, individual, partnership, corporation, trust, estate, cooperative, association, government or governmental subdivision or agency, or other entity."

The SPEAKER. Is a second demanded?

Mr. WIDNALL. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, H.R. 9961 was originally considered by this body under suspension of the rules earlier this month, but failed by a slim margin to gain the necessary two-thirds vote for passage. In order to make certain that this much needed legislation is enacted this year, the bill has been put back on the Suspension Calendar with an amendment that will eliminate the objection raised by those who voted against this legislation when it was first on the House floor.

As reported from the committee, the bill would have granted temporary insurance for 2 years for Federal credit unions whose insurance applications had been denied by the National Credit Union Administration. It was felt by some Members that the automatic granting of such insurance might cause a financial hardship on the insurance fund and therefore, opposed the legislation.

In the amended version of the legislation, which is before the House today, the automatic insurance provision has been removed. In its place, an extension of the time limit for securing the insurance has been inserted. This is the version of the legislation that was reported overwhelmingly by the Bank Supervision and Insurance Subcommittee.

Under the original share insurance legislation passed in the 91st Congress, Federal credit unions whose insurance applications were denied were given 1 year to obtain such insurance or be forced into liquidation. It was estimated at that time that only a few hundred credit unions would not meet the insurance requirements. However, as a result of what I consider unnecessarily harsh administrative guidelines set down by the National Credit Union Administration, some 1,400 credit unions have been rejected for insurance, and unless the deadline for such insurance is extended, the liquidation of these credit unions will begin early next year.

The amended version of H.R. 9961 would extend from 1 to 3 years the period within which a Federal credit union would have to meet the insurance requirements. The credit union would not be insured during this period but would be allowed to continue its operations.

Mr. Speaker, I know of no objection to the bill in its present form. Certainly, no one wants to see a credit union put out of business because it could not meet an administrative guideline. The legislation in this form has been discussed on a bipartisan basis, and no one has raised an objection. There are two other sections of H.R. 9961 and they are identical to the bill that was originally brought up under the Suspension Calendar.

Section 2 of the legislation clarifies the authority of the administrator of the National Credit Union Adminstration to insure State-chartered credit unions who accept demand deposits.

Last year, the State of Rhode Island enacted legislation that would allow State chartered credit unions to accept demand deposits. The National Credit Union Administration ruled that it did not have the authority to insure such deposits. Following this, Rhode Island Legislature passed a new bill that permitted the Rhode Island credit unions to have demand deposits but did not require that they be insured. Still, the National Credit Union Administration refused to insure share accounts in Rhode Island credit unions excepting demand deposits.

Under section 2 of H.R. 9961 the National Credit Union Administration must insure a State-chartered credit union accepting demand deposits if it meets all of the criteria set down by the act. In short, the Administrator cannot deny the insurance solely because the credit union accepts demand deposits. As a further condition, the legislation makes it clear that the demand deposits of such a credit union will not be insured, and, in order to obtain the insurance the claims of the demand depositors must be subordinated to the claims of the shareholders in the event of a liquidation.

Let me make it clear that this section in no way authorizes Federal credit unions to accept demand deposits, nor is it designed to encourage or discourage State credit unions from gaining demand deposits authority. At the present time, only one State, Rhode Island, authorizes credit unions to accept demand deposits, and this was done only after a similar type of authority was granted to other types of thrift institutions. In addition, Rhode Island officials felt that the Federal share insurance law would cover demand deposits. Thus, section 2 of H.R. 9961 is designed to clear up a specific point and does not grant any new authority to either State or Federal credit unions.

Section 3 of the bill gives the Adminis-

trator more authority in liquidating a credit union or trying to shore up a credit union with financial problems.

Under present law, if the Administrator wants to merge an open or closed credit union, his only choice is to do so with another insured credit union. Also, if he wants to guarantee the obligations of a credit union to a third party, that third party can only be an insured credit union.

Under section 3, the Administrator is given a wide choice in electing other financial institutions, government bodies, or even private corporations, both profitmaking and nonprofitmaking for the purposes of guaranteeing to them the payment of obligations originally held by the failing credit union. This is merely permissive legislation and has the support of the National Credit Union Administration.

In closing, let me point out that Congress cannot stand by and let 1,400 credit unions go by the wayside without action. Therefore, it is imperative that this bill be passed as quickly as possible.

Mr. WIDNALL. Mr. Speaker, today there is brought before the House a bill which has caused quite some confusion among the Members. Although I could not support the version of H.R. 9961 that was brought to the floor under suspension 2 weeks ago, I find the provisions of H.R. 9961 brought before the House today to be entirely consistent with the needs and objectives of the credit union movement and its members.

As you will recall, the problem involved is that of some 1,400 Federal credit unions which have been rejected by the National Credit Union Administration as not qualifying for insurance. Under the present law, at the expiration of 1 year from the time of the original rejection, the Administrator must liquidate those credit unions which still do not qualify. Of the 1,400 credit unions affected by these provisions, it is estimated that half will meet the standard before this year has run; and another 350 will be able to come up to snuff given additional time.

There are five general requirements set out in the Federal Credit Union Act, requirements that are used by the Administrator in determining whether or not a given credit union shall become insured. These criteria are:

First, the adequacy of the credit union's reserves;

Second, the soundness of its financial condition and policies;

Third, the fitness of its management;

Fourth, the possibility of undue risk to the fund; and

Fifth, the consistency of its powers and purposes with the promotion of thrift among its members.

Certainly these standards are not unreasonable, and they should be maintained if the insurance program for credit union shares is to be kept on a sound basis. As the House wisely decided 2 weeks ago, insurance should not be provided automatically to those credit unions which are in violation of one or more of these standards.

However, it is equally undesirable that many credit unions be liquidated involuntarily because they are not able to meet a time limit which experience has now proven to be too stringent. Therefore, the provision before us today would extend the period from 1 year to 3 years for a rejected credit union to qualify for insurance. This middle course, between automatic insurance and forced liquidation, has been approved by the National Credit Union Administration as a desirable solution to the problem facing those credit unions whose year for qualification is running out.

I shall not elaborate on sections 2 and 3 other than to mention that there is substantial accord within the committee as well as the credit union community that these two provisions will give needed authority to the Administrator in dealing with State-chartered credit unions and those credit unions which are in need of assistance with their financial problems or in liquidation.

Mr. Speaker, I can wholeheartedly commend to my colleagues H.R. 9961 as it is brought before the House today. I am most hopeful that the expeditious action of the House will encourage the other body to act in a similar manner so that the uncertain future of these credit unions may be resolved promptly and favorably.

Mr. ST GERMAIN. Mr. Speaker, in October of last year Public Law 91–468, passed by Congress on the recommendation of the Banking and Currency Committee, was signed. This law provided mandatory share insurance for Federal credit unions. Such insurance had never before been made available and was considered to be a reward for the excellent safety record of the credit unions in the past years.

Federal credit unions were required to meet certain management and financial standards within 1 year of disapproval by the administrator of an application for insurance or be forced to liquidate. Today, there are roughly 11,000 federally chartered credit unions covered by Federal insurance and some 1,400 that are not covered, or about 11 percent of the total left uncovered. Of these, about 1,100, or 80 percent, have been rejected for share insurance because of insufficient reserves.

In many cases, however, the NCUA has gone beyond the reserve requirements set by Congress and established special reserve requirements. This clearly contradicts the intent of the law and has brought us to the present situation.

H.R. 9961 merely extends from 1 to 3 years the time limit under which Federal credit unions have to obtain the insurance before they would be required to liquidate. They will not be insured during this period, but they will be able to operate and hopefully, correct the administrative deficiencies.

There is an amendment to this bill which I sponsored and should like to explain. In my own State of Rhode Island, the State legislature passed a law which allowed credit unions, upon meeting certain reserve and other requirements, to accept demand deposit accounts. For example, total shares must exceed $1 million. A reserve of 20 percent must be maintained in cash or equivalent against the outstanding checking account balances, and no overdrafts will be allowed. Of great importance is that member shares and deposits, excluding demand deposits, must be insured.

However, General Nickerson refused to insure the savings accounts of over 200,000 Rhode Islanders who are members of State chartered credit unions, because he said the Federal Credit Union Act did not authorize insurance for those demand deposit accounts permissible under State law.

Further, the Administrator refuses such insurance on the grounds that demand deposit accounts will be paid out first in event of liquidation, and the insurance fund will have to pay out to savings depositors. This would place an unfair burden on the fund.

Therefore, I have proposed an amendment which the committee approved to provide insurance for the savings accounts of credit unions of all States who are permitted by State law to accept demand deposit accounts, so long as these savings accounts are placed ahead of the demand deposit accounts in the case of liquidation; moreover, these demand deposits may not be insured with Federal insurance.

Admittedly this is a Rhode Island States rights amendment. It would apply solely to State chartered credit unions and in fact only to Rhode Island, the only such State at present, but in time there will be others. My amendment is for all States present and future.

Mrs. HECKLER of Massachusetts. Mr. Speaker, I am most pleased in the passage in the House today of the credit union share insurance amendments. The approval of this measure will underpin the foundations of the credit union movement in America, all the more a timely need, in this period of uncertain economic growth. As one who played a major role in the establishment of the National Credit Union Administration, I have supported this legislation, realizing its benefits and worth for the many thousands who save in credit unions, and whose deposits, without any possible question, are deserving of insurability. The fine work that the many credit unions located within my 10th Congressional District in Massachusetts, in Fall River, Attleboro, North Attleboro, Taunton, and many other cities do, attests to the success of the credit union movement.

For the Federal credit unions located throughout all of the United States, whose operations and efficiency can progress to the standards of insurability under the provisions of the mandatory share insurance program established within the National Credit Union Administration, this measure we have approved today will allow the time for the credit unions to strengthen themselves, and continue to serve as a vital and needed community service. This measure is equally worthy in that it presents a solution to the difficult problem faced by many credit unions, whose temporary noninsured standing diminishes the incentive necessary to attract added share deposits, thus strengthening itself, to better and more efficiently serve its clientele.

The provision of this measure to amend the Federal credit union legislation so that a period of 2 years, rather than 1, is afforded credit unions now lacking insurability, but coverable, is indeed wise.

The administrator has stated this himself in his testimony before the Banking and Currency Committee, in which appearance he attested to the large number of credit unions which could well qualify for coverage in an extended time period.

It is a pleasure to take cognizance of this forward step in economic service to the many Americans who participate in the credit unions throughout the Nation.

The SPEAKER. The question is on the motion offered by the gentleman from Texas that the House suspend the rules and pass the bill H.R. 9961, as amended.

The question was taken.

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. 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 350, nays 0, not voting 79, as follows:

[Roll No. 330]

YEAS—350

Abbitt	Clancy	Gray
Abzug	Clausen,	Green, Oreg.
Adams	Don H.	Green, Pa.
Addabbo	Clawson, Del	Griffin
Alexander	Cleveland	Gross
Anderson,	Collier	Grover
Calif.	Collins, Ill.	Gubser
Anderson, Ill.	Collins, Tex.	Gude
Anderson,	Conable	Hagan
Tenn.	Conte	Haley
Andrews, Ala.	Conyers	Hall
Andrews,	Corman	Hamilton
N. Dak.	Cotter	Hammer-
Annunzio	Coughlin	schmidt
Archer	Crane	Hansen, Idaho
Arends	Culver	Hansen, Wash.
Ashbrook	Daniel, Va.	Harsha
Ashley	Davis, Ga.	Harvey
Aspin	Davis, S.C.	Hastings
Aspinall	Davis, Wis.	Hathaway
Badillo	de la Garza	Hawkins
Baker	Delaney	Hébert
Begich	Dellenback	Hechler, W. Va.
Belcher	Dellums	Heckler, Mass.
Bell	Denholm	Helstoski
Bennett	Dennis	Henderson
Bergland	Dickinson	Hicks, Mass.
Betts	Donohue	Hicks, Wash.
Biaggi	Dorn	Hillis
Biester	Dowdy	Hogan
Bingham	Downing	Horton
Blackburn	Drinan	Hosmer
Blatnik	Dulski	Howard
Boggs	Duncan	Hull
Boland	du Pont	Hungate
Bolling	Dwyer	Hunt
Bow	Edmondson	Hutchinson
Brademas	Edwards, Ala.	Ichord
Brasco	Edwards, Calif.	Johnson, Calif.
Bray	Erlenborn	Johnson, Pa.
Brinkley	Eshleman	Jonas
Brooks	Evans, Colo.	Jones, Ala.
Broomfield	Fascell	Jones, N.C.
Brotzman	Findley	Jones, Tenn.
Brown, Mich.	Fisher	Kastenmeier
Brown, Ohio	Flood	Kazen
Broyhill, N.C.	Flowers	Keating
Broyhill, Va.	Flynt	Kemp
Buchanan	Ford, Gerald R.	King
Burke, Fla.	Ford,	Kluczynski
Burke, Mass.	William D.	Koch
Burlison, Mo.	Forsythe	Kyl
Burton	Fountain	Kyros
Byrne, Pa.	Fraser	Landgrebe
Byrnes, Wis.	Frelinghuysen	Landrum
Byron	Frenzel	Latta
Cabell	Frey	Leggett
Caffery	Fulton, Tenn.	Lennon
Camp	Fuqua	Lent
Carey, N.Y.	Galifianakis	Link
Carney	Gallagher	Lloyd
Carter	Garmatz	Long, Md.
Casey, Tex.	Gettys	Lujan
Cederberg	Gibbons	McClory
Celler	Gonzalez	McCloskey
Chappell	Goodling	McCollister
Chisholm	Grasso	McCormack
McCulloch	Perkins	Smith, N.Y.
McDade	Pettis	Snyder
McDonald,	Peyser	Spence
Mich.	Pike	Springer
McFall	Poage	Staggers
McKay	Podell	Steed
McKevitt	Poff	Steele
McKinney	Powell	Steiger, Ariz.
McMillan	Preyer, N.C.	Steiger, Wis.
Macdonald,	Price, Tex.	Stephens
Mass.	Pryor, Ark.	Stratton
Mahon	Pucinski	Stuckey
Mailliard	Quillen	Sullivan
Mann	Railsback	Symington
Martin	Randall	Taylor
Mathis, Ga.	Rangel	Teague, Calif.
Matsunaga	Rarick	Teague, Tex.
Mayne	Reid, N.Y.	Thompson, Ga.
Mazzoli	Reuss	Thompson, N.J.
Meeds	Rhodes	Thomson, Wis.
Melcher	Riegle	Thone
Metcalfe	Roberts	Tiernan
Michel	Robinson, Va.	Udall
Mikva	Rodino	Ullman
Miller, Calif.	Roe	Van Deerlin
Miller, Ohio	Rogers	Vander Jagt
Mills, Ark.	Roncalio	Vanik
Mills, Md.	Rooney, Pa.	Vigorito
Minish	Rosenthal	Waggonner
Mink	Rostenkowski	Waldie
Mitchell	Roush	Wampler
Mizell	Runnels	Ware
Mollohan	Ruppe	Whalen
Montgomery	Ruth	White
Moorhead	Ryan	Whitehurst
Morse	St Germain	Widnall
Mosher	Sarbanes	Wiggins
Moss	Satterfield	Williams
Murphy, N.Y.	Scherle	Winn
Myers	Scheuer	Wolff
Natcher	Schmitz	Wright
Nedzi	Schneebeli	Wyatt
Nelsen	Schwengel	Wydler
Nichols	Scott	Wylie
Obey	Sebelius	Wyman
O'Hara	Seiberling	Yates
O'Konski	Shoup	Yatron
O'Neill	Shriver	Young, Fla.
Passman	Sikes	Zablocki
Patman	Sisk	Zion
Patten	Slack	Zwach
Pelly	Smith, Calif.	
Pepper	Smith, Iowa	

NAYS—0

NOT VOTING—79

Abernethy	Goldwater	Quie
Abourezk	Griffiths	Rees
Baring	Halpern	Robison, N.Y.
Barrett	Hanley	Rooney, N.Y.
Bevill	Hanna	Rousselot
Blanton	Harrington	Roy
Burleson, Tex.	Hays	Roybal
Chamberlain	Holifield	Sandman
Clark	Jacobs	Saylor
Clay	Jarman	Shipley
Colmer	Karth	Skubitz
Daniels, N.J.	Kee	Stanton,
Danielson	Keith	J. William
Dent	Kuykendall	Stanton,
Derwinski	Long, La.	James V.
Devine	McClure	Stokes
Diggs	McEwen	Stubblefield
Dingell	Madden	Talcott
Dow	Mathias, Calif.	Terry
Eckhardt	Minshall	Veysey
Edwards, La.	Monagan	Whalley
Eilberg	Morgan	Whitten
Esch	Murphy, Ill.	Wilson, Bob
Evins, Tenn.	Nix	Wilson,
Fish	Pickle	Charles H.
Foley	Pirnie	Young, Tex.
Gaydos	Price, Ill.	
Giaimo	Purcell	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Price of Illinois with Mr. McClure.
Mr. Abernethy with Mr. Keith.
Mr. James V. Stanton with Mr. McEwen.
Mr. Hays with Mr. William J. Stanton.
Mr. Blanton with Mr. Chamberlain.
Mr. Daniels of New Jersey with Mr. Pirnie.
Mr. Dent with Mr. Sandman.
Mr. Madden with Mr. Minshall.
Mr. Barrett with Mr. Saylor.
Mr. Abourezk with Mr. Veysey.
Mr. Hanley with Mr. Fish.
Mr. Shipley with Mr. Skubitz.
Mr. Bevill with Mr. Terry.
Mr. Eilberg with Mr. Whalley.
Mr. Gaydos with Mr. Dow.
Mr. Giaimo with Mr. Robison of New York.
Mr. Rooney of New York with Mr. Halpern.
Mr. Hanna with Mr. Goldwater.
Mr. Holifield with Mr. Mathias of California.
Mr. Karth with Mr. Eckhardt.
Mr. Kee with Mr. Murphy of Illinois.
Mr. Charles H. Wilson with Mr. Rousselot.
Mr. Whitten with Mr. Monagan.
Mr. Young of Texas with Mr. Morgan.
Mr. Stubblefield with Mr. Roy.
Mr. Baring with Mr. Stokes.
Mr. Pickle with Mr. Nix.
Mr. Rees with Mr. Talcott.
Mr. Diggs with Mr. Derwinski.
Mr. Roybal with Mr. Evins of Tennessee.
Mr. Jacobs with Mr. Esch.
Mr. Jarman with Mr. Kuykendall.
Mr. Burleson of Texas with Mr. Quie.
Mr. Clark with Mr. Clay.
Mr. Colmer with Mr. Devine.
Mr. Danielson with Mr. Bob Wilson.
Mr. Foley with Mrs. Griffiths.
Mr. Purcell with Mr. Harrington.

Mr. ANDREWS of Alabama changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The title was amended so as to read "To provide Federal credit unions with 2 additional years to meet the requirements for insurance, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have the privilege preceding the vote of extending their remarks and including related extraneous matter.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

NARCOTIC TREATMENT IN CORRECTIONAL INSTITUTIONS

Mr. EDWARDS of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8389) to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide for the development and operation of treatment programs for certain drug abusers who are confined to or released from correctional institutions and facilities, as amended.

The Clerk read as follows:

H.R. 8389

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 453 of title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended by redesignating paragraph (9) as paragraph (10), by striking out "and" at the end of paragraph (8), and by inserting immediately after paragraph (8) the following new paragraph:

"(9) provides necessary arrangements for the development and operation of narcotic treatment programs in correctional institutions and facilities and in connection with probation and other supervisory release programs for all persons, incarcerated and on parole, who are drug addicts and or drug abusers; and".

(b) Section 454 of title I of such Act is amended by adding at the end thereof the following new paragraph:

"In addition, the Administrator shall issue such regulations as may be necessary con-

cerning the standards that shall be met by drug treatment programs in State and local prisons and those to which persons on parole are assigned."

(e) The amendment made by this Act shall take effect with respect to the comprehensive State plans filed with the Law Enforcement Assistance Administration on and after January 1, 1972.

The SPEAKER. Is a second demanded?

Mr. WIGGINS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

(Mr. EDWARDS of California asked and was given permission to extend his remarks at this point.)

Mr. EDWARDS of California. Mr. Speaker, H.R. 8389 provides that States, in order to get funds from the Law Enforcement Assistance Administration for correctional institutions and facilities under the Omnibus Crime Control and Safe Streets Act of 1968, include in their comprehensive State plans "necessary arrangements for the development and operation of narcotic treatment programs in correctional institutions and facilities and in connection with probation and other supervisory release programs for all persons, incarcerated and on parole, who are drug addicts and drug abusers."

Under the Omnibus Crime Control and Safe Streets Act of 1968, States that wish to participate in grants for law enforcement purposes which are administered by the Law Enforcement Assistance Administration must establish a State planning agency and submit a comprehensive State plan to the Law Enforcement Assistance Administration. The act (18 U.S.C., sec. 3733) sets forth specific requirements for inclusion in the State comprehensive plan.

In 1970 the act was amended to provide for grants through LEAA for correctional institutions and facilities. States who desire grants for this purpose must incorporate in their comprehensive plans an application containing eight specific requirements:

First, that the plan set forth a comprehensive statewide program for the construction, acquisition, or renovation of correctional institutions and facilities in the State and the improvement of correctional programs and policies throughout the State;

Second, that it contain satisfactory assurances that grants received for correctional institutions and facilities will be administered by and for the purposes of a public agency;

Third, the plan must provide satisfactory assurances that funds received specifically for correctional institutions and facilities will not result in a decrease of funds which the State would otherwise apply to such facilities from its grants received for general law enforcement purposes from the Law Enforcement Assistance Administration;

Fourth, the plan must place satisfactory emphasis on the development and operation of community-based correctional facilities and programs, including halfway houses, diagnostic services, probation, and other supervisory release programs;

Fifth, it must propose advanced techniques in the design of correctional institutions and facilities;

Sixth, it must propose, where feasible, the sharing of correctional facilities on a regional basis;

Seventh, the plan must provide satisfactory assurance that personnel standards of correctional institutions and facilities reflect advanced practices;

Eighth, the plan must show that the State is engaging in projects and programs to improve the recruiting, organization, training, and education of personnel employed in correctional activities; and

Ninth, the State plan for correctional institutions must comply with the general requirements set forth for the comprehensive State plan required for eligibility for grants from the Law Enforcement Assistance Administration.

The Koch bill—H.R. 8389—adds a ninth requirement—that the application incorporated the State comprehensive plan provide for adequate drug treatment programs for prisoners and parolees in the State corrections system.

H.R. 8389 as originally submitted further amends the Omnibus Crime Control Act of 1970, by providing that the Attorney General shall issue regulations governing the standards to be met by drug treatment programs established in State and local prisons and for addicted persons on parole. Under the act as presently written, the Law Enforcement Assistance Administration, after consultation with the Federal Bureau of Prisons, prescribes regulations governing the correctional programs and facilities which qualify for LEAA grants.

The Judiciary Committee has amended H.R. 8389 to conform it to the existing law. It was decided that the regulations governing drug treatment programs in the correctional system should spring from the same authority as regulations governing other correctional programs covered under the act.

Mr. Speaker, grants for correctional institutions and facilities are authorized as a result of the Omnibus Crime Control and Safe Streets Act Amendments of 1970, which added a new subpart specifically relating to such grants.

The Congress provided a supplemental appropriation of $47.5 million for grants for correctional institutions and facilities for fiscal year 1971. Under the act, as amended, 50 percent of these funds were to be made available for grants to State planning agencies and 50 percent were to be made available for distribution within the discretion of LEAA. Congress has appropriated $97.5 million for grants for correctional institutions in fiscal 1972.

Under the amended act—section 7(8) of Public Law 91-644—it is provided that the money appropriated for grants to correctional institutions and facilities be at least 20 percent of the money appropriated for grants for law enforcement purposes. Thus if the Congress appropriates $400 million to LEAA for grants for law enforcement purposes, it is required that at least $80 million be appropriated for grants for correctional institutions and facilities.

Mr. Speaker, H.R. 8389 will be of considerable assistance in combating narcotics addiction, one of the most serious problems with which our country is faced. I urge that we give this measure our full approval today.

In concluding, Mr. Speaker, I want to commend my colleagues and good friend Representative KOCH for initiating and drafting this legislation. Representative KOCH is one of our Nation's foremost authorities on the subjects of both narcotics addiction and penal reform. He testified eloquently before our committee and we all owe him a debt of gratitude for his wisdom and foresight in fashioning this proposal.

(Mr. WIGGINS asked and was given permission to extend his remarks at this point in the RECORD).

Mr. WIGGINS. Mr. Speaker, I urge the House today to take a relatively simple but potentially very significant step in dealing with the problem of drug addiction and abuse which has spread across our land so alarmingly in recent years, by enacting H.R. 8389.

The purpose of this legislation is to require each State which applies for special part E grants for correctional institutions and facilities under the block grant program administered by the Law Enforcement Assistance Administration to include in the application accompanying the annual comprehensive State plan, and as a prerequisite to that State's receipt of such a grant, a statement of the State's provision for the necessary arrangements for the development and operation of narcotic treatment programs for inmates of the State's correctional institutions, probation and parolees who are either drug addicts or drug abusers.

In other words, by passing this bill the Congress would be saying that special grants for correctional purposes cannot be made to States which fail to make adequate provision for the treatment of drug addicts and drug abusers who have been placed in the actual or constructive custody of the State through involvement in the criminal process. I believe that this is a perfectly appropriate and justifiable string for the Congress to attach to the Federal funds being disbursed by LEAA under this particular grant program, for it serves to spotlight the belief and intent of Congress that efforts toward the rehabilitation of drug addicts and drug abusers among the prisoners, probationers, and parolees of the several States should be an integral part of the nationwide attack upon the drug problem.

The Federal Government must emphasize and encourage this type of effort through its own example, where persons under Federal custody or restraint are concerned, and through restrictions on Federal funding grants, such as that contained in this bill, where Federal aid to State and local efforts regarding their own prisoners is concerned.

Under section (b) of the bill, the Administrator of LEAA is directed and empowered to prescribe the standards to be met by State and local drug addiction and drug abuse treatment programs and proposals in order for a State to be able to file an application for a subchapter IV-A grant which complies with the re-

quirements imposed by section (a) of this bill.

Mr. Speaker, I join with my good friend, the distinguished chairman of the subcommittee which initially considered this legislation (Mr. EDWARDS) in asking for favorable House action on this bill today.

Mr. BROOMFIELD. Mr. Speaker, drug addiction has proven to be a most persistent and frustrating problem in our society. There are over 40,000 known heroin users, a mere fraction of an estimated 300,000 addicts. More than any other disease, drug addiction reaches out to affect each and every citizen. It is reflected in the wasted lives of those who subsist on heroin, their families, and most of all our rising crime rates which subsidize the tremendous cost of this terrible drug.

These two bills, H.R. 8389 and H.R. 9323, work in conjunction to facilitate and expand the treatment of this perplexing social ill.

Mr. Speaker, the causes of drug abuse are multidimensional. As such, we know that our response to it, if it is to be successful, must recognize each ingredient of its cause. Treating drug addiction as a criminal problem will never completely eradicate this horrible habit. To achieve complete success, it is imperative that we also treat addiction as a medical problem.

These bills realize that fact and open the way for Federal assistance to State correctional systems that develop programs of drug rehabilitation. Faced with inadequate funds and a minimum of trained medical personnel, State prisons have not been able to respond properly to the growing number of inmates that are addicts. Second, the use of methadone, a noneuphoric drug which blocks the craving for heroin, would be allowed as proper treatment under the Narcotic Rehabilitation Act. Of course, since this is only a control type drug as opposed to a cure, its use would be authorized only as a last resort and at the direction of medical authorities.

In conclusion, Mr. Speaker, these measures represent a significant step forward in the battle against drug abuse. They operate to bring vital aid to the afflicted addicts and add another weapon, in the form of methadone, which doctors can employ as they try to bring these people back on the road to recovery.

Mr. KOCH. Mr. Speaker, as the original sponsor of the bill we are considering, I rise to say that this is a simple measure but one that should go a long way in encouraging States and localities to provide drug treatment programs that are so needed in their prisons. H.R. 8389 is designed to provide the basis for tackling one of the principal causes of crime in our cities: drug addiction.

In 1970 the Omnibus Crime Control Act was amended to establish a program for the improvement of State and local correctional facilities. Under this law grants for the upgrading of correctional facilities are made upon the submission and approval of a plan, meeting certain minimum requirements, by a State. H.R. 8389 adds a new requirement—that States make necessary provisions for the establishment and development of narcotic treatment programs in their correctional facilities and in their probationary and parole programs.

In the city I come from, New York, 50 percent of the street crime is attributable to drug addiction—perpetrated by addicts needing money to support their habits. And yet, little is being done in our prisons to treat this identifiable cause of crime. Offenders are brought into the jails and generally detoxified. But, then they are left to sit in their cells without treatment for the drug problem which in most cases was the core of their crime problem. Consequently, when they are released from prison, most immediately return to their drug and criminal habits.

An addict or drug abuser when imprisoned is easily identified, isolated and available for regular treatment. It is tragic that we are wasting this opportunity to provide such men and women treatment, particularly when most have so little else to do to fill their time.

It is estimated that of the 300,000 heroin addicts in the United States, only 40,000 are being treated. This lack of treatment is in great part due to cost, particularly when the addict must be institutionalized. With an imprisoned addict, we are already paying the institutional costs. The additional investment should be made to provide these people with therapy.

On January 30, 1970, I visited the Manhattan House of Detention for Men commonly referred to as the "Tombs." This prison is under the jurisdiction of the New York City Commissioner of Corrections. Subsequent to my first visit to the Tombs, I distributed a questionnaire among the 1,750 men incarcerated; 907 prisoners responded to the questionnaire and returned them in sealed envelopes. Of these responding, 38 percent said that they were on drugs upon entering the Tombs. In the past year this percentage has increased, with some estimates going as high as 80 percent, as the city's drug problem has become more acute.

If we are really intent on dealing with the problem of street crime, making us prisoners in our very homes, we must start by treating the drug addict now in prison. After all, the purpose of prison is not merely punitive; indeed, even more important is its function of rehabilitating the prisoner so as to make him a contributor to society instead of a recidivist. In the case of the imprisoned drug addict, this can only be done if his drug problem is dealt with.

To suggest the dimensions of the drug problem and the costs it is placing on the community today, one can look at the situation in one hotel in my congressional district that houses some 750 former convicts, many of whom are now living on welfare. It was estimated by the community planning board that approximately 400 of these people are drug addicts who received no therapy in prison and whose habits now cost an average of $50 a day per individual.

This means that $7 million a year must be raised by the drug addicts in this single hotel; and because stolen goods are fenced at approximately 20 percent of their value, this necessitates some $35 million worth of goods being stolen annually; $35 million a year for just 400 addicts—one can begin to understand the magnitude of the cost for 200,000 addicts.

There are some addicts who will respond to medical and psychiatric therapy and completely kick the habit. There are others who need methadone as a substitute for the rest of their lives. Everyone acknowledges that no one has the answer to drug addiction, but we must at least employ whatever methods are now known, recognizing their inadequacy. The prisoner drug addict needs help after he leaves prison. Some need the security of halfway houses—but all need help with their drug problem while in prison. We must provide that help and the options for continued treatment after a prisoner leaves the correctional facility.

I urge the passage of this bill. It provides a mechanism through which we can come to grips with this major problem of drug addiction that has reached epidemic proportions and is undermining strength of our society.

Mr. RARICK. Mr. Speaker, the bill H.R. 8389, amends the Omnibus Crime Control and Safe Streets Act of 1968 to provide for the development and operation of treatment programs for certain drug abusers confined to or released from correctional institutions and facilities and directs the LEAA administrator to issue necessary regulations concerning the standards to be met by programs in State and local prisons and those to which persons on parole are assigned.

My main objection to this amendment is on constitutional grounds as was my reason for opposing the 1970 amendments and the basic legislation of 1968. No where in the constitutional contract is the Federal Government delegated the power to control or regulate State or local police, prisons, or jails.

In fact, article IV, section 4 stipulates that the Federal Government shall protect each of the States against domestic violence but only on application of the legislature or the executive when the legislature cannot be convened. By no stretch of the imagination can this provision be logically interpreted to allow the Federal Government to set standards which States must meet in programs to rehabilitate drug addicts among prisoners or parolees. According to the 10th amendment, the regulation of State prisons and local jails is reserved to the States and the people thereof.

Another objection to the amendment is predicated on lessons learned from past experience with Federal grants. As surely as night follows day, Federal control will follow Federal grants. As Federal aid increases to State and local law enforcement agencies, the Federal influence in the area of local law enforcement and prisons will evolve into Federal controls. At the end of that road are the instruments for total control that all police states require—a national police force and a national prison system.

I am aware that drug addicts require treatment and that a humane society should help those unfortunate persons who are unable to care for themselves. But the problem should be solved at the State and local levels according to their standards and their regulations. I believe the people in my State of Louisiana, have more understanding of their problems

and just as much intelligence to handle this drug crisis as do the bureaucrats in Washington. In many instances they have shown more commonsense.

For the reasons given, I must cast my people's vote in opposition to H.R. 8389.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. EDWARDS) that the House suspend the rules and pass the bill H.R. 8389, is amended.

The question was taken.

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 350, nays 2, not voting 77, as follows:

[Roll No. 331]

YEAS—350

Abbitt	Collier	Gubser
Abzug	Collins, Ill.	Gude
Adams	Conable	Hagan
Addabbo	Conte	Haley
Alexander	Conyers	Hall
Anderson, Calif.	Corman	Hamilton
	Cotter	Hammer-schmidt
Anderson, Ill.	Coughlin	
Anderson, Tenn.	Crane	Hansen, Idaho
	Culver	Hansen, Wash.
Andrews, Ala.	Daniel, Va.	Harrington
Andrews, N. Dak.	Davis, Ga.	Harsha
	Davis, S.C.	Harvey
Annunzio	Davis, Wis.	Hathaway
Archer	de la Garza	Hébert
Arends	Delaney	Hechler, W. Va.
Ashbrook	Dellenback	Helstoski
Ashley	Dellums	Henderson
Aspin	Denholm	Hicks, Mass.
Aspinall	Dennis	Hicks, Wash.
Badillo	Devine	Hillis
Baker	Dickinson	Hogan
Begich	Dingell	Horton
Belcher	Donohue	Hosmer
Bell	Dorn	Howard
Bennett	Dowdy	Hull
Bergland	Downing	Hungate
Betts	Drinan	Hunt
Biaggi	Dulski	Hutchinson
Biester	Duncan	Ichord
Bingham	du Pont	Johnson, Calif.
Blackburn	Dwyer	Johnson, Pa.
Blatnik	Edmondson	Jonas
Boggs	Edwards, Ala.	Jones, Ala.
Boland	Edwards, Calif.	Jones, N.C.
Bolling	Erlenborn	Jones, Tenn.
Bow	Esch	Kastenmeier
Brademas	Eshleman	Kazen
Brasco	Evans, Colo.	Keating
Bray	Fascell	Kemp
Brinkley	Findley	King
Brooks	Fisher	Kluczynski
Broomfield	Flood	Koch
Brotzman	Flowers	Kuykendall
Brown, Mich.	Flynt	Kyl
Brown, Ohio	Foley	Kyros
Broyhill, N.C.	Ford, Gerald R.	Landgrebe
Broyhill, Va.	Ford, William D.	Landrum
Buchanan		Latta
Burke, Fla.	Forsythe	Leggett
Burke, Mass.	Fountain	Lennon
Burlison, Mo.	Fraser	Lent
Burton	Frelinghuysen	Link
Byrne, Pa.	Frenzel	Lloyd
Byrnes, Wis.	Frey	Long, Md.
Byron	Fulton, Tenn.	Lujan
Cabell	Fuqua	McClory
Caffery	Galifianakis	McCloskey
Camp	Gallagher	McCollister
Carey, N.Y.	Garmatz	McCormack
Carney	Gettys	McCulloch
Carter	Gonzalez	McDade
Casey, Tex.	Goodling	McDonald, Mich.
Cederberg	Grasso	
Celler	Gray	McFall
Chisholm	Green, Oreg.	McKay
Clancy	Green, Pa.	McKevitt
Clausen, Don H.	Griffin	McKinney
	Griffiths	McMillan
Clawson, Del	Gross	Macdonald, Mass.
Cleveland	Grover	
Mahon	Preyer, N.C.	Steed
Mailliard	Price, Tex.	Steele
Mann	Pryor, Ark.	Steiger, Ariz.
Martin	Pucinski	Steiger, Wis.
Mathis, Ga.	Purcell	Stephens
Matsunaga	Quie	Stratton
Mayne	Quillen	Stuckey
Mazzoli	Railsback	Sullivan
Melcher	Randall	Symington
Metcalfe	Rangel	Taylor
Meeds	Reid, N.Y.	Teague, Calif.
Michel	Reuss	Teague, Tex.
Mikva	Rhodes	Thompson, Ga.
Miller, Ohio	Riegle	Thompson, N.J.
Mills, Ark.	Roberts	Thomson, Wis.
Mills, Md.	Robinson, Va.	Thone
Minish	Rodino	Tiernan
Mink	Roe	Udall
Mitchell	Rogers	Ullman
Mizell	Roncalio	Van Deerlin
Mollohan	Rooney, Pa.	Vander Jagt
Montgomery	Rosenthal	Vanik
Moorhead	Rostenkowski	Vigorito
Morse	Roush	Waggonner
Mosher	Runnels	Waldie
Moss	Ruppe	Wampler
Murphy, N.Y.	Ruth	Ware
Myers	Ryan	Whalen
Natcher	St Germain	White
Nedzi	Sarbanes	Whitehurst
Nelsen	Satterfield	Widnall
Nichols	Scherle	Wiggins
Obey	Scheuer	Williams
O'Hara	Schneebeli	Wilson, Bob
O'Konski	Schwengel	Winn
O'Neill	Scott	Wolff
Passman	Sebelius	Wright
Patman	Shoup	Wyatt
Patten	Shriver	Wydler
Pelly	Sikes	Wylie
Pepper	Sisk	Wyman
Perkins	Slack	Yates
Pettis	Smith, Calif.	Yatron
Peyser	Smith, Iowa	Young, Fla.
Pike	Smith, N.Y.	Zablocki
Poage	Snyder	Zion
Podell	Spence	Zwach
Poff	Springer	
Powell	Staggers	

NAYS—2

Rarick	Schmitz

NOT VOTING—77

Abernethy	Goldwater	Price, Ill.
Abourezk	Halpern	Rees
Baring	Hanley	Robison, N.Y.
Barrett	Hanna	Rooney, N.Y.
Bevill	Hastings	Rousselot
Blanton	Hawkins	Roy
Burleson, Tex.	Hays	Roybal
Chamberlain	Heckler, Mass.	Sandman
Chappell	Holifield	Saylor
Clark	Jacobs	Seiberling
Clay	Jarman	Shipley
Collins, Tex.	Karth	Skubitz
Colmer	Kee	Stanton, J. William
Daniels, N.J.	Keith	
Danielson	Long, La.	Stanton, James V.
Dent	McClure	
Derwinski	McEwen	Stokes
Diggs	Madden	Stubblefield
Dow	Mathias, Calif.	Talcott
Eckhardt	Miller, Calif.	Terry
Edwards, La.	Minshall	Veysey
Eilberg	Monagan	Whalley
Evins, Tenn.	Morgan	Whitten
Fish	Murphy, Ill.	Wilson, Charles H.
Gaydos	Nix	
Gialmo	Pickle	Young, Tex.
Gibbons	Pirnie	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Price of Illinois with Mr. McClure.
Mr. Abernethy with Mr. Keith.
Mr. James V. Stanton with Mr. McEwen.
Mr. Hays with Mr. J. William Stanton.
Mr. Blanton with Mr. Chamberlain.
Mr. Daniels of New Jersey with Mr. Pirnie.
Mr. Dent with Mr. Sandman.
Mr. Madden with Mr. Minshall.
Mr. Barrett with Mr. Saylor.
Mr. Abourezk with Mr. Veysey.
Mr. Hanley with Mr. Fish.
Mr. Shipley with Mr. Skubitz.
Mr. Bevill with Mr. Terry.
Mr. Eilberg with Mr. Whalley.
Mr. Gaydos with Mr. Dow.
Mr. Gialmo with Mr. Robison of New York.
Mr. Rooney of New York with Mr. Halpern.
Mr. Hanna with Mr. Goldwater.
Mr. Holifield with Mr. Mathias of California.
Mr. Karth with Mr. Eckhardt.
Mr. Kee with Mr. Murphy of Illinois.
Mr. Charles H. Wilson with Mr. Rousselot.
Mr. Whitten with Mr. Monagan.
Mr. Young of Texas with Mr. Morgan.
Mr. Stubblefield with Mr. Roy.
Mr. Baring with Mr. Stokes.
Mr. Pickle with Mr. Nix.
Mr. Rees with Mr. Talcott.
Mr. Diggs with Mr. Derwinski.
Mr. Roybal with Mr. Evins of Tennessee.
Mr. Jacobs with Mrs. Heckler of Massachusetts.
Mr. Jarman with Mr. Collins of Texas.
Mr. Burleson of Texas with Mr. Hastings.
Mr. Clark with Mr. Clay.
Mr. Colmer with Mr. Chappell.
Mr. Danielson with Mr. Seiberling.
Mr. Miller of California with Mr. Gibbons.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks prior to the vote on the bill just passed.

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

There was no objection.

TEMPORARY ASSIGNMENT OF MAGISTRATES

Mr. EDWARDS of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9180) to provide for the temporary assignment of a U.S. magistrate from one judicial district to another.

The Clerk read as follows:

H.R. 9180

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 636 of title 28, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) In an emergency and upon the concurrence of the chief judges of the districts involved, a United States magistrate may be temporarily assigned to perform any of the duties specified in subsection (a) or (b) of this section in a judicial district other than the judicial district for which he has been appointed. No magistrate shall perform any of such duties in a district to which he has been temporarily assigned until an order has been issued by the chief judge of such district specifying (1) the emergency by reason of which he has been transferred, (2) the duration of his assignment, and (3) the duties which he is authorized to perform. A magistrate so assigned shall not be entitled to additional compensation but shall be reimbursed for actual and necessary expenses incurred in the performance of his duties in accordance with section 635."

SEC. 2. The section heading of section 636 of title 28, United States Code, is amended to read as follows:

"§ 636. Jurisdiction, powers, and temporary assignment."

SEC. 3. The item relating to section 636 in the section analysis of chapter 43 of title 28,

United States Code, is amended to read as follows:

"636. Jurisdiction, powers, and temporary assignment.".

The SPEAKER. Is a second demanded?

Mr. WIGGINS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. EDWARDS of California. Mr. Speaker, the bill H.R. 9180 would authorize temporary assignment of magistrates from one district to another "in an emergency and upon the concurrence of the chief judges of the districts involved." Under present law a U.S. magistrate is authorized to perform official duties only within the territorial jurisdiction to which he is appointed (28 U.S.C. 636). He may not be assigned temporarily to another district.

A magistrate assigned temporarily to another district would not receive extra compensation, but would be reimbursed for expenses incurred in the performance of his duties.

As the Judicial Conference, the Department of Justice, and several magistrates pointed out at our hearing, the transfer provision would provide great flexibility to the magistrate system. Cited particularly in our hearings were metropolitan areas such as New York City-northern New Jersey, Philadelphia-Camden, N.J., Kansas City, Mo.-Kansas City, Kans. where under present law there can be no assistance given from one city to the other because of State and judicial boundaries involved. Under the proposed bill, magistrates could be assigned to cover for each other in the event of an emergency situation, or the temporary illness or absence from his official duty station of one of the magistrates in the other district.

The wise policy of providing flexibility for the court system to handle a sudden influx of cases in one jurisdiction or court is presently codified in 28 U.S.C. 297, which permits the temporary assignment of district judges from one district to another, and the temporary assignment of judges from the U.S. district court for the District of Columbia to the Superior Court of the District of Columbia.

Mr. Speaker, H.R. 9180 is a measure which will both improve the administration of justice in the Federal court system as well as result in a net financial savings for the Federal Government. It is a measure which fully warrants the approval of this body today.

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

Mr. EDWARDS of California. I yield to the gentleman.

Mr. GROSS. Does this mean that magistrates might be transferred or moved from New York City to Louisiana; to other such distant points—or anywhere in the country?

Mr. EDWARDS of California. From a practical standpoint that probably would not happen. It would only take place where it would be convenient, and it would have to have the concurrence of the chief judges of each district. I would imagine that the chief judge in Louisiana would make an arrangement with the chief judge from an adjoining district close to Louisiana and not one in New York.

Mr. GROSS. But the gentleman is not saying there is anything in the bill that would prevent that kind of movement of magistrates back and forth across the country? He has not said that; has he?

Mr. EDWARDS of California. Only good sense would prevent it and I just do not think that it would happen.

Mr. GROSS. The judges as a rule, I suppose, have good sense, but they might be swayed by other considerations. I assume that this could take place in the event of a need where vacations are being taken; is that correct? And how about judges who like to get out on the golf course early in the day or for a longer period of time?

Mr. EDWARDS of California. I would point out to the gentleman from Iowa that on page 1 of the bill, line 5, it is provided that:

In an emergency and upon the concurrence of the chief judges of the districts involved, a United States magistrate may be temporarily assigned * * *

Mr. GROSS. Of course, it could be construed that there was an emergency to get a golf game or a vacation started early.

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

Mr. EDWARDS of California. I yield to the gentleman.

Mr. WIGGINS. Mr. Speaker, I would like to answer or attempt to answer the proper concern of the gentleman from Iowa.

The order as to the transfer must also state and specify the nature of the emergency which justifies the transfer.

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

Mr. EDWARDS of California. I yield to the gentleman.

Mr. GROSS. Mr. Speaker, I want to thank the gentleman for yielding in the first instance.

I want to thank the gentleman for taking a couple or 3 minutes to explain this bill.

There should have been questions asked and answered concerning the preceding bill that just passed as to what encouragement there was in that bill—encouragement upon the States to do certain things and how that encouragement works. Again, I want to thank the gentleman for taking a couple of minutes to explain some of the provisions of this bill.

Mr. EDWARDS of California. I would point out that we did have the report available 3 days in advance and I am sure the gentleman from Iowa with his usual scholarly bent would have read the report.

Mr. WIGGINS. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I rise in support of the bill H.R. 9180, to authorize the temporary assignment of U.S. magistrates from one judicial district to another.

In my view, this bill corrects an unfortunate omission from the original Federal Magistrates Act passed in 1968. Quite simply, the bill would authorize the temporary transfer of otherwise duly appointed Federal magistrates to perform specified magisterial duties to districts wherein a special need for additional judicial manpower has arisen from districts wherein such need is not at that time so pressing.

At the hearings held on the bill in September, no opposition was expressed toward its provisions, and both the Judicial Conference of the United States and the Department of Justice supported its enactment.

Since no transfer could occur without the concurrence of the chief judges of the districts involved, the bill's authorization of intercircuit transfers appears to me to be a very desirable feature of the legislation from the standpoint of districts like those in and around metropolitan areas like Washington, D.C., where a compact population center may be subdivided by circuit, as well as district, lines.

I join with the chairman of our subcommittee, the distinguished gentleman from California (Mr. EDWARDS) in urging favorable action on H.R. 9180.

Mr. RARICK. Mr. Speaker, we are now called upon to suspend the rules and vote up or down H.R. 9180 the bill to provide for the temporary assignment of a U.S. magistrate from one judicial district to another, yet I wonder how many Members of this body know what a magistrate—formerly called commissioner—is or what duties he may perform.

Page 26 of the committee hearings is quite clear on this. Reading from the hearings we find that a magistrate performs important judicial duties in connection with the administration of justice in the U.S. district courts. The hearings list several types of duties he may perform:

Functions previously performed by U.S. commissioners:

(a) Disposition of petty offense cases.
(b) Complaints issued.
(c) Bail hearings.
(d) Full preliminary hearings.
(e) Search warrants issued.
(f) Removal hearings.

Additional duties under the Magistrates Act (October 17, 1968):

(a) Disposition of minor offense cases.
(b) Prisoner petitions screened.
(c) Pretrial conferences (civil and criminal).
(d) Motions considered.
(e) Special master reports.
(f) Petitions under N.A.R.A.
(g) Social security reviews
(h) Post-indictment arraignments.

It is clear, then, that a magistrate is, in fact, a judge of limited powers qualified to perform certain key functions in the judicial system.

Of particular interest to the people of my State is the provision that a magistrate can serve as a special master. Page 28 of the committee hearings continues and defines this particular function. It states that a magistrate can serve, under 28 U.S.C. 636(b)(1), as a special master, "supervising discovery in connection with special aspects of patent and antitrust cases, especially where there are a great many issues, claims, documents, or in multiple disaster or class action cases where there are numerous claimants or diverse claims."

This provision is extremely relevant because a special master appointed by the chief judge of the eastern judicial district of the State of Louisiana recently redistricted the Louisiana Legislature. It

just so happens that the special master appointed in the Louisiana case was a resident of the State for at least several years; if this bill is passed, it will allow the chief judge of the Federal district court of any State in the Union to invite a special master from another State or section of the country to draw up the plan for redistricting the State legislature or congressional districts. Certainly this is not beyond the realm of possibility; the only provision included in this legislation is that the chief judge of the district to which he is assigned must state the emergency necessitating the transfer. The term "emergency" is not defined and therefore open to judicial discretion. It would be logical for a chief judge seeking some degree of objectivity in redistricting State legislatures and congressional districts to seek assistance from a magistrate from another State or section of the country.

The people of my district would neither condone nor support this. I intend to cast our vote against this legislation that would, in effect, provide for the busing of U.S. magistrates solely on the request of the chief judge of a Federal district court proclaiming some emergency—the extent or type of which is not limited by this bill.

I include the complete statement of Rowland F. Kirks, Director, Administrative Office of U.S. Courts, before Subcommittee No. 4, of the Committee on the Judiciary, as follows:

STATEMENT OF ROWLAND F. KIRKS, DIRECTOR, ADMINISTRATIVE OFFICE OF THE U.S. COURTS

Mr. Chairman and Members of the Committee: I am Rowland F. Kirks, Director of the Administrative Office of the United States Courts. I appear to support the bill, H.R. 7375, to remove the statutory ceiling on salaries payable to United States magistrates, as recommended by the Judicial Conference of the United States.

Under existing provisions of law the salary of a full-time United States magistrate is fixed by the Judicial Conference of the United States, up to a maximum of $22,500 per annum. Salaries of part-time magistrates are fixed by the Conference in amounts not to exceed $11,000 per annum. When the Magistrates Act was first considered, it was anticipated and intended that the salaries of United States magistrates should be on a parity with salaries payable to referees in bankruptcy. Through an unusual combination of circumstances (over which no one had control) the ceiling on salaries payable to United States magistrates has remained the same.

In the same year that the Magistrates Act was passed, and before it became fully operative, the Commission on Executive, Legislative and Judicial Salaries recommended that the ceiling on the salaries of full-time referees in bankruptcy be increased from $22,500 per annum to $36,000 per annum and that the ceiling on salaries payable to part-time referees in bankruptcy be increased from $11,000 per annum to $18,000 per annum.

These new ceilings became effective in January 1969 upon Presidential approval of the report of the Commission. Acting under this new authority the Judicial Conference of the United States in March 1969 increased the salaries payable to full-time referees in bankruptcy to a maximum of $30,000 per annum, $6,000 less than the statutory ceiling. At this same session the Conference expressed its view that the maximum salaries payable to United States magistrates should be on a parity with salaries payable to referees in bankruptcy.

Mr. Chairman, magistrates are now performing important judicial duties in connection with the administration of justice in the United States district courts. They try persons accused of violating federal penal statutes and may sentence persons convicted of crime of imprisonment up to one year and assess fines up to $1,000. They may decide, or make recommendations regarding the decision to be entered, in a variety of pretrial matters arising in civil and criminal cases. They are subordinate judicial officers with responsibility for the hearing and trial of issues of fact and law, just the same as references in bankruptcy. The original concept, that their compensation should be commensurate with their responsibility and comparable to salaries payable to referees, is sound. The existing and continuing disparity in the salary structure, which is not justifiable as a matter of equity, is beginning to cause unrest among the new magistrates at the very outset of the system so recently authorized by the Congress.

I believe, Mr. Chairman, that the salaries of United States magistrates thus far approved by the Judicial Conference of the United States, have been fixed in accordance with the criteria set forth in the statute and in accordance with the intent of the Congress expressed in the legislative history of the Act. Full-time magistrate positions have been authorized in 47 of the 90 districts—a little more than one-half of the districts. Full-time positions total 83. There are 463 part-time positions authorized at salaries ranging from $100 per annum to $11,000 per annum. Only 30 part-time magistrate positions have thus far been authorized at a maximum salary of $11,000 per annum.

Removal of the statutory ceilings on magistrate positions would enable the Judicial Conference, subject to the appropriation of necessary funds, to fix salaries of magistrates in accordance with the range of salaries paid to referees in bankruptcy.

Mr. Chairman, the Judicial Conference of the United States recomemnds this legislation very strongly. Many full-time magistrates have accepted positions with the hope and expectation that salaries would be adjusted very soon. It is a matter of fairness that this be done.

ASSIGNMENT OF MAGISTRATES FROM ONE JUDICIAL DISTRICT TO ANOTHER

The Judicial Conference of the United States has not had an opportunity to consider H.R. 9180, which is the bill to authorize the temporary assignment of a magistrate from one judicial district to another. At its meeting on August 27th the Judicial Conference Committee to Implement the Federal Magistrates Act voted to recommend this bill for the favorable consideration of the Conference. The Administrative Office of the United States Courts sees no administrative difficulty with the procedure contained in the bill and has so advised the Judicial Conference Committee.

The bill provides an easy method for the temporary assignment of a magistrate upon the concurrence of the chief judges of the districts concerned. A safeguard written into the bill requires that an order be entered in the transferee district specifying the nature of the emergency, the duration of the assignment, and the duties which the magistrate serving on assignment is expected to perform. This order would serve as a public record of the assignment and an official notice of the authority of the magistrate so assigned to perform duties under the Magistrates Act in the transferee district. The bill does not provide for any increase in compensation to a magistrate so assigned, but does authorize reimbursement of expenses.

It is not expected that this authority to assign magistrates from one judicial district to another would be exercised very often, but the ability to so act would give flexibility to the system in the event of an emergent situation.

Mr. Chairman, thank you for the opportunity to appear today and testify. I will be glad to answer any question which you or any member of the subcommittee may have about either bill.

SUPPLEMENTAL STATEMENT OF ROWLAND F. KIRKS

This memorandum is submitted in accordance with the request for statistical and other information regarding (1) the matters actually being handled by United States magistrates, particularly with respect to duties assigned by the district courts from the regular civil and criminal dockets of the courts; and (2) any economic benefit that may accrue to the United States by the assignment of duties to magistrates pursuant to 28 U.S.C. 636(b).

Because the new magistrates system became fully effective in the district courts only on July 1st of this year, statistical reports on the work of magistrates are fragmentary, except for five districts where the system has been in operation for two years on a pilot basis. The information contained in this statement has been compiled primarily from the reports submitted by the magistrates working in these five districts. Magistrates were appointed in the following district courts during the months of May and June 1969 in accordance with Judicial Conference authorization: District of Columbia, District of New Jersey, Eastern District of Virginia, District of Kansas and the Southern District of California.

I. DUTIES PERFORMED IN FIVE PILOT DISTRICTS

The district judges in the courts participating in the pilot program undertook to assign as many duties as possible to full-time magistrates on a gradual basis. Initially they took over all duties previously performed by United States commissioners. In three districts magistrates were immediately assigned the function of screening prisoner applications and in four districts they began trying minor offenses. Thereafter, the magistrates in three districts were given responsibility for the conduct of pretrial conferences and other duties in both civil and criminal cases including the consideration of discovery motions, the conduct of the post-indictment arraignments and the taking of not guilty pleas, etc. In the District of Columbia, however, pretrial conferences in civil cases continued to be handled by the pretrial examiners which have been authorized for that court for a number of years.

The following table, summarizing the work performed in the five pilot districts during the fiscal years 1970 and 1971, shows a progressive assignment of duties to be performed.

SUMMARY OF STATISTICAL REPORTS FROM PILOT DISTRICTS

Types of duties	Number of matters: Fiscal year 1970	Number of matters: Fiscal year 1971
Functions previously performed by U.S. Commissioners:		
Disposition of petty offense cases	4,715	6,734
Complaints issued	8,605	12,269
Bail hearings	8,001	9,325
Full preliminary hearings	1,208	1,613
Search warrants issued	1,633	1,363
Appointments of counsel	[1] 4,381	[1] 5,680
Additional duties under the Magistrates Act:		
Disposition of petty offenses which could not be tried by Commissioners	[1] 1,215	[1] 3,563
Disposition of other minor offenses	418	880
Prisoner petitions screened	1,081	1,003
Civil pretrial conferences	432	642
Criminal pretrial conferences	1,081	2,907
Discovery motions	[1] 44	[1] 171
Lineup orders	322	908
Postindictment arraignments		897

[1] Information on these items is incomplete.

The nature of the caseload varies among the five courts participating in the pilot program. In the Eastern District of Virginia, magistrates have been most effective in rendering assistance to the court by screening 1,342 prisoner petitions in two years. In this period these 1,342 prisoner cases accounted for one-third of all civil filings in that court.

In the Southern District of California, the magistrates in two years have disposed of 4,778 petty offense cases (most illegal entry from Mexico) which formerly were handled by judges. They have also taken over 3,249 pretrial conferences or "omnibus hearings" in criminal cases, which were formerly handled by judges.

In the District of New Jersey, the additional duties performed by magistrates have not developed as expected partly because of understaffing of magistrate positions. That situation has now been remedied. In the District of Columbia, as pointed out above, magistrates have not been assigned additional duties because of the heavy volume of preliminary hearing work and the availability of pretrial examiners for civil cases.

The fullest use of magistrates in regard to the types of duties performed has occurred in the District of Kansas. Magistrates in that jurisdiction are considering motions, conducting pretrial conferences, trying minor offense cases and screening prisoner petitions. In two years they have screened 635 prisoner applications, representing one-third of all civil cases filings in that court during the biennium.

Tables I and II, attached to this statement, show the types of duties performed in each of the five pilot districts during the fiscal years 1970 and 1971.

Based upon the experience in the pilot program, the Judicial Conference Committee to Implement the Federal Magistrates Act in October 1970 issued a Jurisdictional Checklist of duties which might appropriately be considered for delegation to magistrates. For the information of the Congress a copy of that checklist is attached as Appendix A.

II. DUTIES PERFORMED IN OTHER DISTRICTS

Appointments to magistrate positions in district courts other than the pilot districts commenced late in November 1970 and continued through June 1971. The following table shows the number of matters handled by 31 full-time magistrates appointed in 24 district courts who furnished complete monthly statistical reports for the 5-month period from April through August 1971.

Summary of statistical reports from 31 full-time magistrates for the 5-month period—April through August 1971

Types of duties:

Functions previously performed by U.S. Commissioners:

	Total matters handled
Disposition of petty offense cases	2,689
Complaints issued	5,677
Bail hearings	4,913
Full preliminary hearings	1,017
Search warrants issued	635
Removal hearings	136
Additional duties under the Magistrates Act:	
Disposition of minor offense cases	584
Prisoner petitions screened	1,056
Pretrial conferences (civil and criminal)	414
Motions considered	1,086
Special master reports	615
Petitions under N.A.R.A.	122
Social security reviews	12
Post-indictment arraignments	635

III. ECONOMIC BENEFIT ACCRUING TO THE UNITED STATES

a. An economic benefit potentially accrues to the United States upon the assignment of duties to a magistrate which would otherwise be performed by a district judge. The annual cost of maintaining a district judge in office, together with a staff consisting of a law clerk, secretary, court reporter, court crier, and courtroom deputy clerk, is approximately $119,400 per year. The cost of maintaining a full-time magistrate in office, together with a staff of a secretary and clerical assistant, is $47,400 per year. Raising the salary of a full-time magistrate to that of a full-time referee in bankruptcy would increase this cost to $55,400, less than one-half of the cost of maintaining a district judgeship.

As indicated above the courts are indeed assigning new, important duties to magistrates sitting as subordinate judicial officers in the district courts.

b. The advent of the United States magistrates system in the pilot districts has also been accompanied by an increase in the collection of fines. Overall collections in 1971 in four pilot districts, excluding the District of Columbia (where petty offenses are handled in a local court) doubled over 1969 as shown below:

District	Fiscal year 1969	Fiscal year 1971
New Jersey	$151,183	$267,264
California, southern	96,865	508,469
Virginia, eastern	302,770	400,792
Kansas	[1] 38,911	76,353
Total	589,729	1,252,878

[1] Figure is for the fiscal year 1970. The collections in the district of Kansas in 1969 included extraordinary items making the total in excess of $100,000.

While these figures include collections of fines, forfeitures and penalties from all sources, they represent in large part collections from fines imposed by magistrates in petty or minor offense cases, including collections made by forfeiture of collateral. A new forfeiture of collateral system, permitting persons receiving notices of the violation of certain petty offenses to elect to forfeit an amount set by order of the district court, now accounts for a large segment of all collections. In some courts the forfeiture system is operated through the office of the United States magistrate, but in most courts the system is operated directly through the clerk's office. Those who wish a hearing in these cases are brought before the United States magistrate and a summons or warrant is issued for the appearance before the magistrate of a person who fails to respond to the violation notice.

Specifically the collection of fines by magistrates in Kansas was $33,600 in 1971 including forfeitures, compared with collections by commissioners of $23,200 in 1968. In a ten month period from October 1970 through June 1971, magistrates at San Diego assessed fines exceeding $143,000. This is a far greater amount than ever before assessed. The magistrates, of course, are handling a larger caseload.

In the Eastern District of Virginia, the collection of fines imposed by magistrates or collected through the forfeiture system aggregates about $400,000 annually. In New Jersey magistrates collected $18,164 in fines in 1971 and an additional $49,500 in forfeited collateral was collected by the clerk of court. The total was over $67,600 for the year.

The collection of fines in minor offense cases is expected to increase sharply during the first few years of operation under the magistrates system because of increased activities by federal law enforcement agencies.

APPENDIX A

JURISDICTIONAL CHECKLIST

DUTIES WHICH DISTRICT COURTS MIGHT ASSIGN TO UNITED STATES MAGISTRATES

The range of duties which United States magistrates may perform and the authority which they may exercise are set forth in the Federal Magistrates Act, but the actual assignment of duties is left to the discretion of each district court. The following suggestions of tasks which may be delegated to magistrates are furnished as a guide to the courts in developing appropriate local rules and orders of court delegating functions to magistrates. The list has been compiled from experience gathered during the pilot program in five districts and from the comments and suggestions received from judges around the country.

I. Jurisdictional provisions

The jurisdiction and duties of United States magistrates are set forth in 28 U.S.C. 636 (a) and (b), which read as follows:

§ 636. *Jurisdiction and Powers:*

(a) Each United States magistrate . . . shall have within the territorial jurisdiction prescribed by his appointment—

(1) all powers and duties conferred or imposed upon United States commissioners by law or by the Rules of Criminal Procedure for the United States District Courts;

(2) the power to administer oaths and affirmations, impose conditions of release under section 3146 of title 18, and take acknowledgments, affidavits, and depositions; and

(3) the power to conduct trials under section 3410, title 18, United States Code, in conformity with and subject to the limitations of that section.

(b) Any district court of the United States, by the concurrence of a majority of all the judges of such district court, may establish rules pursuant to which any full-time United States magistrate, or, where there is no full-time magistrate reasonably available, any part-time magistrate specially designated by the court, may be assigned within the territorial jurisdiction of such court such additional duties as are not inconsistent with the Constitution and laws of the United States. The additional duties authorized by rule may include, but are not restricted to—

(1) service as a special master in an appropriate civil action, pursuant to the applicable provisions of this title and the Federal Rules of Civil Procedure for the United States district courts;

(2) assistance to a district judge in the conduct of pretrial or discovery proceedings in civil or criminal actions; and

(3) preliminary review of applications for posttrial relief made by individuals convicted of criminal offenses, and submission of a report and recommendations to facilitate the decision of the district judge having jurisdiction over the case as to whether there should be hearing.

II. Service as a special master

[28 U.S.C. 636(b)(1)]

Under Rule 53(b) of the Federal Rules of Civil Procedure: "A reference to a master shall be the exception and not the rule." See *LaBuy* v. *Howes Leather Co.*, 352 U.S. 249 (1957). Within the limitations of the rule, a magistrate might be assigned the following tasks:

(1) Determining valuation in land condemnation cases, or serving as a commissioner in land condemnation cases;

(2) Supervising discovery in connection with special aspects of patent and antitrust cases, especially where there are a great many issues, claims, and documents, or in multiple disaster and class action cases where there are numerous claimants or diverse claims; or

(3) Hearing testimony and submitting a

report and findings in nonjury, or jury-waived, cases in matters of account and the difficult computation of damages.

III. Assistance in the conduct of pretrial and discovery proceedings

[28 U.S.C. 636(b)(2)]

The following general principles are suggested as a guide in determining the nature and extent of pretrial and discovery duties to be assigned to a magistrate:

(1) Under Article III of the Constitution, the actual trial and ultimate adjudication of a case are entrusted to the district judge having jurisdiction over the case. The role of a magistrate, as specified in 28 U.S.C. 636(b)(2), is to provide "assistance" to the judge in the performance of his judicial duties.

(2) A magistrate may hear arguments on specified types of motions and discovery matters and render a recommended decision on them, but the parties should have an opportunity to see the magistrate's report and findings and an absolute right to make objections to the judge assigned to the case.

(3) As a general rule, a magistrate should not be assigned the duty of considering motions and other matters which would require for their disposition an intimate knowledge of the trial proceedings or a possible overruling of a previous order of the court.

A. Civil Cases

In civil cases a magistrate might be authorized to assist the court in performing a number of pretrial and discovery duties, among them:

(1) General supervision of the civil calendar, including the handling of such matters as calendar calls and motions to expedite or postpone the trial of cases;

(2) Conducting pretrial conferences and related hearings; and

(3) Considering discovery motions and conducting hearings thereon, as may be required.

Among the pretrial motions which a magistrate might be authorized to consider are:

(1) All motions relating to discovery under Rules 26–37, such as objections to interrogatories, objections to requests for admissions, motions concerning the taking of depositions, motions for discovery, inspection, or production of documents or other materials, and motions for physical examinations or for investigations;

(2) Motions relating to security for costs;

(3) Motions to extend the time for pleading;

(4) Motions for leave to amend pleadings or to file amended pleadings;

(5) Motions for substitution of counsel or parties;

(6) Motions to add parties, to intervene, or to file third-party complaints;

(7) Motions to sever or to consolidate; and

(8) Motions to set aside default judgments.

B. Criminal Cases

In criminal cases a magistrate might be authorized to assist the court in such functions as:

(1) General supervision of the criminal calendar, including calendar calls and motions to expedite or postpone the trial of cases;

(2) Conducting pretrial conferences, omnibus hearings, and related proceedings; and

(3) Considering discovery motions and conducting hearings thereon, as may be required.

Among the pretrial motions which a magistrate might be authorized to consider are:

(1) Motions relating to depositions, discovery, and inspection;

(2) Motions relating to subpenas;

(3) Motions for mental or other examinations;

(4) Motions for appointment of interpreters or expert witnesses;

(5) Motions for a bill of particulars;

(6) Motions for continuances; and

(7) Motions for release or substitution of counsel.

A magistrate might also be assigned to hear post-trial motions and related matters arising after trial which would not require for their disposition an intimate knowledge of the trial proceedings or a possible overruling of a previous order of the court.

IV. Review of prisoner petitions

A. Post-Trial Relief

[28 U.S.C. 636(b)(3)]

A magistrate might be authorized to review and make recommendations with regard to petitions filed by federal and state prisoners seeking relief from their conviction, including the following:

(1) By federal prisoners under 28 U.S.C. 2255;

(2) By federal prisoners to review United States Parole Board decisions; and

(3) By federal or state prisoners for writs of habeas corpus or mandamus.

B. Other Matters

A magistrate might also be authorized to review and make recommendations in connection with other applications filed by federal or state prisoners.

V. Other duties under 28 U.S.C. 636(b)

A magistrate might be authorized to review and submit a report and recommendations on the following types of cases which come before the court on a developed administrative record:

(1) Actions to review administrative determinations under the Social Security Act and related statutes;

(2) Actions to review the administrative award of licenses and similar privileges; and

(3) Civil Service cases involving such matters as adverse actions, retirement questions, and reductions in force.

B. Narcotic Addict Cases

A magistrate might be authorized to review petitions and submit recommendations to the court in civil commitment cases arising under title III of the Narcotic Addict Rehabilitation Act of 1966.

C. Miscellaneous Matters

A magistrate might also be authorized to:

(1) Conduct voir dire examinations and select juries in civil cases, by agreement of the parties;

(2) Administer the court's Criminal Justice Act plan, by supervising attorney lists, appointing attorneys and examining vouchers;

(3) Conduct research for the court in specific areas of the law or on individual projects; and

(4) Coordinate the court's efforts in such fields as rules and procedures, facilities and arrangements, or post-conviction matters.

VI. United States Commissioner Duties

[28 U.S.C. 636(a)(1)]

Duties which may by law be performed by United States commissioners, and now by magistrates include:

(1) Processing complaints and issuing appropriate summonses or arrest warrants (Rule 4);

(2) Issuing search warrants (Rule 41);

(3) Conducting initial appearance proceedings (Rule 5(a) and (b)): informing the defendant of the complaint against him and of all his rights;

placing the defendant in custody, admitting him to bail, or imposing conditions of release under 18 U.S.C. 3146; and

appointing counsel (18 U.S.C. 3006A);

(4) Conducting preliminary examinations (Rule 5(c));

(5) Administering oaths and taking bail, acknowledgments, affidavits, and depositions (28 U.S.C. 637 (1964); 28 U.S.C. 636(a)(2) (1968));

(6) Setting bail for material witnesses (18 U.S.C. 3149);

(7) Holding to security of the peace and for good behavior (Rule 54(b)(3); 18 U.S.C. 3043);

(8) Conducting removal hearings and recommending issuance of warrants or removal (Rule 40);

(9) Conducting extradition proceedings (18 U.S.C. 3184);

(10) Discharging indigent prisoners or persons imprisoned for debt under process or execution issued by a Federal court (18 U.S.C. 3569; 28 U.S.C. 2007);

(11) Instituting proceedings against persons violating certain civil rights statutes (42 U.S.C. chapter 21–I);

(13) Issuing an attachment or order to enforce obedience to an internal revenue summons to produce books and give testimony (26 U.S.C. 7604(b));

(13) Settling or certifying the nonpayment of a seaman's wage (46 U.S.C. 603–604); and

(14) Enforcing awards of foreign consuls in difference between captains and crews of vessels of the consul's nation (22 U.S.C. 258(a)).

VII. Trial of minor offenses

[28 U.S.C. 636(a)(3)]

The statutes, 28 U.S.C. 636(a)(3) and 18 U.S.C. 3401, relating to the trial jurisdiction of magistrates provide as follows:

"28 U.S.C. § 636. *Jurisdiction and Powers:*

(a) Each United States magistrate serving under this chapter shall have within the territorial jurisdiction prescribed by his appointment—

* * * * *

(3) the power to conduct trials under section 3401, title 18, United States Code, in conformity with and subject to the limitations of that section."

"18 U.S.C. § 3401. *Minor Offenses; . . .:*

(a) When specially designated to exercise such jurisdiction by the district court or courts he serves, and under such conditions as may be imposed by the terms of the special designation, any United States magistrate shall have jurisdiction to try persons accused of, and sentence persons convicted of, minor offenses committed within that judicial district."

The definition of "minor offenses" (which now includes petty offenses as well) "means misdemeanors punishable under the laws of the United States, the penalty for which does not exceed imprisonment for a period of one year, or a fine of not more than $1,000, or both," with a few exceptions. 18 U.S.C. 3401(f).

Among the categories of cases which would fall within the potential jurisdiction of a magistrate are the following:

(1) All "petty offense" cases committed on Federal enclaves and heretofore triable by United States commissioners (18 U.S.C. 3401(a) (1964));

(2) Miscellaneous offenses under the Assimilated Crimes Act committed within any place under the exclusive or concurrent jurisdiction of the United States (18 U.S.C. 7, 13); and

(3) Most other misdemeanors, wherever committed, including: Migratory Bird law cases; illegal entry cases; theft of United States property or interstate shipments under $100 in value; some Food and Drug Act violations; first violations of the Motor Carrier Act; some fraud and forgery cases; some liquor law violations; and cases involving general obstruction of the mail.

TABLE I.—SUMMARY OF MONTHLY STATISTICAL REPORTS

5 PILOT DISTRICT COURTS—FISCAL YEAR 1970

	District of Columbia	New Jersey	Eastern Virginia	Southern California	Kansas [3]	Total
Number of magistrates:						
Full time	2	1	2	1	2	8
Part time		5	3	2	10	20
TYPES OF DUTIES						
Functions previously performed by U.S. Commissioners:						
Petty offenses [4]		693	2,142	1,428	452	4,715
Complaints issued [5]	1,553	326	1,042	4,828	856	8,605
Bail hearings	1,277	461	459	5,331	373	8,001
Full preliminary examination	648	88	131	209	132	1,208
Search warrants issued [5]	1,407	68	58	74	26	1,633
Counsel appointments [6]	2,262	(7)	(7)	[8] 2,119	(7)	4,381
New duties under the Magistrates Act: [9]						
Petty offenses [10]		(7)	(7)	1,215	(7)	1,215
Minor offenses [11]		7	221	150	40	418
Prisoner petitions	11	43	706		321	1,081
Civil pretrial conferences		79	5		348	432
Criminal pretrial conferences				742	339	1,081
Discovery motions	(7)			(7)	44	44
Lineup orders	322					322
Postindictment arraignments						

[1] Includes 40 of 60 monthly reports from part-time magistrates.
[2] Includes 25 of 29 monthly reports from part-time magistrates.
[3] Includes 55 of 120 monthly reports from part-time magistrates.
[4] Except for Southern California, where separate figures are available, these totals include a few types of petty offenses which could not in fact have been tried previously by U.S. Commissioners because of territorial limitations upon their jurisdiction.
[5] Includes only process actually issued, and not the total number of applications presented to magistrates.
[6] Includes appointments of counsel after indictment.
[7] Not available means that work has been performed by magistrates, but separate statistics have not been reported.
[8] Only full-time magistrates included in the total.
[9] A great variety of additional duties have been performed by magistrates in these 5 districts, but only major categories of functions have been included in the table.
[10] Includes only those petty offenses which could not have been tried by U.S. commissioners, such as illegal entry under 8 U.S.C. 1325.
[11] Includes only minor offenses other than petty offenses.

TABLE II.—SUMMARY OF MONTHLY STATISTICAL REPORTS

5 PILOT DISTRICT COURTS—FISCAL YEAR 1971

	District of Columbia	New Jersey [1]	Eastern Virginia	Southern California	Kansas [2]	Total
Number of magistrates:						
Full time	2	[3] 2	2	[4] 2	2	10
Part time		5	3	2	10	20
TYPES OF DUTIES						
Functions previously performed by U.S. commissioners:						
Petty offenses [5]		1,090	3,432	1,757	455	6,734
Complaints issued [6]	2,473	401	891	7,618	886	12,269
Bail hearings	2,715	476	540	5,052	542	9,325
Full preliminary examinations	1,016	75	199	283	40	1,613
Search warrants issued [6]	1,122	61	115	32	33	1,363
Counsel appointments [7]	3,508	(8)	(8)	[9] 2,172	(8)	5,680
New duties under the Magistrates Act: [10]						
Petty offenses [11]		(8)	(8)	3,563	(8)	3,563
Minor offenses [12]		4	462	350	64	880
Prisoner petitions		53	636		314	1,003
Civil pretrial conferences		11			631	642
Criminal pretrial conferences				2,507	400	2,907
Discovery motions	(8)			(8)	171	171
Lineup orders	908					908
Postindictment arraignments				897		897

[1] Includes 13 of 16 monthly reports from full-time and 31 of 56 monthly reports of part-time magistrates.
[2] Includes 43 of 120 monthly reports of part-time magistrates.
[3] Second full-time magistrate appointed Mar. 22, 1971.
[4] Second full-time magistrate appointed Sept. 15, 1970.
[5] Except for Southern California, where separate figures are available, these totals include a few types of petty offenses which would not in fact have been tried previously by U.S. commissioners because of territorial limitations upon their jurisdiction.
[6] Includes only process actually issued, and not the total number of applications presented to magistrates.
[7] Includes appointments of counsel after indictment.
[8] Not available means that work has been performed by magistrates, but separate statistics have not been reported.
[9] Only full-time magistrates included in the total.
[10] A great variety of additional duties have been performed by magistrates in these 5 districts, but only major categories of functions have been included in the table.
[11] Includes only those petty offenses which could not have been tried by U.S. commissioners, such as illegal entry under 8 U.S.C. 1325.
[12] Includes only minor offenses other than petty offenses.

The SPEAKER. The question is on the motion offered by the gentleman from California that the House suspend the rules and pass the bill H.R. 9180.

The question was taken.

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 344, nays 10, not voting 75, as follows:

[Roll No. 332]

YEAS—344

Abbitt	Annunzio	Biaggi	Brinkley	Corman	Flood	Harvey	Latta	Mills, Ark.
Abzug	Archer	Biester	Brooks	Cotter	Flowers	Hastings	Leggett	Mills, Md.
Adams	Arends	Bingham	Broomfield	Coughlin	Flynt	Hathaway	Lennon	Minish
Addabbo	Aspin	Blackburn	Brotzman	Crane	Ford, Gerald R.	Hawkins	Link	Mink
Anderson, Calif.	Aspinall	Blatnik	Brown, Mich.	Culver	Ford, William D.	Hechler, W. Va.	Lloyd	Mitchell
	Badillo	Boggs	Brown, Ohio	Daniel, Va.		Heckler, Mass.	Long, Md.	Mizell
Anderson, Ill.	Baker	Boland	Broyhill, N.C.	Davis, Ga.	Forsythe	Helstoski	Lujan	Mollohan
Anderson, Tenn.	Begich	Bolling	Broyhill, Va.	Davis, S.C.	Fountain	Henderson	McClory	Montgomery
	Belcher	Bow	Buchanan	Davis, Wis.	Fraser	Hicks, Wash.	McCloskey	Moorhead
Andrews, Ala.	Bennett	Brademas	Burke, Fla.	de la Garza	Frelinghuysen	Hillis	McCollister	Morse
Andrews, N. Dak.	Bergland	Brasco	Burke, Mass.	Delaney	Frenzel	Hogan	McCormack	Mosher
	Betts	Bray	Burlison, Mo.	Dellenback	Frey	Horton	McCulloch	Moss
			Burton	Dellums	Fulton, Tenn.	Hosmer	McDade	Murphy, N.Y.
			Byrne, Pa.	Denholm	Fuqua	Howard	McDonald, Mich.	Myers
			Byrnes, Wis.	Dennis	Galifianakis	Hull		Natcher
			Byron	Devine	Gallagher	Hungate	McFall	Nedzi
			Cabell	Dickinson	Garmatz	Hunt	McKay	Nelsen
			Caffery	Dingell	Gettys	Hutchinson	McKevitt	Nichols
			Camp	Donohue	Gibbons	Ichord	McKinney	Obey
			Carey, N.Y.	Dorn	Gonzalez	Johnson, Calif.	McMillan	O'Hara
			Carney	Dowdy	Goodling	Johnson, Pa.	Macdonald, Mass.	O'Konski
			Carter	Downing	Grasso	Jonas		O'Neill
			Casey, Tex.	Drinan	Gray	Jones, Ala.	Mahon	Passman
			Cederberg	Dulski	Green, Oreg.	Jones, N.C.	Mailliard	Patman
			Celler	Duncan	Green, Pa.	Jones, Tenn.	Mann	Patten
			Chappell	du Pont	Griffin	Kastenmeier	Martin	Pelly
			Chisholm	Dwyer	Griffiths	Kazen	Mathis, Ga.	Pepper
			Clancy	Edmondson	Grover	Keating	Matsunaga	Perkins
			Clausen, Don H.	Edwards, Ala.	Gude	Kemp	Mayne	Pettis
				Edwards, Calif.	Haley	King	Mazzoli	Peyser
			Clawson, Del	Erlenborn	Hamilton	Kluczynski	Meeds	Pike
			Cleveland	Esch	Hammer-schmidt	Koch	Melcher	Poage
			Collier	Eshleman		Kuykendall	Metcalfe	Podell
			Collins, Ill.	Evans, Colo.	Hansen, Idaho	Kyl	Michel	Poff
			Collins, Tex.	Fascell	Hansen, Wash.	Kyros	Mikva	Powell
			Conable	Findley	Harrington	Landgrebe	Miller, Calif.	Preyer, N.C.
			Conte	Fisher	Harsha	Landrum	Miller, Ohio	Price, Tex.

Pryor, Ark.	Schwengel	Udall
Pucinski	Scott	Ullman
Purcell	Sebelius	Van Deerlin
Quie	Selberling	Vander Jagt
Quillen	Shipley	Vanik
Railsback	Shoup	Vigorito
Randall	Shriver	Waggonner
Rangel	Sikes	Waldie
Reid, N.Y.	Sisk	Wampler
Reuss	Slack	Ware
Rhodes	Smith, Calif.	Whalen
Riegle	Smith, Iowa	White
Roberts	Smith, N.Y.	Whitehurst
Robinson, Va.	Spence	Widnall
Rodino	Springer	Wiggins
Roe	Staggers	Williams
Rogers	Steele	Wilson, Bob
Roncalio	Steiger, Ariz.	Winn
Rooney, N.Y.	Steiger, Wis.	Wolff
Rooney, Pa.	Stephens	Wright
Rosenthal	Stratton	Wyatt
Rostenkowski	Stuckey	Wydler
Roush	Sullivan	Wylie
Runnels	Symington	Wyman
Ruppe	Taylor	Yates
Ruth	Teague, Calif.	Yatron
Ryan	Teague, Tex.	Young, Fla.
St Germain	Thompson, Ga.	Zablocki
Sandman	Thompson, N.J.	Zion
Sarbanes	Thomson, Wis.	Zwach
Scheuer	Thone	
Schneebeli	Tiernan	

NAYS—10

Ashbrook	Rarick	Snyder
Gross	Satterfield	Steed
Hagan	Scherle	
Hall	Schmitz	

NOT VOTING—75

Abernethy	Foley	Murphy, Ill.
Abourezk	Gaydos	Nix
Alexander	Giaimo	Pickle
Ashley	Goldwater	Pirnie
Baring	Gubser	Price, Ill.
Barrett	Halpern	Rees
Bell	Hanley	Robison, N.Y.
Bevill	Hanna	Rousselot
Blanton	Hays	Roy
Burleson, Tex.	Hébert	Roybal
Chamberlain	Hicks, Mass.	Saylor
Clark	Holifield	Skubitz
Clay	Jacobs	Stanton,
Colmer	Jarman	J. William
Conyers	Karth	Stanton,
Daniels, N.J.	Kee	James V.
Danielson	Keith	Stokes
Dent	Lent	Stubblefield
Derwinski	Long, La.	Talcott
Diggs	McClure	Terry
Dow	McEwen	Veysey
Eckhardt	Madden	Whalley
Edwards, La.	Mathias, Calif.	Whitten
Eilberg	Minshall	Wilson,
Evins, Tenn.	Monagan	Charles H.
Fish	Morgan	Young, Tex.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Hays with Mr. J. William Stanton.
Mr. Abernethy with Mr. Keith.
Mr. James V. Stanton with Mr. Fish.
Mr. Barrett with Mr. Saylor.
Mr. Blanton with Mr. Rousselot.
Mr. Madden with Mr. Halpern.
Mr. Dent with Mr. Robison of New York.
Mr. Gaydos with Mr. Minshall.
Mr. Monagan with Mr. McClure.
Mr. Charles H. Wilson with Mr. Goldwater.
Mr. Bevill with Mr. Skubitz.
Mr. Clark with Mr. McEwen.
Mr. Daniels of New Jersey with Mr. Talcott.
Mr. Danielson with Mr. Mathias.
Mr. Eilberg with Mr. Terry.
Mr. Price of Illinois with Mr. Pirnie.
Mr. Rees with Mr. Veysey.
Mr. Morgan with Mr. Whalley.
Mr. Murphy of Illinois with Mr. Eckhardt.
Mr. Young of Texas with Mr. Giaimo.
Mr. Karth with Mr. Kee.
Mr. Holifield with Mr. Jacobs.
Mr. Hanley with Mr. Jarman.
Mr. Abourezk with Mr. Baring.
Mr. Burleson of Texas with Mr. Stubblefield.
Mr. Dow with Mr. Clay.
Mr. Roy with Mr. Nix.
Mr. Roybal with Mr. Stokes.
Mr. Hanna with Mr. Colmer.
Mr. Whitten with Mr. Pickle.
Mr. Diggs with Mr. Derwinski.
Mr. Evins of Tennessee with Mr. Foley.
Mr. Ashley with Mr. Conyers.
Mr. Hébert with Mr. Gubser.
Mr. Alexander with Mr. Chamberlain.
Mrs. Hicks of Massachusetts with Mr. Bell.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and 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.

AMENDMENTS TO THE NARCOTIC REHABILITATION ACT

Mr. EDWARDS of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9323) to amend the Narcotic Addict Rehabilitation Act of 1966, and for other purposes.

The Clerk read as follows:

H.R. 9323

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 "Narcotic Addict Rehabilitation Amendments of 1971".

SEC. 2. Section 2901(d) of title 28, United States Code, is amended to read as follows:

"(d) 'Treatment' includes confinement and treatment in an institution and under supervised aftercare in the community and includes, but is not limited to, medical, educational, social, psychological, and vocational services, corrective and preventive guidance and training, and other rehabilitative services designed to protect the public and benefit the addict by eliminating his dependence on addicting drugs, or by controlling his dependence, and his susceptibility to addiction."

SEC. 3. Section 4251(c) of title 18, United States Code, is amended to read as follows:

"(c) 'Treatment' includes confinement and treatment in an institution and under supervised aftercare in the community and includes, but is not limited to, medical, educational, social, psychological, and vocational services, corrective and preventive guidance and training, and other rehabilitative services designed to protect the public and benefit the addict by eliminating his dependence on addicting drugs, or by controlling his dependence, and his susceptibility to addiction."

SEC. 4. Section 301(b) of the Narcotic Addict Rehabilitation Act of 1966 (80 Stat. 1444; 42 U.S.C. 3411(b)) is amended to read as follows:

"(b) 'Treatment' includes confinement and treatment in a hospital of the Service and under supervised aftercare in the community and includes, but is not limited to, medical, educational, social, psychological, and vocational services, corrective and preventive guidance and training, and other rehabilitative services designed to protect the public and benefit the addict by eliminating his dependence on addicting drugs, or by controlling his dependence, and his susceptibility to addiction."

SEC. 5. This Act shall take effect immediately upon enactment. Sections 2 and 3 shall apply to any case pending in a district court of the United States in which an appearance has not been made prior to the effective date.

The SPEAKER. Is a second demanded?

Mr. WIGGINS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. EDWARDS of California. Mr. Speaker, H.R. 9323 amends the Narcotic Addict Rehabilitation Act of 1966 by altering the definition of the word "treatment" in the act to include the concept of control of narcotics addiction.

This bill, which is proposed by the administration, was introduced by Chairman CELLER and by Representative POFF. In the legislative message which accompanied the bill the Attorney General explained that the purpose of the proposed amendment was—

To provide for a more comprehensive effort towards solving the problem of addiction. This would be achieved by providing for treatment which controls, as well as that which terminates, addiction. Essentially, the use of methadone would be authorized.

The new definition of "treatment" is as follows:

Treatment includes confinement and treatment in an institution and under supervised aftercare in the community and includes, but is not limited to, medical, educational, social, psychological, and vocational services, corrective and preventive guidance and training, and other rehabilitative services designed to protect the public and benefit the addict by eliminating his dependence on addicting drugs, or by controlling his dependence, and his susceptibility to addiction.

H.R. 9323 as approved by the Judiciary Committee will take effect immediately upon enactment. The amended act will apply to any case pending in a district court of the United States in which an appearance has not been made prior to the effective date of the amended act.

Mr. Speaker, H.R. 9323 will bring about a significant improvement in the Federal program for the treatment and rehabilitation of narcotics addicts. I, therefore, urge its adoption.

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

Mr. EDWARDS of California. I yield to the gentleman.

Mr. GROSS. Mr. Speaker, the report states that this bill broadens the Narcotic Addiction Rehabilitation Act and, yet, there is a statement that it will result in very little, if any, cost. How does the gentleman reconcile those two statements—that it is a broadening of the act and, yet, that it will result in practically no increased cost?

Mr. EDWARDS of California. It would result in no particular increase in the existing patient load in Federal installations. It is a very low-cost program, that is, the methadone treatment program, if that is the one used.

Mr. GROSS. But the bill goes beyond medical treatment. It states many other things that this bill will do by way of broadening the Narcotic Addiction Rehabilitation Act program. I do not understand how it is possible to broaden the program without increasing the cost. I

would not want to awaken some fine day in the near future and find that this requires a couple of hundred million dollars.

Mr. EDWARDS of California. The committee does not feel that it would increase the cost.

We have a letter from the Deputy Attorney General Richard Kleindienst which states specifically that during the current fiscal year and during the next 5 fiscal years the legislation have no appreciable cost effect.

Mr. GROSS. I hope the Deputy Attorney General is correct, and that the gentleman from California is correct.

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

Mr. EDWARDS of California. I yield to the gentleman.

Mr. FREY. My understanding is that this will allow the use of methadone under the 1966 act, which has not been allowed before.

Mr. EDWARDS of California. That is correct.

Mr. FREY. I might add that this is a good thing for a certain limited number of addicts. But one of my questions about this is that I notice there are no controls whatsoever on the use of methadone. Was this discussed by the committee as how they intend to act on this problem?

Mr. EDWARDS of California. It was discussed by the committee.

Mr. Speaker, I would point out to the gentleman from Florida that the intent of the committee is pointed out in the report as follows:

> It is therefore the Committee's intent that the use of methadone as a treatment device for the control of addiction should generally be limited to those situations in which the addict patient is free of custody and not confined in a drug-free institution. If the addict is confined, methadone should only be used as an aid to the initial detoxification of the addict and not for maintenance purposes.

In other words, the committee felt that the entire spectrum of treatment should be offered to the patient and we are not limiting it only to the use of the methadone treatment.

Mr. FREY. I would certainly agree that there should be different or alternative forms of treatment.

In your own State of California, regarding the use of methadone, I believe there is an age factor—limited to 21 years of age, and there is a requirement that the individual using methadone have tried to come off heroin at least twice.

Does the gentleman feel that this type of restriction on the use of methadone should be included in this legislation?

Mr. EDWARDS of California. That is presently the California law, as the gentleman knows. I cannot predict what specific regulations or restrictions will be applied to the use of methadone if, in fact, they begin to use it. But I am sure they will do it in a responsible manner.

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

Mr. EDWARDS of California. I yield to the gentleman from Florida.

Mr. ROGERS. I am somewhat concerned about establishing a congressional intent that methadone should be used in a widespread manner. As I understand from the gentleman's statement, that is not the intent of the committee. Also I presume that those who would be subjected to such treatment would fall under the NARA Act and would be first subject to voluntary confinement.

Mr. EDWARDS of California. Yes, of course.

Mr. ROGERS. In that treatment they would, I presume, be treated in a drug-free environment, basically—although I realize they might use some drugs for detoxification.

Mr. EDWARDS of California. Yes. In the event the hospital at Fort Worth reopened or the hospital at Lexington accepted a heroin addict in need of detoxification, I am sure the gentleman would agree that it would be perfectly appropriate to use methadone detoxification. However, in the treatment itself we pointed out in the report we certainly would not encourage any kind of maintenance program while in a drug-free atmosphere or while in confinement, because from the medical point of view I understand that is not necessary.

Mr. ROGERS. Yes. Also under the wordage of the language of your bill I am somewhat concerned that heroin could be used to maintain heroin addicts, under the actual wordage of the language of the bill, and I am not sure that this judgment should be made at this time in this legislation. I presume that is not the intent of the committee.

Mr. EDWARDS of California. It is certainly not the intent of the committee. If in fact there is ever that kind of program on a limited scale in the United States, we hope that it is a long way off, because it is certainly not required at this time.

Mr. ROGERS. Also I would like to be sure that it is very clear that in the treatment of those who have been confined, hopefully they will be drug-free and will have no need of methadone when they come out. I understand the NARA program would allow jurisdiction for what—2 to 3 years?

Mr. EDWARDS of California. That is correct.

Mr. ROGERS. So that, as I understand, the intent of the committee was that if they came out and they should have a relapse or something, then the drug could be used, but it is not really the intent to use this bill to support the use of the maintenance drug, methadone, which, of course, is an addicting drug, too.

Mr. EDWARDS of California. No, the committee certainly would hope not. The committee's main thrust is the same as that of the administration and the Attorney General and Dr. Jaffe, and that is that more people can be helped to live some kind of a normal life. At the present time the Federal programs are offering only partial help, and we feel, and the administration feels, that the full spectrum should be available.

Mr. ROGERS. Also I feel it should be pointed out that methadone is presently in the investigational status. It is not yet an approved drug. The language of this bill does not mean that the committee has approved it as a new drug. It is still in an investigational status, and until the necessary steps are taken, this language would not have any effect in that regard as well.

Mr. EDWARDS of California. That is correct.

Mr. ROGERS. I thank the gentleman for yielding.

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

Mr. EDWARDS of California. I yield to the gentleman from New Jersey.

Mr. HUNT. The gentleman mentioned, I believe, a federally connected heroin addict. What is a federally connected heroin addict?

Mr. EDWARDS of California. A federally committed heroin addict.

Mr. HUNT. Oh, a federally committed heroin addict. I am pleased that my colleague from Florida raised the question on the status of methadone. Nothing has appeared so far in the tests to indicate that methadone will not be harmful to the human body. As we see it now, use of the drug would be nothing more than continuation food for the habit that was contracted in the heroin field, and it continues the habit for an indefinite period, affording no hope for rehabilitation in the final stages. Is that correct?

Mr. EDWARDS of California. That is correct. It is still in the experimental stages. It has been found very useful in some cases, very helpful to some addicts.

Mr. HUNT. How would the gentleman consider it to have been found useful in some stages when we know it just prolongs the addiction? All we are doing now is to bring in the heroin addict and continue him on methadone as long as he wants to stay on it.

Mr. EDWARDS of California. The testimony before the subcommittee was that the hopeless heroin addict often gets help or sometimes gets help from a methadone maintenance program that allows him to have a job at least 50 to 60 percent of the time and to lead some kind of normal life. I believe for some addicts that is the generally accepted preliminary medical opinion.

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

Mr. EDWARDS of California. I yield to the gentleman from Virginia.

Mr. SATTERFIELD. Mr. Speaker, I have grave questions about the application of this language to title 18 when a person submits to treatment in lieu of prosecution for commission of a Federal crime, but I would like to direct my question to title 28 which provides that an addict may be committed to the Secretary of Health, Education, and Welfare who shall confine him. I am a little bit concerned about how this language will be applied with respect to the language of title 28, since the Secretary of Health, Education, and Welfare no longer has one of the two facilities in this country that were used for that purpose—and insofar as the remaining facility at Lexington, Ky., is concerned, there has been a marked reduction in the number of beds available to the Secretary of Health, Education, and Welfare.

Mr. EDWARDS of California. In reply to the gentleman, even though the facility at Fort Worth has been closed, the act provides for the use of other facilities, facilities that can be made available in the localities where the addict might be living, and also the act provides for outpatient care. A civil commitment does not necessarily mean confinement at all times.

Mr. SATTERFIELD. This is what disturbs me. I have heard suggestions that we may be moving toward a situation where people in this circumstance are going to be treated in community mental health centers where confinement facilities are not available. My question is, Whether we are taking a first step here toward commitment under title 28, which will not be commitment in the true sense, since there will not be a confinement?

Mr. EDWARDS of California. It certainly was not the intention of the committee. That subject did not even come up.

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

Mr. EDWARDS of California. I yield to the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Speaker, I want to commend the gentleman and his subcommittee for making some progress in this critical area. In the first place, this bill relates only to those who are committed to institutions under the NARA approach.

Mr. EDWARDS of California. That is correct.

Mr. PEPPER. It does not purport to affect the great mass of some 250,000 to 300,000 addicts who are in the country.

Mr. EDWARDS of California. That is correct.

Mr. PEPPER. In addition to that, I believe the only amendment to the existing law is with respect to the definition that has to do with treatment, and it was suggested by the gentleman from Virginia a moment ago that it does not provide any additional facilities and no additional funds, I believe, are suggested. I have heard the complaint that the U.S. district attorneys find it very difficult to get addicts into these institutions, because there is not enough space or adequate facilities for them. Did the gentleman's committee give any consideration to the desirability of increasing the capacity of the facilities to which these people might be committed?

Mr. EDWARDS of California. The administration asked for no further amendments to the 1966 act or further provisions to this particular amendment. We did have testimony with regard to the facilities at Lexington and Fort Worth and found out in the testimony that they were not being used to their full capacity.

Mr. PEPPER. Mr. Speaker, if the gentleman will yield for one other question, I notice on page 1 of the report the language:

> The drug which will be used in the control of addiction is Methadone.

There are a great many people who believe methadone is highly desirable and it does seem to be the best drug we have at the time, but doctors say it is appropriate for only about one-third of the heroin addicts. I was a little disturbed, as was the gentleman from Florida (Mr. ROGERS) about the legislative history of this measure which might leave the impression here that methadone will be used for treatment of heroin addiction, yet I believe it is the general medical opinion that methadone is still in an investigative stage, and it should be left to the people knowledgeable about it to determine the cases in which methadone may be and should be used.

Mr. EDWARDS of California. I certainly would agree with the gentleman. Perhaps a better expression would be "may be" or "can be" used.

Mr. PEPPER. I thank the gentleman.

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

I rise in support of this legislation. At the outset let me inform my colleagues that the Judiciary Committee has had the Narcotic Addict Rehabilitation Act under consideration for nearly 2 years. The bill before us certainly is not the final result of our deliberations. It represents only one modest amendment which had been relatively noncontroversial.

Its purpose is not to mandate any type of treatment. Its purpose is not to compel an individual addict to submit to a methadone maintenance program or to any other type of treatment. Its purpose solely is to give that option in appropriate cases, and obviously should be used only in very limited and appropriate cases.

This is not a bill which will expand or enlarge in any significant way the treatment of addicts under the Narcotic Addict Rehabilitation Act. If that recommendation comes from our committee, it will be at a later time and after a more comprehensive review of the subject.

This is very limited in scope, intended to give one additional modality available for the treatment of addicts who happen to be subject to Federal control and jurisdiction.

I urge the passage of the bill.

Mr. Speaker, I join with my good friend and colleague from California (Mr. EDWARDS) in urging the House today to pass H.R. 9323, which was introduced at the request of the Department of Justice.

In essence, this bill amends the definition of the word "treatment" contained in each of the first three titles of the Narcotic Addict Rehabilitation Act of 1966 so as to encompass modes of therapy which are designed to control, but not necessarily eliminate, a narcotic addict's dependence on addicting drugs.

In practical terms, this means that programs for narcotic addict rehabilitation conducted by the Surgeon General under the act may now include the maintenance of certain addicts on heroin-substitutes such as methadone. In hearings held on this and related bills this past June, Dr. Jerome H. Jaffe, special consultant to the President for Narcotics and Dangerous Drugs, and various high officials of the Department of Health, Education, and Welfare assured the subcommittee that methadone maintenance will in fact be utilized only sparingly, under carefully controlled and supervised conditions.

We were also assured that Dr. Jaffe and the Department of Health, Education, and Welfare share the general view of the subcommittee members that maintenance on addicting drugs is rarely an appropriate form of treatment for persons who are confined in a drug-free environment, such as a prison. Accordingly, I recommend passage of this bill on the assumption and understanding that the clear intent of those who are charged with the responsibility of implementing NARA is in harmony with the intent of those in the House who have introduced and backed this bill: Methadone maintenance will be a cautiously used supplement to, rather than substitute for, present modes of drug therapy, and its use in an institutional setting will be confined to the relatively narrow confines of cases of addicts who clearly need maintenance after release being stabilized on an appropriate dosage before their release, and cases of a voluntary experimental nature.

In granting the Surgeon General greater flexibility in the choice of treatment modality for each individual addict entrusted to his care, the passage of this bill will symbolize a recognition on the part of the Congress that the rehabilitation of narcotic addicts is essentially a medical problem, and legislators should refrain from imposing arbitrary restrictions upon the ability of skilled physicians to practice their healing arts in the manner which conscience and training convince them to be in the best interests of their respective patients.

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

Mr. POFF. Mr. Speaker, I am pleased to rise in support of H.R. 9323. I joined with the distinguished chairman of the Committee on the Judiciary (Mr. CELLER) in sponsoring this bill at the request of the Department of Justice.

This bill is intended to provide the Surgeon General with greater flexibility in the utilization of varying modalities of treatment of narcotic addicts committed to his custody and supervision under the provisions of titles I, II, and III of the Narcotic Addict Rehabilitation Act of 1966.

The bill accomplishes this purpose by amending the definition of the word "treatment" contained in each of the cited titles to comprehend rehabilitative programs designed to control narcotic addiction as well as to eliminate it. Such programs are commonly called maintenance programs, and they involve the stabilization of a given addict at a medically indicated dosage of some drug other than heroin—usually methadone. An addict who is thus maintained may then function relatively normally in the community by holding a job, participating in normal family life and otherwise behaving in socially approved, rather than antisocial, ways.

Experience in the treatment of nar-

cotic addicts has proved that some individuals become so dependent upon their particular drug of addiction that they cannot realistically be expected to withdraw completely from use of the drug and remain in a state of total abstinence for any considerable period of time. For such addicts, maintenance on methadone can be a valuable and effective halfway measure which mitigates many of the most harmful side effects of addiction, not the least of which is an unmaintained addict's tendency to resort to criminal activity to obtain the funds necessary to support an expensive illicit drug habit.

Mr. Speaker, we have every reason for confidence that the Surgeon General intends to employ methadone maintenance as a narcotic addiction treatment modality only when sound medical judgment dictates that other, more strictly "curative" approaches have failed, or clearly will fail, in the rehabilitation of specific patients.

H.R. 9323 will also authorize reasonable research use of drugs which, like methadone, tend to "control," rather than to eliminate, addiction and drug dependency.

I urge the House to provide our public health professionals with the enhanced flexibility in their treatment of narcotic addicts entrusted to their care which this bill provides, by passing H.R. 9323.

The SPEAKER. The question is on the motion offered by the gentleman from California that the House suspend the rules and pass the bill H.R. 9323.

The question was taken.

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 354, nays 0, not voting 75, as follows:

[Roll No. 333]

YEAS—354

Abbitt	Boland	Clancy
Abzug	Bolling	Clausen,
Adams	Bow	Don H.
Addabbo	Brademas	Clawson, Del
Anderson,	Brasco	Cleveland
Calif.	Bray	Collier
Anderson, Ill.	Brinkley	Collins, Ill.
Anderson,	Brooks	Collins, Tex.
Tenn.	Broomfield	Conable
Andrews, Ala.	Brotzman	Conte
Andrews,	Brown, Mich.	Conyers
N. Dak.	Brown, Ohio	Corman
Annunzio	Broyhill, N.C.	Cotter
Archer	Broyhill, Va.	Coughlin
Arends	Buchanan	Crane
Ashbrook	Burke, Fla.	Culver
Ashley	Burke, Mass.	Daniel, Va.
Aspin	Burlison, Mo.	Davis, Ga.
Aspinall	Burton	Davis, S.C.
Badillo	Byrne, Pa.	Davis, Wis.
Baker	Byrnes, Wis.	de la Garza
Begich	Byron	Delaney
Belcher	Cabell	Dellenback
Bell	Caffery	Dellums
Bennett	Camp	Denholm
Bergland	Carey, N.Y.	Dennis
Betts	Carney	Devine
Biaggi	Carter	Dickinson
Biester	Casey, Tex.	Dingell
Bingham	Cederberg	Donohue
Blackburn	Celler	Dorn
Blatnik	Chappell	Dowdy
Boggs	Chisholm	Downing
Drinan	Koch	Riegle
Dulski	Kuykendall	Roberts
Duncan	Kyl	Robinson, Va.
du Pont	Kyros	Rodino
Dwyer	Landgrebe	Roe
Edmondson	Landrum	Rogers
Edwards, Ala.	Latta	Roncalio
Edwards, Calif.	Leggett	Rooney, N.Y.
Erlenborn	Lennon	Rooney, Pa.
Esch	Lent	Rosenthal
Eshleman	Link	Rostenkowski
Evans, Colo.	Lloyd	Roush
Evins, Tenn.	Long, Md.	Runnels
Fascell	Lujan	Ruppe
Findley	McClory	Ryan
Fisher	McCloskey	St Germain
Flood	McCollister	Sandman
Flowers	McCormack	Sarbanes
Flynt	McCulloch	Satterfield
Foley	McDade	Scherle
Ford, Gerald R.	McDonald,	Scheuer
Ford,	Mich.	Schmitz
William D.	McFall	Schneebeli
Forsythe	McKay	Schwengel
Fountain	McKevitt	Scott
Fraser	McKinney	Sebelius
Frelinghuysen	McMillan	Seiberling
Frenzel	Mahon	Shipley
Frey	Mailliard	Shoup
Fulton, Tenn.	Mann	Shriver
Fuqua	Martin	Sikes
Galifianakis	Mathis, Ga.	Sisk
Gallagher	Matsunaga	Slack
Garmatz	Mayne	Smith, Calif.
Gettys	Mazzoli	Smith, Iowa
Gibbons	Meeds	Smith, N.Y.
Gonzalez	Melcher	Snyder
Goodling	Metcalfe	Spence
Grasso	Michel	Springer
Gray	Mikva	Staggers
Green, Oreg.	Miller, Ohio	Steed
Green, Pa.	Mills, Ark.	Steele
Griffin	Mills, Md.	Steiger, Ariz.
Griffiths	Minish	Steiger, Wis.
Gross	Mink	Stephens
Grover	Mitchell	Stratton
Gude	Mizell	Stuckey
Hagan	Mollohan	Sullivan
Haley	Montgomery	Symington
Hall	Moorhead	Taylor
Hamilton	Morse	Teague, Calif.
Hammer-	Mosher	Teague, Tex.
schmidt	Moss	Thompson, Ga.
Hansen, Idaho	Myers	Thompson, N.J.
Hansen, Wash.	Natcher	Thomson, Wis.
Harrington	Nedzi	Thone
Harsha	Nelsen	Tiernan
Harvey	Nichols	Udall
Hastings	Obey	Ullman
Hathaway	O'Hara	Van Deerlin
Hechler, W. Va.	O'Konski	Vander Jagt
Heckler, Mass.	O'Neill	Vanik
Helstoski	Passman	Vigorito
Henderson	Patman	Waggonner
Hicks, Wash.	Patten	Waldie
Hillis	Pelly	Wampler
Hogan	Perkins	Ware
Horton	Pettis	Whalen
Hosmer	Peyser	White
Howard	Pike	Whitehurst
Hull	Poage	Wiggins
Hungate	Podell	Williams
Hunt	Poff	Wilson, Bob
Hutchinson	Powell	Winn
Ichord	Preyer, N.C.	Wolff
Johnson, Calif.	Price, Tex.	Wright
Johnson, Pa.	Pryor, Ark.	Wyatt
Jonas	Pucinski	Wydler
Jones, Ala.	Purcell	Wylie
Jones, N.C.	Quie	Wyman
Jones, Tenn.	Quillen	Yates
Kastenmeier	Railsback	Yatron
Kazen	Randall	Young, Fla.
Keating	Rangel	Zablocki
Keith	Rarick	Zion
Kemp	Reid, N.Y.	Zwach
King	Reuss	
Kluczynski	Rhodes	

NAYS—0

NOT VOTING—75

Abernethy	Danielson	Halpern
Abourezk	Dent	Hanley
Alexander	Derwinski	Hanna
Baring	Diggs	Hawkins
Barrett	Dow	Hays
Bevill	Eckhardt	Hébert
Blanton	Edwards, La.	Hicks, Mass.
Burleson, Tex.	Eilberg	Holifield
Chamberlain	Fish	Jacobs
Clark	Gaydos	Jarman
Clay	Giaimo	Karth
Colmer	Goldwater	Kee
Daniels, N.J.	Gubser	Long, La.
McClure	Pickle	Stanton,
McEwen	Pirnie	James V.
Macdonald,	Price, Ill.	Stokes
Mass.	Rees	Stubblefield
Madden	Robison, N.Y.	Talcott
Mathias, Calif.	Rousselot	Terry
Miller, Calif.	Roy	Veysey
Minshall	Roybal	Whalley
Monagan	Ruth	Whitten
Morgan	Saylor	Widnall
Murphy, Ill.	Skubitz	Wilson,
Murphy, N.Y.	Stanton,	Charles H.
Nix	J. William	Young, Tex.
Pepper		

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Hays with Mr. J. William Stanton.
Mr. Charles H. Wilson with Mr. Goldwater.
Mr. Blanton with Mr. Chamberlain.
Mr. Burleson of Texas with Mr. Derwinski.
Mr. Holifield with Mr. Mathias.
Mr. Dent with Mr. Saylor.
Mr. Price of Illinois with Mr. McClure.
Mr. Gaydos with Mr. Fish.
Mr. Monagan with Mr. Halpern.
Mr. Madden with Mr. McEwen.
Mr. Karth with Mr. Minshall.
Mr. Hébert with Mr. Pirnie.
Mr. Hanna with Mr. Rousselot.
Mr. Abernethy with Mr. Ruth.
Mr. Barrett with Mr. Widnall.
Mr. Bevill with Mr. Schmitz.
Mr. Daniels of New Jersey with Mr. Robison of New York.
Mr. Eilberg with Mr. Terry.
Mr. Giaimo with Mr. Veysey.
Mr. Rees with Mr. Talcott.
Mr. Nix with Mr. Eckhardt.
Mr. Miller of California with Mr. Gubser.
Mr. Whitten with Mr. Whalley.
Mr. Stubblefield with Mr. Morgan.
Mr. James V. Stanton with Mr. Macdonald of Massachusetts.
Mr. Hanley with Mr. Kee.
Mr. Abourezk with Mrs. Hicks of Massachusetts.
Mr. Baring with Mr. Stokes.
Mr. Clark with Mr. Clay.
Mr. Young of Texas with Mr. Jarman.
Mr. Jacobs with Mr. Hawkins.
Mr. Alexander with Mr. Colmer.
Mr. Diggs with Mr. Dow.
Mr. Murphy of New York with Mr. Pepper.
Mr. Pickle with Mr. Murphy of Illinois.
Mr. Danielson with Mr. Roy.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed (H.R. 9323).

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

There was no objection.

NORTH SIDE PUMPING DIVISION EXTENSION, MINIDOKA PROJECT, IDAHO

Mr. JOHNSON of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2299) to authorize the Secretary of the Interior to engage in a feasibility investigation relative to the North Side Pumping Division extension, Minidoka project, as amended.

The Clerk read as follows:

H.R. 2299

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized to engage in feasibility studies of the following potential water resources development projects:

(a) North Side Pumping Division Extension, Minidoka project, Jerome and Minidoka Counties, Idaho.

(b) Dickinson Unit, Pick-Sloan Missouri River Basin program, North Dakota.

(c) Upper John Day project, on the John Day River in Grant and Wheeler Counties, Oregon.

(d) A plan to rehabilitate the distribution system of the Red Bluff project, Texas.

(e) Rogue River Basin project, Grants Pass Division, Josephine and Jackson Counties, Oregon.

(f) Central Valley project, Delta Division, Montezuma Hills unit in southern Solano County, California.

(g) Gallup project in McKinley, Valencia, and San Juan Counties in New Mexico.

(h) Modification of the Seminoe Dam, Kendick projects, Wyoming.

(i) Butte Valley division, Klamath project in the Klamath River Basin, Klamath County, Oregon, and Siskiyou County, California.

(j) Billings Municipal Water Supply Unit, Yellowstone Division, Pick-Sloan Missouri River Basin program, Montana.

The SPEAKER. Is a second demanded?

Mr. HOSMER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Colorado (Mr. ASPINALL), chairman of the full committee.

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

Mr. ASPINALL. Mr. Speaker, I rise in support of H.R. 2299 as recommended to be amended by the Committee on Interior and Insular Affairs. This measure is the fourth in a series of bills to grant specific authority for the Secretary of the Interior to engage in feasibility investigations of potential projects which may later be before the House for authorization under reclamation law.

Members will recall that prior to 1966, the Secretary of the Interior was empowered to initiate feasibility investigations of potential reclamation projects subject only to having funds appropriated for that purpose. Our committee and the companion committee in the other body then determined that the feasibility study program was, to all intents and purposes, out of hand.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, the gentleman is making an important statement. I make a point of order 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. 334]

Abernethy	Goldwater	Murphy, Ill.
Abourezk	Gray	Nix
Ashley	Gubser	Patman
Badillo	Halpern	Pirnie
Baring	Hanley	Rees
Barrett	Hanna	Robison, N.Y.
Bevill	Hawkins	Rousselot
Blanton	Hays	Roy
Burleson, Tex.	Hébert	Roybal
Cabell	Hicks, Mass.	Saylor
Celler	Horton	Seiberling
Chamberlain	Ichord	Skubitz
Clark	Jacobs	Smith, Calif.
Clay	Jarman	Stanton,
Colmer	Jones, Ala.	J. William
Daniels, N.J.	Karth	Stanton,
Danielson	Kee	James V.
Dent	Long, La.	Stokes
Derwinski	McClure	Stubblefield
Diggs	McDade	Talcott
Dow	McEwen	Teague, Tex.
Eckhardt	Madden	Terry
Edwards, La.	Mathias, Calif.	Veysey
Eilberg	Miller, Calif.	Whalley
Fish	Minshall	Whitten
Gallagher	Monagan	Widnall
Gaydos	Morgan	Wilson,
Giaimo	Moss	Charles H.

The SPEAKER. On this rollcall 348 Members have answered to their names, a quorum.

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

NORTH SIDE PUMPING DIVISION EXTENSION, MINIDOKA PROJECT, IDAHO

The SPEAKER. The gentleman from Colorado has the floor.

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

Mr. ASPINALL. I yield to the gentleman from Louisiana.

CHANGE IN LEGISLATIVE PROGRAM

Mr. BOGGS. I appreciate the gentleman's yielding.

Mr. Speaker, I take this time to announce to the House that, in view of the lateness of the hour and the fact we have a number of suspensions still pending, it is our intention to shift the International Coffee Agreement from today until Thursday, to be considered in place of H.R. 10729, the Environmental Pesticide Act, which will not be considered this week.

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

Mr. ASPINALL. I yield to the gentleman from Iowa.

Mr. KYL. I thank the gentleman for yielding. I would like to inquire of the majority leader, might we expect to get the environmental pesticide bill scheduled in a firm fashion within the following week?

Mr. BOGGS. I would hope so, depending on the wishes of the chairman of the committee.

Mr. ASPINALL. Mr. Speaker, so there will be no misunderstanding, we shall be able to explain the purposes of the next two pieces of legislation within a 15- to 20-minute period for both of them.

Mr. Speaker, when the no quorum point of order was made, I was at that time speaking about the former method of handling the feasibility reports and the difficulty we were having.

More than 100 individual investigations were underway, which, if completed, would result in requests for authorization of two or three times as much work as the Bureau of Reclamation had installed since 1902. These studies were being started without any knowledge or approval of the legislative committees, and resulted in an almost total loss of control by Congress over the direction and emphasis of the program.

Beginning with 1966 and the passage of the Federal Water Projects Recreation Act, we have considered new investigations in alternate years. This procedure has been shown to be workable, not particularly burdensome, and contributive of a much higher degree of oversight over program trends than was possible previously.

One of the things we must always balance in our committee is the need to preserve our capability to perform investigations of badly needed programs against the tendency to expand the program beyond any hope of timely implementation.

In seeking to preserve this balance, we must take note of the large backlog of authorized programs and the reluctance of the executive branch to afford them a sufficient priority to bring them to completition. At the present time, we note somewhat less rigidity in the administration's attitude toward water resources, and this leads to some guarded optimism that the action programs will be permitted to go forward. If this trend should continue, we may look forward to some construction completions in the near future; this opening an opportunity to approach some of the more pressing needs that are now apparent.

It is with these factors in mind that our committee has brought out H.R. 2299. It contains authority to start 10 new studies in eight of the reclamation States. If these studies prove tc be favorable, they could result in proposals aggregating about $250 million coming to the Congress for authorization over a period of several years. We should not expect any of these programs to be back before us in less than 3 years and some of them will require 6 to 8 years to complete and process, if they indeed all prove to be favorable. I give the House these estimates to illustrate that these new studies do not actually imply a buildup in program activity by the Bureau of Reclamation, which is reducing its authorized backlog of construction authorizations by about $250 million per year and is also liquidating its authorized investigations backlog at the rate of some $5 million per year. At the latter rate, H.R. 2299 actually authorizes less than 1 year of study by the Bureau of Reclamation planning organization.

Other members from the committee will discuss in more specific terms some of the program implications of this bill, Mr. Speaker. I simply want to assure the Members by way of conclusion that this is actually quite a modest program, that it is restrictive on the agency program, that it has had a great deal of study within our Subcommittee on Irrigation

and Reclamation and within our Committee on Interior and Insular Affairs, and for these reasons has my total endorsement. I, therefore, unhesitatingly, recommend that we suspend the rules and pass the bill.

Mr. HOSMER. Mr. Speaker, I rise in support of H.R. 2299, a bill which, if the amendments recommended by the House Committee on Interior and Insular Affairs are adopted, would authorize the Secretary of the Interior to engage in feasibility investigations of 10 potential water resource projects for development under reclamation law in eight States.

The Committee on Interior and Insular Affairs has used H.R. 2299 as a vehicle for an omnibus bill and amended that bill to include nine other bills, separately considered by the committee, that would authorize like feasibility studies.

The purpose of the bill is self-evident. The necessity of the bill was brought about by section 8 of the Federal Water Project Recreation Act of July 9, 1965. Prior to that act, the Bureau of Reclamation utilized its general authority to conduct such investigations. Since that act, it has been necessary to obtain specific statutory authority prior to requesting funds for such investigations. This bill provides that statutory authority for each of 10 projects. The bill does not authorize the projects. Authorization of specific projects requires separate legislation that will follow if these feasibility studies prove that the projects are indeed worth while.

Each of these 10 projects have received sufficient preliminary investigations, either separately or in conjunction with other projects, to reveal a reasonable degree of probable feasibility. And in general, each project enjoys good local support.

The combined costs of the 10 studies is estimated at $3,022,000 and will be incurred over 4 years. The costs per study range from $100,000 to $501,000. The average cost per study is about $302,200.

Two of the projects included in this omnibus bill are the recommendations of the Bureau of Reclamation, Department of the Interior. They are the Central Valley project, Delta Division, Montezuma Hills unit in southern Solano County, Calif., and the Gallup project in McKinley, Valencia, and San Juan Counties in northwest and west-central New Mexico. The other eight projects—North Side Pumping Division Extension, Minidoka project, Jerome and Minidoka Counties, Idaho; Dickinson Unit, Pick-Sloan Missouri River Basin program, N. Dak.; Upper John Day project, on the John Day River, Grant and Wheeler Counties, Oreg.; Red Bluff project, Tex., rehabilitate the distribution system; Rogue River Basin project, Grants Pass Division, Josephine and Jackson Counties, Oreg.; Kendrick project, Wyo., modification of Seminoe Dam; Butte Valley division, Klamath project, Klamath River Basin, Klamath County, Oreg. and Siskiyou County, Calif.; and Billings Municipal Water Supply Unit, Yellowstone Division, Pick-Sloan Missouri River Basin program, Mont., have been reported upon by the Department of the Interior.

In all instances but one, the reports have been favorable. In one instance, the report by the Department of the Interior did not support passage of the bill authorizing the feasibility study of a plan to rehabilitate the distribution system of the Red Bluff project, Tex. Testimony presented by the Bureau of Reclamation and by others to the Committee on Interior and Insular Affairs was, however, favorable and the committee has recommended that the study take place.

As in the case of most good things, there is little controversial about this bill and the study projects it authorizes. Water resource development today is as important to the West as it was when settlement of the West became a reality. To keep abreast of the ever-increasing need for development, agricultural, municipal and industrial and fish and wildlife enhancement, studies must be made, new projects must be authorized and constructed and old projects must be repaired and modernized. I urge the passage of H.R. 2299 as amended by the Committee on Interior and Insular Affairs and the support of my colleagues to that end.

Mr. Speaker, I yield such time as he may consume to the gentleman from Idaho (Mr. HANSEN), the author of the legislation.

Mr. HANSEN of Idaho. Mr. Speaker, I rise in support of H.R. 2299 to authorize the Secretary of the Interior to engage in a feasibility investigation relative to the North Side Pumping Division Extension, Minidoka project.

As cosponsor of this bill, along with my good friend and colleague, JIM MCCLURE, I strongly urge its passage so that the study of the 12,000 acres of dry land would then be A. & B. Irrigation District in Jerome and Minidoka Counties, Idaho, may be conducted. The Bureau of Reclamation's preliminary reconnaissance report indicated a fantastic benefit-cost ratio of 3.2:1 based on a 5⅛-percent interest rate. Much of the extension was originally scheduled for development in the unit B—the ground water unit—of the existing Minidoka North Side Pumping Division. Because funds were insufficient and ground water cables were apparently declining, development of these lands was deferred and available funds were used for rehabilitation and deepening of wells in the previously developed area.

The original project was authorized by the act of September 30, 1950, and construction of the initial phase of the project is now complete, with about 78,000 acres of irrigation. Provisions were made in the authorizing legislation for progressive stages of development, but as the money expended on the project has already reached the ceiling provided in the original authorization this subsequent authorizing legislation is necessary.

As is indicated by the impressive benefit-cost ratio, Mr. Speaker, the lands covered by this bill are potentially as productive as those now developed in the Minidoka North Side Pumping Division, and they share the same characteristics which have made the Upper Snake River Valley one of the most successful irrigation developments in the United States. The completed development of these lands would expand the area within the A. & B. Irrigation District to its full irrigation potential.

Additionally, it should be noted that the district has experienced difficulty with its drainage system that should be corrected. The feasibility study authorized by this bill would cover all aspects of both the dry lands and the drainage problem.

For these reasons, Mr. Speaker, I urge that H.R. 2299 be passed without further delay.

Mr. HOSMER. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon (Mr. DELLENBACK).

Mr. DELLENBACK. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of this bill. I would like to express my great concern over the need for the proposed feasibility studies for two Bureau of Reclamation projects on the Rogue River in Oregon included as a single item which is part of H.R. 2299.

The first of these studies involves the critical fisheries problem existing at the Savage Rapids Dam in Jackson County. The dam, which was constructed in 1921, does not provide adequate facilities for the passage of anadromous fish during either upstream or downstream migration. The passage facilities are in such a state of disrepair that the valuable salmon are suffering tremendous losses in numbers during their annual trips up and down the river. Federal and State fish and wildlife agencies have indicated their own deep concern about this problem and their strong support of rehabilitation measures designed to solve this emergency situation. A feasibility study of the problem is an immediate necessity.

The second project involves a feasibility study for the rehabilitation of the facilities of the Grants Pass Irrigation District in Josephine County. The general obsolescence of this system, which was designed and directed 50 years ago, has resulted in a high cost of maintenance, and considerable seepage and evaporation. The rapidly increased population in the area has increased pressure on the facilities so as to further exaggerate the inadequacies of an outdated and rapidly deteriorating gravity distribution system, badly in need of rehabilitation.

Particularly because of these projects I would like to indicate my own strong support for H.R. 2299 which incorporates the provisions of two separate bills I introduce earlier this year authorizing these important feasibility studies.

Mr. JOHNSON of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2299. The chairman of our full committee gave an explanation of the purpose of the legislation. There was no opposition to it in the subcommittee or in the full committee.

Mr. Speaker, I should like to discuss the merits of H.R. 2299, a bill which will authorize the Secretary of the Interior to engage in the feasibility investigation of ten specific potential water resource programs. A feasibility investigation is defined by statute as any work leading to the preparation of a report which is intended to be used as the basis for requesting authorization of the proposal.

As the chairman of the full committee has pointed out, specific approval of studies of this character is required in advance of the request of funds. This requirement is the outgrowth of a feeling that there should be a congressional input into the decisionmaking process at an early stage in the evolution of a project plan. Prior to the requirement for specific authorization of feasibility studies, it was found that much work was done and proposals gained considerable political momentum before the legislative committee of the House and the Senate became aware of the pending proposals.

The array of programs included for study authority in H.R. 2299 have been given sufficient preliminary reconnaissance study to afford assurance that the feasibility findings will be favorable. The thing that characterizes this bill, as distinct from previous study authority bills, is the diversity of the programs that will be studied. For instance, one-half of the projects have as their central emphasis the provision of municipal and industrial water supply. In fact three of them are almost exclusively for this purpose. Two of the studies contemplate enlargement of existing storage reservoirs to more adequately regulate the streams on which they are located, and two of the programs are in the nature of rehabilitating or rescuing privately financed projects which are in distress. Actually only two of the studies for which authority will be granted by H.R. 2299 are on behalf of predominantly irrigation projects, and one of them is for supplemental service and the other is for groundwater development. I mention these trends, Mr. Speaker, to illustrate the manner in which the reclamation program is moving away from new land irrigation projects at this time.

I would also like to point out that the works authorized by this measure is of minimal fiscal impact. The estimated cost of all 10 studies aggregates only slighty more than $3 million. This sum will be expended, depending upon rate of appropriation, over a minimum of 5 years So this is not a tremendously expensive bill, but one which is of great importance and meaningfulness to the communities of the West in which these programs will be located.

It is important to note that water resources development is not as glamorous as it once was. It is not as easy to support programs of this character as once was the case. This, in my opinion, is not because the subject is any less vital—it is because its relevance has been submerged by issues that are more easily pushed politically. Mr. Speaker, our water programs are not any less important to our long-term economic health and well-being than they ever were. We just hear less about them.

Our committee believes that these programs must go forward in a timely manner; that our regional survival depends on it; and that we will, one day soon, have a water crisis of similar proportions to the widely heralded environmental crisis if we do not proceed in a moderate way to develop our water resource potential.

In conclusion, let me say that this is a good bill. It has been carefully studied and investigated. It deserves the support of all Members. I therefore earnestly recommend that the House suspend the rules and pass it at this time.

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

Mr. JOHNSON of California. I yield to the gentleman from California (Mr. WALDIE) for a question.

Mr. WALDIE. I am reading the Secretary's letter, which is included in the report beginning on page 7, and I make particular reference to the portion of that letter on page 9, describing the Central Valley project, Delta division, Montezuma Hills unit in southern Solano County, Calif.

It alludes to a justification for the project as being that justification stemming from projected upstream water diversion from the Sacramento water system which will increase the duration of high salinity levels in waterways of the marsh with a resultant decrease in waterfowl food production on the land areas.

The question I have for the gentleman is, What will be the source of those diversions, and what will be the extent percentagewise of those diversions, from the present outflow of that water system by the year 2020, which are the conditions and the year the Secretary has reference to as requiring this project?

Mr. JOHNSON of California. I would say, in response to the gentleman's question, the Bureau of Reclamation has had the matter under study for some time, so far as the Montezuma Hills unit is concerned. It has been under a general reconnaissance study. That study was completed in October 1971.

That was the justification for asking for the feasibility study.

Now, the feasibility study that would be made involves the waters of the Central Valley project. They are found in the delta of California, eventually. Many of the projects in place now are releasing water into the delta, and it is not being used. At later dates there will be a certain amount of water diverted out of projects that are in place now at a higher elevation, probably prior to the delta and in the delta itself. This water will be Central Valley water that will be brought in overland to irrigate a sizable amount of acreage. It will also furnish municipal and industrial water. It will also supply a very substantial amount of water for maintenance of the marsh, to make certain that the conditions in the marsh will be protected.

Mr. WALDIE. I thank the gentleman for his answer.

May I say, I am not opposing the bill, but my concerns with the bill stem from my belief that so many projects involving upstream diversion of these waters are presently being considered and presently being undertaken, and are underway, without a full knowledge as to what their consequences will be.

One of the most important consequences of this upstream diversion will be precisely what happens to this marsh. It is the belief of many people, myself included, that this marsh will be destroyed if the diversions contemplated by the year 2020 are in fact concluded. Those diversions represent 80 percent of the present flow of water into that system that sustains the marsh. I do not believe the marsh can in fact be sustained by an overland water supply.

I believe the only answers that will be accepted by the committees considering approval or disapproval of these projects committing diversion of upstream waters will be answers that this study will provide. For that reason, I am in support of these studies.

I add for the record just a caveat, that projects already under consideration—one such project is the peripheral canal offered by my good friend and colleague from California (Mr. HOSMER)—are predicated upon conclusions that this report will ultimately sustain or deny, but are, in fact, at this point not determined.

Those projects, in my view, should be cautiously examined until these answers are found.

I thank the gentleman for yielding.

Mr. WHITE. Mr. Speaker, I rise in support of H.R. 2299, a bill authorizing various feasibility reports on irrigation projects in the arid sections of the American West. I believe it is essential that this Nation continue with the development and rehabilitation of the irrigation projects that are essential to maintaining the well being of the rural West.

The bill before us would authorize feasibility studies on 10 water resource development projects in eight States. I would especially like to comment on the project in my district which would be studied under this legislation.

This is a rescue project, to rehabilitate the agricultural economy of the historic Pecos River Basin of west Texas. At one time, the Red Bluff project served a thriving agricultural area with as much as 46,000 acres under cultivation, irrigated from water stored in Red Bluff Reservoir on the Pecos River. But, through the years, canals, laterals, and other irrigation works have deteriorated. Severe droughts have aggravated the problem, and in some recent years there has been no water at all for use by irrigators along the Pecos.

Farmers have resorted to deep wells, and have greatly depleted the ground water as a result. It is hoped that the feasibility report authorized in this bill will find that it is practical to establish an efficient irrigation system which would provide dependable irrigation, every year, for 22,000 acres in Reeves, Loving, Pecos,

and Ward Counties, all in the 16th Congressional District which I serve.

These counties all need a dependable agricultural economy to balance an uncertain future of major dependence on oil and gas revenues.

The lands along the Pecos had been cultivated for hundreds of years before the area became a part of the United States. I believe that a rehabilitation program to assure the continuation of an agricultural economy will serve this Nation well by helping an important rural area to survive and prosper, and thereby curb the migration to overcrowded cities, which has become a major national problem.

Mr. Speaker, all 10 of the projects in H.R. 2299 would help to curb this trend. I respectfully ask the House to suspend the rules and approve this important contribution to our Nation's well being.

Mr. McCLURE. Mr. Speaker, I am fully in support of this bill, as are virtually all of the people of Idaho. The proposed extension of the North Side Pumping Division, Minidoka project, has the endorsement of the entire Idaho delegation, and it comes before us with the blessings of the Interior Department and the Office of Management and Budget.

In the statement of my colleague (Mr. HANSEN) today, the need for and the benefits to be derived from this measure are fully explained. I merely want to point out that it is noncontroversial and to express my personal gratitude to all of those who have helped speed this measure through the committee.

The SPEAKER. The question is on the motion offered by the gentleman from California that the House suspend the rules and pass the bill (H.R. 2299) as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended, was passed.

The title was amended so as to read: "An Act to authorize the Secretary of the Interior to engage in certain feasibility investigations."

A motion to reconsider was laid on the table.

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 2248) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill as follows:

S. 2248

An act to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource developments

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized to engage in feasibility studies of the following proposals:

1. Central Valley Project, Delta Division, Montezuma Hills Unit in southern Solano County, California.

2. Gallup Project in McKinley, Valencia, and San Juan Counties in northwest and west-central New Mexico.

3. North Side Pumping Division Extension, Minidoka Project in Jerome and Minidoka Counties, Idaho.

4. Rogue River Basin project, Grants Pass division, in Josephine County, southwestern Oregon, adjacent to the city of Grants Pass.

5. Dickinson unit, municipal and industrial water facilities, of the Pick-Sloan Missouri River Basin program, North Dakota.

6. Seminoe Dam, a feature of the Kendrick project, Pick-Sloan Missouri River Basin project, Wyoming.

AMENDMENT OFFERED BY MR. JOHNSON OF CALIFORNIA

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

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California:

Strike out all after the enacting clause of S. 2248 and insert in lieu thereof the provisions of H.R. 2299 as passed.

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Is this a committee amendment?

The SPEAKER. This is simply perfecting the procedure of the two houses by striking out all after the enacting clause in the Senate bill and inserting the provisions of the House bill as passed.

The question is on the amendment offered by the gentleman from California.

The amendment 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: "An Act to authorize the Secretary of the Interior to engage in certain feasibility investigations."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 2299) 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 in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

AMENDING THE SMALL RECLAMATION PROJECTS ACT OF 1956

Mr. JOHNSON of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7854) to amend the Small Reclamation Projects Act of 1956, as amended, as amended.

The Clerk read as follows:

H.R. 7854

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Small Reclamation Projects Act of 1956 (70 Stat. 1044), as amended, is amended as follows:

(1) Subsection (d) of section 2 of such Act is amended to read as follows:

"(d) The term 'project' shall mean (i) any complete irrigation project, or (ii) any multiple-purpose water resource project that is authorized or is eligible for authorization under the Federal reclamation laws, or (iii) any distinct unit of a project described in clauses (i) and (ii), or (iv) any project for the drainage of irrigated lands, without regard to whether such lands are irrigated with water supplies developed pursuant to the Federal reclamation laws, or (v) any project for the rehabilitation and betterment of a project or distinct unit described in clauses (i), (ii), (iii), and (iv): *Provided,* That the estimated total cost of the project described in clauses (i), (ii), (iii), (iv), or (v) does not exceed $15,000,000.

Nothing contained in this Act shall preclude the making of more than one loan or grant, or combined loan or grant, to an organization so long as no two such loans or grants, or combinations thereof, are for the same project, as herein defined.".

(2) The first sentence of section 4(e) of such Act is amended by deleting ", whether the proposal involves furnishing supplemental irrigation water for an existing irrigation project, whether the proposal involves rehabilitation of existing irrigation project works, and whether the proposed project is primarily for irrigation".

(3) Paragraph (a) of section 5 of such Act is amended by deleting "$6,500,000 or" and inserting in lieu thereof "$10,000,000 or".

(4) Section 5(b)(2) of such Act is amended to read as follows: "(2) one-half the costs of acquiring lands or interests therein to serve exclusively the purposes of fish and wildlife enhancement or public recreation, plus the costs of acquiring joint use lands and interests therein properly allocable to fish and wildlife enhancement and public recreation;"

(5) At the end of subsection 5(b)(5), delete the word "projects" and the semicolon, and add the following: "projects: Provided, That the cost of constructing the project as used in this subsection shall be exclusive of the cost of lands and interests in land;"

(6) Subsection 5(c)(3) of such Act is amended to read as follows: "(3) in the case of any project involving an allocation to domestic, industrial, or municipal water supply, commercial power, fish and wildlife enhancement, or public recreation, interest on the unamortized balance of an appropriate portion of the loan at a rate as determined in (2) above;"

(7) Section 10 of such Act is amended by deleting "$200,000,000" and inserting in lieu thereof "$300,000,000".

(8) The Small Reclamation Projects Act of 1956 is amended by adding at the end thereof a new section 13 as follows:

"SEC. 13. A loan contract negotiated and executed pursuant to this Act may be amended or supplemented for the purpose of deferring repayment installments in accordance with the provisions of section 17(b) of the Reclamation Project Act of 1939, as amended (73 Stat. 584, 43 U.S.C. 485b–1).

The SPEAKER. Is a second demanded?

Mr. HOSMER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, I yield such time as he may consume to the chairman of the full committee (Mr. ASPINALL).

Mr. ASPINALL. Mr. Speaker, my colleagues: I take this time in support of H.R. 7854, a bill to amend the Small Rec-

lamation Projects Act, as amended. This legislation accomplishes two general goals:

First, to extend the program by authorizing additional appropriations; and

Second, to modernize and update the program in the light of changing economics and changing needs in the Western United States.

The small reclamation projects program was initiated about 15 years ago as a supplement to the Federal reclamation program. It was the basic intent at the time to simplify the authorizing process for smaller irrigation projects; thus to cut down the overhead costs involved in authorizing water resources projects. It was also intended that the program impart a greater degree of local, or grassroots, control over plan formulation, design, construction, and management. Both of these objectives have been well served.

The record shows that the Small Projects program has been used in 54 separate instances by irrigation districts and other qualified applicants throughout the Reclamation territory to obtain loans and grants aggregating $144 million, with an additional $22 million in applications now in the review stage by the Department of the Interior. The record further shows that repayment by the applicants is on schedule, there having been only two instances where deferment of payments for 1 year was sought because of extraordinary circumstances beyond the control of the borrowing agent.

It is also significant, Mr. Speaker, that this program has been achieved with probably the lowest executive branch overhead of any similar program. At no time since the original passage of the act has there been more than three full-time professional employees involved in the administration of the Small Projects program. Surely this record of efficiency and accomplishment furnishes ample justification for continuation of the program for the period of time involved in the obligation of the additional $100 million which H.R. 7854 will authorize.

Like all other effective programs, Mr. Speaker, the Small Reclamation Projects Act can only continue as a viable policy vehicle if we take steps to keep it on all-fours with our changing economic and social environment. When the program was first enacted, there was a requirement included in the law that projects must be primarily for irrigation. The use of the word "primary" has caused a considerable amount of trouble and perplexity. For instance, it has been interpreted to mean that more than one-half the water produced or conveyed by project facilities must be used for irrigation for the entire life of the contract. Such a rigid construction, of course, is not consistent with the changing patterns of water use in the Western States where we see more and more demand for our resources to be used for multiple purposes.

It is in this area that H.R. 7854 makes one of its major effects on the program. Specifically, this bill redefines and clarifies in specific terms the nature of projects which may now be eligibly considered for loan assistance. The new definition eliminates the term "primarily for irrigation" but retains an irrigation emphasis by providing that the only single-purpose, water use, program which may qualify is an irrigation project. The bill also enables multiple-purpose water use projects and single-purpose irrigation drainage programs to qualify; thus adapting the statute to the problems and situations actually being encountered in the contemporary West.

Other desirable changes are also being accomplished by this legislation, and are being discussed by other members of the Committee on Interior and Insular Affairs. They, together with the point I have enumerated will make the Small Reclamation Projects Act an ever more useful instrument of public policy and amply justify my recommendation that the House suspend the rules and enact the bill.

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

Mr. Speaker, I rise in support of H.R. 7854, as reported out by the Committee on Interior and Insular Affairs, and I urge the support of my colleagues for its passage.

H.R. 7854 would amend the Small Reclamation Projects Act of 1956. That act, the product of the sponsorship and guidance of the late Clair Engle, former chairman of the House Interior and Insular Affairs Committee, provides a program through which grants or loans may be made to qualified public entities for the construction of small irrigation projects which in fact have irrigation as the primary purpose. Presently a small irrigation project is defined by the law as one costing no more than $10 million. Grants and loans are limited to $6.5 million. Application of the law is limited to the 17 western reclamation States and Hawaii. Since 1956, more than $200 million have been authorized and appropriated for use. Some 54 applicants have received more than $144 million since 1956 under this program and applications for about $22 million are presently under review. One need only travel through the States that have used this program to better their lands to see and understand the importance of this legislation to the 17 Western States and Hawaii. It is noteworthy that the overhead and administrative costs of this program within the Department of the Interior's Bureau of Reclamation are very small.

As I have stated, the amounts authorized to be approved for grants and loans under this law are about used up. That means that this program is going to expire unless my colleagues join me in supporting the passage of this bill and increasing the financial limits of the act by $100 million.

As my colleagues all know, and have experienced, there has been increasing inflation in the country. The effect of inflation upon this program has been to erode the purchasing power of the present $10 million per project ceiling and $6.5 million loan or grant ceiling in terms of what can be accomplished within these ceilings. In my estimation, there is a present need to raise these ceilings as the bill would do.

H.R. 7854 would increase the limit on the size of projects defined as "small projects" from $10 million to $15 million. It would increase the ceiling on loans or grants to $10 million per project. These two changes would bring the definition of this law within the parameters of today's economic realities.

As both urban and rural areas have become more populated, the uses of water and the priorities of water users have changed. The need for more water for industrial and municipal uses is increasing in the 17 Western States and Hawaii. And the need for vehicles, both legislative and physical, to provide that water is increasing. As the law is presently written, the moneys appropriated for projects under the Small Reclamation Projects Act cannot be used for industrial and municipal purposes. As a matter of fact, a strict interpretation of the law would prohibit as a purpose of any project financed under this law, other than as an incidental one, fish and wildlife enhancement or recreation. Both of those purposes today are extremely popular and of great importance. It, therefore, makes good sense to alter the statutory purpose of this law to include as the purposes of projects financed thereunder industrial and municipal water uses, fish and wildlife enhancement and recreation, along with irrigation as primary purposes.

The bill, H.R. 7854, also makes some minor changes in the Small Reclamation Projects Act to bring the law up to date with current reclamation law and to clarify the intent of the act.

The small reclamation projects program has been successful to date—so successful as one witness testifying before the Committee on Interior and Insular Affairs said, it has consumed itself. It is now time to extend the life of the program, update the program and move forward with this aspect of irrigation and reclamation. The bill is a good bill. It will fulfill the needs for which it was designed. I urge my colleagues to join with me in voting aye on the question of passage of H.R. 7854.

Mr. JOHNSON of California. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. McFALL).

Mr. McFALL. Mr. Speaker, I rise in support of H.R. 7854 which provides several needed changes in the Small Reclamation Projects Act of 1956.

Since its original enactment, 54 small irrigation projects in the 17 Western reclamation States and Hawaii have been approved for loans and grants totaling $144 million.

At a minimal cost in terms of administrative overhead by the Bureau of Reclamation, it has been possible for smaller districts to move forward with many betterment programs to make the land as productive as possible.

Because the present maximum authorization for the program, $200 million,

soon will be exhausted, it is necessary to seek an increase. The measure under consideration would boost the limitation to $300 million, which certainly is a reasonable figure.

Other recommended changes would increase the amount of loans and grants which may be made for any single project from $6.5 million to $10 million and the limit on the size of a project which may be assisted would be boosted from $10 million to $15 million. Inflationary pressures of recent years have made these increases essential.

I was particularly glad to receive acceptance by the Interior and Insular Affairs Committee of another important change in the law which was recommended by Congressman B. F. SISK and myself in our bill H.R. 8052, also considered during hearings on H.R. 7854 by Congressman HAROLD T. JOHNSON, chairman of the Subcommittee on Irrigation and Reclamation. This proposal, which is vital to a large area of the San Joaquin Valley of California, will make drainage districts eligible for long-term Federal loans.

Congressman SISK and I have worked together for the last 5 years to make drainage projects eligible for the assistance program because of discontinuance of Federal aid under another program for projects principally designed for drainage.

In mid-1967, the House Agriculture Committee adopted new guidelines for proposed projects submitted for consideration under the Watershed Protection and Flood Prevention Act administered by the Department of Agriculture. The committee's new rules require flood control to be the principal purpose of such projects.

As a consequence, nearly 1 million acres of agricultural land in the western portion of the San Joaquin Valley are deteriorating because of saline alkali conditions. Flood control is not a vital need in the area, but rising water tables and increased salinity are endangering large acreages.

Department of Agriculture scientists estimate an annual crop loss of $20 million resulting from the lack of adequate drainage installations along the west side of the valley.

In all these areas, irrigated farming operations are conducted. Rising water tables in many locations date back to the increase of irrigation water made available by the Bureau of Reclamation's Delta Mendota Canal, which began operations along the west side in 1952.

The bill under consideration, H.R. 7854, is a worthwhile investment to help smaller irrigation districts composed primarily of small land owners who have been particularly hard hit by the cost-price squeeze. I wholeheartedly recommend its enactment.

Mr. JOHNSON of California. Mr. Speaker, I yield myself such time as I may require to speak on behalf of H.R. 7854, as proposed to be amended by the Committee on Interior and Insular Affairs. This measure was considered fully by the Subcommittee on Irrigation and Reclamation, and after hearing from the administration witnesses, Members of Congress, and representatives of the public sector, a number of amendments were adopted to make this a truly useful measure.

The chairman of the full committee (Mr. ASPINALL) has summarized the accomplishments and value of the small reclamation projects program to the reclamation States and very effectively explained the justification for its continuation for the foreseeable future. I agree that the program has been well received, has met the expectations of its original supporters, and should be updated and refined to meet the changing economic and social needs of the Western States.

H.R. 7854 accomplishes these objectives to the maximum practicable extent. In addition to authorizing an additional $100 million for appropriation and clarifying and redefining the nature and character of eligible projects, the bill accomplishes other important changes in the act.

At the present time, Mr. Speaker, the program is limited to projects having a maximum estimated cost of $10 million and the amount of the loan and grant is limited to $6 million. These amounts were established several years ago and were selected as arbitrary definitions of a "small" as distinct from a "regular" water resource development program. The passage of time and erosion in the value of the dollar has meant that the size of eligible programs has become progressively smaller when measured in physical terms. H.R. 7854 rectifies this problem by increasing the maximum size of the project to $15 million and increasing the maximum amount for loan and grant to $10 million. This change will have the effect of restoring the physical size to approximately the same level that was originally set up in 1956.

Another important provision of H.R. 7854 is to conform the small projects program with other water resource development programs in the field of cost sharing by project beneficiaries. The changes that are necessary are in the area of fish and wildlife and recreation cost sharing where general provisions were adopted by the Congress by passage of the Federal Water Projects Recreation Act of 1965. H.R. 7854 will require that local beneficiaries repay one-half the separable cost of fish and wildlife and recreation measures at the rates of interest established for other interest-bearing water resource purposes. This aspect of the bill will make a major contribution to the reduction of confusion and misunderstanding within the water resources community that has existed for a number of years. The impact of this legislation will be to secure a greater percentage of return from the beneficiaries and will assure that programs are not loaded with fish and wildlife and recreation gimmicks unless there is a sincere desire on the part of local interests to bear an appropriate part of the cost at interest.

In summary, Mr. Speaker, it is my view that the bill we have reported here will make an already good program even more valuable and useful and it clearly merits support of all friends of balanced and even-handed resource utilization development. I, therefore, urgently recommend that the House suspend the rules and pass the bill as recommended to be amended by the committee.

The SPEAKER. The question is on the motion offered by the gentleman from California that the House suspend the rules and pass the bill H.R. 7854, as amended.

The question was taken.

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 346, nays 7, not voting 76, as follows:

[Roll No. 335]

YEAS—346

Abbitt	Collins, Ill.	Gubser
Abzug	Collins, Tex.	Gude
Adams	Conable	Hagan
Addabbo	Conte	Haley
Anderson, Calif.	Corman	Hamilton
	Cotter	Hammer-schmidt
Anderson, Ill.	Coughlin	Hanley
Anderson, Tenn.	Culver	Hansen, Idaho
	Daniel, Va.	Hansen, Wash.
Andrews, Ala.	Davis, Ga.	Harrington
Andrews, N. Dak.	Davis, S.C.	Harsha
	Davis, Wis.	Harvey
Annunzio	de la Garza	Hastings
Archer	Delaney	Hathaway
Arends	Dellenback	Hechler, W. Va.
Ashley	Dellums	Heckler, Mass.
Aspin	Denholm	Helstoski
Aspinall	Devine	Henderson
Baker	Dickinson	Hicks, Wash.
Begich	Dingell	Hillis
Belcher	Donohue	Hogan
Bell	Dorn	Holifield
Bennett	Dowdy	Horton
Bergland	Downing	Hosmer
Betts	Drinan	Howard
Biaggi	Dulski	Hull
Biester	Duncan	Hungate
Bingham	du Pont	Hunt
Blackburn	Dwyer	Hutchinson
Blatnik	Edmondson	Ichord
Boggs	Edwards, Ala.	Johnson, Calif.
Boland	Edwards, Calif.	Johnson, Pa.
Bolling	Erlenborn	Jonas
Bow	Esch	Jones, Ala.
Brademas	Eshleman	Jones, N.C.
Brasco	Evans, Colo.	Jones, Tenn.
Bray	Evins, Tenn.	Kastenmeier
Brinkley	Fascell	Kazen
Brooks	Findley	Keating
Broomfield	Fisher	Keith
Brotzman	Flood	Kemp
Brown, Mich.	Flowers	King
Brown, Ohio	Flynt	Kluczynski
Broyhill, N.C.	Foley	Koch
Broyhill, Va.	Ford, Gerald R.	Kuykendall
Buchanan	Ford, William D.	Kyl
Burke, Fla.		Kyros
Burke, Mass.	Forsythe	Landgrebe
Burlison, Mo.	Fountain	Landrum
Burton	Fraser	Latta
Byrne, Pa.	Frelinghuysen	Leggett
Byrnes, Wis.	Frenzel	Lennon
Byron	Frey	Lent
Caffery	Fuqua	Link
Camp	Galifianakis	Lloyd
Carey, N.Y.	Gallagher	Long, Md.
Carney	Garmatz	Lujan
Carter	Gettys	McClory
Casey, Tex.	Gibbons	McCloskey
Cederberg	Gonzalez	McCollister
Chappell	Goodling	McCormack
Chisholm	Grasso	McCulloch
Clancy	Gray	McDonald, Mich.
Clausen, Don H.	Green, Oreg.	
	Green, Pa.	McFall
Clawson, Del	Griffin	McKay
Cleveland	Griffiths	McKevitt
Collier	Grover	

McKinney	Poff	Smith, N.Y.
McMillan	Powell	Snyder
Macdonald, Mass.	Preyer, N.C.	Spence
Mahon	Price, Ill.	Springer
Mailliard	Price, Tex.	Staggers
Mann	Pryor, Ark.	Steed
Martin	Pucinski	Steele
Mathis, Ga.	Purcell	Steiger, Ariz.
Matsunaga	Quie	Steiger, Wis.
Mayne	Quillen	Stephens
Mazzoli	Railsback	Stratton
Meeds	Randall	Stuckey
Melcher	Rangel	Sullivan
Metcalfe	Reid, N.Y.	Symington
Michel	Reuss	Taylor
Mikva	Rhodes	Teague, Calif.
Miller, Ohio	Riegle	Teague, Tex.
Mills, Ark.	Roberts	Thompson, Ga.
Mills, Md.	Robinson, Va.	Thomson, Wis.
Minish	Rodino	Thone
Mink	Roe	Tiernan
Mitchell	Rogers	Udall
Mizell	Roncalio	Ullman
Mollohan	Rooney, N.Y.	Van Deerlin
Montgomery	Rosenthal	Vander Jagt
Moorhead	Rostenkowski	Vanik
Morse	Roush	Vigorito
Mosher	Runnels	Waggonner
Moss	Ruppe	Waldie
Murphy, N.Y.	Ruth	Wampler
Myers	Ryan	Ware
Natcher	St Germain	Whalen
Nedzi	Sandman	White
Nelsen	Sarbanes	Whitehurst
Nichols	Satterfield	Wiggins
Obey	Scherle	Williams
O'Hara	Scheuer	Wilson, Bob
O'Konski	Schneebeli	Winn
O'Neill	Schwengel	Wolff
Passman	Scott	Wright
Patten	Sebelius	Wyatt
Pelly	Seiberling	Wylie
Perkins	Shipley	Wyman
Pettis	Shoup	Yates
Peyser	Shriver	Yatron
Pickle	Sikes	Young, Fla.
Pike	Sisk	Young, Tex.
Poage	Slack	Zablocki
Podell	Smith, Calif.	Zion
	Smith, Iowa	Zwach

NAYS—7

Ashbrook	Hall	Wydler
Crane	Rarick	
Gross	Schmitz	

NOT VOTING—76

Abernethy	Fulton, Tenn.	Pepper
Abourezk	Gaydos	Pirnie
Alexander	Giaimo	Rees
Badillo	Goldwater	Robison, N.Y.
Baring	Halpern	Rooney, Pa.
Barrett	Hanna	Rousselot
Bevill	Hawkins	Roy
Blanton	Hays	Roybal
Burleson, Tex.	Hébert	Saylor
Cabell	Hicks, Mass.	Skubitz
Celler	Jacobs	Stanton, J. William
Chamberlain	Jarman	Stanton, James V.
Clark	Karth	Stokes
Clay	Kee	Stubblefield
Colmer	Long, La.	Talcott
Conyers	McClure	Terry
Daniels, N.J.	McDade	Thompson, N.J.
Danielson	McEwen	Veysey
Dennis	Madden	Whalley
Dent	Mathias, Calif.	Whitten
Derwinski	Miller, Calif.	Widnall
Diggs	Minshall	Wilson, Charles H.
Dow	Monagan	
Eckhardt	Morgan	
Edwards, La.	Murphy, Ill.	
Eilberg	Nix	
Fish	Patman	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Widnall.

Mr. Hays with Mr. J. William Stanton.

Mr. Hébert with Mr. Pirnie.

Mr. James V. Stanton with Mr. Chamberlain.

Mr. Celler with Mr. Halpern.

Mr. Rooney of Pennsylvania with Mr. McDade.

Mr. Monagan with Mr. Fish.

Mr. Daniels of New Jersey with Mr. Robison of New York.

Mr. Dent with Mr. Rousselot.

Mr. Gaydos with Mr. Derwinski.

Mr. Giaimo with Mr. Dennis.

Mr. Morgan with Mr. Saylor.

Mr. Nix with Mr. Pepper.

Mr. Burleson of Texas with Mr. Goldwater.

Mr. Blanton with Mr. McClure.

Mr. Fulton of Tennessee with Mr. Mathias of California.

Mr. Eilberg with Mr. McEwen.

Mr. Bevill with Mr. Minshall.

Mr. Barrett with Mr. Talcott.

Mr. Abernethy with Mr. Skubitz.

Mr. Colmer with Mr. Veysey.

Mr. Madden with Mr. Terry.

Mr. Miller of California with Mr. Whalley.

Mr. Karth with Mr. Roybal.

Mr. Hanna with Mr. Roy.

Mr. Abourezk with Mr. Murphy of Illinois.

Mr. Alexander with Mr. Cabell.

Mr. Baring with Mr. Clay.

Mr. Jarman with Mr. Danielson.

Mr. Charles H. Wilson with Mr. Patman.

Mr. Whitten with Mr. Kee.

Mr. Stubblefield with Mrs. Hicks of Massachusetts.

Mr. Clark with Mr. Stokes.

Mr. Rees with Mr. Conyers.

Mr. Jacobs with Mr. Badillo.

Mr. Diggs with Mr. Dow.

Mr. Eckhardt with Mr. Hawkins.

Messrs. ASHBROOK and SCHMITZ changed their votes from "yea" to "nay."

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, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 1026) to amend the Small Reclamation Projects Act of 1956, as amended.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill as follows:

S. 1026

An act to amend the Small Reclamation Projects Act of 1956, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Small Reclamation Projects Act of 1956 (70 Stat. 1044), as amend, is amended as follows:

(1) Subsection (d) of section 2 of such Act is amended to read as follows:

"(d) The term 'project' shall mean (i) any complete water development having irrigation as a purpose, including features thereof, authorized to be constructed pursuant to the Federal reclamation laws and (ii) any similar undertaking proposed to be constructed by an organization. The term 'project' shall not include any such undertaking, unit, or program the estimated cost of which exceeds $10,000,000 (January 1956 prices) plus or minus such amounts, if any, as may be required by reason of changes in the cost of construction work of the type involved as shown by engineering cost indices determined by the Secretary to be applicable on January 1 for the year in which the application is filed. No loan, grant, or combination thereof for any project shall be in excess of 65 per centum of the maximum allowable estimated project cost as set forth above. Nothing contained in this Act shall preclude the making of more than one loan or grant, combined loan and grant, to an organization so long as no two such loans or grants, or combinations thereof, are for the same project, as herein defined.".

(2) The first sentence of section 4(e) of such Act is amended by deleting ", whether the proposal involves furnishing supplemental irrigation water for an existing irrigation project, whether the proposal involves rehabilitation of existing irrigation project works, and whether the proposed project is primarily for irrigation".

(3) Paragraph (a) of section 5 of such Act is amended by deleting "$6,500,000 or" and inserting in lieu thereof "65 per centum of the maximum allowable estimated project cost as set forth in section 2(d) or".

(4) Paragraph (3) of section 5(c) of such Act is amended to read as follows: "(3) in the case of any project involving an allocation to domestic, industrial, or municipal water supply, commercial power, fish and wildlife enhancement, or outdoor recreation, interest on the unamortized balance of an appropriate portion of the loan at a rate as determined in (2) above;".

(5) Section 10 of such Act is amended by deleting "$200,000,000" and inserting in lieu thereof "$300,000,000".

AMENDMENT OFFERED BY MR. JOHNSON OF CALIFORNIA

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

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of California: Strike out all after the enacting clause of S. 1026 and insert in lieu thereof the provisions of H.R. 7854, as passed.

The amendment was agreed to.

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

A similar House bill (H.R. 7854) 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.

FARM CREDIT ACT OF 1971

Mr. POAGE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11232) to further provide for the farmer-owned cooperative system of making credit available to farmers and ranchers and their cooperatives, for rural residences, 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, as amended.

The Clerk read as follows:

H.R. 11232

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 "Farm Credit Act of 1971".

POLICY AND OBJECTIVES

SEC. 1.1. (a) It is declared to be the policy of the Congress, recognizing that a prosperous, productive agriculture is essential to a free nation and recognizing the growing need for credit in rural areas, that the farmer-

owned cooperative Farm Credit System be designed to accomplish the objective of improving the income and well-being of American farmers and ranchers by furnishing sound, adequate, and constructive credit and closely related services to them, their cooperatives, and to selected farm-related businesses necessary for efficient farm operations.

(b) It is the objective of this Act to continue to encourage farmer- and rancher-borrowers participation in the management, control, and ownership of a permanent system of credit for agriculture which will be responsive to the credit needs of all types of agricultural producers having a basis for credit, and to modernize and improve authorizations and means for furnishing such credit and credit for housing in rural areas made available through the institutions constituting the Farm Credit System as herein provided.

SEC. 1.2. THE FARM CREDIT SYSTEM.—The Farm Credit System shall include the Federal land banks, the Federal land bank associations, the Federal intermediate credit banks, the production credit associations, the banks for cooperatives, and such other institutions as may be made a part of the System, all of which shall be chartered by and subject to the supervision of the Farm Credit Administration.

ASSOCIATIONS

PART A—FEDERAL LAND BANKS

SEC. 1.3. ESTABLISHMENT; TITLE; BRANCHES.—The Federal land banks established pursuant to section 4 of the Federal Farm Loan Act, as amended, shall continue as federally chartered instrumentalities of the United States. Their charters or organization certificates may be modified from time to time by the Farm Credit Administration, not inconsistent with the provisions of this title, as may be necessary or expedient to implement this Act. Unless an existing Federal land bank is merged with one or more other such banks under section 4. 10 of this Act, there shall be a Federal land bank in each farm credit district. It may include in its title the name of the city in which it is located or other geographical designation. When authorized by the Farm Credit Administration, it may establish such branches or other offices as may be appropriate for the effective operation of its business.

SEC. 1.4. CORPORATE EXISTENCE; GENERAL CORPORATE POWERS.—Each Federal land bank shall be a body corporate and, subject to supervision by the Farm Credit Administration, shall have power to—

(1) Adopt and use a corporate seal.

(2) Have succession until dissolved under the provisions of this Act or other Act of Congress.

(3) Make contracts.

(4) Sue and be sued.

(5) Acquire, hold, dispose, and otherwise exercise all the usual incidents of ownership of real and personal property necessary or convenient to its business.

(6) Make loans and commitments for credit, accept advance payments, and provide services and other assistance as authorized in this Act, and charge fees therefor.

(7) Operate under the direction of its board of directors.

(8) Elect by its board of directors a president, any vice president, a secretary, a treasurer, and provide for such other officers, employees, and agents as may be necessary, including joint employees as provided in this Act, define their duties, and require surety bonds or make other provision against losses occasioned by employees.

(9) Prescribe by its board of directors its bylaws not inconsistent with law providing for the classes of its stock and the manner in which its stock shall be issued, transferred, and retired; it officers, employees, and agents are elected or provided for; its property acquired, held and transferred; its loans and appraisals made; its general business conducted; and the privileges granted it by law exercised and enjoyed.

(10) Borrow money and issue notes, bonds, debentures, or other obligations individually, or in concert with one or more other banks of the System, of such character, terms, conditions, and rates of interest as may be determined.

(11) Accept deposits of securities or of current funds from its Federal land bank associations and pay interest on such funds.

(12) Participate with one or more other Federal land banks in loans under this title on such terms as may be agreed upon among such banks.

(13) Approve the salary scale of the officers and employees of the Federal land bank associations and the appointment and compensation of the chief executive officer thereof and supervise the exercise by such associations of the functions vested in or delegated to them.

(14) Desposit its securities and its current funds with any member bank of the Federal Reserve System and pay fees therefor and receive interest thereon as may be agreed. When designated for that purpose by the Secretary of the Treasury, it shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary; may be employed as a fiscal agent of the Government, and shall perform all such reasonable duties as a depository of public money or financial agent of the Government as may be required of it. No Government funds deposited under the provisions of this subsection shall be invested in loans or bonds or other obligations of the bank.

(15) Buy and sell obligations of or insured by the United States or of any agency thereof, or securities backed by the full faith and credit of any such agency, and make such other investments as may be authorized by the Farm Credit Administration.

(16) Conduct studies and make and adopt standards for lending.

(17) Delegate to Federal land bank associations such functions vested in or delegated to the bank as it may determine.

(18) Amend and modify loan contracts, documents and payment schedules, and release, subordinate, or substitute security for any of them.

(19) Perform any function delegated to it by the Farm Credit Administration.

(20) Require Federal land bank associations to endorse notes and other obligations of its members to the bank.

(21) Exercise by its board of directors or authorized officers, employees, or agents all such incidental powers as may be necessary or expedient to carry on the business of the bank.

SEC. 1.5. LAND BANK STOCK; VALUE; SHARES; VOTING; DIVIDEND.—(a) The capital stock of each Federal land bank shall be divided into shares of par value of $5 each, and may be of such classes as its board of directors may determine with the approval of the Farm Credit Administration.

(b) Voting stock of each bank shall be held only by the Federal land bank associations and direct borrowers and borrowers through agents who are farmers or ranchers, which stock shall not be transferred, pledged, or hypothecated except as authorized pursuant to this Act.

(c) The board of each bank shall from time to time authorize the issue or increase of its capital stock necessary to permit the issuance of additional shares to the Federal land bank associations so that members of such associations purchasing stock or participation certificates therein may be eligible for loans from the bank.

(d) Nonvoting stock may be issued to the Governor of the Farm Credit Administration, and may also be issued to Federal land bank associations in amounts which will permit the bank to extend financial assistance to eligible persons other than farmers or ranchers. Participation certificates with a face value of $5 each may be issued in lieu of nonvoting stock when the bylaws of the bank so provide.

(e) Dividends shall not be payable on any stock held by the Governor of the Farm Credit Administration. Noncumulative dividends may be payable on other stock and participation certificates of the bank. The rate of dividends may be different between different classes and issues of stock and participation certificates on the basis of the comparative contributions of the holders thereof to the capital or earnings of the bank by such classes and issues, but otherwise dividends shall be without preference.

SEC. 1.6. REAL ESTATE MORTGAGE LOANS.—The Federal land banks are authorized to make long-term real estate mortgage loans in rural areas, as defined by the Farm Credit Administration, and continuing commitments to make such loans under specified circumstances, or extend other financial assistance of a similar nature to eligible borrowers, for a term of not less than five nor more than forty years.

SEC. 1.7. INTEREST RATES AND OTHER CHARGES.—Loans made by a Federal land bank shall bear interest at a rate or rates, and on such terms and conditions, as may be determined by the board of directors of the bank from time to time, with the approval of the Farm Credit Administration. In setting rates and charges, it shall be the objective to provide the types of credit needed by eligible borrowers at the lowest reasonable costs on a sound business basis taking into account the cost of money to the bank, necessary reserves and expenses of the banks and Federal land bank associations, and providing services to stockholders and members. The loan documents may provide for the interest rate or rates to vary from time to time during the repayment period of the loan, in accordance with the rate or rates currently being charged by the bank.

SEC. 1.8. ELIGIBILITY.—The services authorized in this title may be made available to persons who are or become stockholders or members in the Federal land bank associations and are (1) bona fide farmers and ranchers, (2) persons furnishing to farmers and ranchers farm-related services directly related to their on-farm operating needs, or (3) owners of rural homes.

SEC. 1.9. SECURITY.—Loans shall not exceed 85 per centum of the appraised value of the real estate security, and shall be secured by first liens on interest in real estate of such classes as may be approved by the Farm Credit Administration. The value of security shall be determined by appraisal under appraisal standards prescribed by the bank and approved by the Farm Credit Administration, to adequately secure the loan. However, additional security may be required to supplement real estate security, and credit factors other than the ratio between the amount of the loan and the security value shall be given due consideration.

SEC. 1.10. PURPOSES.—Loans made by the Federal land banks to farmers and ranchers may be for any agricultural purpose and other credit needs of the applicant. Loans may also be made to rural residents for rural housing financing under regulations of the Farm Credit Administration. Rural housing financed under this title shall be for single-family, moderate-priced dwellings and their appurtenances not inconsistent with the general quality and standards of housing existing in, planned or recommended for the rural area where it is located: *Provided, however,* That a Federal land bank may not at any time have a total of loans outstanding for such rural housing to persons other than farmers or ranchers in amounts exceeding 15 per centum of the total of all loans outstanding in such bank: *Provided*

further, That for rural housing purposes under this section the term "rural areas" shall not be defined to include any city or village having a population in excess of 2,500 inhabitants. Loans to persons furnishing farm-related services to farmers and ranchers directly related to their on-farm operating needs may be made for the necessary capital structures and equipment and initial working capital for such services. The banks may own and lease, or lease with option to purchase, to persons eligible for assistance under this title, facilities needed in the operations of such persons.

SEC. 1.11. SERVICES RELATED TO BORROWERS' OPERATIONS.—The Federal land banks may provide technical assistance to borrowers, members, and applicants and may make available to them at their option such financial related services appropriate to their on-farm operations as determined to be feasible by the board of directors of each district bank, under regulations of the Farm Credit Administration.

SEC. 1.12. LOANS THROUGH ASSOCIATIONS OR AGENTS.—(a) The Federal land banks shall, except as otherwise herein provided, make loans through a Federal land bank association serving the territory in which the real estate offered by the applicant is located. If there is no active association chartered for the territory where the real estate is located, or if the association has been declared insolvent, the bank may make the loan through another such association, directly, or through such bank or trust company or savings or other financial institution as it may designate. When the loan is not made through a Federal land bank association, the applicant shall purchase stock in the bank in an amount not less than $5 nor more than $10 for each $100 of the loan and the loan shall be made on such terms and conditions as the bank shall prescribe.

PART B—FEDERAL LAND BANK ASSOCIATIONS

SEC. 1.13. ORGANIZATIONS; ARTICLES; CHARTERS; POWERS OF THE GOVERNOR.—Each Federal land bank association chartered under section 7 of the Federal Farm Loan Act, as amended, shall continue as a federally chartered instrumentality of the United States. A Federal land bank association may be organized by any group of ten or more persons desiring to borrow money from a Federal land bank, including persons to whom the Federal land bank has made a loan directly or through an agent and has taken as security real estate located in the territory proposed to be served by the association. The articles of association shall describe the territory within which the association proposes to carry on its operations. Proposed articles shall be forwarded to the Federal land bank for the district, accompanied by an agreement to subscribe on behalf of the association for stock of the land bank equal to not less than $5 nor more than $10 per $100 of the amount of the aggregate loans desired or held by the association members. Such stock may be paid for by surrendering for cancellation stock in the bank held by a borrower and the issuance of an equivalent amount of stock to such borrower in the association. The articles shall be accompanied by a statement signed by each of the members of the proposed association establishing his eligibility for, and that he has or desires a Federal land bank loan; that the real estate with respect to which he desires a loan is not being served by another Federal land bank association; and that he is or will become a stockholder in the proposed association. A copy of the articles of association shall be forwarded to the Governor of the Farm Credit Administration with the recommendations of the bank concerning the need for the proposed association in order to adequately serve the credit needs of eligible persons in the proposed territory and a statement as to whether or not the territory includes any territory described in the charter of another Federal land bank association. The Governor for good cause shown may deny the charter applied for. Upon the approval of the proposed articles by the Governor and the issuance of such charter, the association shall become as of such date a federally chartered body corporate and an instrumentality of the United States. The Governor shall have power, in the terms of the charter, under rules and regulations prescribed by him or by approving bylaws of the association, to provide for the organization of the association, the initial amount of stock of such association, the territory within which its operations may be carried on and to direct at any time changes in the charter of such association as he finds necessary in accomplishing the purposes of this Act.

SEC. 1.14. BOARD OF DIRECTORS.—Each Federal land bank association shall elect from its voting shareholders a board of directors of such number, for such terms, in such manner, and with such qualifications as may be required by its bylaws.

SEC. 1.15. GENERAL CORPORATE POWERS.—Each Federal land bank association shall be a body corporate and, subject to supervision of the Federal land bank for the district and of the Farm Credit Administration, shall have the power to—

(1) Adopt and use a corporate seal.

(2) Have succession until dissolved under the provisions of this Act or other Acts of Congress.

(3) Make contracts.

(4) Sue and be sued.

(5) Acquire, hold, dispose, and otherwise exercise all of the usual incidents of ownership of real estate and personal property necessary or convenient to its business.

(6) Operate under the direction of its board of directors in accordance with this Act.

(7) Elect by its board of directors a manager or other chief executive officer, and provide for such other officers or employees as may be necessary, including joint employees as provided in this Act; define their duties; and require surety bonds or make other provision against losses occasioned by empolyees. No director shall, within one year after the date when he ceases to be a member of the board, be elected or designated a salaried employee of the association of the board of which he served.

(8) Prescribe by its board of directors its bylaws, not inconsistent with law, providing for the classes of its stock and the manner in which its stock shall be issued, transferred, and retired; its officers and employees elected or provided for; its property acquired, held, and transferred; its general business conducted; and privileges granted it by law exercised and enjoyed.

(9) Accept applications for Federal land bank loans and receive from such bank and disburse to the borrowers the proceeds of such loans.

(10) Subscribe to stock of the Federal land bank of the district.

(11) Elect by its board of directors a loan committee with power to elect applicants for membership in the association and recommend loans to the Federal land bank, or with the approval of the Federal land bank, delegate the election of applicants for membership and the approval of loans within specified limits to other committees or to authorized employees of the association.

(12) Upon agreement with the bank, take such additional actions with respect to applications and loans and perform such functions as are vested by law in or delegated to the Federal land banks as may be agreed to or delegated to the association.

(13) Endorse and shall become liable to the bank on loans it makes to association members.

(14) Receive such compensation and deduct such sums from loan proceeds with respect to each loan as may be agreed between the association and the bank and may make such other charges for services as may be approved by the bank.

(15) Provide technical assistance to members, borrowers, applicants, and other eligible persons and make available to them, at their option, such financial related services appropriate to their operations as it determines, with Federal land bank approval, are feasible, under regulations of the Farm Credit Administration.

(16) Borrow money from the bank and, with the approval of such bank, borrow from and issue its notes or other obligations to any commercial bank or other financial institutions.

(17) Buy and sell obligations of or insured by the United States or any agency thereof or of any banks of the Farm Credit System.

(18) Invest its funds in such obligations as may be authorized in regulations of the Farm Credit Administration and approved by the bank and deposit its securities and current funds with any member bank of the Federal Reserve System, with the Federal land bank, or with any bank insured by the Federal Deposit Insurance Corporation, and pay fees therefor and receive interest thereon as may be agreed.

(19) Perform such other function delegated it by the Federal land bank of the district.

(20) Exercise by its board of directors or authorized officers or agents all such incidental powers as may be necessary or expedient in the conduct of its business.

SEC. 1.16. ASSOCIATION STOCK; VALUE OF SHARES; VOTING.—(a) The share of stock in each Federal land bank association shall have a par value of $5 each. No person but borrowers from the bank shall become members and stockholders of the association. If an application for membership is approved and if the applied-for loan is granted, the member of the association shall subscribe to stock in the association in an amount not less than 5 per centum nor more than 10 per centum of the face amount of the loan as determined by the bank. Stock shall be paid for in cash by the time the loan is closed. The association shall then purchase a similar amount of stock in the land bank. Stock shall be retired and paid at fair book value not to exceed par, as determined by the association, upon the full repayment of the loan and if the loan is in default may be canceled for application on the loan, or under other circumstances, for other disposition, when approved by the bank. The aggregate capital stock of each association shall be increased from time to time as necessary to permit the securing of requested loans from the bank for the association's members.

(b) The stock issued by an association may be voting stock or nonvoting stock of such classes as the association determines with the approval of the bank under regulations prescribed by the Farm Credit Administration. Each holder of voting stock shall be entitled to only one vote, and no more, in the election of directors and in deciding questions at meetings of stockholders. Participation certificates may be issued in lieu of nonvoting stock when the bylaws of the association so provide.

PART C—PROVISIONS APPLICABLE TO FEDERAL LAND BANKS AND FEDERAL LAND BANK ASSOCIATIONS

SEC. 1.17. LAND BANK RESERVES; DIVIDENDS.—(a) Each Federal land bank shall, at the end of each fiscal year, carry to reserve account a sum of not less than 50 per centum of its net earnings for the year until said reserve account shall be equal at the end of such year, after restoring any impairment thereof, to the outstanding capital stock and participation certificates of the bank. Thereafter, a sum equal to 10 per centum of the year's net earnings shall be added to the reserve account until the account shall be

equal to 150 per centum of the outstanding capital stock and participation certificates of the bank. Any amounts added to the reserve account in excess of 150 per centum of the outstanding capital stock and participation cerificates may be withdrawn from such reserves with the approval of the Farm Credit Administration.

(b) Any bank may declare a dividend or dividends out of the whole or any part of net earnings which remain after (1) the maintenance of the reserve as required in subsection (a) hereof, (2) the payment of the franchise tax as required by section 4.0 for any year in which any stock in the bank is held by the Governor of the Farm Credit Administration, and (3) with approval of the Farm Credit Administration.

SEC. 1.18. ASSOCIATION RESERVES; DIVIDENDS.—(a) Each Federal land bank association shall, out of its net earnings at the end of each fiscal year, carry to reserve account a sum not less than 10 per centum of such earnings until the reserve account shall equal 25 per centum of the outstanding capital stock and participation certificates of such association after restoring any impairment thereof. Thereafter, 5 per centum of the net earnings for the year shall be added to such reserve account until it shall equal 50 per centum of the outstanding capital stock and participation certificates of the association. Any amounts in the reserve account in excess of 50 per centum of the outstanding capital stock and participation certificates may be withdrawn with the approval of the Federal land bank.

(b) Any association may declare a dividend or dividends out of the whole or any part of its net earnings which remain after (1) maintenance of the reserve required in subsection (a) hereof and (2) bank approval.

(c) Whenever any association is liquidated, a sum equal to its reserve account as required in this Act shall be paid and become the property of the bank in which such association is a shareholder.

SEC. 1.19. AGREEMENTS FOR SHARING GAINS OR LOSSES.—Each Federal land bank may enter into agreements with Federal land bank associations in its district for sharing the gain or losses on loans or on security held therefor or acquired in liquidation thereof, and associations are authorized to enter into any such agreements and also, subject to bank approval, agreements with other associations in the district for sharing the risk of loss on loans endorsed by each such association.

SEC. 1.20. LIENS ON STOCK.—Each Federal land bank and each Federal land bank association shall have a first lien on the stock and participation certificates it issues, except on stock held by the Governor of the Farm Credit Administration, for the payment of any liability of the stockholder to the association or to the bank, or to both of them.

SEC. 1.21. TAXATION.—Every Federal land bank and every Federal land bank association and the capital, reserves, and surplus thereof, and the income derived therefrom shall be exempt from Federal, State municipal, and local taxation, except taxes on real estate held by a Federal land bank or a Federal land bank association to the same extent, according to its value, as other similar property held by other persons is taxed. The mortgages held by the Federal land banks and the notes, bonds, debentures, and other obligations issued by the banks or associations shall be deemed and held to be instrumentalities of the Government of the United States and, as such, they and the income therefrom shall be exempt from all Federal, State, municipal, and local taxation, other than Federal income tax liability of the holder thereof under the Public Debt Act of 1941 (31 U.S.C. 742(a)).

TITLE II—FEDERAL INTERMEDIATE CREDIT BANKS AND PRODUCTION CREDIT ASSOCIATIONS

PART A—FEDERAL INTERMEDIATE CREDIT BANKS

SEC. 2.0. ESTABLISHMENT; BRANCHES.—The Federal intermediate credit banks established pursuant to section 201(a) of the Federal Farm Loan Act, as amended, shall continue as federally chartered instrumentalities of the United States. Their charters or organization certificates may be modified from time to time by the Farm Credit Administration not inconsistent with the provisions of this title as may be necessary or expedient to implement this Act. Unless an existing Federal intermediate credit bank is merged with one or more other such banks under section 4.10 of this Act, there shall be a Federal intermediate credit bank in each farm credit district. It may include in its title the name of the city in which it is located or other geographical designation. When authorized by the Farm Credit Administration, it may establish such branches or other offices as may be appropriate for the effective operation of its business.

SEC. 2.1. CORPORATE EXISTENCE; GENERAL CORPORATE POWERS.—Each Federal intermediate credit bank shall be a body corporate and, subject to supervision of the Farm Credit Administration, shall have power to—

(1) Adopt and use a corporate seal.

(2) Have succession until dissolved under the provisions of this Act or other Act of Congress.

(3) Make contracts.

(4) Sue and be sued.

(5) Acquire, hold, dispose, and otherwise exercise all of the incidents of ownership of real and personal property necessary or convenient to its business.

(6) Make and discount loans and commitments for credit, and provide services and other assistance as authorized in this Act, and charge fees therefor.

(7) Operate under the direction of its board of directors.

(8) Elect by its board of directors a president, any vice president, a secretary, and a treasurer, and provide for such other officers, employees, and agents as may be necessary, including joint employees as provided in this Act; define their duties and require surety bonds or make other provision against losses occasioned by employees.

(9) Prescribe by its board of directors its bylaws not inconsistent with law providing for the classes of its stock and the manner in which its stock shall be issued, transferred, and retired; its officers, employees, and agents elected or provided for; its property acquired, held, and transferred; its loans and discounts made; its general business conducted; and the privileges granted it by law exercised and enjoyed.

(10) Borrow money and issue notes, bonds, debentures, or other obligations individually, or in concert with one or more other banks of the System, of such character, and such terms, conditions, and rates of interest as may be determined.

(11) Purchase nonvoting stock in or pay in surplus to, and accept deposits of securities or of current funds from production credit associations holding its shares and pay interest upon such funds.

(12) Deposit its securities and its current funds with any member bank of the Federal Reserve System, and pay fees therefor and receive interest thereon as may be agreed. When designated for that purpose by the Secretary of the Treasury, it shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary; may be employed as a fiscal agent of the Government, and shall perform all such reasonable duties as a depository of public money or financial agent, of the Government as may be required of it. No Government funds deposited under the provisions of this subsection shall be invested in loans or bonds or other obligations of the bank.

(13) Buy and sell obligations of or insured by the United States or any agency thereof, or securities backed by the full faith and credit of any such agency and make such other investments as may be authorized by the Farm Credit Administration.

(14) Delegate to the production credit associations such functions vested in or delegated to the intermediate credit bank as it may determine.

(15) Approve the salary scale of the officers and employees of the association and the appointment and compensation of the chief executive officer thereof and supervise the exercise by the production credit associations of the functions vested in or delegated to them.

(16) Amend and modify loan contracts, documents, payment schedules, and release, subordinate, or substitute security for any of them.

(17) Conduct studies and make and adopt standards for lending.

(18) Enter into loss sharing agreements with other Federal intermediate credit banks and production credit associations.

(19) Exercise by its board of directors or authorized officers, employees, or agents all such incidental powers as may be necessary or expedient to carry on the business of the bank.

(20) Participate with one or more other Federal intermediate credit banks or production credit associations in the district, in loans under this title on such terms as may be agreed upon among such banks and associations.

(21) Perform any function delegated to it by the Farm Credit Administration.

SEC. 2.2. FEDERAL INTERMEDIATE CREDIT BANK STOCK; VALUE; DIVIDEND; ADDITIONAL STOCK; RETIREMENT.—(a) The capital stock of each Federal intermediate credit bank shall be divided into shares of par value of $5 each and may be of such classes as its board of directors may determine with the approval of the Farm Credit Administration.

(b) Voting stock of each bank shall be held only by the production credit associations which stock not be transferred, pledged, or hypothecated except as provided in this title or as authorized under regulations of the Farm Credit Administration.

(c) The Board of each bank shall from time to time increase its capital stock to permit the issuance of additional shares to production credit associations in such amounts as shall be determined by the board.

(d) Nonvoting stock may be issued to the Governor of the Farm Credit Administration. Nonvoting stock may also be issued to production credit associations in such amounts as will permit the association to extend financial assistance to eligible persons other than farmers, ranchers, and producers, or harvesters of aquatic products. Participation certificates, with a face value of $5, may be issued in lieu of such nonvoting stock when the bylaws of the bank so provide.

(e) Participation certificates also may be issued by a bank to financing institutions other than production credit associations which are eligible to borrow from or discount eligible paper with the bank.

(f) Dividends shall not be payable on any stock held by the Governor of the Farm Credit Administration other than the tax imposed by section 4.0(c) but noncumulative dividends may be payable on other capital and participation certificates in an amount not to exceed a per centum permitted under regulations of the Farm Credit Administration, in any year as determined by the board of directors. Such dividends may be in the form of stock and participation certificates or, when the Governor of the Farm Credit Administration holds no stock in the bank, in

cash. The rate of dividends may be different between different classes and issues of stock and participation certificates on the basis of the comparative contributions of the holders thereof to the capital or earnings of the bank by such classes and issues, but otherwise dividends shall be without preference.

(g) Each Federal intermediate credit bank, with the approval of the Farm Credit Administration, may determine the amount of the initial or additional stock in the bank to be subscribed for by the production credit associations in the farm credit district served by the bank in order to provide capital to meet the credit needs of the bank. The amount so determined shall be allotted among the associations in the district upon such basis that, as nearly as may be practicable, the sum of the stock already owned and the additional amount to be subscribed for by each association will be in the same proportion to the total amount of stock already owned and to be subscribed for by all of the associations in the district that the average indebtedness (loans and discounts) of each association to the bank during the immediately preceding three fiscal years is of the average of such indebtedness of all associations to the bank during such three-year period. Each association shall subscribe for stock in the bank in the amount so allotted to it. Such subscriptions shall be subject to call and payment therefor shall be made at such times and in such amounts as may be determined by the bank.

Whenever the relative amounts of stock in a bank owned by the associations differ substantially from the proportion indicated in the preceding paragraph, and additional subscriptions to stock through which such proportion could be reestablished are not contemplated, the bank, with the approval of the Farm Credit Administration, may direct either separately or in combination such transfers, retirements, and reissuance of outstanding stock among the associations as will reestablish the aforesaid proportion as nearly as may be practicable. Outstanding stock which is retired for this purpose, except as otherwise approved by the Farm Credit Administration, shall be the oldest stock held by the association and the bank shall pay the association therefor at the fair book value thereof not exceeding par.

The banks may issue further amounts of participation certificates with the same rights, privileges, and conditions, for purchase by institutions other than production credit associations which are entitled to receive participation certificates from the bank as patronage refunds. Participation certificates held by other financing institutions may be transferred to other such institutions upon request of, or with the approval of the bank.

After all stock held by the Governor of the Farm Credit Administration has been retired, the bank may retire other stock at par and participation certificates at face amount under regulations of the Farm Credit Administration. Such other stock and participation certificates shall be retired without preference and in such manner that, unless otherwise approved by Farm Credit Administration, the oldest outstanding stock or certificates at any given time will be retired first. In case of liquidation or dissolution of any production credit association or other financing institution, the stock or participation certificates of the bank owned by such association or institution may be retired by the bank at the fair book value thereof, not exceeding par or face amount, as the case may be.

(h) Except with regard to stock held by the Governor, each Federal intermediate credit bank shall have a first lien on all stock and participation certificates it issues and on all allocated reserves and other equities for any indebtedness of the holder of such capital investments to the bank.

(i) In any case where the debt of a production credit association or other financing institution is in default, the bank may retire all or part of the capital investments in the bank held by such debtor at the fair book value thereof, not exceeding par or face amount as the case may be, in total or partial liquidation of the debt.

SEC. 2.3. LOANS; DISCOUNTS; PARTICIPATION; LEASING.—(a) The Federal intermediate credit banks are authorized to make loans and extend other similar financial assistance to and discount for, or purchase from, any production credit association with its endorsement or guaranty, any note, draft, or other obligation presented by such association, and to participate with such association and one or more intermediate credit banks in the making of loans to eligible borrowers, all the foregoing to be secured by such collateral, if any, as may be required in regulations of the Farm Credit Administration. The banks may own and lease or lease with option to purchase, to persons eligible for assistance under this title, equipment needed in the operations of such persons.

(b) The Federal intermediate credit banks are authorized to discount for, or purchase from, any national bank, State bank, trust company, agricultural credit corporation, incorporated livestock loan company, savings institution, credit union, and any association of agricultural producers engaged in the making of loans to farmers and ranchers, with its endorsement or guaranty, any note, draft, or other obligation the proceeds of which have been advanced or used in the first instance for any agricultural purpose, including the breeding, raising, fattening, or marketing of livestock; and to make loans and advances to any such financing institution secured by such collateral as may be approved by the Farm Credit Administration: *Provided*, That no such loan or advance shall be made upon the security of collateral other than notes or other such obligations of farmers and ranchers eligible for discount or purchase under the provisions of this section, unless such loan or advance is made to enable the financing institution to make or carry loans for any agricultural purpose.

(c) No paper shall be purchased from or discounted for any national bank, State bank, trust company or savings institution under subsection (b) if the amount of such paper added to the aggregate liabilities of such national bank, State bank, trust company or savings institution, whether direct or contingent (other than bona fide deposit liabilities), exceeds the lower of the amount of such liabilities permitted under the laws of the jurisdiction creating the same, or twice the paid-in and unimpaired capital and surplus of such national bank, State bank, trust company, or savings institution. No paper shall under this section be purchased from or discounted for any other corporation engaged in making loans for agricultural purposes including the raising, breeding, fattening, or marketing of livestock, if the amount of such paper added to the aggregate liabilities of such corporation exceeds the lower of the amount of such liabilities permitted under the laws of the jurisdiction creating the same, or ten times the paid-in and unimpaired capital and surplus of such corporation. It shall be unlawful for any national bank which is indebted to any Federal intermediate credit bank, upon paper discounted or purchased under subsection (b), to incur any additional indebtedness, if by virtue of such additional indebtedness its aggregate liabilities direct or contingent, will exceed the limitations herein contained.

SEC. 2.4. TERMS.—Loans, advances, or discounts made under section 2.3 shall be repayable in not more than seven years from the time they are made or discounted by the Federal intermediate credit bank, and shall bear such rate or rates of interest or discount as the board of directors of the bank shall from time to time determine with the approval of the Farm Credit Administration, but the rates charged financing institutions other than production credit associations shall be the same as those charged production credit associations. In setting the rates and charges, it shall be the objective to produce *provided* the types of credit needed by eligible borrowers, at the lowest reasonable costs on a sound business basis taking into account the cost of money to the bank, necessary reserves and expenses of the bank and production credit associations, and providing services to borrowers from the bank and associations. The loan documents may provide for the interest rate or rates to vary from time to time during the repayment period of the loan, in accordance with the rate or rates currently being charged by the bank. No obligation tendered for discount by a financing institution, without the approval of the Farm Credit Administration, shall be eligible for discount upon which the original borrower has been charged a rate of interest exceeding by more than 1½ per centum per annum the discount rate of the bank.

SEC. 2.5. SERVICES RELATED TO BORROWERS' OPERATIONS.—The Federal intermediate credit banks may provide technical assistance to borrowers, members, and applicants from the banks and production credit associations, including persons obligated on paper discounted by the bank, and may make available to them at their option such financial related services appropriate to their on-farm operations as determined to be feasible by the board of directors of each district bank, under regulations of the Farm Credit Administration.

SEC. 2.6. NET EARNING—DETERMINATION; ANNUAL APPLICATION; SURPLUS ACCOUNT; ABSORPTION OF NET LOSS.—(a) If, at the end of a fiscal year a Federal intermediate credit bank shall have stock outstanding held by the Governor of the Farm Credit Administration, such bank shall determine the amount of its net earnings after paying or providing for all operating expenses (including reasonable valuation reserves and losses in excess of any such applicable reserves) and shall apply such net earnings as follows: (1) to the restoration of the impairment, if any of capital stock and participation certificates, as determined by its board of directors; (2) to the restoration of the amount of the impairment, if any, of the surplus account or allocated reserve account established by this subsection, as determined by its board of directors; (3) 25 per centum of any remaining net earnings shall be used to create and maintain an allocated reserve account; (4) a franchise tax shall be paid to the United States, as provided in section 4.0 of this Act; (5) reasonable unallocated contingency reserve account may be established and maintained; (6) dividends on stock held by production credit associations and on participation certificates may be declared as provided in section 2.2(f) of this title; and (7) any remaining net earnings shall be distributed as patronage refunds as provided in subsection (b) of this section.

Amounts applied to reserve account as provided in (3) above, either heretofore or hereafter, shall be allocated on the same patronage basis and have the same tax treatment as is provided in subsection (b) of this section for patronage refunds. At the end of any fiscal year that the allocated reserve account of any bank exceeds 25 per centum of its outstanding stock and participation certificates, such excess may be distributed, oldest allocations first, in stock to production credit associations and participation certificates issued as of the date of the allocations.

If and when the relative amounts of stock in a Federal intermediate credit bank owned by the production credit associations

are adjusted to reestablish the proportion of such stock owned by each association, as provided in the first or second paragraphs of section 2.2(g) of this title, amounts in the reserve account that are allocated to production credit associations may be adjusted in the same manner, so far as practicable, to reestablish the holdings of the production credit associations in the allocated legal reserve accounts into substantially the same proportion as are their holdings of stock.

No part of the surplus account established by a Federal intermediate credit bank on January 1, 1957, consisting of its earned surplus account, its reserve for contingencies, and the surplus of the production credit corporation transferred to the bank, shall be distributed as patronage refunds or as dividends. In the event of a net loss in any fiscal year after providing for all operating expenses (including reasonable valuation reserves and losses in excess of any such applicable reserves), such loss shall be absorbed by: first, charges to the unallocated reserve account; second, impairment of the allocated reserve account; third, impairment of the surplus other than that transferred from the production credit corporation of the district; fourth, impairment of surplus transferred from the production credit corporation of the district; fifth, impairment of stock and participation certificates held by production credit associations and participation certificates held by other financing institutions; and sixth, impairment of nonvoting stock.

(b) If at the end of a fiscal year a Federal intermediate credit bank shall have outstanding capital stock held by the Governor of the Farm Credit Administration, patronage refunds declared for that year shall be paid in stock to production credit associations and in participation certificates to other financing institutions borrowing from or discounting with the bank during the fiscal year for which such refunds are declared. The recipients of such patronage refunds shall not be subject to Federal income taxes thereon. All patronage refunds shall be paid in the proportion that the amount of interest earned by the bank on its loans to and discounts for each production credit association or other financing institution bears to the total interest earned by the bank on all such loans and discounts outstanding during the fiscal year. Each participation certificate issued in payment of patronage refunds shall be in multiples of $5 and shall state on its face the rights, privileges, and conditions applicable thereto. Patronage refunds shall not be paid to any other Federal intermediate credit bank, or to any Federal land bank or bank for cooperatives.

(c) If, at the end of a fiscal year a Federal intermediate credit bank shall have no outstanding capital stock held by the Governor of the Farm Credit Administration, the net earnings of such bank shall, under regulations prescribed by the Farm Credit Administration, continue to be distributed on a cooperative basis with an obligation to distribute patronage dividends and with provision for sound, adequate capitalization to meet changing financing needs of production credit associations, other financial institutions eligible to discount paper with the banks, and other eligible borrowers, and prudent corporate fiscal management, to the end that the current year's patrons carry their fair share of the capitalization, ultimate expenses, and reserves. Such regulations may provide for the application of less than 25 per centum of net earnings after payment of operating expenses to the restoration or maintenance of the allocated reserve account, additions to unallocated contingency reserve account of not to exceed such per centum of net earnings as may be approved by the Farm Credit Administration, and provide for allocations to patrons not qualified under the Internal Revenue Code, and the payment of patronage in stock, participation certificates, or in cash, as the board may determine. If during the fiscal year but not at the end thereof a bank shall have had outstanding capital stock held by the Governor of the Farm Credit Administration, provision will be made for the payment of the franchise tax required in section 4.0.

(d) Such allocations of reserve account shall be subject to a first lien as additional collateral for any indebtedness of the holders thereof to the bank and in any case where such indebtedness is in default may, but shall not be required to, be retired and canceled for application on such indebtedness, and, in case of liquidation or dissolution of a holder thereof, such reserve account allocations may be retired, all as is provided for stock and participation certificates in section 2.2(g) of this title.

SEC. 2.7. DISTRIBUTION OF ASSETS ON LIQUIDATION.—In the case of liquidation or dissolution of any Federal intermediate credit bank, after payment or retirement, as the case may be, first, of all liabilities; second, of all stock held by the Governor of the Farm Credit Administration at par; third, of all stock owned by production credit associations at par and all participation certificates at face amount; any remaining assets of the bank shall be distributed as provided in this subsection. Any of the surplus established pursuant to section 2.6 (excluding that transferred from the production credit corporation of the district) which the Farm Credit Administration determines was contributed by financing institutions other than the production credit associations discounting with or borrowing from the bank on January 1, 1957, shall be paid to such institutions, or their successors in interest as determined by Farm Credit Administration, and the remaining portion of such surplus (including that transferred from the production credit corporation of the district) shall be paid to the holders of voting and nonvoting stock pro rata. The contribution of each such financing institution under the preceding sentence shall be computed on the basis of the ratio of its patronage to the total patronage of the bank from the date of organization of the bank to January 1, 1957. The allocated reserve established pursuant to section 2.6 shall be paid to the production credit associations and other financing institutions to which such reserve is allocated on the books of the bank. Any assets of the bank then remaining shall be distributed to the production credit associations and the holders of participation certificates pro rata.

SEC. 2.8. TAXATION.—Every Federal intermediate credit bank and the capital, reserves, and surplus thereof and the income derived therefrom shall be exempt from Federal, State, municipal, and local taxation except taxes on real estate held by a Federal intermediate credit bank to the same extent, according to its value, as other similar property held by other persons is taxed. The obligations held by the Federal intermediate credit banks and the notes, bonds, debentures, and other obligations issued by the banks shall be deemed to be instrumentalities of the Government of the United States, and, as such, they and the income therefrom shall be exempt from all Federal, State, municipal, and local taxation, other than Federal income tax liability of the holder thereof under the Public Debt Act of 1941 (31 U.S.C. 742(a)).

SEC. 2.9. [Vacant.]

PART B—PRODUCTION CREDIT ASSOCIATION

SEC. 2.10. ORGANIZATION AND CHARTERS.—Each production credit association chartered under section 20 of the Farm Credit Act of 1933, as amended, shall continue as a federally chartered instrumentality of the United States. Production credit associations may be organized by ten or more farmers or ranchers or producers or harvesters of aquatic products desiring to borrow money under the provisions of this title. The proposed articles of association shall be forwarded to the Federal intermediate credit bank for the district accompanied by an agreement to subscribe on behalf of the association for stock in the bank in such amounts as may be required by the bank. The articles shall specify in general terms the objects for which the association is formed, the powers to be exercised by it in carrying out the functions authorized by this part, and the territory it proposes to serve. The articles shall be signed by persons desiring to form such an association and shall be accompanied by a statement signed by each such person establishing eligibility to borrow from the association in which he will become a stockholder. A copy of the articles of association shall be forwarded to the Governor of the Farm Credit Administration with the recommendations of the bank concerning the need for such an association in order to adequately serve the credit needs of eligible persons in the proposed territory and whether that territory includes any area described in the charter of another production credit association. The Governor for good cause shown may deny the charter. Upon approval of the proposed articles by the Governor and the issuance of a charter, the association shall become as of such date a federally chartered body corporate and an instrumentality of the United States. The Governor shall have the power, under rules and regulations prescribed by him or by prescribing in the terms of the charter or by approval of bylaws of the association, to provide for the organization of the association, the initial amount of stock of the association, the territory within which its operations may be carried on, and to direct at any time such changes in the charter as he finds necessary for the accomplishment of the purposes of this Act.

SEC. 2.11. BOARD OF DIRECTORS.—Each production credit association shall elect from its voting members a board of directors of such number, for such terms, with such qualifications, and in such manner as may be required by its bylaws.

SEC. 2.12. GENERAL CORPORATE POWERS.—Each production credit association shall be a body corporate and, subject to supervision by the Federal intermediate credit bank for the district and the Farm Credit Administration, shall have power to—

(1) Have succession until terminated in accordance with this Act or any other Act of Congress.

(2) Adopt and use a corporate seal.

(3) Make contracts.

(4) Sue and be sued.

(5) Acquire, hold, dispose, and otherwise exercise all of the usual incidents of ownership of real and personal property necessary or convenient to its business.

(6) Operate under the direction of its board of directors in accordance with this Act.

(7) Subscribe to stock of the bank.

(8) Purchase stock of the bank held by other production credit associations and stock of other production credit associations.

(9) Contribute to the capital of the bank or other production credit associations.

(10) Invest its funds as may be approved by the Federal intermediate credit bank under regulations of the Farm Credit Administration and deposit its current funds and securities with the Federal intermediate credit bank, a member bank of the Federal Reserve System, or any bank insured under the Federal Deposit Insurance Corporation, and may pay fees therefor and receive interest thereon as may be agreed.

(11) Buy and sell obligations of or insured by the United States or of any agency thereof or of any banks of the Farm Credit System.

(12) Borrow money from the Federal intermediate credit bank, and with the approval

of such bank, borrow from and issue its notes or other obligations to any commercial bank or other financial institution.

(13) Make and participate in loans, accept advance payments, and provide services and other assistance as authorized in this title and charge fees therefor.

(14) Endorse and become liable on loans discounted or pledged to the Federal intermediate credit bank.

(15) Enter into loss sharing agreements with the Federal intermediate credit bank and other production credit associations.

(16) Prescribe by its board of directors its bylaws not inconsistent with law providing for the classes of its stock and the manner in which its stock shall be issued, transferred, and retired, its officers and employees elected or provided for, its property acquired, held, and transferred, its general business conducted, and the privileges granted it by law exercised and enjoyed.

(17) Elect by its board of directors a manager or other chief executive officer, and provide for such other officers or employees as may be necessary, including joint employees as provided in this Act, define their duties, and require surety bonds or make other provisions against losses occasioned by employees. No director shall, within one year after the date when he ceases to be a member of the board, be elected or designated a salaried employee of the association on the board of which he served.

(18) Elect by its board of directors a loan committee with power to approve applications for membership in the association and loans or participations or, with the approval of the bank, delegate the approval of applications for membership and loans or participations within specified limits to other committees or to authorized officers and employees of the association.

(19) Perform any functions delegated to it by the bank or the Farm Credit Administration.

(20) Exercise by its board of directors or authorized officers or employees, all such incidental powers as may be necessary or expedient to carry on the business of the association.

SEC. 2.13. CAPITAL STOCK; CLASSES OF STOCKS; TRANSFER; EXCHANGE; AND DIVIDENDS.—(a) A production credit association may issue voting stock, nonvoting stock, preferred stock, participation certificates, and provide for an equity reserve. Holders of stock, participation certificates, and equity reserve shall have such rights, not inconsistent with the provisions of this section, as are set forth in the bylaws of the association. Stock shall be divided into shares of $5 par value each, and participation certificates shall have a face value of $5 each.

(b) Voting stock may be purchased only by farmers and ranchers, or producers or harvesters of aquatic products, who are eligible to borrow from the association. Each holder of voting stock shall be entitled to no more than one vote except as otherwise provided in subsection (d) hereof. No voting stock or any interest therein or right to receive dividends thereon shall be transferred by act of the parties or by operation of law, except to another person eligible to hold voting stock, and then only as provided in the bylaws.

(c) Nonvoting stock may be issued to the Governor of the Farm Credit Administration and to other investors.

(d) Preferred stock, which shall be nonvoting, may be issued to the Governor and to other investors when authorized by a majority vote of the outstanding shares of voting stock, by a majority vote of the outstanding shares of the nonvoting stock, and by a majority vote of the outstanding shares of preferred stock, except that all stock held by the Governor shall be excluded from voting hereunder. For the purpose of this subsection only, the holders of such stock shall be entitled to one vote, in person or by written proxy, for each share of stock held. The authorization to issue preferred stock shall state the privileges, restrictions, limitations, dividend rights (either cumulative or noncumulative) redemption rights, preferences, and other qualifications affecting said stock, and the total amount of the authorized issue to which it belongs.

(e) Participation certificates may be issued to persons eligible to borrow from the association to whom voting stock is not to be issued.

(f) Each borrower from the association shall be required to own at the time the loan is made voting stock or participation certificates as provided in the bylaws of the association, in an amount equal in fair book value (not exceeding par or face amount, as the case may be), as determined by the association, to $5 per $100 or fraction thereof of the amount of the loan. Such stock and participation certificates shall not be canceled or retired upon payment of the loan or otherwise except as may be provided in the bylaws. Notwithstanding any other provision of this section, for a loan in which an association participates with a commercial bank or other financial institution other than a Federal intermediate credit bank or another production credit association, the requirement that the borrower own stock or participation certificates shall apply only to the portion of the loan which is retained by the association.

(g) Voting stock shall, within two years after the holder ceases to be a borrower, be converted into nonvoting stock at the fair book value thereof, not exceeding par. Consistent with the provisions of this part, and as provided in the bylaws of the association, each class of stock and participation certificates shall be convertible into any other class of stock (except preferred stock) and into participation certificates.

(h) As a further means of providing capital, an association may, as provided in its bylaws, and with the approval of the bank, require borrowers to purchase stock or participation certificates in addition to that required in subsection (f) hereof, or invest in the equity reserve, in an aggregate amount not exceeding $5 per $100 or fraction thereof of the amount of the loan. Any portion of the amounts invested under this subsection which is no longer required for the purposes of the association may be returned to the owners thereof by revolving or retirement in accordance with its bylaws.

(i) Dividends shall be paid on preferred stock in accordance with the authorization of the stockholders to issue such stock. Dividends on stock, other than preferred stock, and on participation certificates may be paid by an association as provided in its bylaws at such rate or rates as are approved by the Federal intermediate credit bank in accordance with regulations of the Farm Credit Administration, and may be paid, upon such approval, even though the amount in the surplus accounts is less than the minimum aggregate amount prescribed by the bank as provided in section 2.14.

(j) Except with regard to stock held by the Governor, each production credit association shall have a first lien on stock and participation certificates it issues, allocated surplus, and on investments in equity reserve, for any indebtedness of the holder of such capital investments and, in the case of equity reserve, for charges for association losses in excess of reserves and surplus.

(k) In any case where the debt of a borrower is in default, the association may retire all or part of the capital investments in the association held by such debtor at the fair book value thereof, not exceeding par or face amount, as the case may be, in total or partial liquidation of the debt.

SEC. 2.14. APPLICATION OF EARNINGS; RESTORATION OF CAPITAL IMPAIRMENT; AND SURPLUS ACCOUNT.—(a) Each production credit association at the end of each fiscal year shall apply the amount of its earnings for such year in excess of its operating expenses (including provision for valuation reserves against loan assets in an amount equal to one-half of 1 per centum of the loans outstanding at the end of the fiscal year to the extent that earnings in such year in excess of other operating expenses permit, until such reserves equal or exceed 3½ per centum of the loans outstanding at the end of the fiscal year, beyond which 3½ per centum further additions to such reserves are not required but may be made) first to the restoration of the impairment, if any, of capital; and, second, to the establishment and maintenance of the surplus accounts, the minimum aggregate amount of which shall be prescribed by the Federal intermediate credit bank.

(b) When the bylaws of an association so provide, available net earnings at the end of any fiscal year may be distributed on a patronage basis in stock, participation certificates, or in cash, except that when the Governor holds any stock in an association the cash distribution shall be be such percentage of the patronage refund as shall be determined under regulations of the Farm Credit Administration. Any part of the earnings of the fiscal year in excess of the operating expenses for such year held in the surplus account may be allocated to patrons on a patronage basis.

SEC. 2.15. SHORT- AND INTERMEDIATE-TERM LOANS; PARTICIPATION; OTHER FINANCIAL ASSISTANCE; TERMS; CONDITIONS; INTEREST, SECURITY.—(a) Each production credit association, under rules and regulations prescribed by the board of directors of the Federal intermediate credit bank of the district and approved by the Farm Credit Administration, may make, guarantee, or participate with other lenders in short- and intermediate-term loans and other similar financial assistance to (1) bona fide farmers and ranchers and the producers or harvesters of aquatic products, for agricultural purposes and other requirements of such borrowers, (2) rural residents for housing financing in rural areas, under regulations of Farm Credit Administration, and (3) persons furnishing to farmers and ranchers farm-related services directly related to their on-farm operating needs. Rural housing financed under this title shall be for single-family, moderate-priced dwellings and their appurtenances not inconsistent with the general quality and standards of housing existing in, planned or recommended for the rural area where it is located. The aggregate of such housing loans in an association to persons other than farmers or ranchers shall not exceed 15 per centum of the outstanding loans at the end of its preceding fiscal year except upon prior approval by the Federal intermediate credit bank of the district. The aggregate of such housing loans in any farm credit district shall not exceed 15 per centum of the outstanding loans of all associations in the district at the end of the preceding fiscal year. For rural housing purposes under this section the term "rural areas" shall not be defined to include any city or village having a population in excess of 2,500 inhabitants. Each association may own and lease, or lease with option to purchase, to stockholders of the association equipment needed in the operations of the stockholder.

(b) Loans authorized in subsection (a) hereof shall bear such rate or rates of interest as are determined under regulations prescribed by the board of the bank with the approval of the Farm Credit Administration, and shall be made upon such terms, conditions, and upon such security, if any, as shall be authorized in such regulations. In setting rates and charges, it shall be the objective

to provide the types of credit needed by eligible borrowers, at the lowest reasonable cost on a sound business basis, taking into account the cost of money to the association, necessary reserves and expenses of the association, and services provided to borrowers and members. The loan documents may provide for the interest rate or rates to vary from time to time during the repayment period of the loan in accordance with the rate or rates currently being charged by the association. Such regulations may require prior approval of the bank or of Farm Credit Administration on certain classes of loans; and may authorize a continuing commitment to a borrower of a line of credit.

SEC. 2.16. OTHER SERVICES.—Each production credit association may provide technical assistance to borrowers, applicants, and members and may make available to them at their option such financial related services appropriate to their on-farm operations as is determined feasible by the board of directors of each district bank, under regulations prescribed by the Farm Credit Administration.

SEC. 2.17. TAXATION.—Each production credit association and its obligations are instrumentalities of the United States and as such any and all notes, debentures, and other obligations issued by such associations shall be exempt, both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any State, territorial, or local taxing authority. Such associations, their property, their franchises, capital, reserves, surplus, and other funds, and their income shall be exempt from all taxation now or hereafter imposed by the United States or by any State, territorial, or local taxing authority; except that interest on the obligations of such associations shall be subject only to Federal income taxation in the hands of the holder thereof pursuant to the Public Debt Act of 1941 (31 U.S.C. 742(a)) and except that any real and tangible personal property of such associations shall be subject to Federal, State, territorial, and local taxation to the same extent as similar property is taxed. The exemption provided in the preceding sentence shall apply only for any year or part thereof in which stock in the production credit associations is held by the Governor of the Farm Credit Administration.

TITLE III—BANKS FOR COOPERATIVES

SEC. 3.0. ESTABLISHMENT; TITLES; BRANCHES.—The banks for cooperatives established pursuant to sections 2 and 30 of the Farm Credit Act of 1933, as amended, shall continue as federally chartered instrumentalities of the United States. Their charters or organization certificates may be modified from time to time by the Farm Credit Administration, not inconsistent with the provisions of this title, as may be necessary or expedient to implement this Act. Unless an existing bank for cooperatives is merged with one or more other such banks under section 4.10 of this Act, there shall be a bank for cooperatives in each farm credit district and a Central Bank for Cooperatives. A bank for cooperatives may include in its title the name of the city in which it is located or other geographical designation. The Central Bank for Cooperatives may be located in such place as its board of directors may determine with the approval of the Farm Credit Administration. When authorized by the Farm Credit Administration each bank for cooperatives may establish such branches or other offices as may be appropriate for the effective operation of its business.

SEC. 3.1. CORPORATE EXISTENCE; GENERAL CORPORATE POWERS.—Each bank for cooperatives shall be a body corporate and, subject to supervision by the Farm Credit Administration, shall have power to—

(1) Adopt and use a corporate seal.

(2) Have succession until dissolved under the provisions of this Act or order Act of Congress.

(3) Make contracts.

(4) Sue and be sued.

(5) Acquire, hold, dispose, and otherwise exercise all of the usual incidents of ownership of real and personal property necessary or convenient to its business.

(6) Make loans and commitments for credit, provide services and other assistance as authorized in this Act, and charge fees therefor.

(7) Operate under the direction of its board of directors.

(8) Elect by its board of directors a president, any vice presidents, a secretary, a treasurer, and provide for such other officers, employees, and agents as may be necessary, including joint employees as provided in this Act, define their duties and require surety bonds or make other provisions against losses occasioned by employees.

(9) Prescribe by its board of directors its bylaws not inconsistent with law providing for the classes of its stock and the manner in which its stock shall be issued, transferred, and retired; its officers, employees, or agents elected or provided for; its property acquired, held, and transferred; its loans made; its general business conducted; and the privileges granted it by law exercised and enjoyed.

(10) Borrow money and issue notes, bonds, debentures, or other obligations individually or in concert with one or more other banks of the System, of such character, and such terms, conditions, and rates of interest as may be determined.

(11) Participate in loans under this title with one or more other banks for cooperatives and with commercial banks and other financial institutions upon such terms as may be agreed among them.

(12) Deposit its securities and its current funds with any member bank of the Federal Reserve System, and pay fees therefor and receive interest thereon as may be agreed. When designated for that purpose by the Secretary of the Treasury, it shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary; may be employed as a fiscal agent of the Government, and shall perform all such reasonable duties as a depository of public money or financial agent of the Government as may be required of it. No Government funds deposited under the provisions of this subsection shall be invested in loans or bonds or other obligations of the bank.

(13) Buy and sell obligations of or insured by the United States or of any agency thereof, or securities backed by the full faith and credit of any such agency and make such other investments as may be authorized by the Farm Credit Administration.

(14) Conduct studies and adopt standards for lending.

(15) Amend and modify loan contracts, documents, and payment schedules, and release, subordinate, or substitute security for any of them.

(16) Perform any function delegated to it by the Farm Credit Administration.

(17) Exercise by its board of directors or authorized officers, employees, or agents all such incidental powers as may be necessary or expedient to carry on the business of the bank.

SEC. 3.2. BOARD OF DIRECTORS.—(a) In the case of a district bank for cooperatives, the board of directors shall be the farm credit district board and in the case of the Central Bank for Cooperatives shall be a separate board of not more than thirteen members, one from each farm credit district and one at large. One district director of the Central Bank Board shall be elected by each district farm credit board and the member at large shall be appointed by the Governor with the advice and consent of the Federal Farm Credit Board.

(b) For the purposes of this section the provisions of sections 5.1 (b) and (c), 5.4, 5.5, and 5.6 shall apply to and shall be the authority of the Central Bank for Cooperatives the same as though it were a district bank.

SEC. 3.3. BANK FOR COOPERATIVES STOCK; VALUE; CLASSES OF STOCK; VOTING; EXCHANGE.—(a) The capital stock of each bank for cooperatives shall be in such amount as its board determines, with the approval of Farm Credit Administration, as required for the purpose of providing adequate capital to permit the bank to meet the credit needs of borrowers from the bank and such amounts may be increased or decreased from time to time in accordance with such needs.

(b) The capital stock of each bank shall be divided into shares of par value of $100 each and may be of such classes as the board may determine with the approval of the Farm Credit Administration. Such stock may be issued in fractional shares.

(c) Voting stock may be issued or transferred to and held only by (i) cooperative associations eligible to borrow from the banks and (ii) other banks for cooperatives, and shall not be otherwise transferred, pledged, or hypothecated except as consented to by the issuing bank under regulations of the Farm Credit Administration.

(d) Each holder of one or more shares of voting stock which is eligible to borrow from a bank for cooperatives shall be entitled only to one vote and only in the affairs of the bank in the district in which its principal office is located unless otherwise authorized by the Farm Credit Administration, except that if such holder has not been a borrower from the bank in which it holds such stock within a period of two years next preceding the date fixed by the Farm Credit Administration prior to the commencement of voting, it shall not be entitled to vote.

(e) Nonvoting investment stock may be issued in such series and in such amounts as may be determined by the board and approved by the Farm Credit Administration and, except for stock held by the Governor, may be exchanged for voting stock or sold or transferred to any person subject to the approval of the issuing bank.

SEC. 3.4. DIVIDENDS.—Dividends may be payable only on nonvoting investment stock, other than stock held by the Governor of the Farm Credit Administration, if declared by the board of directors of the bank.

SEC. 3.5. RETIREMENT OF STOCK.—Any nonvoting stock held by the Governor of the Farm Credit Administration shall be retired to the extent required by section 4.0 (b) before any other outstanding voting or nonvoting stock shall be retired except as may be otherwise authorized by Farm Credit Administration. When those requirements have been satisfied, nonvoting investment stock may be called for retirement at par. With the approval of the issuing bank, the holder may elect not to have the called stock retired in response to a call, reserving the right to have such stock included in the next call for retirement. When the requirements of section 4.0(b) have been met, voting stock may also be retired at fair book value not exceeding par, on call or on such revolving basis as the board may determine with approval of the Farm Credit Administration with due regard for its total capital needs: *Provided, however,* That all equities in the district banks issued or allocated with respect to the year of the enactment of this Act and prior years shall be retired on a revolving basis according to the year of issue with the oldest outstanding equities being first retired. Equities issued for subsequent years shall not be called or retired until equities described in the preceding sentence of this proviso have been retired.

SEC. 3.6. GUARANTY FUND SUBSCRIPTIONS IN LIEU OF STOCK.—If any cooperative association is not authorized under the laws of the State in which it is organized to take and hold stock in a bank for cooperatives, the bank shall, in lieu of any requirement for stock purchase, require the association to pay into or have on deposit in a guaranty fund, or the bank may retain out of the amount of the loan and credit to the guaranty fund account of the borrower, a sum equal to the amount of stock which the association would otherwise be required to own. Each reference to stock of the banks for cooperatives in this Act shall include such guaranty fund equivalents. The holder of the guaranty fund equivalent and the bank shall each be entitled to the same rights and obligations with respect thereto as the rights and obligations associated with the class or classes of stock involved.

SEC. 3.7. LENDING POWER.—The banks for cooperatives are authorized to make loans and commitments to eligible cooperative associations and to extend to them other technical and financial assistance, including but not limited to discounting notes and other obligations, guaranties, collateral custody, or participation with other banks for cooperatives and commercial banks or other financial institutions in loans to eligible cooperatives, under such terms and conditions as may be determined to be feasible by the board of directors of each bank for cooperatives under regulations of the Farm Credit Association. Such regulations may include provisions for avoiding duplication between the Central Bank and district banks for cooperatives. Each bank may own and lease, or lease with option to purchase, to stockholders eligible to borrow from the bank equipment needed in the operations of the stockholder.

SEC. 3.8. ELIGIBILITY.—Any association of farmers, producers, or harvesters of aquatic products, or any federation of such associations, which is operated on a cooperative basis, and has the powers for processing, preparing for market, handling, or marketing farm or aquatic products; or for purchasing, testing, grading, processing, distributing, or furnishing farm or aquatic supplies or furnishing farm business services or services to eligible cooperatives and conforms to either of the two following requirements:

(a) no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein; or

(b) does not pay dividends on stock or membership capital in excess of such per centum per annum as may be approved under regulations of the Farm Credit Administration; and in any case

(c) does not deal in farm products or aquatic products, or products processed therefrom, farm or aquatic supplies, or farm business services with or for nonmembers in an amount greater in value than the total amount of such business transacted by it with or for members, excluding from the total of member and nonmember business transactions with the United States or any agency or instrumentality thereof; and

(d) a percentage of the voting control of the association not less than 80 per centum, or such higher percentage as established by the district board is held by farmers, producers or harvesters of aquatic products, or eligible cooperative associations as defined herein;

shall be eligible to borrow from a bank for cooperatives.

SEC. 3.9. OWNERSHIP OF STOCK BY BORROWERS.—(a) Each borrower at the time a loan is made by a bank for cooperatives shall own at least one share of voting stock and shall be required by the bank with the approval of the Farm Credit Administration to invest in additional voting stock or nonvoting investment stock at that time, or from time to time, as the lending bank may determine, but the requirement for investment in stock at the time the loan is closed shall not exceed an amount equal to 10 per centum of the face amount of the loan. Such additional ownership requirements may be based on the face amount of the loan, the outstanding loan balance or on a percentage of the interest payable by the borrower during any year or during any quarter thereof, or upon such other basis as the bank, with the approval of the Farm Credit Administration, determines will provide adequate capital for the operation of the bank and equitable ownership thereof among borrowers. In the case of a direct loan by the Central Bank, the borrower shall be required to own or invest in the necessary stock in a district bank or banks as may be approved by the Farm Credit Administration and such district bank shall be required to own a corresponding amount of stock in the Central Bank, but voting stock shall be in the one district bank designated by the Farm Credit Administration.

(b) Notwithstanding the provisions of subsection (a) of this section, the purchase of stock need not be required with respect to that part of any loan made by a bank for cooperatives which it sells to or makes in participation with financial institutions other than any of the banks for cooperatives. In such cases the distribution of earnings of the bank for cooperatives shall be on the basis of the interest in the loan retained by such bank.

SEC. 3.10. INTEREST RATES; SECURITY; LIEN; CANCELLATION; AND APPLICATION ON INDEBTEDNESS.—(a) Loans made by a bank for cooperatives shall bear interest at a rate or rates determined by the board of directors of the bank from time to time, with the approval of the Farm Credit Administration. In setting rates and charges, it shall be the objective to provide the types of credit needed by eligible borrowers at the lowest reasonable cost on a sound business basis, taking into account the net cost of money to the bank, necessary reserves and expenses of the bank, and services provided. The loan documents may provide for the interest rate or rates to vary from time to time during the repayment period of the loan, in accordance with the rate or rates currently being charged by the bank.

(b) Loans shall be made upon such terms, conditions, and security, if any, as may be determined by the bank in accordance with regulations of the Farm Credit Administration.

(c) Each bank for cooperatives shall have a first lien on all stock or other equities in the bank as collateral for the payment of any indebtedness of the owner thereof to the bank. In the case of a direct loan to an eligible cooperative by the Central Bank, the Central Bank shall have a first lien on the stock and equities of the borrower in the district bank and the district bank shall have a lien thereon junior only to the lien of the Central Bank.

(d) In any case where the debt of a borrower is in default, or in any case of liquidation or dissolution of a present or former borrower from a bank for cooperatives, the bank may, but shall not be required to, retire and cancel all or a part of the stock, allocated surplus or contingency reserves, or any other equity in the bank owned by or allocated to such borrower, at the fair book value thereof not exceeding par, and, to the extent required in such cases, corresponding shares and allocations and other equity interests held by a district bank in another district bank on account of such indebtedness, shall be retired or equitably adjusted.

SEC. 3.11. EARNINGS AND RESERVES; APPLICATION OF SAVINGS.—(a) Each bank for cooperatives, at the end of each fiscal year when said bank shall have stock outstanding held by the Governor of the Farm Credit Administration, shall determine the amount of its net savings after paying or providing for all operating expenses (including reasonable valuation reserves and losses in excess of any such applicable reserves) and shall apply such savings as follows: (1) To the restoration of the amount of the impairment, if any, of capital stock, as determined by its board of directors; (2) 25 per centum of any remaining net savings shall be used to create and maintain a surplus account; (3) it shall next pay to the United States a franchise tax as provided in section 4.0 of this Act; (4) reasonable contingency reserves may be established; (5) dividends on investment stock may be declared as provided in this title; and (6) any remaining net savings shall be distributed as patronage refunds as provided in subsection (c) or (d) of this section: *Provided*, That any patronage refunds received by a district bank from any other bank for cooperatives shall be excluded from net savings of the district bank for the purpose of computing such franchise tax. Amounts applied as provided in (2) above after January 1, 1956, shall be allocated on a patronage basis approved by the Farm Credit Administration. At the end of any fiscal year any portion of the reserve established under (4) above which is no longer deemed necessary shall be transferred to the surplus account and, if the surplus account of any such bank for cooperatives exceeds 25 per centum of the sum of all its outstanding capital stock, the bank may distribute in the same manner as a patronage refund any part or all of such excess which has been allocated: *Provided*, That any surplus and contingency reserve shown on the books of the banks as of January 1, 1956, shall not be distributed as patronage refunds. In making such distributions except as otherwise provided in section 3.5 and distributions by the Central Bank, the oldest outstanding allocations shall be distributed first. Whenever used in this title, the words "surplus account" as applied to any bank for cooperatives shall mean any surpluses and contingency reserves shown on the books of the bank as of January 1, 1956, and any amounts accumulated as allocated or unallocated surplus after said date. Said surplus account shall be divided to show the amounts thereof subject to allocation as provided in this subsection and may be further subdivided as prescribed by the Farm Credit Administration.

(b) Whenever at the end of any fiscal year a bank for cooperatives shall have no outstanding capital stock held by the Governor of the Farm Credit Administration, the net savings shall, under regulations prescribed by the Farm Credit Administration, continue to be applied on a cooperative basis with provision for sound, adequate capitalization to meet the changing financing needs of eligible cooperative borrowers and prudent corporate fiscal management, to the end that current year's patrons carry their fair share of the capitalization, ultimate expenses, and reserves related to the year's operations and the remaining net savings shall be distributed as patronage refunds as provided in subsections (c) and (d) of this section. Such regulations may provide for application of less than 25 per centum of net savings to the restoration or maintenance of an allocated surplus account, reasonable additions to unallocated surplus, or to unallocated reserves of not to exceed such per centum of net savings after payment of operating expenses as may be approved by Farm Credit Administration, and to provide for allocations to patrons not qualified under the Internal Revenue Code, or payment of such per centum of patronage refunds in cash, as the board may determine. If during the fiscal year but not at the end thereof a bank shall have had outstanding capital stock held by the United States, provision will be

made for payment of franchise taxes required in section 4.0.

(c) The net savings of each district bank for cooperatives, after the earnings for the fiscal year have been applied in accordance with subsections (a) or (b) of this section whichever is applicable, shall be paid in stock or in cash, or both, as determined by the board, as patronage refunds to borrowers of the fiscal year for which such patronage refunds are distributed. Except as provided in subsection (d) below, all patronage refunds shall be paid in proportion that the amount of interest and service fees on the loans to each borrower during the year bears to the interest and service fees on the loans of all borrowers during the year or on such other proportionate patronage basis as the Farm Credit Administration may approve.

(d) The net savings of the Central Bank for Cooperatives after the earnings for the fiscal year have been applied in accordance with subsections (a) or (b) whichever is applicable, shall be paid in stock or cash, or both, as determined by the board, as patronage refunds to the district banks on the basis of interests held by the Central Bank in loans made by the district banks and upon any direct loans made by the Central Bank to cooperative associations, or on such other proportionate patronage basis as the Farm Credit Administration may approve. In cases of direct loans, such refund shall be paid to the district bank or banks which issued their stock to the borrower incident to such loans, and the district bank or banks shall issue a like amount of patronage refunds to the borrower.

(e) In the event of a net loss in any fiscal year after providing for all operating expenses (including reasonable valuation reserves and losses in excess of any applicable reserves), such loss may be carried forward or carried back, if appropriate, or otherwise shall be absorbed by charges to unallocated reserve or surplus accounts established after the date of enactment of this Act; charges to allocated contingency reserve account; charges to allocated surplus account; charges to other contingency reserve and surplus accounts; the impairment of voting stock; or the impairment of all other stock.

(f) Nothwithstanding any other provisions of this section any costs or expenses attributable to a prior year or years but not recognized in determining the net savings for such year or years may be charged to reserves or surplus of the bank or to patronage allocations for such years, as may be determined by the board of directors.

(g) For any year that a bank for cooperatives is subject to Federal income tax, it may pay in cash such portion of its patronage refunds as will permit its taxable income to be determined without taking into account savings applied as allocated surplus, allocated contingency reserves, and patronage refunds under subsections (a) or (b) of this section.

SEC. 3.12. DISTRIBUTION OF ASSETS AND LIQUIDATION OR DISSOLUTION.—In the case of liquidation or dissolution of any bank for cooperatives, after payment or retirement, first, of all liabilities; second, of all capital stock issued before January 1, 1956, at par, any stock held by the Governor of the Farm Credit Administration at par, and all nonvoting stock at par; and third, all voting stock at par; any surplus and reserves existing on January 1, 1956, shall be paid to the holders of stock issued before that date, stock held by the Governor of the Farm Credit Administration, and voting stock pro rata; and any remaining allocated surplus and reserves shall be distributed to those entities to which they are allocated on the books of the bank, and any other remaining surplus shall be paid to the holders of outstanding voting stock. If it should become necessary to use any surplus or reserves to pay any liabilities or to retire any capital stock, unallocated reserves or surplus, allocated reserves and surplus shall be exhausted in accordance with rules prescribed by Farmer Credit Administration.

SEC. 3.13. TAXATION.—Each bank for cooperatives and its obligations are instrumentalities of the United States and as such any and all notes, debentures, and other obligations issued by such bank shall be exempt, both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or any State, territorial, or local taxing authority. Such banks, their property, their franchises, capital, reserves, surplus, and other funds, and their income shall be exempt from all taxation now or hereafter imposed by the United States or by any State, territorial, or local taxing authority; except that interest on the obligations of such banks shall be subject only to Federal income taxation in the hands of the holder thereof pursuant to the Public Debt Act of 1941 (31 U.S.C. 742(a)) and except that any real and tangible personal property of such banks shall be subject to Federal, State, territorial, and local taxation to the same extent as similar property is taxed. The exemption provided in the preceding sentence shall apply only for any year or part thereof in which stock in the bank for cooperatives is held by the Governor of the Farm Credit Administration.

TITLE IV—PROVISIONS APPLICABLE TO TWO OR MORE CLASSES OF INSTITUTIONS OF THE SYSTEM

PART A—FUNDING

SEC. 4.0. STOCK PURCHASED BY GOVERNOR; RETIREMENT; FRANCHISE TAX; REVOLVING FUND.—(a) The Federal land banks, the Federal intermediate credit banks, the banks for cooperatives, and, subject to section 2.13(d), the production credit associations may issue stock which may be purchased by the Governor of the Farm Credit Administration on behalf of the United States as a temporary investment in the stock of the institution to help one or several of the banks or associations to meet emergency credit needs of borrowers. The ownership of such stock shall be deemed to not change the status of ownership of the banks or associations, but, during the time such stock is outstanding, the pertinent provisions of the Government Corporation Control Act shall be applicable.

(b) The Governor shall require the retirement of such stock at such time as in his opinion the bank or association has resources available therefor and the need for such temporary investment is reduced or no longer exists. If the Governor determines that a production credit association does not have resources available to retire stock held by him, but in his judgment, the Federal intermediate credit bank of the district has resources available to do so, the Governor may require such bank to invest in an equivalent amount of nonvoting stock of said association and the association then shall retire the stock held by the Governor.

(c) For any year or part thereof in which the Governor holds any stock in a bank of the System, such institution after complying with sections 1.17, 2.6, 2.14, 3.11, respectively, shall pay to the United States as a franchise tax a sum equal to the lower of 25 per centum of its net earnings for the year before establishing any contingency reserves or declaring any dividends or patronage distribution, not exceeding a rate of return on such temporary investment calculated at a rate determined by the Secretary of the Treasury equal to the average annual rate of interest on all public issues of debt obligations of the United States issued during the fiscal year ending next before such tax is due, multiplied by the percentage that the number of days such stock is outstanding is of three hundred and sixty-five days. Such payments shall be deposited in the miscellaneous receipts in the Treasury.

SEC. 4.1. REVOLVING FUNDS AND GOVERNMENT DEPOSITS.—(a) The revolving fund established by Public Law 87-343, 75 Stat. 758, as amended, shall be available at the request of the Governor of the Farm Credit Administration for his temporary investment in the stock of any Federal intermediate credit banks or production credit associations as provided in section 4.0 and for any other purpose authorized by said Act. Funds received from the partial or the full retirement of such investments shall be deposited in this revolving fund.

(b) The revolving fund established by Public Law 87-494, 76 Stat. 109, as amended, shall be available at the request of the Governor of the Farm Credit Administration for his temporary investment in the stock of any bank for cooperatives as provided in section 4.0 of this Act. Funds received from the partial or full retirement of such investments shall be deposited in this revolving fund.

(c) The Secretary of the Treasury is authorized, in his discretion, upon the request of the Farm Credit Administration, to make deposits for the temporary use of any Federal land bank, out of any money in the Treasury not otherwise appropriated. Such Federal land bank shall issue to the Secretary of the Treasury a certificate of indebtedness for any such deposit, bearing a rate of interest not to exceed the current rate charged for other Government deposits, to be secured by bonds or other collateral, to the satisfaction of the Secretary of the Treasury. Any such certificate shall be redeemed and paid by such land bank at the discretion of the Secretary of the Treasury. The aggregate of all sums so deposited by the Secretary of the Treasury shall not exceed the sum of $6,000,000 at any one time.

SEC. 4.2. POWER TO BORROW; ISSUE NOTES, BONDS, DEBENTURES, AND OTHER OBLIGATIONS.—Each of the banks of the System, in order to obtain funds for its authorized purposes, shall have power, subject to supervision of the Farm Credit Administration, and subject ot the limitations of paragraph (e) of this section, to—

(a) Borrow money from or loan to any other institution of the System, borrow from any commercial bank or other lending institution, issue its notes or other evidence of debt on its own individual responsibility and full faith and credit, and invest its excess funds in such sums, at such times, and on such terms and conditions as it may determine.

(b) Issue its own notes, bonds, debentures, or other similar obligations, fully collateralized as provided in section 4.3(b) by the notes, mortgages, and security instruments it holds in the performance of its functions under this Act in such sums, maturities, rates of interest, and terms and conditions of each issue as it may determine with approval of the Governor.

(c) Join with any or all banks organized and operating under the same title of this Act in borrowing or in issuance of consolidated notes, bonds, debentures, or other obligations as may be agreed with approval of the Governor.

(d) Join with other banks of the System in issuance of System-wide notes, bonds, debentures, and other obligations in the manner, form, amounts, and on such terms and conditions as may be agreed upon with approval of the Governor. Such System-wide issue by the participating banks and such participations by each bank shall not exceed the limits to which each such bank is subject in the issuance of its individual or consolidated obligations and each such issue shall be subject to approval of the Governor: *Provided, however,* There shall be no issues of System-wide obligations without the concurrence of the boards of directors of each of the 12 districts and the Central Bank for Cooperatives and the approval of the

Governor for such issues shall be conditioned on and be evidence of the compliance with this provision.

(e) No bank or banks shall issue notes, bonds, debentures, or other obligations individually or in concert with one or more banks of the System other than through their fiscal agent under any provision of this Act except under subsection (a) of this section: *Provided*, That any bank or banks may issue investment bonds or like obligations other than through the fiscal agent if the interest rate is not in excess of the interest allowable on savings deposits of commercial banks of comparable amounts and maturities under Federal Reserve regulation on its member banks.

SEC. 4.3. AGGREGATE OF OBLIGATIONS; COLLATERAL.—(a) No issue of long-term notes, bonds, debentures, or other similar obligations by a bank or banks shall be approved in an amount which, together with the amount of other bonds, debentures, long-term notes, or other similar obligations issued and outstanding, exceeds twenty times the capital and surplus of all the banks which will be primarily liable on the proposed issue, or such lesser amount as the Farm Credit Administration shall establish by regulation.

(b) Each bank shall have on hand at the time of issuance of any long-term notes, bonds, debentures, or other similar obligations and at all times thereafter maintain, free from any lien or other pledge, notes and other obligations representing loans made under the authority of this Act, obligations of the United States or any agency thereof direct or fully guaranteed, other readily marketable securities approved by the Farm Credit Administration, or cash, in an aggregate value equal to the total amount of long-term notes, bonds, debentures, or other similar obligations outstanding for which the bank is primarily liable.

SEC. 4.4. LIABILITY OF BANKS; UNITED STATES NOT LIABLE.—(a) Each bank of the System shall be fully liable on notes, bonds, debentures, or other obligations issued by it individually, and shall be liable for the interest payments on long-term notes, bonds, debentures, or other obligations issued by other banks operating under the same title of this Act. Each bank shall also be primarily liable for the portion of any issue of consolidated or System-wide obligations made on its behalf and be jointly and severally liable for the payment of any additional sums as called upon by the Farm Credit Administration in order to make payments of interest or principal which any bank primarily liable therefor shall be unable to make. Such calls shall be made first upon the other banks operating under the same title of this Act as the defaulting bank, and second upon banks operating under other titles of this Act, taking into consideration the capital, surplus, bonds, debentures, or other obligations which each may have outstanding at the time of such assessment.

(b) Each bank participating in an issue shall by appropriate resolution undertake such responsibility as provided in subsection (a), and in the case of consolidated or Systemwide obligations shall authorize the Governor to execute such long-term notes, bonds, debentures, or other obligations on its behalf. When a consolidated or System-wide issue is approved, the notes, bonds, debentures, or other obligations shall be executed by the Governor and the banks shall be liable thereon as provided herein.

(c) The United States shall not be liable or assume any liability directly or indirectly thereon.

SEC. 4.5. FINANCE COMMITTEE.—There shall be established a finance committee for the banks organized and operated under titles I, II, and III, respectively, of this Act, composed of the presidents of each bank. Each such committee may have such officers and such subcommittees for such terms and such representation as may be agreed upon between the banks. When appropriate to the performance of their function the subcommittees, or representatives thereof, of the various banks shall constitute such subcommittees in connection with System-wide issues of obligations. The finance committees and subcommittees acting for the banks of the System shall, subject to approval of the Governor, determine the amount, maturities, rates of interest, and participation by the several banks in each issue of joint consolidated, or System-wide obligations.

SEC. 4.6. BONDS AS INVESTMENTS.—The bonds, debentures, and other similar obligations issued under the authority of this Act shall be lawful investments for all fiduciary and trust funds and may be accepted as security for all public deposits.

SEC. 4.7. PURCHASE AND SALE BY FEDERAL RESERVE SYSTEM.—Any member of the Federal Reserve System may buy and sell bonds, debentures, or other similar obligations issued under the authority of this Act and any Federal Reserve bank may buy and sell such obligations to the same extent and subject to the same limitations placed upon the purchase and sale by said banks of State, county, district, and municipal bonds under section 355 of title 12, United States Code.

SEC. 4.8. PURCHASE AND SALE OF OBLIGATIONS.—Each bank of the System may purchase its own obligations and the obligations of other banks of the System and may provide for the sale of obligations issued by it, consolidated obligations, or System-wide obligations through a fiscal agent or agents, by negotiation, offer, bid, syndicate sale, and to deliver such obligations by book entry, wire transfer, or such other means as may be appropriate.

SEC. 4.9. FISCAL AGENCY.—A fiscal agency shall be established by the banks for such of their functions relating to the issuance, marketing, and handling of their obligations, and interbank or intersystem flow of funds as may from time to time be required.

PART B—DISSOLUTION AND MERGER

SEC. 4.10. MERGER OF SIMILAR BANKS.—Banks organized or operating under titles I, II, or III, respectively, may upon majority vote cast by their voting stockholders and contributors to their guaranty funds in accordance with the voting strength provisions of section 5.2(c) of this Act relating to elections of directors of the district boards, and with the approval of the Farm Credit Administration, merge with banks in other districts operating under the same title of *this* Act.

SEC. 4.11. BOARD OF DIRECTORS FOR MERGED BANK.—In the event of merger of two or more banks to serve borrowers in more than one farm credit district, a separate board of directors shall be created for the resulting merged bank. The board thus created shall be composed of two directors elected by each of the district boards involved, at least one of which from each district shall have been elected by the eligible stockholders of or subscribers to the guaranty fund of the merging banks, and one director appointed by the Governor with the advice and consent of the Federal Farm Credit Board. Notwithstanding the foregoing, the bylaws of the merged bank may, with the approval of the Farm Credit Administration, provide for a different number of directors selected in a different manner. The board so constituted shall have such separate and distinct powers, functions, and duties as are normally exercised by a district board related to the operations and policies of the banks which were merged.

SEC. 4.12. DISSOLUTION; VOLUNTARY LIQUIDATION; MERGERS; RECEIVERSHIPS; AND CONSERVATORS.—(a) No institution of the System shall go into voluntary liquidation without the consent of the Farm Credit Administration and with such consent may liquidate only in accordance with regulations prescribed by the Farm Credit Administration. Associations may voluntarily merge with other like associations upon the vote of a majority of each of their stockholders present and voting or voting by written proxy at duly authorized meetings, and with the approval of the supervising bank and the Farm Credit Administration. The Federal Farm Credit Board may require such merger whenever it determines, with the concurrence of the district board, that an association has failed to meet its outstanding obligations or failed to conduct its operations in accordance with this Act.

(b) Upon default of any obligation by any institution of the System, such institution may be declared insolvent and placed in the hands of a conservator or a receiver appointed by the Governor and the proceedings thereon shall be in accordance with regulations of the Farm Credit Administration regarding such insolvencies.

PART C—RIGHTS OF APPLICANTS

SEC. 4.13. NOTICE OF ACTION ON APPLICATION.—Every applicant for a loan from an institution of the System shall be entitled to prompt notice of action on his application, and, if the loan applied for is reduced or denied, the reason for such action.

SEC. 4.14. RECONSIDERATION.—Any applicant who has reason to believe that the action on his application by an association failed to take into account facts pertinent to his application, or has misinterpreted or failed to properly apply the applicable law or rules and regulations governing his application, may, if he so requests in writing within thirty days of the date of that notice, request an informal hearing on his application and the action of the association in reduction or denial thereof, or the reason for such action, in person before the loan committee or officer or employee thereof authorized to act on applications under section 1.15(11) or 2.12(18). Promptly after such a hearing, he shall be notified of the decision upon reconsideration and the reasons therefor.

SEC. 4.15. NOMINATION OF ASSOCIATION DIRECTORS; REPRESENTATIVE SELECTION OF NOMINEES.—Each production credit association and each Federal land bank association shall elect a nominating committee by vote of the stockholders at the annual meeting to serve for the following year. Each nominating committee shall review lists of farmers from the association territory, determine their willingness to serve, and submit for election a slate of eligible candidates which shall include at least two nominees for each elective office to be filled. In doing so, the committee shall endeavor to assure representation to all sections of the association territory and as nearly as possible to all types of agriculture practiced within the area. Employees of the association shall not be eligible to be nominated, elected, or serve as a member of the board. Nominations shall also be accepted from the floor. Members of the board are not eligible to serve on the nominating committee. Regulations of the Farm Credit Administration governing the election of district directors shall similarly assure a choice of two nominees for each elective office to be filled and that the district board represent as nearly as possible all types of agriculture in the district.

SEC. 4.16. PROHIBITION AGAINST TAX-EXEMPT GUARANTEES.—Notwithstanding any other provision of this Act, no guarantee shall be made on any instrument of indebtedness the income from which is exempt in whole or in part from Federal taxation.

TITLE V—DISTRICT AND FARM CREDIT ADMINISTRATION ORGANIZATION

PART A—DISTRICT ORGANIZATION

SEC. 5.0. CREATION OF DISASTER—There shall be not more than twelve farm credit

districts in the United States, which may be designated by number, one of which districts shall include the Commonwealth of Puerto Rico. The boundaries of the twelve farm credit districts existing on the date of enactment of this Act may be readjusted from time to time by the Federal Farm Credit Board, with the concurrence of the district boards involved. Two or more districts may be merged as provided in section 5.18(2).

SEC. 5.1. DISTRICT BOARDS OF DIRECTORS; MEMBERSHIP; ELIGIBILITY; TERMS.—(a) There shall be in each farm credit district a farm credit board of directors composed of seven members. Each farm credit district board may include in its title the name of the city in which the banks of the System for the district are located or other geographical designation.

(b) To be eligible for membership on a farm credit district board a person must be a citizen of the United States for at least ten years, and a resident of the district for at least two years.

A person shall not be eligible who—

(1) is or has, within one year next preceding the date of election or appointment, been a salaried officer or employee of the Farm Credit Administration or of any institution of the System;

(2) has been convicted of a felony or adjudged liable in damages for fraud; or

(3) if there is at the time of his election another resident of the same State who was elected to the district board by the same electorate, except where a district embraces only one State.

No director of a district board shall be eligible to continue to serve in that capacity and his office shall become vacant if, after his election or appointment as a member of a district board, he continues or becomes a salaried officer or employee of the Farm Credit Administration, of any institution of the System, or a member of the Federal Farm Credit Board, or if he becomes legally incompetent or is finally convicted of a felony or held liable in damages for fraud. In any event, no director shall, within one year after the date when he ceases to be a member of the board, be elected or designated to serve as a salaried employee of any bank or joint employee of the district for which he served as director.

(c) The terms of district directors shall be for three years, except that the terms of appointed directors may be for a shorter or longer term to permit the staggering of such appointments over a three-year period but in no event shall such appointed director be eligible to serve for more than two full terms.

SEC. 5.2. SAME; NOMINATION; ELECTION; APPOINTMENT.—(a) Two of the district directors shall be elected by the Federal land bank associations, two by the production credit associations, and two by the borrowers from or subscribers to the guaranty fund of the bank for cooperatives. The seventh member shall be appointed by the Governor with the advice and consent of the Federal Farm Credit Board.

(b) At least two months before an election of an elected director the Farm Credit Administration shall cause notice in writing to be sent to those entitled to nominate candidates for such elected director. In the case of an election of a director by Federal land bank associations and borrowers through agencies, such notice shall be sent to all Federal land bank associations and borrowers through agencies in the district; in the case of an election by production credit associations, such notice shall be sent to all production credit associations in the district; and in the case of an election by cooperatives which are voting stockholders or subscribers to the guaranty fund of the bank for cooperatives of the district, such notice shall be sent to all cooperatives which are eligible, voting stockholders or subscribers to the guaranty fund at the time of sending the notice. The notice in the case of associations shall state the number of votes the board of each association is entitled to cast for nomination and election based on the voting stockholders of the association as determined by the Farm Credit Administration as near as practicable to the date of the notice. After receipt of such notice those entitled to nominate a director shall forward nominations to the Farm Credit Administration. The Farm Credit Administration shall, from the nominations received within sixty days after it sends such notice, prepare a list of candidates for such elected director, consisting of the three nominees receiving the highest number of votes, except that for elections to fill vacancies the Farm Credit Administration may specify a shorter period than sixty days but not less than thirty days.

(c) At least one month before the election of an elected director, the Farm Credit Administration shall mail to each person or organization entitled to elect the elected director a list of the three candidates receiving the highest number of votes from those nominated in accordance with subsection (b). In the case of an election of a director by the Federal land bank associations, the directors of each land bank association shall cast the vote of such association for one of the candidates on the list. Each association shall be entitled to cast the number of votes specified in the notice prior to the nomination poll as determined by the Farm Credit Administration to be the number of voting stockholders of each association, and each direct borrower and borrower through agent shall be entitled to cast one vote. Each production credit association shall be entitled to cast the number of votes specified in the notice of nomination poll as determined by the Farm Credit Administration to be equal to the number of voting stockholders of such association. Each cooperative which is the holder of voting stock in or a subscriber to the guaranty fund of the bank for cooperatives shall be entitled to cast one vote except as provided in subsection 3.3 (d). The votes shall be forwarded to the Farm Credit Administration and no vote shall be counted unless received by it within sixty days after the sending of such list of candidates, except that for elections to fill vacancies the Farm Credit Administration may specify a shorter period than sixty days but not less than thirty days. In the case of a tie another runoff election between those tying shall be held.

(d) Any vacancies in the board of directors shall be filled for the unexpired term in the manner provided in sections 5.1 and 5.2 for the selection of such directors.

SEC. 5.3. DISTRICT DIRECTORS CONSTITUTE BOARDS OF DIRECTORS FOR FEDERAL LAND BANKS, FEDERAL INTERMEDIATE CREDIT BANKS, AND DISTRICT BANKS FOR COOPERATIVES.—The members of each farm credit district board of directors shall be and shall have all the functions, powers, and duties of directors for the Federal land banks, the Federal intermediate credit banks, and the district banks for cooperatives in their respective districts.

SEC. 5.4. DISTRICT BOARD OFFICERS.—Each farm credit district board shall elect from its members a chairman and a vice chairman and shall appoint a secretary from within or without its membership as it may see fit. The chairman, vice chairman, and secretary shall hold office for a term of one year and until their successors are selected and take office.

SEC. 5.5. COMPENSATION OF DISTRICT BOARD.—Members of each farm credit district board shall receive compensation, including reasonable allowances for necessary expenses, in attending meetings of the board as district board and as directors of the district banks including travel time. The compensation shall not be in excess of the level set by the Farm Credit Administration. In addition to attending said meetings, a director may not receive compensation and allowances for any services rendered in his capacity as director or otherwise for more than thirty days or parts of days in any one calendar year without the approval of the Farm Credit Administration.

SEC. 5.6. POWERS OF THE DISTRICT FARM CREDIT BOARD.—(a) Each farm credit district board shall have power to—

(1) Act as the board of directors for the district and of the several banks of the System in the district.

(2) Provide rules and regulations, governing the banks and associations in the district, not inconsistent with law.

(3) Elect or provide for joint officers and employees for the banks in its district which are institutions of the System or, upon agreement with banks in other districts, joint officers and employees of institutions in more than one district. The salary or other compensation of all such joint officers and employees and the allocation thereof between the banks shall be fixed by the district farm credit board. Officers and employees elected or provided for by the district farm credit board, whether separate officers and employees of the institutions or joint officers and employees, shall be officers and employees of the district institutions served by them. Employment, compensation, leave, retirement, except as provided in subsection (b) of this section, hours of duty, and all other conditions of employment of such joint officers and employees and of the separate officers and employees of the institutions in the district provided for by the board of directors shall be without regard to the provisions of title 5 of the United States Code relating to such matters, but all such determinations shall be consistent with the law under which the banks are organized and operate. Appointments, promotions, and separations so made shall be based on merit and efficiency and no political test or qualification shall be permitted or given consideration. The limitations against political activity conflict of interest of such officers and employees shall be in accordance with rules and regulations prescribed by the Farm Credit Administration.

(4) Authorize the acquisition and disposal of such property, real or personal, as may be necessary or convenient for the transaction of the business of the banks of the System located in its district, upon such terms and conditions as it shall fix, and to prorate among such banks the cost of purchases, rentals, construction, repairs, alterations, maintenance, and operation in such amounts and in such manner as it shall determine. Any lease, or any contract for the purchase or sale of property, or any deed or conveyance of property, or any contract for the construction, repair, or alteration of buildings, authorized by a district farm credit board under this subsection shall be executed by the officers of the bank or banks concerned pursuant to the direction of such board. No provision of law relative to the acquisition or disposal of property, real or personal, by or for the United States, or relative to the making of contracts or leases by or for the United States, including the provisions set out in titles 40 and 41, and including provisions applicable to corporations wholly owned by the United States, shall be deemed or held applicable to any lease, purchase, sale, deed, conveyance, or contract authorized or made by a district farm credit board or the banks of the System under this subsection.

(5) Authorize agreements for the provision of joint services between institutions in the System and between districts for those banks' and associations' functions and for those services to borrowers which can most effectively be performed by the joint undertakings of the district or districts, all of such activities to be subject to the same supervision of the Farm Credit Administration as is applicable to such institutions under this Act.

(6) Formulate broad policy considerations concerning the funding operations of the banks in the district and, in concert with the other district boards, furnish unified long-range policy guidance for the funding of the System.

(b) The provisions of subsection (a) of this section are qualified as follows:

(1) Each officer and employee of the banks of the System who, on December 31, 1959, was within the purview of the Civil Service Retirement Act, as amended, shall continue so during his continuance as an officer or employee of any such banks or of the Farm Credit Administration without break in continuity of service. Any other officer or employee of such banks and any other person entering upon employment with any such banks after December 31, 1959, shall not be covered under the civil service retirement system by reason of such employment, except that (1) a person who, on December 31, 1959, was within the purview of the Civil Service Retirement Act, as amended, and thereafter becomes an officer or employee of any such banks without break in continuity of service shall continue under the civil service retirement system during his continuance as an officer or employee of any such banks without break in continuity of service and (2) a person who has been within the purview of said Act as an officer or employee of such banks and, after a break in such employment, again becomes an officer or employee of any of such banks may elect to continue under the civil service retirement system during his continuance as such officer or employee by so notifying the Civil Service Commission in writing within thirty days after such reemployment.

(2) Each of the banks of the System shall contribute to the civil service retirement and disability fund, for each fiscal year after June 30, 1960, a sum as provided by section 4(a) of the Civil Service Retirement Act, as amended, except that such sum shall be determined by applying to the total basic salaries (as defined in that Act) paid to the employees of said banks who are covered by that Act, the per centum rate determined annually by the United States Civil Service Commission to be the excess of the total normal cost per centum rate of the civil service retirement system over the employee deduction rate specified in such section 4(a). Each bank shall also pay into the Treasury as miscellaneous receipts such portion of the cost of administration of the fund as is determined by the United States Civil Service Commission to be attributable to its employees.

PART B—FARM CREDIT ADMINISTRATION ORGANIZATION

SEC. 5.7. THE FARM CREDIT ADMINISTRATION.—The Farm Credit Administration shall be an independent agency in the executive branch of the Government. It shall be composed of the Federal Farm Credit Board, the Governor of the Farm Credit Administration, and such other personnel as are employed in carrying out the functions, powers, and duties vested in the Farm Credit Administration by this Act.

SEC. 5.8. THE FEDERAL FARM CREDIT BOARD; NOMINATION AND APPOINTMENT OF MEMBERS; ORGANIZATION AND COMPENSATION.—(a) There is established in the Farm Credit Administration a Federal Farm Credit Board. The Board shall consist of not more than thirteen members, one of whom shall be designated by the Secretary of Agriculture. The remainder of the Board shall be appointed by the President, with the advice and consent of the Senate, one from each farm credit district, to be known as the appointed members.

(b) In making appointments to the Board, the President shall have due regard to a fair representation of the public interest, the welfare of all farmers, and the types of institutions constituting the Farm Credit System, with special consideration to persons who are experienced in cooperative agricultural credit, taking into consideration the lists of nominees proposed by the Farm Credit System as hereinafter provided.

(c) Each appointed member of the Board shall have been a citizen of the United States and shall have been a resident of the district from which he was appointed for not less than ten years next preceding his appointment, and the removal of residence from the district shall operate to terminate his membership on the Board. No person shall be eligible for nomination or appointment if within one year next preceding the commencement of his term he has been a salaried officer or employee of the Farm Credit Administration or a salaried officer or employee of any institution of the Farm Credit System. Any person who is a member of a district farm credit board when appointed as a member of the Federal Farm Credit Board shall resign as a member of the district board before assuming his duties as a member of the Board. No person who becomes an appointed member of the Board shall be eligible to continue to serve in such capacity if such person is or becomes a member of a district farm credit board, or an officer or employee of the Farm Credit Administration, or director, officer, or employee of any institution of the Farm Credit System. No director shall, within one year after the date when he ceases to be a member of the Board, be elected or designated to serve as a salaried officer or employee of any bank, joint officer or employee, or officer or employee of the Farm Credit Administration.

(d) The Secretary of Agriculture shall designate one member of the Board to serve at the pleasure of the Secretary. He shall be known as the Secretary's representative on the Board. He shall be a citizen of the United States and shall have been a resident of the United States for not less than ten years preceding his designation on the Board. No person shall be designated by the Secretary if such person is a member of a farm credit district board, an officer or employee of the Farm Credit Administration, or an officer or employee of any institution operating under the supervision of the Farm Credit Administration. The Secretary's representative shall not be eligible to serve as Chairman, Vice Chairman, or Secretary of the Board but shall otherwise possess all the rights and privileges of membership on the Board.

(e) The term of office of the appointed members of the Board shall be six years and such members shall serve until their successors are duly appointed and qualified. No appointed member of the Board shall be eligible to serve more than one full term of six years and, in addition, if he is appointed to fill the unexpired portion of one term expiring before his appointment to a full term, he may be eligible thereafter for appointment to fill a full term of six years.

All vacancies for the offices of appointed members shall be filled for the unexpired portion of the term upon like nominations and like appointments: *Provided, however,* That the district board of directors may select a representative to meet with the Board, without the right of vote, prior to the filling of a vacancy occasioned by death, resignation, disability, or declination in the office of member from that district, under rules and regulations prescribed by the Board.

(f) A list of nominees for appointment as an appointed member of the Board shall be presented to the President for consideration in the filling of any office of Board member. The list shall be composed of one selected by each voting group in the district in which the member's term is about to expire or in which a vacancy occurs, determined in accordance with the procedure prescribed in section 5.2 of this title for the nomination and election of members of a district farm credit board, except that the list of candidates for the Board for final election in the district shall be the two nominees of each voting group receiving the highest number of votes.

(g) The members of the Board shall meet and subscribe the oath of office and annually organize by the election of a Chairman and Vice Chairman. The Board shall appoint a Secretary from within or without the membership. Such officers of the Board shall serve for one year and until their successors are selected and take office. The Board may function notwithstanding vacancies exist, provided a quorum is present. A quorum shall consist of a majority of all the members of the Board, for the transaction of business. The Board shall hold at least four regularly scheduled meetings a year and such additional meetings at such times and places as it may fix and determine. Such meetings may be held on the call of the Chairman or any three Board members.

(h) Each of the Board members shall receive the sum of $100 a day for each day or part thereof in the performance of his official duties at regular and special meetings of the Board and regular and special meetings of district boards. In addition to attending said meetings, members may receive compensation for services rendered as member for not more than thirty days or parts of days in any calendar year, and shall be reimbursed for necessary travel, subsistence, and other expenses in the discharge of their official duties without regard to other laws with respect to allowance for travel and subsistence of officers and employees of the United States. The Secretary's representative if he is a full-time officer or employee of the United States shall receive no additional compensation for his official duties on the Board, but may receive travel and subsistence and other expenses.

(i) The Board shall adopt such rules as it may see fit for the transaction of its business, and shall keep permanent records and minutes of its acts and proceedings.

SEC. 5.9. POWERS OF THE BOARD.—The Federal Farm Credit Board shall establish the general policy for the guidance of the Farm Credit Administration and approve the necessary rules and regulations for the implementation of this Act not inconsistent with its provisions; may require such reports as it deems necessary from the institutions of the Farm Credit System; provide for the examination of the condition of and general supervision over the performance of the powers, functions, and duties vested in each such institution, and for the performance of all the powers and duties vested in the Farm Credit Administration or in the Governor which, in the judgment of the Board, relate to matters of broad and general supervisory, advisory, or policy nature. The Board shall function as a unit without delegating any of its functions to individual members, but may appoint committees and subcommittees for studies and reports for consideration by the Board. It shall not operate in an administrative capacity.

SEC. 5.10. GOVERNOR; APPOINTMENT; RESPONSIBILITIES.—The Governor of the Farm Credit Administration shall be appointed by and serve at the pleasure of the Federal Farm Credit Board. He shall be responsible, subject to the general supervision and direction of the Board as to matters of a broad and general supervisory, advisory, or policy nature, for the execution of all of the administrative functions and duties of the Farm Credit Administration. During any period in which the Governor holds any stock in any of the institutions subject to supervision of the Farm Credit Administration, the appointment of the Governor shall be subject to approval by the President and during any such period the President shall have the power to remove the Governor.

SEC. 5.11. COMPENSATION; SALARY AND EXPENSE ALLOWANCE.—The compensation of the Governor of the Farm Credit Administration shall be at the rate fixed in the Executive

Pay Schedule. The Board shall fix the allowance for his necessary travel and subsistence expenses or per diem in lieu thereof.

SEC. 5.12. COMPLIANCE WITH BOARD ORDERS.—It shall be the duty of the Governor of the Farm Credit Administration to comply with all orders and directions which he receives from the Federal Farm Credit Board and, as to third persons, all acts of the Governor shall be conclusively presumed to be in compliance with the orders and directions of the Board.

SEC. 5.13. FARM CREDIT ORGANIZATION.—The Governor of the Farm Credit Administration is authorized, in carrying out the powers and duties now or hereafter vested in him by the Act and acts supplementary thereto, to establish and to fix the powers and the duties of such divisions and instrumentalities as he may deem necessary to the efficient functioning of the Farm Credit Administration and the successful execution of the powers and duties so vested in the Governor and the Farm Credit Administration. The Governor shall appoint such other personnel as may be necessary to carry out the functions of the Farm Credit Administration: *Provided,* That the salary of positions of Deputy Governors shall not exceed the maximum scheduled rate of the general schedule of the Classification Act of 1949, as amended. The powers of the Governor may be exercised and performed by him through such other officers and employees of the Farm Credit Administration as he shall designate.

SEC. 5.14. SEAL.—The Farm Credit Administration shall have a seal, as adopted by the Governor, which shall be judicially noted.

SEC. 5.15. ADMINISTRATIVE EXPENSES.—The Farm Credit Administration may, within the limits of funds available therefor, make necessary expenditures for personnel services and rent at the seat of Government and elsewhere; contract stenographic reporting services; purchase and exchange lawbooks, books of reference, periodicals, newspapers, expenses of attendance at meetings and conferences; purchase, operation, and maintenance at the seat of Government and elsewhere of motor-propelled passenger-carrying vehicles and other vehicles; printing and binding; and for such other facilities and services, including temporary employment by contract or otherwise, as it may from time to time find necessary for the proper administration of this Act.

SEC. 5.16. ALLOCATION OF EXPENSES FOR ADMINISTRATIVE SERVICES BY THE FARM CREDIT ADMINISTRATION; DISPOSITION OF MONEY.—(a) The Farm Credit Administration shall prior to the first day of each fiscal year estimate the cost of administrative expenses for the ensuing fiscal year in administering this Act, including official functions, and shall apportion the amount so determined among the institutions of the System on such equitable basis as the Farm Credit Administration shall determine, and shall assess against and collect in advance the amounts so apportioned from the institutions among which the apportionment is made.

(b) The amounts collected pursuant to subsection (a) of this section shall be covered into the Treasury, and credited to a special fund and, without regard to other law, shall be available to said Administration for expenditure during each fiscal year for salaries and expenses of said Administration. As soon as practicable after the end of each such fiscal year, the Administration shall determine, on a fair and reasonable basis, the cost of operation of the Farm Credit Administration and the part thereof which fairly and equitably should be allocated to each bank and association as its share of the cost during the fiscal year of such Administration. If the amount so allocated is greater than the amount collected from the bank or other institutions, the difference shall be collected from such bank or other institutions, and, if less, shall be refunded from the special fund to the bank or other institutions entitled thereto or credited in the special fund to such bank or other institutions for use for the same purposes in future fiscal years.

SEC. 5.17. QUARTERS AND FACILITIES FOR THE FARM CREDIT ADMINISTRATION.—As an alternate to the rental of quarters under section 5.15, and without regard to any other provision of law, the banks of the System, with the concurrence of two-thirds of the district boards, are hereby authorized—

(1) To lease or acquire real property in the District of Columbia or elsewhere for quarters of the Farm Credit Administration.

(2) To construct, develop, furnish, and equip such building thereon and such facilities appurtenant thereto as in their judgment may be appropriate to provide, to the extent the Federal Farm Credit Board may deem advisable, suitable, and adequate quarters and facilities for the Farm Credit Administration.

(3) To enlarge, remodel, or reconstruct the same.

(4) To make or enter into contracts for any of the foregoing.

The Board may require of the respective banks of the System, and they shall make to the Farm Credit Administration, such advances of funds for the purposes set out in this section as in the sole judgment of the Board may from time to time be advisable for the purposes of this section. Such advances shall be in addition to and kept in a separate fund from the assessments authorized in section 5.16 and shall be apportioned by the Board among the banks in proportion to the total assets of the respective banks, and determined in such manner and at such times as the Board may prescribe. The powers of the banks of the System and purposes for which obligations may be issued by such banks are hereby enlarged to include the purpose of obtaining funds to permit the making of advances required by this section. The plans and decisions for such building and facilities and for the enlargement, remodeling, or reconstruction thereof shall be such as is approved in the sole discretion of the Board.

SEC. 5.18. ENUMERATED POWERS.—The Farm Credit Administration shall have the following powers, functions, and responsibilities in connection with the institutions of the Farm Credit System and the administration of this Act:

(1) Modify the boundaries of farm credit districts, with due regard for the farm credit needs of the country, as approved by the Federal Farm Credit Board, with the concurrence of the district boards involved.

(2) Where necessary or appropriate to carry out the policy and objectives of this Act, issue and amend or modify Federal charters or the bylaws of institutions of the System; approve change in names of banks operating under this Act; approve the merger of districts when agreed to by the boards of the districts involved and by a majority vote of the voting stockholders and contributors to the guaranty funds of each bank for each of such districts, voting in the same manner as is provided in section 4.10 of this Act; approve mergers of banks operating under the same title of this Act, merger of Federal land bank associations, merger of production credit associations and the consolidation or division of the territories which they serve; and approve consolidations of boards of directors or management agreements. Such mergers shall be encouraged where such action will improve service to borrowers and the financial stability, effect economies of operation, or permit desirable joint management, or consolidation of territories and office quarters.

(3) Make annual reports directly to the Congress on the condition of the System and its institutions and on the manner and extent to which the purposes and objectives of this Act are being carried out and, from time to time, recommend directly legislative changes.

(4) Except for associations, approve the salary scale for employees of the institutions of the System, and approve the compensation of the chief executive officer of such institutions.

(5) Coordinate the activities of the banks in making studies of lending standards, including appraisal and credit standards; approve national and district standards, procedures, and appraisal forms; prescribe price and cost levels to be used in such standards, appraisals, and lending; supplement the work of the district under the foregoing where necessary to accomplish the purposes of this Act.

(6) Prescribe loan security requirements and the types, classes, or number of loans which may be made only with prior approval.

(7) Conduct loan and collateral security review.

(8) Approve the issuance of obligations of the institutions of the System and execute on behalf of the banks consolidated and System-wide obligations for the purpose of funding the authorized operations of the institutions of the System, and prescribe collateral therefor.

(9) Approve interest rates paid by institutions of the System on their bonds, debentures, and similar obligations, the terms and conditions thereof, and interest or other charges made by such institutions to borrowers.

(10) Make investments in stock of the institutions of the System as provided in section 4.0 out of the revolving fund, and require the retirement of such stock.

(11) Regulate the borrowing, repayment, and transfer of funds and equities between institutions of the System.

(12) Coordinate and assist in providing services necessary for the convenient, efficient, and effective management of the institutions of the System.

(13) Undertake research into the rural credit needs of the country and ways and means of meeting them and of the funding of the operations of the System in relation to changing farming and economic conditions.

(14) Prepare and disseminate information to the general public on use, organization, and functions of the System and to investors on merits of its securities.

(15) Require surety bonds or other provision for protection of the assets of the institutions of the System against losses occasioned by employees.

(16) Prescribe rules and regulations necessary or appropriate for carrying out the provisions of this Act.

(17) Exercise such incidental powers as may be necessary or appropriate to fulfill its duties and carry out the purposes of this Act.

SEC. 519. DELEGATION OF DUTIES AND POWERS TO INSTITUTIONS OF THE SYSTEM.—The Farm Credit Administration is authorized and directed, by order or rules and regulations, to delegate to a Federal land bank such of the duties, powers, and authority of the Farm Credit Administration with respect to and over a Federal land bank or Federal land bank associations, their officers and employees, in the farm credit district wherein such Federal land bank is located, as may be determined to be in the interest of effective administration; and, in like manner, to delegate to a Federal intermediate credit bank such of the duties, powers, and authority of the Farm Credit Administration with respect to and over a Federal intermediate

credit bank or production credit associations, their officers and employees, in the farm credit district wherein such Federal intermediate credit bank is located, as may be determined to be in the interest of effective administration; to authorize the redelegation thereof; and, in either case the duties, powers, and authority so delegated or redelegated shall be performed and exercised under such conditions and requirements and upon such terms as the Farm Credit Administration may specify. Any Federal land bank or Federal intermediate credit bank to which any such duties, powers, or authority may be delegated or any association to which any power may be redelegated, is authorized and empowered to accept, perform, and exercise such duties, powers, and authority as may be so delegated to it.

SEC. 5.20. EXAMINATIONS AND REPORTS.—Except as provided herein, each institution of the System, and each of their agents, at such times as the Governor of the Farm Credit Administration may determine, shall be examined and audited by farm credit examiners under the direction of an independent chief Farm Credit Administration examiner, but each bank and each production credit association shall be examined and audited not less frequently than once each year. Such examination shall include objective appraisals of the effectiveness of management and application of policies in carrying out the provisions of this Act and in servicing all eligible borrowers. If the Governor determines it to be necessary or appropriate, the required examinations and audits may be made by independent certified public accountants, certified by a regulatory authority of a State, and in accordance with generally accepted auditing standards. Upon request of the Governor or any bank of the System, farm credit examiners shall also make examinations and written reports of the condition of any organization, other than national banks, to which, or with which, any institution of the System contemplates making a loan or discounting paper of such organization. For the purposes of this Act, examiners of the Farm Credit Administration shall be subject to the same requirements, responsibilities, and penalties as are applicable to examiners under the National Bank Act, the Federal Reserve Act, the Federal Deposit Insurance Act, and other provisions of law and shall have the same powers and privileges as are vested in such examiners by law.

SEC. 5.21. CONDITIONS OF OTHER BANKS AND LENDING INSTITUTIONS.—The Comptroller of the Currency is authorized and directed, upon request of the Farm Credit Administration to furnish for confidential use of an institution of the System such reports, records, and other information as he may have available relating to the financial condition of national banks through, for, or with which such institution of the System has made or contemplates making discounts or loans and to make such further examination, as may be agreed, of organizations through, for, or with which said institution of the Farm Credit System has made or contemplates making discounts or loans.

SEC. 5.22. CONSENT TO THE AVAILABILITY OF REPORTS AND TO EXAMINATIONS.—Any organization other than State banks, trust companies, and savings associations shall, as a condition precedent to securing discount privileges with a bank of the Farm Credit System, file with such bank its written consent to examination by farm credit examiners as may be directed by the Farm Credit Administration; and State banks, trust companies, and savings associations may be required in like manner to file a written consent that reports of their examination by constituted State authorities may be furnished by such authorities upon the request of the Farm Credit Administration.

SEC. 5.23. REPORTS ON CONDITIONS OF INSTITUTIONS RECEIVING LOANS OR DEPOSITS.—The executive departments, boards, commissions, and independent establishments of the Government of the United States, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Reserve banks are severally authorized under such conditions as they may prescribe, upon request of the Farm Credit Administration, to make available to it or to any institution of the System in confidence all reports, records, or other information relating to the condition of any organization to which such institution of the System has made or contemplates making loans or for which it has or contemplates discounting paper, or which it is using or contemplates using as a custodian of securities or other credit instruments, or a depository. The Federal Reserve banks in their capacity as depositories, agents, and custodians for bonds, debentures, and other obligations issued by the banks of the System or book entries thereof are also authorized and directed upon request of the Farm Credit Administration, to make available for audit by farm credit examiners all appropriate books, accounts, financial records, files, and other papers.

SEC. 5.24. JURISDICTION.—Each institution of the System shall for the purposes of jurisdiction be deemed to be a citizen of the State, commonwealth, or District of Columbia in which its principal office is located. No district court of the United States shall have jurisdiction of any action or suit by or against any production credit association upon the ground that it was incorporated under this Act or prior Federal law, or that the United States owns any stock thereof, nor shall any district court of the United States have jurisdiction, by removal or otherwise, of any suit by or against such association except in cases by or against the United States or by or against any officer of the United States or against any person over whom the courts of the State have no jurisdiction, and except in cases by or against any receiver or conservator of any such association appointed in accordance with the provisions of this Act.

SEC. 5.25. STATE LEGISLATION.—Whenever it is determined by the Farm Credit Administration, or by judicial decision, that a State law is applicable to the obligations and securities authorized to be held by the institutions of the System under this Act, which law would provide insufficient protection or inadequate safeguards against loss in the event of default, the Farm Credit Administration may declare such obligations or securities to be ineligible as collateral for the issuance of new notes, bonds, debentures, and other obligations under this Act.

SEC. 5.26. REPEAL.—(a) The Federal Farm Loan Act, as amended; section 2 of the Act of March 10, 1924 (Public Numbered 35, Sixty-eighth Congress, 43 Stat. 17), as amended; section 6 of the Act of January 23, 1932 (Public Numbered 3, Seventy-second Congress, 47 Stat. 14), as amended; the Farm Credit Act of 1933, as amended; sections 29 and 40 of the Emergency Farm Mortgage Act of 1933; Act of June 18, 1934 (Public Numbered 381, Seventy-third Congress, 48 Stat. 983); Act of June 4, 1936 (Public Numbered 644, Seventy-fourth Congress, 49 Stat. 1461), as amended; sections 5, 6, 20, 25(b), and 39 of the Farm Credit Act of 1937, as amended; sections 601 and 602 of the Act of September 21, 1944 (Public Law 425, Seventy-eighth Congress, 58 Stat. 740, 741), as amended; sections 1, 2, 3, 4, 5, 6, 7, 8, 16, and 17(b) of the Farm Credit Act of 1953, as amended; sections 2, 101 and 201(b) of the Farm Credit Act of 1956 are hereby repealed. All references in other legislation, State or Federal, rules and regulations of any agency, stock, contracts, deeds, security instruments, bonds, debentures, notes, mortgages and other documents of the institutions of the System, to the Acts repealed hereby shall be deemed to refer to comparable provisions of this Act.

(b) All regulations of the Farm Credit Administration or the institutions of the System and all charters, bylaws, resolutions, stock classifications, and policy directives issued or approved by the Farm Credit Administration, and all elections held and appointments made under the Acts repealed by subsection (a) of this section shall be continuing and remain valid until superseded, modified, or replaced under the authority of this Act. All stock, notes, bonds, debentures, and other obligations issued under the repealed acts shall be valid and enforceable upon the terms and conditions under which they were issued, including the pledge of collateral against which they were issued, and all loans made and security or collateral therefor held by, and all contracts entered into by, institutions of the System shall remain enforceable according to their terms unless and until modified in accordance with the provisions of this Act; it being the purpose of this subsection to avoid disruption in the effective operation of the System by reason of said repeals.

SEC. 5.27. AMENDMENTS TO OTHER LAWS.—(a) The Executive Schedule of basic pay (80 Stat. 458, 5 U.S.C. 5311–5317), as amended, is further amended by striking from positions at level IV the "Governor of the Farm Credit Administration." (5 U.S.C. 5315(51)) and inserting in positions at level III the additional position "(58) Governor of the Farm Credit Administration." (5 U.S.C. 5314).

(b) The third paragraph of section 15 of the Federal Reserve Act (12 U.S.C. 393) is amended to read as follows:

"The Federal Reserve banks are authorized to act as depositaries for and fiscal agents of any Federal land bank, Federal intermediate credit bank, bank for cooperatives, or other institutions of the Farm Credit System."

SEC. 5.28. SEPARABILITY.—If any provision of this Act, or the application thereof to any persons or in any circumstances, is held invalid, the remainder of his Act and the application of such provision to other persons or in other circumstances shall not be affected thereby.

SEC. 5.29. RESERVE RIGHT TO AMEND OR REPEAL.—The right to alter, amend, or repeal any provision or all of this Act is expressly reserved.

The SPEAKER. Is a second demanded?

Mr. GOODLING. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

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

Mr. Speaker, H.R. 11232 brings together under one roof all of the various statutory references to the Farm Credit System. It also updates and makes the system more flexible in order that it can better serve the needs of rural America.

I will not take the time of my colleagues to review the history of the Farm Credit System. That information is found on the first two pages of the report which you have before you. I would like to mention only two points about the System's background.

First, the Farm Credit System is no newcomer. The Federal land banks were established in 1916. The Federal Intermediate Credit Banks were created in 1923 and the Production Credit Associations and the Banks for Cooperatives

were born in 1933. Therefore, the System is seasoned and soundly established.

Second, every cent of Federal investment in the System has been repaid in full. The System is now borrower owned, but the Congress still retains the right to constantly review and revise by legislation the System and its operations.

Just as is virtually every sound piece of legislation, H.R. 11232 is the result of hard work and constructive compromise. Seldom have I seen more diligent and sincere "give and take" on the part of those who originally shared different viewpoints.

On April 1, the vice chairman of our committee, Mr. McMillan, introduced H.R. 7138, the first version of this legislation, with a number of cosponsors. On July 12, our committee began 2 weeks of hearings on this legislation. Many days we met both morning and afternoon to be sure that all interested were given an opportunity to testify. These 2 weeks were interspersed in our extensive rural development hearings because, certainly, the Farm Credit Administration has played and will continue to play a vital part in rural development.

These hearings, however, brought out the fact that there were deep and long-standing differences of opinion within the Farm Credit System on various parts of H.R. 7138. We discovered that the Farm Credit District Boards did not see eye to eye. Our committee recognized that every effort should be made to develop a bill that the entire system could support, because it is so essential that every bill dealing with rural America must have unified support among those it affects. We did not want to come to the floor of this House divided, so we went to work.

Congressman Teague of California and I introduced a new bill which reflected our feelings and those of one faction of the Farm Credit District Boards. As a result we had two bills which represented the basic differences of opinion within the System. It was at this point that the sincere effort began to reach unanimity of opinion on a compromise bill. We arranged for a series of informal meetings with the goal of obtaining a good bill. Mr. Teague and I met with Mr. McMillan, who introduced the first bill, a representative of Governor Jaenke's office, and two gentlemen who each represented one of the two differing factions of the district boards. These meetings led to the introduction on October 13 of H.R. 11232 which we are considering today. I was indeed honored to have as cosponsors of H.R. 11232 Mr. Belcher, our distinguished ranking minority Member, Mr. McMillan and Mr. Teague.

We then presented this bill to our committee, and on October 21, the bill was ordered reported to the House by a vote of 28 to 0.

I again do not want to take the time of my colleagues to go into the major points of compromise. They are discussed in detail on page 12 through 15 of our report. I would not mention that perhaps the single most controversial point of the bill involved the authority to make loans for nonfarm rural housing. H.R. 11232 limits this authority to not more than 15 percent of total dollar volume of all loans outstanding of the Land Bank or the Production Credit Association. In addition the loans may be made only for moderate-priced, single family units in rural areas. For this purpose our committee amendment defines a rural area as areas which are not a part of a city or village having a population of more than 2,500.

Some of us would have preferred to have no loans for rural housing, but we had to recognize that there were many others, just as sincere as we, who wanted no limit at all on rural housing loans. Therefore, we all compromised, and this is the theme of this bill—compromise.

A number of our colleagues have expressed themselves on the housing matter by submitting separate views in the report, and I want to say that I welcome their comments and fully appreciate their feelings.

Some Members will note that the report does not comply with clause XIII of the House rules, the Ramseyer Rule. To have printed all existing law, simply noting that it was being repealed, and then to have printed the text of H.R. 11232, would have cost approximately $1,950. This seemed a foolish waste of money to our committee, and we trust that the Members will agree.

Finally, the question may arise as to why we did not request a rule. Actually we have, but we have taken full notice of the fact that the distinguished Committee on Rules did announce, several weeks ago, that it would cease granting rules for other than emergency legislation this session. We do not quarrel with that announcement, because we recognize that the date is late. However, the Senate passed similar legislation on July 29. The Farm Credit Administration has advised us that certain provisions of this legislation are urgently needed to assist in dealing with pressing problems in their System. In addition, this legislation releases the Farm Credit Administration from present statutory provisions that require it to be housed in the Department of Agriculture. It is my understanding that the Office of Management and Budget has recommended such transfer to other quarters as soon as possible. This legislation would permit this long overdue move.

Mr. Speaker, this bill, while not perfect, is sound. I urge my colleagues to support it today because it will help immensely to keep our rural people out of the cities by making for a better life in the countryside. It represents a great step forward in rural development—a step we must not fail to take.

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

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

Mr. Speaker, I become increasingly amazed to discover the power of a few letters from home. I feel that following these letters in too many cases principle then gives way to expediency. That has occurred in connection with this bill.

Farm credit loans were originally designed to serve the credit needs of farmers and farmer-owned cooperatives.

There are three components to the farm credit system, Federal Land Banks, to provide real estate mortgage loans for farmers; the Production Credit Associations, designed to provide sources of short- and intermediate-term credit for farmers. Banking cooperatives came into being to serve the needs of farmer-owned cooperatives.

The farm credit system is unique in that historically it allowed farmers to combine in a joint effort to solve their own credit needs. It has now become one of the largest credit systems in the entire country. In spite of that, its lending capacity is not sufficient to meet the ever-increasing legitimate needs of active farmers. This is especially evident in the case of young couples attempting to get a start in farming.

Credit today is as important to the farmer as is his machinery and his land. Capital requirements during this decade are increasing tremendously, because of the escalating costs of production, with a corresponding reduction in net income per farmer.

Testimony before the Committee on Agriculture indicated total credit needs could be $120 to $140 billion by 1980. When we think of credit requirements of this magnitude we must guard against farm credit system funds being siphoned off for nonfarm uses.

Let me point out that at present the Farm Credit Administration has authority to make loans to farmers for constructing farm homes. This right must not be restricted. I cannot, however, see any justification to expand this authority to include rural housing for nonfarmers. The Farmers Home Administration has a very active program in this field. HUD also makes available funds for suburban housing. In addition, many private lending institutions are financing housing needs. This is also true of commercial banks.

There are many who oppose sections 1.10 and 2.15(a) which for the first time authorize loans to nonfarmers for financing rural housing. This definitely was not the original intent when the farm credit system was first established by act of the Congress.

It is also additional proof positive that, once established, bureaucracy——

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

Mr. GOODLING. I would yield to the gentleman just as soon as I complete my statement.

Mr. Speaker, as I started to say, it is also additional proof positive that, once established, the bureaucracy inevitably grows and grows and grows.

I trust the House in its wisdom will vote not to suspend the rules and pass the bill, but will insist that it be brought to the floor under normal procedures, and that is under a rule.

I am certain I can assure the membership of this House that there is sufficient

interest in this bill to have it reported under a rule when an effort can be made to amend the bill, deleting the one undesirable feature.

I am in complete support of this legislation, with the exception of the two classes.

In my opinion, a bill of this importance and of this nature should not be considered under a suspension of the rules, the procedure that we are using today.

Here is a copy of the bill. There are 116 pages, yet we are bringing this to the floor under a suspension of the rules.

I want the RECORD to show that the first incident when nonfarm housing loans are made, and then denied to farmers, because of lack of funds, those who support this questionable section today will be here shedding crocodile tears, and offering amendments to correct the mistake of November 1, 1971. I trust that at that time I will be in a position to say "I told you so."

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

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

Mr. BRASCO. Mr. Speaker, as a member of the Committee on Banking and Currency, which has jurisdiction over housing, I was interested to note that in the report on page 12, as I understand it, that this is the first time the land banks will be involved in making mortgages for rural housing. Is that correct?

Mr. GOODLING. That is correct.

Mr. BRASCO. May I ask what the interest rates will be on those mortgages?

Mr. GOODLING. That is the responsibility of the Farm Credit Administration.

Mr. BRASCO. Do you have any idea on that subject?

Mr. GOODLING. I do not have any idea, but I will be happy to yield to the chairman of the committee if he has any comment.

Mr. POAGE. The present interest rate is just about 8 percent. It was 7½ to 8 percent during the year 1969. It was 8 to 9 percent last year. It is just about 8 percent.

Mr. BRASCO. So they will be charging 8 percent?

Mr. POAGE. Roughly. It may be a little less. This rate is normally about 1 percent above what the banks have to pay on their debentures. They have to sell their debentures in the public market. I believe they are now paying about 6½ percent.

Some Members do not understand that there is no Government money involved here. There is not $1 of Government money—this is all private money. It is the money that banks raise through the sale of their own debentures which I think are now going as low as 6½ percent, and they add about 1 percent to that.

Mr. BRASCO. Mr. Speaker, will the gentleman yield for an additional question?

Mr. GOODLING. I yield to the gentleman.

Mr. BRASCO. I would like to ask the chairman whether or not there are any commercial banks that appeared before his committee, either in opposition or as being for this particular aspect of the bill?

Mr. POAGE. The representatives of several banking associations did appear. None of them expressed any very strong opinion one way or the other on the bill. They showed that they were concerned—they do not want to see these institutions go into general lending of funds for housing in rural or other areas.

But this bill does not do that—this bill limits any bank to 15 percent of its loans for this type of loan.

Mr. GOODLING. If I may comment on that, as I recall the hearings, most of the commercial banks are opposed to this particular section of the bill.

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

Mr. GOODLING. I yield to the gentleman.

Mr. BRASCO. I understand, and I see here in the report, it says there will be no "credit elsewhere" requirement. I understand that to mean, and you stop me if I am not correct—the borrower would not have to go to a commercial bank before he could get his mortgage from the land bank; is that correct?

Mr. GOODLING. That is correct.

Mr. BRASCO. The gentleman referred before to the Farmers Home Administration as being a program that was superior to this. In the Farmers Home Administration program for housing, is it not a fact that we appropriate the money for that program?

Mr. GOODLING. That is correct.

We appropriate it, but it is returned when the mortgage is paid.

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

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

Mr. POAGE. By far the larger part of the Farmers Home Administration loans—in fact, nine-tenths of them or more—are made in the form of guarantees and not from direct appropriations. I think it is only $50 million or something of that kind that was loaned from direct appropriations this last year. By far the larger part of it is made through private money with the Farmers Home Administration guaranteeing the loan, and in that way using private money. There is only a very small part of it that is appropriated funds.

Mr. BRASCO. But my point is that we have no such program for city dwellers as we have set up for the Farmers Home Administration.

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

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

Mr. POAGE. This is a privately owned system. Every dollar of the money in the farm credit system is the money of the farmers. There is no Government money in the farm credit system.

Mr. BRASCO. I understand that in the Farmers Home Administration program there is Government money.

Mr. POAGE. We are not at the present time legislating in regard to the Farmers Home Administration, which is a Government agency. This is not the Farmers Home Administration; this is the Farm Credit Administration that we are legislating on.

Mr. BRASCO. Thank you. Will the gentleman yield for one last question?

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

Mr. BRASCO. Is there any emergency causing this bill to be brought up under suspension of the rules rather than in the regular order of business?

Mr. GOODLING. I am sorry. I did not understand the question.

Mr. BRASCO. Is there any emergency that the gentleman knows of to indicate why the bill should be brought up today under suspension of the rules rather than in the regular order of pending business?

Mr. GOODLING. No. I wish I knew the answer to that question myself. I was amazed when I saw it being brought up under suspension of the rules.

Mr. BRASCO. I thank the gentleman.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I think the record ought to be made clear at this point. The Federal Housing Administration guaranteed loans have been for city dwellers. They are not available to people in rural areas. Housing programs have not been available to people who prefer to live in a small city or rural area. That has been one of the great faults of the legislation that has come from the Banking and Currency Committee. If a young married couple want a house and have only enough cash for a low downpayment on a house, if they want to live in a rural area, it is just too bad. They have been told they get a guaranteed loan only if they go to the city, where they should not be going anyway. People have been driven into densely populated areas. That is one of the reasons why we have so many social problems in this country. It is time we have at least a small program available so people who want to live in rural areas can buy a house with a low downpayment.

Mr. TEAGUE of California. Mr. Speaker, will the gentleman yield?

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

Mr. TEAGUE of California. In response to the question as to why the bill is brought before the House under suspension—of course, I had nothing to do with that decision, being no part of the leadership on either side—but, as it has been pointed out, the bill came out of the committee by a vote of 28 to 0. We were not aware of any opposition. Most of us support the bill. Rather than read the wording to you, I call your attention to the very strict limitations on housing loans which appear on page 12 of the committee report. I urge support of the bill and suspension of the rules.

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

Mr. GOODLING. I yield to the gentleman from Iowa.

Mr. KYL. So there is no misunderstanding either because of the additional views in the bill, I want to make this brief statement. There were a number of us who would have liked to offer an amendment on the floor if it had been presented under a rule, so that we all could give total consideration to this one section concerning housing. The provisions have been tightened up a great deal by the committee. Not more than 15 percent of the total loans can be for nonfarm rural homes. That includes only communities up to 2,500 individuals. These are single-family dwellings. No one may have more than one such dwelling. We are not financing any developments outside cities. I did want to say that even though I was one of those who signed the additional views hoping we would have an opportunity to amend the bill, I will support the bill with this provision in it. I thank the gentleman for yielding.

Mr. THOMSON of Wisconsin. Mr. Speaker, will the gentleman yield?

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

Mr. THOMSON of Wisconsin. I rise in support of the bill.

Mr. Speaker, I want to emphasize my continuing support for H.R. 11232, the Farm Credit Act of 1971. Earlier this year I testified before the House Agriculture Committee on its behalf and subsequently urged both verbally and in writing that the bill be brought to the House floor. I am, therefore, most pleased the Members of this body will have an opportunity to act favorably on this legislation.

There are four major reasons the Farm Credit Act of 1971 is a good bill and merits passage: an obvious recognized need for additional farm credit; the use of an established and proven organization to administer it; no expense to the taxpayer; and the need to modernize and update an old law.

I have received considerable and continuing correspondence from my farm constituents. They are virtually unanimous in their support of H.R. 11232. Since this legislation in no way damages the interests of the public or other groups, the farmers' wishes should be paramount.

Mr. Speaker, I urge passage of the Farm Credit Act of 1971.

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

Mr. GOODLING. I yield to the ranking minority member of the committee.

Mr. BELCHER. I think this is a good bill. We had an agreement on the bill, and I support it.

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

Mr. GOODLING. I yield to the gentleman from Minnesota (Mr. ZWACH).

Mr. ZWACH. Mr. Speaker, I rise in full support of this legislation and associate myself with the remarks made in its favor.

Mr. BROYHILL of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from North Carolina.

Mr. BROYHILL of North Carolina. I thank the gentleman for yielding.

Mr. Speaker, I support H.R. 11232, the Farm Credit Act of 1971, which is before the House for consideration today. This far-reaching and comprehensive measure provides for extensive modernization and consolidation of existing farm credit laws to meet expanding needs for farm credit.

The farm credit system is one of the largest credit systems in the Nation. It provides more than 20 percent of the credit used by farmers and 60 percent of the credit used by farmer-owned cooperatives. In the calendar year 1970, farmers and their cooperatives borrowed $12.4 billion from the banks and associations operating under the Farm Credit Administration.

This independent Government agency supervises and coordinates a cooperative credit system for agriculture. This system is designed to provide credit to farmers and their marketing, purchasing, and business service cooperatives at terms best suited to their individual businesses at the lowest possible cost by using investment funds in the Nation's financial centers. Farmers now own all of the capital stock in the system, totaling more than $1 billion.

During the decade of the 1970's, the capital requirements for agriculture are expected to increase tremendously. Many experts believe that by 1980 the total credit needs of farmers may well be in the area of $120 to $140 billion. It is therefore important that we act now to provide a financial structure to meet these greatly expended farm credit needs.

The purposes of this bill are to modernize, correlate, and remove some outdated restrictions in the authority of the Cooperative Farm Credit System in order to assure an adequate supply of funds to rural areas to meet the credit needs of farmers, ranchers, and cooperatives. This complex measure modernizes and expands the authority granted to the Federal land banks, the Federal land bank associations, the Federal intermediate credit banks, the production credit associations, the banks for cooperatives, farm credit district organizations, and the Farm Credit Administration.

Because the farm credit system is a farmer-owned and financially self-sustaining credit institution, it is estimated that there will be no cost incurred by the Federal Government as a result of the passage of this bill.

The House Agriculture Committee has held extensive hearings on this legislation and has given it thorough study. On July 29, the Senate acted to pass a similar bill. I urge that the House demonstrate its continued concern in the vital field of farm credit by passing this bill to streamline, modernize, and expand present farm credit programs.

Mr. POAGE. Mr. Speaker, I yield such time as he may consume to the gentleman from South Carolina (Mr. MCMILLAN).

Mr. MCMILLAN. Mr. Speaker, I rise in support of this legislation. I am confident that this legislation should be enacted into law, so we will be able to help thousands of young farmers remain on the farm who otherwise would leave the farms and further congest the overcrowded cities. I was one of the original authors of this legislation, and I was for it 100 percent in its original form and will give the compromise my full support.

Mr. POAGE. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Speaker, I rise to speak in favor of the Farm Credit Act of 1971 which was introduced by the distinguished chairman of the House Committee on Agriculture, Mr. POAGE, along with the vice chairman, Mr. MCMILLAN, and the two ranking minority members of the Committee, Mr. BELCHER and Mr. TEAGUE.

The primary purpose of this bill is to make more credit available to the struggling farmers and ranchers in this country along with those nonfarmers living in rural areas. Let me remind the Members of this House that any reasonable assistance we may give to those living in rural America will benefit the country as a whole. If we can do something to stop the trend of migration from the farm to the city, and hopefully to reverse the trend, we will actually be helping to solve both rural and urban problems. The fact that we have half as many farms in America today as we did in 1950 with 74 percent of our population now living on 2 percent of our land certainly should give us some insight into one of the causes of the overcrowded conditions in the urban areas. Certainly the 25 million young Americans who moved from rural to urban areas in a 25-year period from 1945 to 1970 should explain a part of the problems of overpopulation in urban areas. If the estimates that another 100 million Americans will move from the farm to the city in the next 30 years are correct we will face more and more urban problems.

It is incumbent on this Congress to make every effort to reverse the population imbalance for the sake of both rural and urban America. Rural development and improvement is dependent upon the availability of credit. It is understandable that the private lending institutions are concentrating the vast majority of their funds in the urban areas where there is a constant demand for loans and a great deal more security for repayment. However, the future of this country is directly related to the development of rural America.

Specifically, the bill before this House, the Farm Credit Act of 1971, will reorganize and streamline the legislative authority of the Federal farm credit system. The present limitation on rural loans of 65 percent of the appraised value of the farm or ranch will be raised to 85 percent. This 20-percent increase in borrowing ability for the farmer and rancher will enable them to make many needed improvements in living conditions and production capability and, in some cases, will enable the farmer or rancher to continue in his chosen profession rather than being forced to close down

the farm or ranch and head for the overcrowded urban areas.

In the same manner, I believe that the provision of this bill to allow nonfarm rural housing loans to people living in communities of 2,500 or less will contribute to the living conditions and the stability of these communities. The private lending institutions are not eager to venture into these areas and the loan programs available through the Farmers Home Administration and the HUD agencies are totally inadequate. The fact that this bill would prohibit any Federal farm credit system from investing more than 15 percent of funds for nonfarm rural housing loans provides adequate safeguards against abuse. Mr. Chairman, this is a timely and needed bill for rural development.

Mr. POAGE. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. McCORMACK).

Mr. McCORMACK. Mr. Speaker, I support H.R. 11232, the Farm Credit Act of 1971. I represent a largely rural congressional district, and this legislation shows to me, and will reaffirm to my constituency, a renewed interest by Congress in the economic well-being of our Nation's family farmer.

During the last 55 years, since the inception of the Farm Credit Act of 1916, the system has proven itself one of efficiency and dependability. The Congress has periodically attempted to update and to streamline the credit system to more adequately meet the financial problems of the family farms of this Nation, but it has become apparent that a piecemeal approach to change in the existing law is inadequate. The Farm Credit Act we are considering today will strengthen, through consolidation and expansion of existing laws, an already valuable program, so that it can meet today's needs.

Originally this was a Federal loan program, but the borrower-owned banks and credit associations have faithfully repaid all Federal loans and are now debt free. Although the agriculture community is caught in a cost-price squeeze and bedeviled more than urban dwellers by high interest rates, I am proud to observe that the Farm Credit System is a free man's honest answer to these threats.

The Farm Credit System has always been a dependable defense for the farmer, no matter what the financial temperament of the Nation has been. Rural communities are not now going to forsake their small local banks and lending institutions just because this bill becomes law. Master John Scott of the National Grange spoke to this point:

> We have always relied heavily on the commercial banking institutions, the small country banks and other lending institutions and we still desperately need their services.

This legislation also directs itself to what I believe to be one of America's first priorities—the retention of the youth of our rural areas in their home farming communities to insure the perpetuation of the family-farm traditions. This act is stating for the first time what we of rural America have always been aware: agriculture is not limited to the land utilized, it is a major integrated element in our economy, including the many farm-related services in our rural communities. These rural communities depend upon the family farmer, and the family farmer depends on them.

When this legislation is passed, it will be with a renewed feeling of hope and accomplishment that I will report to my constituents that a bold step has been taken by the Congress, consistent with traditional characteristics of integrity and industry that have made the American farmer great and have given him an opportunity to stand on his own two feet.

Mr. POAGE. Mr. Speaker, I yield such time as he may consume to the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Speaker, I rise in support of the bill as written.

Mr. POAGE. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, I am glad to join the able chairman of the House Committee on Agriculture (Mr. POAGE) and his committee in support of this farm credit legislation. It has been a privilege to work for this legislation and I believe it will serve the best interest of agriculture and the Nation.

Mr. ALEXANDER. Mr. Speaker, I have been asked by officials of the Farm Credit Administration in the St. Louis district to include in our discussion today the remarks on farm credit made by Congressman WILBUR D. MILLS of Arkansas at the annual stockholders meeting of the Federal Land Bank Association at Searcy, Ark.

Congressman MILLS gave this address on August 25, 1971. He is one of the leading authorities in the Nation on economic and financial matters. His thoughts on the subject before us today are further evidence of the need for reform within the Farm Credit Administration.

Congressman MILLS' speech follows:

TALK BY CONGRESSMAN WILBUR D. MILLS AT THE ANNUAL STOCKHOLDERS MEETING OF THE FEDERAL LAND BANK ASSOCIATION OF SEARCY, ARK., AUGUST 25, 1971

President Willie Wyatt, members of the board of directors, stockholders, wives, many guests, ladies and gentlemen:

It is always good to get to be home with neighbors and friends and certainly I welcome this occasion to share a few thoughts with you at this your annual meeting of the Federal Land Bank Association of Searcy.

It is a great pleasure to be here, and I want to congratulate the members of this association for the excellent record of this past year in providing much of the long-term credit needs of our farmers in this seven-county area. It is my understanding that the loan volume of your association, at the fiscal year ending June 30 of this year, was almost $9½ million. This is a 65 percent increase over the loan volume of just five years ago. I do not know whether it denotes the condition we farmers are getting into or not, but it is a remarkable increase. Despite this increase in activity, the number of loans outstanding has been decreasing over the years. This decline is, of course, part of the national trend toward larger farms and fewer farmers that many of us regret to see happening. I am told also that the association is continuing its fine record regarding delinquent loans and that only about one in 100 loans are delinquent at any one time. And most of those are delinquent for less than a six-month period. In these days of cost-price pressures, I am sure that few of our financial institutions are able to achieve such sound results. Of course, I would expect such a record of accomplishment and service to the farmers of this area from the men who have for years been connected in some way or other with the Searcy Land Bank Association.

Rural Adjustment Problems. Now most speeches on farming and other matters these days mention the decline in our farm population, and in our number of farms. Of course, you do not have to look up the statistics, all you have to do is to drive down any road through a farming area; all you see are a few houses still being occupied and a great number of houses that have been abandoned. I say we do not need to look at statistics to know that there are fewer farmers and fewer farm operations. And, while we hear a lot about the problems that have been created in our cities by the migration of our farm population to urban centers, we hear a lot less about the adjustment problems of our rural areas, stemming from this loss of population and the decline in the general level of economic activity in our small towns, cities and villages.

Self-Help Among Farmers. Nevertheless, there is a new and growing attitude of self-help—cooperation in our farm communities—that is making itself felt in national policies. This is evident in the strengthening of the commodity oriented organizations. Through such organizations, farmers are developing programs of their own and assuming the responsibilities of supply management and a disposition of surplus production to maximize returns to producers and to avoid the age-old problem of imbalance in supply and demand. This growing emphasis on restoring more freedom of choice to farmers is evident in our overall farm policy. And while it is too early to completely write off the necessity of production control in certain circumstances, the new commodity programs provided in the Agricultural Act of 1970 are providing farmers a much greater latitude in their planning of production and marketing. Nowhere in agriculture is this attitude of self-help among farmers more important than in the farmer-owned and operated Farm Credit System, of which this association is a part.

Changes in Agriculture. Today we marvel at the revolutionary changes which have taken place in agriculture, not merely in the last five years, but over the last ten, fifteen and twenty years even. Just over the past decade, output per man hour in the agricultural sector has increased 82 percent, largely due to strides, of course, in research, science, technology, pesticides, increased production from farm equipment, and fertilizers which we use in greater amount. Now during this same period, however, food prices have increased only three-fourths as much as the prices paid for other consumer products. This is a remarkable fact, one which I doubt is fully understood and realized by most of our consumers.

Farm Credit Needs Soar. It has long been beyond the means of the individual farmer to set aside the capital needed to remain competitive, and this, of course, was recognized in the first Farm Credit Act passed by the Congress in 1916. Agriculture uses around $60 billion annually of credit to support farm credit needs. Think of that figure: $60 billion of credit annually. Experts of the Federal Reserve System project this amount will

reach anywhere between $90 and $140 billion by the year 1980, less than ten years from now. The history of our farm operations has been one of fewer, but larger farms. Farmers of today produce 20 percent more on 6 percent fewer acres than but one decade ago. One farmer can produce food and fibre for 45 mouths, compared to just 23 ten years ago.

Credit to Preserve the Family Farm. American farm policies have long recognized that a great deal of the strength of our farming system has been the family farm. More and more individual farmers are having to compete with well organized and well capitalized corporate farming organizations. If we are to preserve the family farm, we must make it possible for the individual farm operator to secure the needed credit. Without it, there will be fewer ten years from now.

Farm Credit System. No program can do more in the future for the American farmer at the least cost—and this is important, at the least cost to the general taxpayer—than the Farm Credit System of which your association is such a vital part. I mentioned how farming and the farm debt have changed over the years. The role the Farm Credit System has played is just as demonstrative of change. The System's share of farm loans in 1959 was 17 percent of the total. In 1970, it had risen to almost one-fourth of the total. Thus, the future role of the Farm Credit System is soundly based on its past performance, and an excellent performance. One million individual farmers and 4,000 cooperatives fully own the entire System, having paid back in 1968, in full. the Federal Government's initial investment. You are no longer owned by the public. You are owned by your own individual members. At the end of 1970, the System's net worth was $2.2 billion, of which $1.1 billion represented stock and investment by farmers and their cooperatives. In fiscal year 1971 alone, the System closed loans worth $13.6 billion and had $16 billion in loans outstanding. Think of that growth.

Farm Credit Act of 1971. I am sure you are aware that the Senate has passed the Farm Credit Act of 1971; and that the House Agriculture Committee will consider its version of the legislation after the current recess of the Congress. This legislation is, in the opinion of many agricultural experts, landmark legislation, providing for the extension and improvement in a credit system which already has an excellent record. To me, I think it is the greatest proposed change in the Farm Credit System since its inception in 1916.

From my perusal of H.R. 7138, the House's version of the Farm Credit Act of 1971, I can see that the legislation does four broad things to the existing Farm Credit System. Now, I am not talking about the Senate passed bill, I am talking about the bill as it was initially introduced in the House.

1. Young Farmers. First, it will allow younger farmers greater access to sound credit. Is that good or bad? If we are to sustain our farming operations and especially our family farms, the young men who display managerial and operating ability but lack the needed and necessary capital, must have access to the capital they need to get themselves started in the farming industry. If we permit the well to dry up, I do not know what will happen in the future, not only to the public, but to farming in the United States. One of the most serious things is the fact that the average age of the American farmer is rising annually. We must make an effort to get younger men into the field of agriculture if agriculture in this country is to survive, and I think this one provision alone of the Farm Credit Act of 1971 would justify its adoption.

2. Farmers' Credit Needs. Second, the legislation will allow more flexibility in tailoring credit to the individual farmer's needs and operations. We have been needing this for a long time.

3. Non-Farm Rural Homes. Third, it provides for credit to be extended to rural dwellers, other than those who actually own farms, to finance low and moderate non-farm rural housing. We are trying to use the Farm Credit System to do more than just provide credit for farmers. We are trying to use it in the forward movement of the development of the entire rural area of the United States, and to make it possible for people who desire to live in rural areas, even though they do not farm but may work in the farm community, town, or city, to have access to credit which they too find very difficult to obtain. Now, while our urban areas are in the limelight as far as housing programs are concerned, this is a most important point: Two-thirds of our sub-standard housing is not in the urban areas; it is in the rural areas of America. We hear about the problems in the urban areas. But we cannot overlook the problem of substandard housing in the rural areas of this country. Now the pleas for urban housing have all but ignored the conditions that exist in rural areas. For the first time, credit will be authorized for rural housing. Moreover, Farm Credit housing would be run at absolutely no cost to the Federal Government and, therefore, at no cost to the taxpayers of this country.

4. Farm-Related Businesses and Leasing. Fourth, the legislation would authorize credit to farm-related businesses. And I think there is a great need for this provision, when we recognize that some farm machinery can cost, for example, up to $80,000 for one piece of equipment. How can a commercial family farmer purchase such equipment as a $24,000 combine? Or a $20,000 to $25,000 picker—is not that about what you pay for a cotton picker these days? Is not it about $80,000 for a vegetable harvester? Now, I am not accusing these dealers of being too high priced, I am just stating facts. How can a single, family-size farm pay those prices for that kind of equipment? The only way they can do it today is to pay it, or go in the hole and perhaps go broke in the process. Now most just cannot do it. What do they do? They quit the farm. They go to the city, looking for jobs where in some places already up to 20 percent of the people are unemployed. Thus, if the legislation becomes law, credit can be extended to certain businesses which could purchase one or more of each necessary piece of equipment for leasing and renting to the family-size farmer, and he could pay the lease price. He could pay the rental price, whereas he cannot pay the entire cost. The Production Credit Associations, and, in some cases, the Federal Land Bank Associations, would be able to finance these much needed farm-related businesses.

Now, are not these four things good? Are not these four things in the interest of American agriculture and, therefore, in the interest of all American citizens? I think undoubtedly they are. These, as I see them, are the basic broad provisions of the new legislation.

Change the 65 Percent Limitation. It is too early to discuss in detail how this legislation will affect the Land Bank Associations one by one. It is clear, however, that the Farm Credit Act of 1971 would enable the Federal Land Banks and the Land Bank Associations to make loans to farmers beyond the present 65 percent limitation. That is also a necessary change.

Participation in Lending. For the first time, one Federal Intermediate Credit Bank would participate with another Federal Intermediate Credit Bank and Production Credit Associations in making loans, joint loans, because of the increased demands for more credit. The Farm Credit System must have broader access to more credit. Thus, the legislation would provide for participation of the cooperative Farm Credit System with commercial banks—cooperative credit banks working with commercial banks in supplying credit to the farmers. This you cannot do now.

Responsive to Rural Development and Agriculture. In a word, the Farm Credit Act of 1971 would improve the current Farm Credit System to assure that it is responsive to all types of rural development and agriculture that have a sound and real base for credit. Now, this does not mean under this bill that a local board is going to make a loan where there is not sufficient collateral or justification for the loan. But, they are going to be able to take care of more applicants where there is justification and a justifiable basis for a loan. With the credit needs of agriculture for the future ever increasing, this legislation would permit the fully farmer-owned cooperative credit system to adapt its program to serve, in full, these increased needs.

I am sure that the Federal Land Bank Association of Searcy, all of its members as well as its board and officials, will take advantage of the increased flexibility which will be available when the Farm Credit Act of 1971 becomes law and continues to provide a sound source of needed capital for the farm communities in this seven-county area.

Now this Act has not been passed by the House. It has passed the Senate with some amendments, some of which I do not like. They are not too important. But this legislation will be considered in the House sometime this Fall after the House Committee on Agriculture reports it with whatever amendments it may see fit to add.

Let Us Pass This Legislation. This bill is not without opposition. There are letters coming in opposing it, asking for this amendment or that amendment, not from this State necessarily, but from some other States. You do have two Farm Credit Districts, one in Texas and one in California, that are actively opposing certain parts of it, asking for certain amendments of the legislation. They are making known to Congress their views. Those of you who are for the legislation, if you want it, better make your views known. Let us pass this legislation as it should be passed in the form that it should, in order that we may take care of the credit needs of the great rural agricultural area of this country, because those needs for credit are going to rise.

It has been a real pleasure for me to get to be with you tonight. Thank you so much.

Mr. RARICK. Mr. Speaker, the Farm Credit Act of 1971, H.R. 11232, is much needed by the agricultural segment of our society and for the most part is sound legislation.

As a member of the committee and one of the signers of the separate views, my objections are to two sections of the bill, one of which may in itself constitute a threat to the entire farm credit system. I refer to sections 1.10 and 2.15(a) which would authorize loans to nonfarmers and nonfarm home financing in rural areas.

The farm credit laws were designed to fulfill the credit needs of farmers and farmer-operated industries. The entire farm credit system is unique in that it is today entirely farmer owned and farmer operated.

While there is a vacuum and a need for nonfarm home financing in rural areas, like some members on the commit-

tee, I would have much preferred that this nonfarm credit come from changes in the present FHA legislation or through one of HUD's other programs rather than through a farm-oriented credit system.

The farm credit system as herein sought to be expanded is meritorious but the system should be restricted to the purpose for which it was organized; that is, to supply credit needs for farmers. We are in effect being asked to increase farmer credit and at the same time plow back up to 15 percent of the expansion back into nonfarm uses.

Additionally questionable, under section 1.10 is the intent that authority be granted to authorize the Federal Land Bank and the Production Credit Association "to own, lease, or lease with option to purchase facilities and equipment needed by eligible borrowers * * *" the same authority is extended to sections 2.3(a), 2.15(a), and 3.7. Clearly, these new authorizations to financial institutions would authorize them to purchase and rent farm equipment and other related facilities which they feel might be needed by their eligible borrowers—even airplanes.

We can visualize vacant lots around the land banks and PCA's with tractors, cornpickers, and the like, owned by the bank and used to encourage prospective customers.

With exception of these two provisions I could support the bill on passage but inasmuch as the matter comes up under suspension, with no opportunity for amendments, I must register opposition by voting in the negative.

The SPEAKER. The question is on the motion offered by the gentleman from Texas that the House suspend the rules and pass the bill H.R. 11232, as amended.

The question was taken.

Mr. GOODLING. 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.

One hundred seventy-nine Members are present, not a quorum.

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

The question was taken; and there were—yeas 331, nays 19, not voting 79, as follows:

[Roll No. 336]

YEAS—331

Abbitt	Betts	Burton
Abzug	Biaggi	Byrnes, Wis.
Adams	Biester	Byron
Alexander	Bingham	Cabell
Anderson, Calif.	Blackburn	Caffery
	Blatnik	Camp
Anderson, Tenn.	Boggs	Carey, N.Y.
	Boland	Carney
Andrews, Ala.	Bolling	Carter
Andrews, N. Dak.	Bow	Casey, Tex.
	Brademas	Cederberg
Annunzio	Brasco	Chappell
Archer	Bray	Chisholm
Arends	Brinkley	Clancy
Ashbrook	Brooks	Clausen, Don H.
Ashley	Broomfield	
Aspin	Brotzman	Cleveland
Aspinall	Brown, Mich.	Collier
Baker	Brown, Ohio	Collins, Ill.
Begich	Broyhill, N.C.	Collins, Tex.
Belcher	Broyhill, Va.	Conable
Bell	Burke, Fla.	Conyers
Bennett	Burke, Mass.	Corman
Bergland	Burlison, Mo.	Cotter
Coughlin	Hutchinson	Price, Ill.
Culver	Ichord	Price, Tex.
Daniel, Va.	Johnson, Calif.	Pryor, Ark.
Davis, Ga.	Johnson, Pa.	Pucinski
Davis, S.C.	Jonas	Purcell
Davis, Wis.	Jones, Ala.	Quie
de la Garza	Jones, N.C.	Quillen
Delaney	Jones, Tenn.	Railsback
Dellums	Kastenmeier	Randall
Denholm	Kazen	Rangel
Dennis	Keating	Reid, N.Y.
Devine	Keith	Reuss
Dickinson	Kemp	Rhodes
Dingell	King	Riegle
Donohue	Kluczynski	Roberts
Dorn	Koch	Robinson, Va.
Dowdy	Kuykendall	Rodino
Downing	Kyl	Rogers
Drinan	Kyros	Roncalio
Dulski	Landrum	Rooney, N.Y.
Duncan	Latta	Rostenkowski
du Pont	Leggett	Roush
Dwyer	Lennon	Runnels
Edmondson	Lent	Ruppe
Edwards, Ala.	Link	Ruth
Edwards, Calif.	Lloyd	Ryan
Esch	Long, Md.	Sandman
Eshleman	Lujan	Sarbanes
Evans, Colo.	McClory	Satterfield
Evins, Tenn.	McCloskey	Scherle
Fascell	McCollister	Scheuer
Findley	McCormack	Schwengel
Fisher	McDonald, Mich.	Scott
Flood	McFall	Sebelius
Flowers	McKay	Seiberling
Flynt	McKevitt	Shipley
Foley	McKinney	Shoup
Ford, Gerald R.	McMillan	Shriver
Ford, William D.	Macdonald, Mass.	Sikes
		Sisk
Forsythe	Mahon	Slack
Fountain	Mailliard	Smith, Calif.
Fraser	Mann	Smith, Iowa
Frelinghuysen	Martin	Smith, N.Y.
Frenzel	Mathis, Ga.	Snyder
Frey	Matsunaga	Spence
Fulton, Tenn.	Mayne	Springer
Fuqua	Mazzoli	Staggers
Galifianakis	Meeds	Steed
Gallagher	Melcher	Steele
Gettys	Metcalfe	Steiger, Ariz.
Gibbons	Michel	Steiger, Wis.
Gonzalez	Mikva	Stephens
Grasso	Miller, Ohio	Stratton
Gray	Mills, Ark.	Stuckey
Green, Oreg.	Mills, Md.	Sullivan
Green, Pa.	Minish	Symington
Griffin	Mink	Taylor
Griffiths	Mitchell	Teague, Calif.
Gross	Mizell	Teague, Tex.
Gubser	Mollohan	Thompson, Ga.
Gude	Montgomery	Thomson, Wis.
Hagan	Moorhead	Thone
Haley	Morse	Tiernan
Hall	Mosher	Udall
Hamilton	Murphy, N.Y.	Ullman
Hammer-schmidt	Myers	Vander Jagt
	Natcher	Vanik
Hanley	Nedzi	Vigorito
Hansen, Idaho	Nelsen	Waggonner
Hansen, Wash.	Nichols	Waldie
Harrington	Obey	Wampler
Harsha	O'Hara	Ware
Harvey	O'Konski	Whalen
Hastings	O'Neill	White
Hathaway	Passman	Whitehurst
Hechler, W. Va.	Patten	Williams
Helstoski	Pelly	Wilson, Bob
Henderson	Pepper	Winn
Hicks, Wash.	Perkins	Wyatt
Hillis	Pettis	Wylie
Hogan	Pickle	Wyman
Holifield	Pike	Yates
Horton	Poage	Yatron
Hosmer	Podell	Young, Fla.
Howard	Poff	Young, Tex.
Hull	Powell	Zablocki
Hungate	Preyer, N.C.	Zion
Hunt		Zwach

NAYS—19

Addabbo	Grover	Schmitz
Buchanan	Heckler, Mass.	Schneebeli
Clawson, Del	Landgrebe	Van Deerlin
Crane	Peyser	Wolff
Dellenback	Rarick	Wydler
Erlenborn	Rosenthal	
Goodling	St Germain	

NOT VOTING—79

Abernethy	Badillo	Bevill
Abourezk	Baring	Blanton
Anderson, Ill.	Barrett	Burleson, Tex.
Byrne, Pa.	Hébert	Rooney, Pa.
Celler	Hicks, Mass.	Rousselot
Chamberlain	Jacobs	Roy
Clark	Jarman	Roybal
Clay	Karth	Saylor
Colmer	Kee	Skubitz
Conte	Long, La.	Stanton, J. William
Daniels, N.J.	McClure	
Danielson	McCulloch	Stanton, James V.
Dent	McDade	
Derwinski	McEwen	Stokes
Diggs	Madden	Stubblefield
Dow	Mathias, Calif.	Talcott
Eckhardt	Miller, Calif.	Terry
Edwards, La.	Minshall	Thompson, N.J.
Eilberg	Monagan	Veysey
Fish	Morgan	Whalley
Garmatz	Moss	Whitten
Gaydos	Murphy, Ill.	Widnall
Giaimo	Nix	Wiggins
Goldwater	Patman	Wilson, Charles H.
Halpern	Pirnie	
Hanna	Rees	Wright
Hawkins	Robison, N.Y.	
Hays	Roe	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Robison of New York.
Mr. Hays with Mr. J. William Stanton.
Mr. Hébert with Mr. Pirnie.
Mr. Abernethy with Mr. Chamberlain.
Mr. Blanton with Mr. Talcott.
Mr. Bevill with Mr. Minshall.
Mr. Burleson of Texas with Mr. McClure.
Mr. James V. Stanton with Mr. Fish.
Mr. Colmer with Mr. Skubitz.
Mr. Monagan with Mr. Conte.
Mr. Miller of California with Mr. Veysey.
Mr. Rooney of Pennsylvania with Mr. Terry.
Mr. Garmatz with Mr. McEwen.
Mr. Dent with Mr. McDade.
Mr. Gaydos with Mr. McCulloch.
Mr. Daniels of New Jersey with Mr. Widnall.
Mr. Giaimo with Mr. Goldwater.
Mr. Celler with Mr. Halpern
Mr. Barrett with Mr. Whalley.
Mr. Byrne of Pennsylvania with Mr. Saylor.
Mr. Karth with Mr. Wiggins.
Mr. Charles H. Wilson with Mr. Rousselot.
Mr. Whitten with Mr. Jacobs.
Mr. Madden with Mr. Anderson of Illinois.
Mr. Eilberg with Mr. Jarman.
Mr. Danielson with Mr. Mathias of California.
Mr. Clark with Mr. Stokes.
Mr. Abourezk with Mr. Hawkins.
Mr. Baring with Mr. Badillo.
Mr. Dow with Mr. Clay.
Mr. Diggs with Mr. Derwinski.
Mr. Nix with Mr. Eckhardt.
Mr. Hanna with Mr. Murphy of Illinois.
Mrs. Hicks of Massachusetts with Mr. Morgan.
Mr. Wright with Mr. Moss.
Mr. Kee with Mr. Roy.
Mr. Roybal with Mr. Roe.
Mr. Stubblefield with Mr. Rees.

Mr. SMITH of New York changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. POAGE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of a similar Senate bill (S. 1483) to further provide for the farmer-owned cooperative system of making credit available to farmers and ranchers and their cooperatives, for rural residences, 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, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. 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. 337]

Abernethy	Gaydos	Pepper
Abourezk	Giaimo	Pike
Alexander	Goldwater	Pirnie
Anderson, Tenn.	Gude	Pryor, Ark.
Ashley	Halpern	Quillen
Aspinall	Hanna	Rees
Badillo	Harsha	Roberts
Baring	Harvey	Robison, N.Y.
Barrett	Hawkins	Roe
Bevill	Hays	Rooney, Pa.
Blanton	Hicks, Mass.	Rosenthal
Broomfield	Howard	Rousselot
Burleson, Tex.	Jacobs	Roy
Burton	Jarman	Roybal
Byrne, Pa.	Karth	Runnels
Cederberg	Kee	Saylor
Celler	King	Scherle
Chamberlain	Landrum	Sikes
Chappell	Leggett	Sisk
Chisholm	Lennon	Skubitz
Clark	Long, La.	Smith, Calif.
Clay	Lujan	Smith, N.Y.
Colmer	McClory	Stanton, J. William
Conte	McClure	Stanton, James V.
Cotter	McCulloch	Stephens
Daniels, N.J.	McDade	Stokes
Danielson	McEwen	Stubblefield
Davis, Ga.	Macdonald, Mass.	Talcott
Dent	Madden	Terry
Derwinski	Mailliard	Thompson, N.J.
Diggs	Mathias, Calif.	Udall
Donohue	Miller, Calif.	Veysey
Dow	Mills, Ark.	Whalen
Dwyer	Minshall	Whalley
Eckhardt	Monagan	Whitten
Edwards, La.	Moorhead	Widnall
Eilberg	Morgan	Wiggins
Eshleman	Mosher	Williams
Evans, Colo.	Moss	Wilson, Charles H.
Evins, Tenn.	Murphy, Ill.	Zwach
Fish	Murphy, N.Y.	
Flynt	Nix	
Ford, Gerald R.	Patman	
Garmatz	Pelly	

The SPEAKER. On this rollcall 299 Members have answered to their names, a quorum.

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

FARM CREDIT ACT OF 1971

The SPEAKER. The Clerk will read the title of the Senate bill.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill.

AMENDMENT OFFERED BY MR. POAGE

Mr. POAGE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE: Strike all after the enacting clause of S. 1483 and insert in lieu thereof the provisions of H.R. 11232, as passed.

The amendment was agreed to.

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

A similar House bill (H.R. 11232) was laid on the table.

GENERAL LEAVE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

INTERNATIONAL MORATORIUM ON KILLINGS OF WHALES

Mr. FRASER. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 387) requesting the Secretary of State to call for an international moratorium of 10 years on the killing of all species of whale, porpoise, and dolphin—comprising the order of cetaceans.

PREFERENTIAL MOTION

Mr. ANDREWS of Alabama. Mr. Speaker, I have a preferential motion.

The SPEAKER. The gentleman will state the preferential motion.

Mr. ANDREWS of Alabama. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The question is on the motion.

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

Mr. ANDREWS of Alabama. 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.

One hundred and eighty-four Members are present, not a quorum.

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

The question was taken; and there were—yeas 51, nays 255, answered "present" 1, not voting 122, as follows:

[Roll No. 338]

YEAS—51

Abbitt	Griffin	Nichols
Addabbo	Gross	Quie
Andrews, Ala.	Hall	Railsback
Andrews, N. Dak.	Harsha	Rarick
Archer	Hastings	Sandman
Ashbrook	Heckler, Mass.	Schmitz
Blackburn	Hicks, Wash.	Schwengel
Byron	Landgrebe	Shipley
Chappell	Lent	Snyder
Clawson, Del	Lloyd	Spence
Daniel, Va.	McKinney	Steiger, Ariz.
Dennis	Martin	Teague, Tex.
Devine	Mayne	Thompson, Ga.
Dickinson	Michel	Waggonner
Dowdy	Miller, Ohio	Wydler
Downing	Montgomery	Young, Fla.
Flowers	Myers	
	Nelsen	

NAYS—255

Abzug	Frenzel	Obey
Adams	Frey	O'Hara
Anderson, Calif.	Fulton, Tenn.	O'Konski
Anderson, Ill.	Fuqua	O'Neill
Annunzio	Galifianakis	Passman
Arends	Gallagher	Patten
Ashley	Gettys	Perkins
Aspin	Gibbons	Pettis
Baker	Gonzalez	Peyser
Begich	Goodling	Pickle
Belcher	Grasso	Pike
Bell	Gray	Poage
Bennett	Green, Oreg.	Podell
Bergland	Green, Pa.	Poff
Biaggi	Griffiths	Powell
Biester	Grover	Preyer, N.C.
Bingham	Gude	Price, Ill.
Blatnik	Hagan	Price, Tex.
Boggs	Haley	Pucinski
Boland	Hamilton	Purcell
Bolling	Hammer-schmidt	Randall
Bow	Hanley	Rangel
Brademas	Hansen, Idaho	Reid, N.Y.
Brasco	Harrington	Reuss
Bray	Hathaway	Rhodes
Brinkley	Hechler, W. Va.	Riegle
Brooks	Helstoski	Robinson, Va.
Broomfield	Henderson	Rodino
Brotzman	Hillis	Rogers
Brown, Mich.	Hogan	Roncalio
Brown, Ohio	Holifield	Rooney, N.Y.
Broyhill, N.C.	Horton	Rosenthal
Broyhill, Va.	Hosmer	Rostenkowski
Buchanan	Howard	Roush
Burke, Fla.	Hull	Ruppe
Burke, Mass.	Hungate	Ruth
Burlison, Mo.	Hunt	Ryan
Burton	Hutchinson	St Germain
Byrnes, Wis.	Ichord	Sarbanes
Cabell	Johnson, Calif.	Satterfield
Caffery	Johnson, Pa.	Scheuer
Camp	Jonas	Schneebeli
Carey, N.Y.	Jones, Ala.	Scott
Carney	Jones, N.C.	Sebelius
Carter	Jones, Tenn.	Seiberling
Casey, Tex.	Kastenmeier	Shoup
Clancy	Kazen	Shriver
Clausen, Don H.	Keating	Sisk
Cleveland	Keith	Slack
Collins, Ill.	Kemp	Smith, Iowa
Collins, Tex.	Kluczynski	Springer
Conable	Koch	Staggers
Corman	Kuykendall	Steed
Coughlin	Kyl	Steele
Crane	Kyros	Steiger, Wis.
Culver	Latta	Stratton
Davis, S.C.	Link	Stuckey
Davis, Wis.	Long, Md.	Sullivan
de la Garza	McCloskey	Symington
Delaney	McCollister	Taylor
Dellenback	McCormack	Teague, Calif.
Dellums	McDonald, Mich.	Thomson, Wis.
Denholm	McFall	Thone
Dingell	McKay	Tiernan
Dorn	McKevitt	Ullman
Drinan	McMillan	Van Deerlin
Dulski	Mahon	Vander Jagt
Duncan	Mailliard	Vanik
du Pont	Mann	Vigorito
Edmondson	Mathis, Ga.	Waldie
Edwards, Ala.	Matsunaga	Wampler
Edwards, Calif.	Mazzoli	Ware
Erlenborn	Meeds	White
Esch	Metcalfe	Whitehurst
Fascell	Mikva	Wilson, Bob
Findley	Mills, Md.	Winn
Fisher	Minish	Wolff
Flood	Mink	Wright
Foley	Mitchell	Wyatt
Ford, William D.	Mizell	Wylie
Forsythe	Mollohan	Wyman
Fountain	Morse	Yates
Fraser	Mosher	Yatron
Frelinghuysen	Natcher	Young, Tex.
	Nedzi	Zablocki
		Zion

ANSWERED "PRESENT"—1

Collier

NOT VOTING—122

Abernethy	Betts	Clark
Abourezk	Bevill	Clay
Alexander	Blanton	Colmer
Anderson, Tenn.	Burleson, Tex.	Conte
Aspinall	Byrne, Pa.	Conyers
Badillo	Cederberg	Cotter
Baring	Celler	Daniels, N.J.
Barrett	Chamberlain	Danielson
	Chisholm	Davis, Ga.

Dent	Leggett	Rooney, Pa.
Derwinski	Lennon	Rousselot
Diggs	Long, La.	Roy
Donohue	Lujan	Roybal
Dow	McClory	Runnels
Dwyer	McClure	Saylor
Eckhardt	McCulloch	Scherle
Edwards, La.	McDade	Sikes
Eilberg	McEwen	Skubitz
Eshleman	Macdonald, Mass.	Smith, Calif.
Evans, Colo.	Madden	Smith, N.Y.
Evins, Tenn.	Mathias, Calif.	Stanton, J. William
Fish	Melcher	Stanton, James V.
Flynt	Miller, Calif.	Stephens
Ford, Gerald R.	Mills, Ark.	Stokes
Garmatz	Minshall	Stubblefield
Gaydos	Monagan	Talcott
Giaimo	Moorhead	Terry
Goldwater	Morgan	Thompson, N.J.
Gubser	Moss	Udall
Halpern	Murphy, Ill.	Veysey
Hanna	Murphy, N.Y.	Whalen
Hansen, Wash.	Nix	Whalley
Harvey	Patman	Whitten
Hawkins	Pelly	Widnall
Hays	Pepper	Wiggins
Hébert	Pirnie	Williams
Hicks, Mass.	Pryor, Ark.	Wilson, Charles H.
Jacobs	Quillen	Zwach
Jarman	Rees	
Karth	Roberts	
Kee	Robison, N.Y.	
King	Roe	
Landrum		

So the motion was rejected.

Mr. TEAGUE of Texas changed his vote from "nay" to "yea."

Messrs. BELL, HAGAN, and LATTA changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

INTERNATIONAL MORATORIUM ON KILLINGS OF WHALES

The SPEAKER. The Clerk will report the concurrent resolution.

The Clerk read as follows:

H. CON. RES. 387

Whereas the blue whale, the largest creature on earth, has been reduced by the whaling industry to a point of near extinction, and

Whereas despite the fact that the International Whaling Commission has placed it in a totally protected category, numbers of these and other endangered species of whales continue to be taken in error by whalers, and

Whereas the severely endangered gray whale has increased its numbers successfully after years of protection, and

Whereas much remains to be learned about these unique creatures through scientific study of their behavior, and

Whereas it is the intent of the Endangered Species Act to prevent conditions that could lead to the extinction of animals, and

Whereas even those species of whale, porpoise, and dolphin (comprising the order of cetaceans) which are not in imminent danger of extinction will become so if present hunting pressures are continued, and

Whereas whales (cetaceans) form a resource which may prove of importance to mankind in the future if their numbers are not decimated now, and

Whereas the United States of America has led the world in placing the baleen and sperm whales on the endangered species list so that products made from these and other endangered species may not be imported, and has also moved to end the last whaling by its nationals: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Secretary of State is requested to call for an international moratorium of ten years on the intentional killing for commercial purposes of all species of whales (cetaceans).

The SPEAKER. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. FRASER. Mr. Speaker, House Concurrent Resolution 387 deals with a simple issue about which I am sure most of us are in agreement. Furthermore, the approval of this resolution will not cost any money.

The resolution merely requests the Secretary of State to call for an international moratorium of 10 years on the intentional killing for commercial purposes of all species of whales, porpoise, and dolphin—comprising the order of cetaceans.

There is in existence already an International Whaling Commission—to which the United States belongs—which deals with matters involving whales. It will not be necessary to set up an organization to do what this resolution requests.

The problem as far as the United States is concerned is strictly an ecological one. Whale products are of very limited importance to the United States and by the end of this year, imports of products derived from whales will be prohibited. Also, by the end of this year, the United States will be out of the whaling business.

The problem is that whales are becoming extinct and some of the larger species—namely the blue whale—are virtually extinct now.

The U.S.S.R. and Japan are the two countries that continue actively to kill whales and the purpose of this resolution is to request the Secretary of State to take up this problem with these and other governments in an effort to obtain action before it is too late.

I believe that most Members of the House were visited by representatives of various organizations urging that something be done to conserve the whale population. This resolution is our effort to deal with the problem.

Mr. GROSS. Mr. Speaker, I support the resolution for whatever it may be worth.

Mr. Speaker, I have no requests for time and yield back the balance of my time.

Mr. BROOMFIELD. Mr. Speaker, every 12 minutes, another whale is slaughtered on the high seas, a total of over 42,000 of these magnificent animals last year alone. The blue whale, largest mammal on earth, has been relentlessly decimated to the point that perhaps only 1,000 roam the seas today. Similarly, the humpback, right and bowhead species among others, have been virtually exterminated. As each particular species is depleted, the whaling industry turns to another which is more plentiful, so that the entire race of whales, not just several breeds, is on the verge of extinction.

This resolution is designed to protect the whale from complete annihilation, if the hour is not too late already. It calls upon the Secretary of State to declare a 10-year moratorium on the intentional killing for commercial purposes of all whales, dolphins, and porpoises. The restriction is limited to commercial interests because, it is recognized that Eskimos depend upon whale meat as a source of food. Furthermore, the measure has been expanded to include the dolphin and porpoise since, it is feared that with a prohibition against whales, the industry will turn its attention toward these smaller members of the whale family. Indeed last year alone, it was estimated that as many as 200,000 of them were killed by the Japanese whaling industry.

There are several reasons for protecting the whale over and above the esthetic beauty of these mammoth creatures and the possible ecological consequences resulting from their loss. There is evidence that they possess a highly complex and sophisticated intelligence quotient that is worthy of further scientific study. A 10-year moratorium, providing the bare minimum time estimated for them to recover sufficiently, will at least allow scientists to study and explore the whale's habits and capabilities.

But, time is rapidly running out in the fight to save the whale. Granted, this is a last ditch effort, but apparently, it is the only option left to us. The International Whaling Commission was founded in 1946 to regulate the annual catch of whales to maintain them in sufficient numbers that they remain commercially viable as well as to protect those species on the verge of extinction. It has failed miserably in both regards.

Recently, this Commission set quotas that were 20 percent higher than the projected catch as estimated by its own scientific advisory committee. Rather than protecting breeds which have dangerously decreased in size, its neglect has caused an actual increase in the number of species that require our aid. Evidently, the IWC has become more interested in the short-run commercial exploitation of whales. Let me emphasize short run because at present catch rates, there will be no long run—no whales will survive.

The whaling industries have made their intent clear. In the face of smaller and smaller schools, they have redoubled their efforts to kill those remaining. They have started to harvest breeds previously considered too small to be worthwhile financially such as the sei, sperm, and now dolphins and porpoises. Last year twice as many whales were killed as in 1933 to produce less than one-half as much oil.

They have used sophisticated technology such as radar, sonar, and helicopters to increase their efficiency in wiping the sea clear of these mammals. They have demonstrated that instead of giving these animals the time needed to replenish their numbers, that they consider it more economical to hunt those few that still exist.

Mr. Speaker, we in the United States have learned only too harshly that the sacrifice of ecology in exchange for economy is a decidedly bad bargain.

In point of fact, economically speaking, the whaling industry is a small business, earning approximately $150 million annually for participating nations. All the products derived from the

carcass of a whale, save for the meat itself, are easily replaced by substitutes. Dog food, cosmetics, margarine, and sun tan oil are hardly necessities which warrant the extermination of an entire race of animals.

Realizing this fact, the United States has taken steps within the past year to ban the importation of any whale products and has halted all whaling by its nationals. However, the hunt continues. Two nations, the U.S.S.R. and Japan account for 85 percent of the annual kill and without their cooperation there is little hope of survival for these creatures.

Despite our unilateral actions therefore, the whale still faces extinction. The concept of "res nullius," which holds that those things belonging to no one are the responsibility of no one, has been proven inadequate. Rather these areas, such as the seas, the atmosphere, and even outer space are "res communus" and belong to the world community at large. Thus, no nation has the right to take actions detrimental to these areas which are by definition the property of all.

This resolution will serve to generate a multinational effort to protect the whale. No one nation can do the job by itself. The Russians have indicated that they would cease their whaling activities if all other nations followed suit. This is then, no idle gesture, but rather a genuine opportunity, perhaps our last, to rescue the whale.

Mr. REID of New York. Mr. Speaker, I rise at this time to express my strong support for House Concurrent Resolution 387, requesting that the Secretary of State call for an international moratorium of 10 years on the killing of all species of whale, porpoise, and dolphin—comprising the order of cetaceans.

I have long been concerned over the sudden and massive disappearance from our oceans of many species of cetaceans, and strongly commended ex-Secretary of the Interior Hickel for adding many of the more endangered species of whale to the endangered species list.

I have also discussed in some detail with Christian A. Herter, Jr., Director of Environmental Affairs for the Department of State and Ambassador Donald L. McKernan, Special Assistant to the Secretary on Fisheries and Wildlife and Coordinator of Ocean Affairs, the possibility of the United States convening a world conference on the protection of wildlife, a major objective of which would be to conclude a treaty to protect our world's cetaceans. The International Union for the Conservation of Nature and Natural Resources, a respected scientific organization headquartered in Switzerland, has prepared a draft convention for this purpose in consultation with many governments, including the United States. I was most disappointed, along with many of our most eminent conservationists, that the International Whaling Convention failed to impose more rigid quotas for member countries to adhere to; however, I can understand the reason for this failure since it is almost impossible to determine whether the quotas are being violated without placing IWC observers on all whaling ships, a measure that many member countries would not agree to.

After the Senate passed a resolution calling for a 10-year moratorium on the killing of all species of whales, I was most alarmed to learn of the fear of Dr. Kenneth Norris, one of the most knowledgeable men in the world on the problems the cetaceans are facing, that the Senate-passed resolution by stringent definition would only call for a moratorium on species of whales, and not of porpoises and dolphins which are also members of the cetacean family but not whales. For example, the killer and pilot whales are called whales but are species of porpoises. After discussing the possible recriminations of such an omission with many experts in this field such as Dr. Arthur C. Clark; Dr. Carlton Ray of the Smithsonian Institution; Mr. Phil Roedel, Director of the National Marine Fisheries Service, NOAA; and Dr. Kenneth Norris, editor of Whales, Dolphins and Porpoises; I decided it would be necessary to introduce a resolution calling for a 10-year moratorium on the killing of all species of dolphins and porpoises, and I was most pleased that the House Foreign Affairs Committee acknowledged this omission and incorporated my resolution into House Concurrent Resolution 375 before reporting it to the House for consideration.

I am inserting into the RECORD at this time my remarks of August 4 upon introducing House Joint Resolution 836, in case they did not come to your attention and to give you some background on the need for the inclusion of porpoises and dolphins in House Concurrent Resolution 375:

I rise at this time (August 4, 1971) to introduce legislation calling for a 10-year moratorium on the willful killing of porpoises and dolphins, and to instruct the Secretary of State to encourage the development and implementation of international controls to minimize the incidental killing of porpoises and dolphins in conjunction with the catching of tuna. Some 40% of the world's yellowfin tuna and almost 50% of the world's skipjack tuna are caught in the company of porpoises and dolphins.

There is evidence, according to Dr. Kenneth Norris—a participant in the International Symposium on Cetacean Research and editor of *Whales, Dolphins, and Porpoises*—with whom I have conferred while preparing this legislation, that these friendly and intelligent mammals are being decimated because of commercial fishing practices, particularly in the eastern inter-tropical Pacific area. The problem is that many commercial fishermen now use highly efficient purse seines (nets) to catch schools of tuna which swim behind and underneath the porpoise schools, perhaps to take advantage of the porpoise's ability to locate bait fish by natural sonar. These seines are 4 to 5 times more efficient than using lines and bait, but they encircle porpoises as well and too many die before they can be released. I have been informed by Dr. Carlton Ray of the Smithsonian Institution that well over 200,000 common dolphin (Delphinus delphis), spinner (Stenella longirostris) and spotter (Stenella graffmani) porpoises die each year in the purse seines of the United States, and when one considers that Japan takes as many tuna, and France over twice as many tuna by the same method as the U.S., the probable figure of porpoise kills per year becomes staggering. There is also considerable evidence that the porpoise schools are becoming smaller than their normal 1,000 animals, according to Fishery Biologist William F. Perrin, who presented a paper to this end to the 6th Annual Conference on Biological Sonar and Diving Mammals.

For reasons we do not understand, porpoises caught in purse seines do not jump out of the nets. The danger arises when tuna boats "back down" to draw in the nets. The porpoises navigate by natural sonar and the proximity of the enfolding nets apparently confuses them. Once encircled, porposes swim around wildly, and then g..ther together in a group and sound to the bottom of the nets where many of them drown. Others become so frightened that they go into shock and rigor and also drown. These animals become highly distressed when a fellow-cetacean becomes injured, and will not leave it, which is a possible explanation as to why some porpoises will not jump out of the nets while others are still trapped.

Many marine scientific groups, including the National Oceanographic and Atmospheric Administration, have cooperated in the development of new nets with a smaller mesh for tuna fishing, so that the porpoises do not catch their snouts, as is presently the case. These new nets will be implemented by yellowfin-tuna fleets when the new season gets underway next January 1st, and the boats begin to gather the United State's annual quota of 140,000 tons. The purpose of the international efforts I have requested would be to help N.O.A.A. through its component, the National Marine Fisheries Service, to develop and implement nets with two other safety features—an escape hatch, and and an acoustic device in the net to emulate killer-whale calls. The killer whale is a natural enemy of the porpoise, and many scientists, including Dr. Alan Longhurst, Director of the Fishery-Oceanographic Center, N.M.F.S., feel that devices emitting killer-whale calls should be run down lead-lines into the purse seines, thus stimulating porpoises to avoid the nets. In behalf of tuna fishermen, it must be granted that they frequently try *not* to fish on porpoise schools, and, as a rule, do not do so on the traditional fishing grounds, where they look for a "breezing school" of tuna which may hold up to 10,000 fish. Breezing schools of tuna feed just below the water's surface, sweeping through small bait fish so swiftly that the ocean appears to be ruffled by the breeze itself.

The Japanese slaughter annually some 20,000 porpoises for human consumption by driving them out of the water onto land. I fear that without international controls, areas where porpoises are trapped may spread to the Western Pacific, off Samoa, and perhaps to the Indian Ocean and African coasts. Porpoises of the "Flipper" variety (Tursiops Truncatus) used to be killed off the coast of Cape Hatteras in order to make high quality lubricating oil, such as that used for watches, but this practice ended some 50 years ago. This oil is now imported from the West Indies, and is a by-product of the pilot whale which is killed there for food. However, should a moratorium on the killing of whales go into effect, as is being considered by the House Foreign Affairs Committee, a new source of lubricating oil must be found and I fear that manufacturers will again turn to killing porpoises to obtain this oil.

There also has been some speculation that, since a 10-year moratorium on whales would mean that pet food products containing whale meat could not be imported into or sold in the United States, pet food manufacturers may turn to the harvesting of porpoises to make their products. This does not mean that I oppose a 10-year moratorium on the killing of whales. I support it most strongly, but feel that porpoises and dolphins, which are also members of the cetacean family, should be given equal protection.

Porpoises normally exercise nurturant and succorant behavior similar to human beings, and as Aristotle has stated, "this creature is remarkable for the strength of its parental

affection." Females exhibit great care for their young, nursing them until they are about 18 months old, and the mother-young relationship lasts an impressively long time. At around four to six years of age, young dolphins born in captivity have been known to seek out their mothers from the group when they become tired, sleepy or alarmed. A pertinent example of their succorant behavior was recorded by Drs. J. B. Siebenaler and D. K. Caldwell in 1956:

"When a charge of dynamite was exploded in the neighborhood of a school of dolphins, one of the school was stunned by the shock. Two adults immediately swam to its assistance and supported the injured animal. When the two assisting dolphins left to breathe, they were relieved by what apparently were different animals. The supporting behavior continued until the injured animal recovered completely, then the entire school left the area. Again it is note worthy that the school remained intact and stayed in the danger area until the disabled animal had recovered, instead of obeying what must have been a strong impulse to leave the area of the explosion. Such a quick mass departure occurred on another occasion when dynamite was exploded and none of the dolphins was injured."

There are no accurate figures available as to the number of porpoises and dolphins in our oceans; only the knowledge that the schools are becoming smaller and wilder, and that the population structure is changing. This is due to a different sex-ratio, apparently because commercial nets primarily kill older animals, females and calfs, leaving the younger and wilder males in greater proportion than is normal. It is my feeling that until studies now underway on porpoise feeding, mating habits, life expectancies and travel habits are completed, a moratorium is the only way to ensure that disaster does not await the porpoise and dolphin in the future."

Mr. BINGHAM. Mr. Speaker, I urge passage of House Concurrent Resolution 387, a bill which requests the Secretary of State to seek a 10-year international moratorium on the intentional killing of all species of whales for commercial purposes. The Senate has already passed a similar bill, in the form of a joint resolution, which was introduced in the Chamber by Minority Leader HUGH SCOTT.

We are in a period of worsening ecological crisis which reaches far beyond the borders of the United States, menacing the balance of nature around the globe. Air pollution, water pollution, and destruction of forests, farmlands, and wildlife habitats are problems which confront virtually all nations. This bill is a response to one facet of this worldwide ecological crisis.

Testimony before the House Foreign Affairs Subcommittee on International Organizations and Movements this past July presented vivid evidence of the annihilation by man of one more species of living creatures. I am speaking of the incredible destruction of whales, dolphins, and porpoises. It is in the direct interest of the United States, as well as in the interest of all other nations, to bring a halt to the senseless slaughter of the whale family which now threatens the largest of all mammals with rapid and irreversible extinction.

Statistics prepared by the Fish and Wildlife Service indicate the terrible decline in population which the whale family, whose scientific name is "cetaceans," has suffered during the last 40 years. In the period 1930–40, the blue whale, largest of all mammals, numbered about 100,000. Today fewer than about 3,000 of these mighty creatures remain alive. The finback whale population has plunged from 400,000 to about 100,000, and the massive sperm whale has declined in number from 600,000 to about 250,000. The humpback whale population now numbers 2,000, a drastic drop from 100,000. Of the right and bowhead whales, longtime victims of commercial whalers, a mere handful exist, probably fewer than 200 of each species. Only the grey whale has managed to increase its population, and that was achieved by the joint efforts of the United States and Mexican Governments to protect it from total extermination. Extremely rare in the 1930's, the grey whale today numbers around 10,000. But, had no protective measures been taken, it would doubtless long ago have gone the way of the passenger pigeon.

Despite the existence and activities of the International Whaling Commission, a body which began functioning in 1948 supposedly to guarantee the conservation and sensible utilization of the world's whale resources, the plight of the whale has become desperate. Modern whaling fleets, chiefly Russian and Japanese, prowl the seven seas, exacting their deadly toll from the world's waters, working inexorably toward the day when the last whale finally disappears into the hatch of a factory ship to be ground into fertilizer and pet food. Nations long associated with whaling, such as the Netherlands, have given up whaling and no longer send fleets to sea because of the increasing difficulty of locating whales to kill.

It is not only the great whales, the mammoths of the sea, which face extinction, but also their smaller brothers, the porpoises and dolphins, who are endangered. Some losses of these creatures are caused by fishermen who trap them in their nets unintentionally. Moreover, as the larger whales are wiped out, these smaller mammals face the increasing peril of replacing the whale as candidates for conversion into catfood, cosmetics, and motor oil. Japanese whaling interests have started the ball rolling toward annihilation. They killed an estimated 200,000 dolphins and porpoises last year.

It is pathetic testimony to man's shortsightedness and greed that there is not a single product extracted from whales which could not be obtained from an alternate source, but it appears that the principal remaining whaling nations—Japan and the Soviet Union—are nevertheless determined to wring every last drop of profit out of their whaling investments even if that means biological disruption of the ocean's ecology and extinction of the whale family.

In response to this plea for an end to the appalling massacre of whales, the question might be posed, "what value does it have for man to preserve the whale, and what possible use can there be for such a creature?" The question is a fair one. It requires a careful reply.

First, as world population grows, man must constantly seek and utilize additional sources of protein. The whale is a creature which feeds on a number of nutrients which man cannot use in their present forms. Plankton and deepwater squid are examples. The whale is able to convert these creatures into animal protein usable to man. Were world whale stocks intelligently preserved and conserved, that protein would be available to help alleviate hunger through rational, planned harvesting of world whale stocks intelligently preserved and conserved, that protein would be available to help alleviate hunger through rational, planned harvesting of world whale stocks. The whale might then become to the sea what the beef steer is to the plains.

No rancher in his right mind would annihilate his whole stock of cattle, massacring his bulls, breedings cows, and calves indiscriminately. But this is precisely the situation that prevails today with many of the world's whales.

Second, the whale family offers valuable creatures for medical and scientific research of great potential benefit to man. Whales, porpoises, and dolphins are creatures with large and complex brains which are far heavier in proportion to their body mass than is the human brain to the human body. Cetaceans have been shown to possess high intelligence in addition to their ultrasensitive auditory capacity, and both of these aspects of the whale warrant further study by man. Many a blue whale was slaughtered to provide lamp oil and dog food, but scientists have noticed that not one blue whale was ever shown to have had a malignant tumor. It is possible that a valuable key in man's battle against cancer might lie in the endocrine system of the blue whale. But we may never really know, for there are no longer enough blue whales left to study.

Third, porpoises and dolphins have proved themselves to be gifted and versatile creatures, capable of actually working with man for our benefit. In the days of ancient Greece, fishermen located schools of fish through the presence of scout porpoises, which were rewarded with a share of the catch and with bread soaked in wine. Porpoises were thought to be reincarnations of sailors lost at sea, and it was considered unconscionable to refuse to give payment to the porpoises for their valuable services.

Porpoises and dolphins are still utilized by commercial fishermen to locate schools of tuna, but unlike the example of ancient times, their modern reward is frequently death due to carelessness and indifference of the fishermen.

Inhabitants of India have long prized porpoises for the protection they offer in rivers from man-eating fish, and in South America natives have learned to summon porpoises as fishing companions through a code of knocks on the sides of their canoes. Porpoises and dolphins are renowned for their antipathy toward sharks, and many a case has been recorded of porpoises and dolphins rescuing swimmers and fishermen from shark attacks.

The U.S. Navy has trained porpoises and dolphins to recover torpedoes, mines, submarines, and even aircraft lost at sea, as well as to perform various other underwater tasks. The communicative capacities of porpoises and dolphins are

amazing, and they seem to have an inbred affection for man and a desire to cooperate with him. Their natural sonar offers modern science a model for mechanical imitation, and we may some day be able to chart the ocean depths through knowledge gained from them, just as our first steps toward flight and ultimately to the moon were based on the model of the bird. In light of these considerations, it would appear that the porpoise and dolphin are of far greater value to man alive and abundant in the oceans than served up as canned catfood on a supermarket shelf.

In view of the rapid disappearance of the whale family from the world's oceans and the impending doom which confronts these valuable creatures, House Concurrent Resolution 387 proposes a 10-year international moratorium on the commercial killing of any member of the cetacean family, in order that whales, dolphins, and porpoises may regenerate unhampered by marauding whaling fleets.

During this time, international accord on future conservation and utilization of the world's whale stocks could be pursued.

It may very well be that for some species of whales, this moratorium will come too late, for the ravages of the whaling industry have perhaps already sounded the trumpet of extinction for the blue, humpback, right, and bowhead whales, a trumpet which tragically may never blow retreat.

Despite the fact that the United States was once heavily involved in the whaling industry, this Nation has shown leadership in attempting to rebuild the world's whale population, leadership which would be further emphasized by a congressional request to the Secretary of State to negotiate a 10-year moratorium on all intentional commercial killing of whales, including dolphins and porpoises. Together with Mexico, the United States engineered the survival of the grey whale by protecting it within territorial waters.

The State of Florida has enacted legislation forbidding the molesting of porpoises and dolphins in Florida waters. Last November, the Department of the Interior placed all the great whales on the endangered species list, including the commercially hunted Finback, Sei, and Sperm whales. This action prohibits the importation of whale products into the United States. Prior to that time, the United States had consumed 20 percent of the world's whale products. This past April, the Department of Commerce followed the Interior Department's actions by terminating the whaling license of the last remaining whaling station in the United States. In light of these events, it would appear that the time is ripe for Congress to raise its voice on the subject and to make clear to the executive branch that unilateral U.S. action is not enough to save the whale. Rather what is needed is international negotiation leading to an absolute 10-year moratorium on all commercial whaling. Only by such action can the senseless extermination of a valuable international resource be brought to a halt and the first tentative steps be taken toward a program of development rather than destruction.

If the International Whaling Commission has failed adequately to protect whales to date, and the Japanese and Soviets seem determined to continue their whaling activities until they have wrung the last bit of profit from their fleets, what is the use of the United States proposing a 10-year moratorium to the Commission? Would not such a proposal simply be ignored by the Japanese and Soviets, and perhaps even harden their position?

I do not believe so, Mr. Speaker. The Soviets, in particular, have shown willingness in the past to take international leadership to protect other endangered species. They have, for example, unilaterally banned killing of polar bears and dolphins by their own citizens, and have publicly stated that they will consider stopping whaling when other major nations do so. The United States has now stopped whaling, and it is in a good posture from which to urge the Soviets to follow their commendable efforts on behalf of polar bears and dolphins by banning whaling.

The chances of influencing the Japanese are perhaps less promising. But a major environmental conservation movement is underway in Japan similar to the movement that is occurring in this country, raising the possibility of strong support for a whaling moratorium in that country, where the whaling industry has long dominated Japan's position in the International Commission.

Finally, the Commission itself has displayed increased vigor and effectiveness in recent years. The 1971 meetings produced a tentative agreement to station observers on the ships of major whaling nations to assure compliance with international quotas—a measure which conservationists have been urging for more than 20 years. While that agreement came too late to get observers on the ships now at sea for this whaling season, international observers are expected to be on the ships when they sail for the next whaling season in the spring of 1972.

I introduced this bill in the form of a concurrent resolution rather than a joint resolution because a concurrent resolution does not require the signature of the President, and the Department has indicated that a concurrent resolution is acceptable in that it will not raise problems over congressional intrusion into the prerogatives of the executive branch.

The time is now ripe for congressional action. Instead of permitting this matter to end in another grotesque and disgraceful example of mankind killing the goose that lays golden eggs, let us heed the lessons of our past ecological failures and avoid the disaster the whale's extinction would represent. It is crucial that we learn to coexist with the other living creatures of this planet in a framework which will guarantee us the continued use of the fruits of the earth rather than the total disruption of the natural chain of living things, a chain upon which man is dependent for his own survival.

Mr. DELLUMS. Mr. Speaker, I am a cosponsor of this resolution because I am fully committed to insuring stronger efforts for the continued existence of whales, porpoises, and dolphins.

When a species dies, it is unlikely that the universe will ever see its like again. After we lose one of them, no congressional appropriation, no crash program of research by industry, no new chemical synthesized in a laboratory will ever give us back this living, breathing, procreating, strange, and silent beast.

There are plenty of medical and economic reasons for keeping the whale around—but the most important reason for supporting this resolution is to get us back in the business of preserving life for its own sake, and not destroying it for the sake of a profit for a few people.

Perhaps we will stop destroying not only for the negative reason of stopping wastefulness, but for positive reasons that we enjoy creating and preserving.

We have to start somewhere. This is one positive step.

The SPEAKER. The question is on the motion offered by the gentleman from Minnesota that the House suspend the rules and agree to the concurrent resolution House Concurrent Resolution 387.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRASER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

NATIONAL GUARD UNIT IN THE VIRGIN ISLANDS

Mr. FISHER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3817), to amend titles 10 and 32, United States Code, to authorize the establishment of a National Guard for the Virgin Islands, as amended.

The Clerk read as follows:

H.R. 3817

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101(2) of title 10, United States Code, is amended by inserting "Except as provided in section 101(1) of title 32 for laws relating to the militia, the National Guard, the Army National Guard of the United States, and the Air National Guard of the United States," before "'Territory' means".

SEC. 2. Section 101(1) of title 32, United States Code, is amended by adding the following new sentence at the end: "However, for purposes of this title and other laws relating to the militia, the National Guard, the Army National Guard of the United States, and the Air National Guard of the United States, 'Territory' includes the Virgin Islands."

SEC. 3. Clauses (7) and (9) of section 101 of title 37, United States Code, are each amended by inserting "the Virgin Islands", after the words "the Canal Zone", in each of those clauses.

The SPEAKER. Is a second demanded?

Mr. BRAY. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. FISHER. Mr. Speaker, H.R. 3817 is relatively simple. It authorizes the establishment of a National Guard unit on the Virgin Islands. Under existing law such units are limited to the several States, Puerto Rico, the Panama Canal, and the District of Columbia. I will add, however, that although presently authorized, there is no National Guard in the Canal Zone.

The Governor of the Virgin Islands feels very strongly the need for a National Guard down there. The National Guard favors it. The Office of Budget and Management has no objection. The Virgin Islands legislature has endorsed it. The Armed Services Committee unanimously approved it.

If a Guard unit is authorized by this bill, total strength would be about 460. We are assured that number of eligible men would promptly join. This number would be absorbed in the total National Guard strength, and the cost would be accommodated by the present budget. Existing Reserve headquarters on St. Thomas would be utilized, and there would be no immediate construction cost to the Federal Government.

Now, what about the need? Veterans of four wars, now residing on the Virgin Islands, total 4,600, in a total population of 70,000. There are at present three U.S. Army Reserve Military Police units, totaling 69 men. They cannot be called to active duty by the Governor. The Virgin Islands police force comprises about 300 men distributed among the three islands.

The thinly spread police force and the military police units are not well equipped or prepared to perform air-sea rescue missions, for which I understand there is an increasing need. A National Guard unit could serve a very useful purpose in this respect.

In case of civil disorders or a disaster, the Governor could make immediate use of the National Guard. Otherwise any Federal help would have to come from the States, and this would, of course, be expensive and far too slow to effectively deal with an emergency.

Since the Virgin Islands lie in a so-called hurricane belt of the Atlantic and Caribbean, there is a continuing danger of a major disaster.

Although there have been no significant civil disorders in the islands, such disturbances have occurred in other Caribbean islands. The very presence of the National Guard would help deter any possible difficulty, and if needed could be called up by the Governor without delay.

Inhabitants of the Virgin Islands have always been loyal. They have done their share in time of war. In fact, at the commencement of World War II, those islands sent a delegation to Congress petitioning to be included in the draft. Percentagewise, their casualties in four wars have been equal to those suffered in any of the States.

In addition, the existence of a National Guard would provide a convenient vehicle for reserve training for quite a number of reservists.

Mr. Speaker, responsible authorities in the Virgin Islands want a National Guard. I think this is a modest request and I would hope the House will promptly approve this bill.

Mr. BRAY. Mr. Speaker, I support the bill.

I yield 5 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, I am not at all convinced that we should embark at this time upon the supplying of the Virgin Islands with National Guard units. This bill provides, as I understand it, for two companies of National Guards and a battalion headquarters. No one knows what the costs may be. There is no cost given in the bill, nor is there an estimate of cost in the report accompanying the bill. This is going to cost some money despite the fact that the report says that it can be absorbed in the Department of Defense. I have no doubt that the cost can be absorbed, but I would have to say at the same time that if the Department of Defense is capable of taking care of the expense of establishing new National Guard units in other countries and areas, that the Department is oversupplied with money.

Mr. Speaker, there are already 350 police in the Virgin Islands. There are some 80,000 or 90,000 persons in the Virgin Islands, and I see no reason whatever for the creation of a National Guard which will require, as I said before, equipment, barracks, and all that goes with the maintenance of a National Guard unit. There have been no hurricanes, no disasters for several years, and there have been no civil disorders in the Virgin Islands up to this point and, so far as I know, no disorders are anticipated. The establishment of a National Guard in the Virgin Islands may be a status symbol for the Governor of that territory; otherwise I do not know the reason for it, and I would be glad to have someone give me a real valid reason for the establishment of National Guard units in the Virgin Islands.

In the meantime, I am opposed to this bill.

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

Mr. GROSS. I yield to the gentleman from Indiana.

Mr. BRAY. The Virgin Islands are in the "Hurricane Belt." There has been no great disaster there for some time. It has been very free from the violence that has plagued many of the islands and territories in that part of the world, and yet it is necessary to have a small National Guard contingent there, even though the Governor may never call them out. It would be just as unreasonable to say that they do not need a small National Guard unit in the Virgin Islands as it would be to say that you do not need one in the State of New Mexico for there have been no hurricanes there, either.

We have a unit in Puerto Rico. We do not have one in the Canal Zone although one is authorized. As far as the cost being taken care of by the Defense Department, there is a certain total number of Guard units authorized. This one would be within that number. The number of units will not be increased. It means some other place may not have as many guardsmen as it might have otherwise.

The SPEAKER. The question is on the motion offered by the gentleman from Texas that the House suspend the rules and pass the bill H.R. 3817, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read:

To amend titles 10, 32, and 37, United States Code, to authorize the establishment of a National Guard for the Virgin Islands.

A motion to reconsider was laid on the table.

GAS IN THE SWAMP

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

Mr. GROSS. Mr. Speaker, last Wednesday, October 27, I called attention to the incredible boondoggle the Postal Service made of a project near Jersey City, N.J.

This project involves the construction of a huge bulk mail processing plant in a swamp.

It started out to cost the taxpayers an estimated $62.3 million, but the cost is now estimated at $130.1 million. That is an increase of 109 percent.

Mr. Speaker, it is bad enough to throw the taxpayers' money into a swamp, but I have just learned of a hazardous situation that has resulted from the hell-bent decision to build this "showcase" mail handling plant there.

The plant is being built on a gigantic concrete slab. Underneath that slab an accumulation of highly explosive methane gas is reportedly building up, generated by the swamp, and fear has been expressed that the entire project could be blown sky high if this gas is ignited.

Mr. Speaker, I call for an immediate explanation from the Postal Service as to what steps will be taken to assure the safety of those involved on this construction project. There is no need for a tragedy to be added to the sorry history of this fiasco.

EXPORT EXPANSION—THE MOORHEAD-BROOMFIELD BILL

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

Mr. MOORHEAD. Mr. Speaker, today, as one result of many years of foreign aid programs, the United States owns more than $2 billion in excess, virtually useless, foreign currency.

Today, the United States faces the prospect of the first trade deficit since 1893.

Today, the gentleman from Michigan (Mr. BROOMFIELD) and I are introducing a bipartisan bill to enable the United States to use these excess and other foreign currencies to expand U.S. exports

and this will mean more American jobs, more American profits, an improved balance-of-payments situation and higher U.S. Government revenues.

Today, we are introducing a bill to boost American exports by utilizing U.S. owned foreign currencies to pay foreign import duties charged on American goods, thus making them much more competitive in price with European and Japanese products.

Under our proposal, foreign buyers, in countries where we have excess and other foreign currency, could buy American products duty free.

The multiplier effect of this proposal is potentially fantastic—about 10 to 1.

We own more than $2 billion of this virtually useless paper and assuming that foreign tariffs average 10 percent of the cost of the item, the United States—if it used foreign currencies to pay the import duties on American goods—could bring about the sale of $20 billion worth of goods overseas to foreign importers because the purchases would be duty free to the foreign buyers. There is already a built-in consumer preference for American manufactured goods in many countries, but at present they simply cost too much compared to Western European and Japanese products.

With this additional incentive coming on top of the de facto devaluation of the dollar now occurring because of our Government's decision to let the dollar float, the cost of American goods overseas will be truly competitive.

The benefits to the United States are obvious and enduring. Increased exports will give our own economy a shot in the arm. Industry will profit—higher employment will result—and our Government will reap increased taxes in the form of dollars from both.

At the same time, foreign governments will benefit three ways—first, no import duty revenues will be lost to their national budgets: if anything they are likely to go up because of increased American imports; second, more machinery, tools and other development items will be imported to establish and improve income-producing industries and agricultural activities creating new wealth and jobs for the country involved; and third, over a period of time—transitionally—these foreign currencies will be taken out of American hands and returned to that country's economy, thus erasing a drain on their resources in a totally antiinflationary manner.

All of this can be accomplished without the loss of a single real penny to the U.S. Treasury.

The United States owns more than $2 billion in excess and near excess currencies which are rapidly deteriorating in value because of devaluations, inflation, and exchange rate adjustments. Since 1954, the United States has lost—without receiving anything whatsoever—the staggering sum of $2.1 billion worth of foreign currencies. The purpose of this legislation would be to put our excess and other foreign currencies to work for America so they will not melt away with no benefit to the American taxpayer.

Now comes the real shocker—the U.S. Government can double its money. How is this possible? It is possible because of the multiplier tax revenue factors built into increased U.S. exports. American corporations boost their earnings thus paying more taxes.

Dividends to stockholders also are increased resulting in additional tax revenues. And, of course, employment is kept high and new jobs are created which will funnel a steady flow of individual income taxes to the Government.

Thus, if we used U.S.-owned foreign currencies to pay a 10-percent average tariff for the foreign importer, our Government would receive a 20-percent tax return. These computations were made by the international trade and finance experts of the Library of Congress, who obtained their basic data from the Departments of the Treasury and Commerce.

You may be interested to know that in addition to the more than $2 billion in foreign currencies we now own, an additional $6 billion payable in foreign currency is owed to the United States. But based upon our studies—even if the United States did not own a nickel's worth of foreign currency—it would make economic sense to spend U.S. dollars for this purpose because of the profitable return to the U.S. Treasury and the return over and above that to the entire American economy.

The gentleman from Michigan (Mr. BROOMFIELD) and I seek cosponsorship and support for this bill which we sincerely feel can turn the tide on the trade deficit our Nation faces—the first one since 1893.

It is a bill which labor, industry, and Government can all support with vigor and good conscience. There are no tax loopholes, windfall profits or low-cost-benefit ratios involved. It is not a subsidy. It is an investment which will pay off in more jobs, higher Government revenues and increased profits.

The beauty of this idea is that we are using funds which are virtually useless to us to increase the export of American produced goods and the financial burden on the U.S. Treasury of this entire program is not one real penny but on the contrary will result in increased revenues to the U.S. Government.

The text of the bill and a report from the Legislative Reference Service entitled, "Estimate of Federal tax revenues to be derived from $20 billion of foreign sales," follow:

H.R. 11508

A bill to amend the Foreign Assistance Act of 1961 to expand American exports by utilizing U.S.-owned foreign currencies to pay import duties on such goods, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 612 of the Foreign Assistance Act of 1961 (22 U.S.C. 2362), relating to the use of foreign currencies, is amended by adding at the end thereof the following:

"(e) (1) Subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953, the President is authorized to negotiate and/or carry out agreements with any foreign country in which the United States owns foreign currencies to use such foreign currencies——

"(A) to pay duties imposed by such foreign country on the importation of commodities manufactured or grown in the United States and its possessions as an official government obligation; and

"(B) to pay local costs incurred by any United States private enterprise under any personal service contract for the performance of services in such foreign country as an official government obligation.

"(2) Each agreement entered into under paragraph (1) of this subsection shall—

"(A) provide that any reduction in the aggregate cost of any commodity imported into such foreign country from the United States resulting from any payment made by the United States under such agreement shall be passed on to the ultimate consumer;

"(B) prohibit any payment by the United States with respect to arms, ammunition, or implements of war, or with respect to any commodity imported into such foreign country from the United States at the expense of or on congressional terms by the United States or any agency thereof;

"(C) prohibit payment by the United States with respect to any commodity at a rate of duty in excess of the rate of duty in effect with respect to such commodity on August 1, 1971;

"(D) apply with respect to commodities imported into such foreign country from the United States under contracts or new orders entered into after October 31, 1971; and

"(E) prohibit payment by the United States of local costs incurred by any United States private enterprise under a personal service contract in an amount which exceeds 5 per centum of the total contract price for the services actually performed.

"(3) In carrying out the provisions of this subsection, the President shall give priority to the negotiation of agreements with foreign countries with respect to which the President determines that the foreign currencies owned by the United States are excess, or near-excess, to the needs of the United States.

"(4) In any case in which a foreign country agrees to relieve the United States from liability to pay any amount otherwise payable under an agreement entered into under this subsection, the President is authorized to take such steps as may be necessary to grant such country a credit, in an amount equal to the aggregate amount of any payment from which the United States is relieved of liability, against any debt owed by such foreign country to the United States.

"(5) The authority contained in the foregoing provisions of this subsection shall expire on June 30, 1974.".

THE LIBRARY OF CONGRESS,
Washington, D.C., October 15, 1971.

To: The Honorable William S. Moorhead, Chairman, Subcommittee on Foreign Operations & Government Information. Attention: Mr. Norman Cornish.

From: Economics Division.

Subject: Estimate of Federal tax revenues to be derived from $20 billion of foreign sales.

In response to your original inquiry on the above subject and subsequent telephone conference, we wish to make certain clarifications in order to place the contents of this memorandum in a proper perspective in respect to what information is wanted and how valid our estimates are.

First, your question relates to tax revenues by the Federal government from *export* sales. Since data available relate to corporate domestic transactions, the computations sup-

plied below should be assumed to have a negative bias; i.e., they tend to understate the tax revenues because foreign commercial transactions are generally more profitable and thus are subject to higher tax rates.

The basic statistical information was obtained from the July 1971 issue of the *Survey of Current Business* with supplementary information or data received from the Departments of Treasury and Commerce. Assumptions and simplification of calculating processes were required, given the approximate knowledge of certain areas involved, as well as the fact that the results are to be used in terms of magnitude and not absolute quantities.

The data on corporate profit, tax, dividend, employment and employee's earnings experience relate to manufacturing as a whole and assume an average contribution from all industries toward total sales. In order to improve the estimation of performance factors for 1971 we have examined the various series for several years back and have applied the best currently known information in all developments relating to the basic question.

For 1971 we expect the corporate Federal tax rate to be 43 percent of profits, which in turn are expected to amount to 11 percent of all transactions. On total sales of $20 billion, corporate profits before taxes thus would be $2.2 billion with a resulting Federal tax liability of $946 million. (State tax liabilities are estimated at 5.3 percent of total profits.)

Given the variability of components we would project the Federal corporate tax revenues for 1971 at $950 million (plus or minus 5 percent).

Additionally, on after tax profits of $1.188 million (with Federal and State taxes paid) distributed dividends are expected to be 65 percent or $772 million. The individual income tax liability on dividends is estimated at 40 percent resulting in a Federal tax revenue of $309 million.

For the purposes of this report we will assume it to be $310 million (plus or minus 5 percent).

In the area of personal income tax revenues the situation is more complicated. Based on a BLS estimate for 1969 and taking into account the impact of inflation and productivity we estimate that for 1971 $1 billion of export sales is produced by 62,000 workers. Average earnings for all employees in manufacturing for 1971 is projected at $9,910 per person. Moreover, assuming that the average worker is a head of household with three exemptions, for tax rate purposes, and adjusting the tax rate for the period in question in line with the proposed changes in tax rates affecting individual taxpayers we arrive at a tax liability per worker of $1,240 on an income of $9,910. This situation combined results in a Federal personal income tax revenue of $1,538 million or for our purposes $1,550 (plus or minus 5 percent).

In this process we have not considered the impact of the pending tax credits to business now being considered in the Congress.

With the latter exclusion the total picture emerges as follows:

Federal corporate tax revenues, $950.

Federal revenues from distributed dividends, $310.

Federal revenues from personal incomes, $1,550.

Totaling, 2,810 or 14.0 percent of sales of $20 billion.

If we add to this situation State and local taxes and the usual multiplier effect inherent in incremental export sales (higher employment, higher income and expanded supporting and periferal services) we can well reach the area where U.S. tax revenues constitute 20 percent of sales, or roughly $400 million on an increment of $2 billion of exports. The current employment factor for such an increment is estimated at about 125,000 jobs.

The above conclusion is pretty much in line with a statement by John S. Nolan, Deputy Assistant Secretary for Tax Policy, Department of the Treasury, made to the Williams Commission. See Commission on International Trade and Investment Policy, Papers, Part II, p. 575.

Dario Scuka, analyst in International Trade and Finance.

EXPORT EXPANSION—THE MOORHEAD-BROOMFIELD BILL

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

Mr. BROOMFIELD. Mr. Speaker, I am pleased to coauthor a piece of legislation—a bipartisan proposal—which I believe is an innovative and dynamic 21st century concept on foreign trade.

I must congratulate the gentleman from Pennsylvania (Mr. MOORHEAD), for it has been 6 years of effort by the House Subcommittee on Foreign Operations and Government Information, which he now chairs, in its studies of better utilization of U.S.-owned foreign currencies and debts owed to the United States which motivated the concept which he and I are jointly presenting today.

Our national economy is undergoing an unparalleled readjustment to both domestic and world economic conditions—a readjustment which has been painful but necessary, if the economic status and health of the Nation is to be preserved and strengthened. The legislative proposal which my colleague (Mr. MOORHEAD) and I offer today will significantly bolster the economic strength of America. It is a proposal purely of congressional initiative and, I might add, that, aside from a handful of staff consultants and economic experts, has been closely guarded to assure the integrity of the concept, free from pressures from any parties with special interests. As it progresses through the legislative process, we hope and we urge that it receive a hard-nosed, pragmatic, and constructive review. We welcome amendments which will strengthen the concept, that will add to its swift implementation, and most importantly to its effective operation.

My colleague and I have written this bill with one sole purpose in mind, that of making American products and services competitively marketable throughout the world.

This proposal would not only increase U.S. sales abroad and increase the output of U.S. business, but it will provide for more jobs for American workers. It will provide for increased revenues for local and State governments through increased taxable incomes, and it will also make a profitable return to the U.S. Treasury from the investment required to implement the program.

My colleague (Mr. MOORHEAD) has outlined some of the aspects of this bill. I would like to stress a few more. The bill is designed to stimulate new American sales abroad, to provide an incentive for American producers to seek out and compete for new market opportunities throughout the world. Simply stated, we want to significantly increase U.S. exports over their present levels. I might add that with a wider market for U.S. goods abroad one can expect an increased opportunity for follow-on services in such areas as spare parts, maintenance contracts, education and training programs, or in engineering and economic consulting. Because we are vitally interested in the expansion of U.S. technological and consultant services abroad, our bill contains a provision that will permit a payment of up to 5 percent of a consulting contract to cover local currency expenses. This offers the foreign consumer an incentive to hire American consultant services which one would expect to have a preference for the application of American goods and services in its studies and recommendations.

Mr. Speaker, we have been concerned that the savings on American products sold abroad under this program will be directly passed on to the foreign consumer. Our proposal, would require that maximum tariff rates charged against U.S. products sold abroad be those rates in effect as of August 1, 1971, nearly 2 weeks prior to the President's announcement of his new economic policies.

While our bill is mainly directly toward utilizing U.S. owned foreign currencies, we have provided in this bill an opportunity for foreign governments indebted to the United States to reduce these debts by crediting their account with those amounts that would otherwise be charged as an import tariff on U.S. goods.

Mr. Speaker, we introduce this bill today with the intention that it will spur on initiatives to sell U.S. products abroad. And with the intent that if the program is adopted, it would be effective retroactively to the date of introduction, November 1, 1971. The retroactive date is written to assure that there will be no holding back by foreign importers in anticipation of a windfall of any sort at a later date should this proposal be enacted. The approach in this case is much akin to that of the retroactive effectiveness of the proposed repeal of Federal excise tax on automobiles. The provision for retroactive effectiveness, I believe, counters any argument that trade could be seriously impeded prior to the implementation of this proposal. And finally, we propose that this program be authorized for a period of 2 years, that it be closely scrutinized in its operation, improved as needed, and thoroughly evaluated by the Congress 2 years hence in order to determine its success or failure and its continuance or elimination.

I am sure that every Member of this body represents a district in which there is some foreign export income—export income which could be significantly increased under this proposal.

This is a bill which will benefit the economic health of the Nation but most importantly this is a bill that will benefit the economic well-being of the American people.

BIOGRAPHICAL SKETCH OF WILLIAM S. BROOMFIELD, MEMBER OF CONGRESS, 18TH DISTRICT OF MICHIGAN

William S. Broomfield, Republican, of Royal Oak, Michigan. Born in Royal Oak on April 28, 1922. Son of Dr. S. C. and the late Fern Taylor Broomfield. Attended the public schools of Royal Oak and Michigan State University. Awarded honorary Doctor of Law, Dongguk University, Seoul, Korea, November 1968. In 1951 married Jane Smith Thompson of Oak Park, Illinois; three daughters: Nancy, Barbara, and stepdaughter Susan Thompson. Member of the First Presbyterian Church of Royal Oak.

Elected to Michigan House of Representatives in 1948 for three terms, and elected Speaker Pro Tem in 1953. Elected to Michigan Senate in 1954. Elected to the 85th Congress on November 6, 1956; re-elected to the 86th, 87th, 88th, 89th, 90th, 91st, and 92nd Congresses. Elected President of the Capitol Hill Club April 1969 (the National Republican Club); Vice Chairman and member of the Executive Board of the National Republican Congressional Committee.

Member of Committee on Foreign Affairs; ranking Republican on Asian and Pacific Affairs Subcommittee; member of the National Security Subcommittee, and the Africa Subcommittee.

INTERNATIONAL ORGANIZATIONS

United States Delegate to the NATO Parliamentarians' Conference held in Paris, 1960. U.S. Delegate to United States-United Kingdom Parliamentary Conference, Bermuda, 1962. U.S. Delegate to Canada-United States Interparliamentary Conference each year from 1961 through 1964, and from 1967 through 1969. Congressional Delegate to the U.S. National Commission for the United States Education, Scientific, and Cultural Organization, Boston, 1961–1962. On September 12, 1967, received Presidential appointment at the recommendation of House Republican leadership to serve as U.S. Ambassador to the 22nd United Nations General Assembly. Appointed Congressional Adviser to the Conference of the Committee on Disarmament in Geneva, Switzerland, March 1970. Officer, Michigan Chapter of the American Red Mogen David for Israel Committee.

FRATERNAL ORGANIZATIONS

Honorary and charter member of Greater Farmington Shrine Club; North Woodward Shrine Club; Berkley Lodge No. 536, F. & A. M.; Royal Oak Chapter No. 167, R.A.M.; Pontiac Commandery No. 2, Moslem Temple of Detroit. Independent Order of Odd Fellows, Berkley Lodge No. 436 IOOF; Fraternal Order of Elks, Clawson-Troy Lodge No. 2169.

SERVICE ORGANIZATIONS

Life member of Optimist International; Greater North Woodward Optimist Club; Royal Oak Hi-Twelve Club; Berkley Lions Club. Honorary member of Royal Oak Kiwanis Club and the Metropolitan Club of America, Spirit 22; Royal Oak Chamber of Commerce (1968 received distinguished service award for being appointed U.S. Ambassador to the UN 22nd General Assembly from the Chamber); Young Men's Christian Association, South Oakland Branch; Michigan Cystic Fibrosis Association; Charter member of Boy Scouts of America, Royal Oak Troop 1607.

VETERANS ORGANIZATIONS

American Legion, Frank Wendtland Post 253. Life membership in American Legion, John F. Kennedy Memorial Post 109.

OPINIONS OF CONSTITUENTS IN SOUTHWEST MISSOURI

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

Mr. HALL. Mr. Speaker, on August 15, 1971, I mailed 171,000 questionnaires to the people of the Seventh Congressional District of Missouri. It was my desire to ascertain their opinion on some of the important issues of the day. I am pleased to report that more than 25,000 returned their ballots.

This past week we completed our tabulation, and I offer herewith a summary of the opinions of my constituents in southwest Missouri, for general information:

OPINIONS OF CONSTITUENTS IN SOUTHWEST MISSOURI

Congressman Durward G. Hall today released the results of the national affairs questionnaire that he mailed to every resident of the Missouri Seventh Congressional District last August 15th.

The Congressman said that he was gratified by the response in that 25,885 persons participated in the poll and shared with him their views on many of the important issues of the day, some of which will be brought up for debate and subsequent vote in the House of Representatives.

The opinion cards were designed as to permit two members of a household to participate and the returns indicated that 70 percent of the cards were utilized by more than one person. Male participation ran slightly ahead of female participation by 51 percent to 49 percent.

The largest number of ballots (34 percent), were returned by those who checked the 45 to 64 age bracket. Individuals age 65 and over accounted for 23 percent of the returns. The lowest percentage (3%), was in the 18 to 20 age group.

53 percent of the participants declared their political preference to be Republican. 18 percent said they were Democrat, and 23 percent listed themselves as independents. 6 percent of the returned cards gave no political preference.

The poll indicated that Southwest Missourians are *strongly* opposed to the *guaranteed annual wage provision* contained in the Welfare Reform bill (H.R. 1), recently passed by the House. The legislation, which is now before the Senate Finance Committee, states that a family of four will receive an annual income of $2,400 ($800 for the first two members of a family, $400 for the next three) *whether a member of that family works or not*. 70 percent of those polled said they were against such legislation.

The President's temporary 90 day *wage and price freeze* was announced at the end of the polling period. Almost all of the cards had been returned prior to his nationwide TV broadcast. Be that as it may, on the economic question, 49 percent favored wage and price controls. 41 percent thought the Government should *reduce* spending (many indicated they like a combination of both), and only 4 percent said they preferred that the Government *increase* spending.

Mr. Nixon's Vietnam policy received solid support. 56 percent of those who returned opinion ballots approved of the President's phased withdrawal plan. 26 percent said they would like immediate and complete withdrawal, while 14 percent checked that they would prefer for Mr. Nixon to set a future date for total troop withdrawal. Although the question was not asked, a considerable number of people wrote on their cards that they would like the United States to make an all out effort to win the war in Vietnam.

Seven District residents showed that they harbor a considerable amount of suspicion in regard to trade relations with Red China and other Communist nations. Only 35 percent favored such trade while 48 percent said they would rather not. 16 percent of the people said that they were undecided on the question.

A federally operated catastrophic health insurance program received less than favorable reaction. 49 percent of those who returned the questionnaires said that they did not approve of such a program, financed by employer and employee contributions. 33 percent indicated that they liked such a plan. 16 percent were undecided.

An interesting divergence to the health question was in the 18 to 20 year old group. 57 percent of that age bracket said that they approved of such a program.

The opinion poll question that received the strongest reaction dealt with permitting persons on strike to receive Federal food stamps. 86 percent replied no! Only 10 percent showed approval and 4 percent were undecided. Opposition to this question ranged from 95 percent disapproval by those age 65 and over, to 68 percent of those in the 21 to 24 year old group.

To help determine what residents of the Seventh Congressional District considered the order of importance of our national priorities to be, the question was asked: Should Federal spending be increased, decreased, or kept as is on a specified list.

Crime and drug control received the most favorable response with 79 percent indicating that they thought spending should be increased in both categories. Third ranked was pollution control (65 percent), followed by education (40 percent), national defense (30 percent), 40 percent wanted defense spending kept as is, housing was next with 21 percent, and space and welfare came last. Only 9 percent of those who answered the poll indicated that spending should be increased for either space exploration or welfare payments. 67 percent of the replies stated that spending should be decreased for welfare. 61 percent thought spending should be decreased for space exploration.

Many who replied to the questionnaire said that they thought that it was not how much money was spent for a given project—rather how it was spent. Many others said that they did not think that the Federal Government should involve itself in housing.

Congressman Hall said, "In addition to the opinion cards, I received a substantial number of letters from individuals who wished to further expand their views. Some wrote lengthy letters. They indicated that some of the questions were too complex to be answered by a simple yes or no. However, it must be remembered, when it comes time for me to cast my vote in the House of Representatives, I must either vote yea, or nay. I cannot vote "Yes, if," or "No, unless!" in each piece of legislation, I must weigh the good against the bad, and then vote accordingly."

Congressman Hall continued, "I am certainly grateful to the almost 26,000 residents of the seventh congressional district who replied to my questionnaire. This is truly the representative process, communication between the electorate and the elected, the sharing of views with the common goal, a greater republic."

MISSOURI 7TH CONGRESSIONAL DISTRICT PUBLIC OPINION POLL—(TOTAL NUMBER OF PARTICIPANTS, 25,885)

[In percent]

Age of participants:	
18 to 20	3
21 to 24	7
25 to 34	16
35 to 44	15
45 to 64	34
65 plus	23
No answer	2
Participants grouped by sex:	
Male	51
Female	49
Political preference:	
Republican	53
Democrat	17
Independent	23
No answer	8

PARTY PREFERENCE BY AGE AND SEX

Age	Republican	Democrat	Independent	No answer	Male	Female
18 to 20	39	9	48	4	39	61
21 to 24	31	14	49	7	41	59
25 to 34	45	21	29	4	54	46
35 to 44	50	19	26	5	55	45
45 to 64	50	21	21	8	49	51
65 plus	75	13	9	3	54	46

GENERAL QUESTIONS

1. One of the provisions of the welfare bill recently passed by the House of Representatives guarantees an annual income of $2,400 per year to a family of 4. Do you agree with this provision?

	Total	Republican	Democrat	Independent	Male	Female
Yes	21	19	24	27	20	22
No	70	71	68	62	72	67
Undecided	8	8	8	9	8	10
No answer	1	1	0	2	1	1
ANSWERS BY AGE GROUP	18-20	21-24	25-34	35-44	45-64	65 plus
Yes	35	42	23	18	17	21
No	57	49	71	73	77	64
Undecided	9	8	6	8	6	12
No answer	0	0	0	1	0	4

2. In order to help the U.S. economy, what should the Federal Government do? Impose wage and price controls; reduce Government spending; increase Government spending.

	Total	Republican	Democrat	Independent	Male	Female
Impose controls	49	51	50	48	52	46
Reduce spending	41	43	34	41	38	45
Increase spending	4	1	8	7	3	4
No answer	6	5	8	5	7	5
ANSWERS BY AGE GROUP	18-20	21-24	25-34	35-44	45-64	65 plus
Impose controls	57	49	50	47	49	49
Reduce spending	39	36	41	42	41	45
Increase spending	4	7	4	5	5	1
No answer	0	8	5	6	5	5

3. What do you think the United States' course of action should be concerning the Vietnam conflict? Continue with President Nixon's Vietnamization and phased withdrawal; immediate and complete withdrawal of all U.S. troops; publicly set a future date by which all U.S. troops will be withdrawn?

	Total	Republican	Democrat	Independent	Male	Female
President's policy	56	68	39	43	54	56
Immediate withdrawal	26	19	41	30	28	26
Publicly set a date	14	11	18	20	14	14
No answer	4	2	2	7	4	4
ANSWERS BY AGE GROUP	18-20	21-24	25-34	35-44	45-64	65 plus
President's policy	39	41	48	58	55	72
Immediate withdrawal	39	22	22	27	31	18
Publicly set a date	13	36	22	12	12	9
No answer	9	1	8	3	2	1

4. Do you think that the United States should expand its domestic and trade relations with Communist countries including Red China?

	Total	Republican	Democrat	Independent	Male	Female
Yes	35	37	35	29	40	30
No	48	45	51	54	46	50
Undecided	16	18	14	16	13	19
No answer	0	0	0	1	1	1

	Total	Republican	Democrat	Independent	Male	Female
ANSWERS BY AGE GROUP	18-20	21-24	25-34	35-44	45-64	65 plus
Yes	48	39	24	29	37	40
No	39	41	60	55	49	38
Undecided	13	20	16	15	13	22
No answer	0	0	0	1	1	0

5. Would you favor a Federally operated catastrophic illness and injury program financed by employer and employee contributions?

	Total	Republican	Democrat	Independent	Male	Female
Yes	33	31	32	41	34	32
No	49	52	46	39	49	48
Undecided	16	16	19	18	14	19
No answer	2	1	3	2	3	1
ANSWERS BY AGE GROUP	18-20	21-24	25-34	35-44	45-64	65 plus
Yes	57	39	29	28	33	34
No	26	41	54	53	5	45
Undecided	17	20	16	15	10	19
No answer	0	0	1	4	5	2

6. Should persons who voluntarily strike be entitled to Federal food stamps?

	Total	Republican	Democrat	Independent	Male	Female
Yes	10	3	23	15	9	10
No	86	95	74	78	87	86
Undecided	4	2	4	7	3	4
No answer	0	0	1	0	1	0
ANSWERS BY AGE GROUP	18-20	21-24	25-34	35-44	45-64	65 plus
Yes	9	25	14	12	9	2
No	87	68	82	85	87	95
Undecided	4	7	4	3	4	3
No answer	0	0	2	0	0	0

7. To help determine what you think our national priorities should be indicate whether you thin that Federal spending should be increased, decreased, or kept as is in the following categories.

	Increased	Decreased	Kept as is	No answer
Crime	79	7	12	7
Drug control	79	5	14	2
Pollution	65	8	24	3
Education	40	16	41	3
National defense	30	27	40	8
Housing	21	39	36	3
Space	9	61	27	2
Welfare	9	67	22	2

LYNDON BAINES JOHNSON—PRESIDENT OF THE UNITED STATES, AND AUTHOR

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, as time goes by those of us who knew L. B. J. best during his years of service to the American people have come to a keener realization that his courage, skill, and wisdom were superlative to an extent probably not yet fully appreciated by the man in the street. His book that goes on public sale today entitled, "The Vantage Point: Perspectives of the Presidency, 1963–69," further illuminates the excellence of the Johnson administration. But the President does not presume to write the definitive history of his period, he tells us only how it looked from his very special vantage point. President Johnson's book should indeed be a reference work in every library in the land and on the bookshelves of every studious American. To give a balanced picture, I am setting forth here two opinions, the first by James MacGregor Burns—Washington Post, October 28, 1971—a prominent historian, and the second, by John P. Roche—Book of the Month Club Review—a no less distinguished professor of history. We are all indebted to President Johnson for his meticulous, sincere, and forthright exposition of his years in the Presidency.

Lyndon Baines Johnson has been, all of his life, a dedicated, patriotic, civic-minded American, loyal to family and friends.

The articles follow:

THE PRESIDENCY AS L. B. J. SAW IT

(Reviewed by James MacGregor Burns*)

(The Vantage Point: Perspectives of the Presidency, 1963–1969. By Lyndon Baines Johnson.)

This is Lyndon Johnson's book. He makes no pretense to objectivity—this is the presidency as he saw it during the turbulent Sixties. It is the memoir one hoped he would write—candid, intensely personal, sometimes passionate. While he seems to hold himself on a short tether, with praise for many and blame for few, both the exultation and the bitterness break to the surface as he portrays the triumphs and frustrations of his five years in the White House.

As a personal document it is also a tribute to Lady Bird, who on this showing (and others) emerges as the most effective and important First Lady in this century, save for Eleanor Roosevelt. Anyone who doubts her influence on her husband need only consult on page 93, the remarkable memorandum she gave him in May, 1964, on the question of whether he should run for a full term. Her conclusion: "Stay in." She warned him that the going would be rough, that he must pace himself, that after another term he would still be only a "mellow 60," and if he lost in November "it's all settled anyway"—and pretty soon they would have grandchildren.

Doubtless Johnson would have run in any event since he was absolutely committed to a big domestic program. Perhaps the most eloquent two pages in the book are not in the words of Lyndon Johnson but a list, in the front end pages, of the "landmark" legislative achievements of his presidency. "I remember all 207 of those laws," the former President now writes, "and the work and the worry that went into them . . . They were the tools with which we cleared up the old agenda and began work on the agenda of the future . . ."

If these constituted the triumph of his administration, Vietnam certainly was the tragedy. Johnson does not slight this part of the story; it runs like a dark skein all through the book. He describes day by day, sometimes hour by hour, the stupendous pressures that mounted on him as the nation became more and more fixed in the quagmire. Much of this he reports with an air of incredulity and of indignation—incredulity that Hanoi could continue to reject his peace offers with such implacable hostility (in an appendix he lists 72 peace initiatives that he accuses Hanoi of rejecting), and indignation that American doves could follow a "double standard" in assessing American and Communist behavior. That double standard, the former President argues, decisively impaired the possibility of real negotiation and thus lengthened the war.

Like other controversial Presidents, Lyndon Johnson says that he is willing to await the verdict of history. How will historians of the future rate this leader? They will, I think, puzzle over the difference in the strategy of Johnson the domestic reformer and Johnson the foreign and defense policy maker.

The first Johnson was the brilliant legislative leader fighting at the head of his troops. "A President cannot ask the Congress to take a risk he will not take himself," Johnson says in his book. "He must be the combat general in the front lines, constantly exposing his flanks." He gave the fight for his domestic program everything he had, he says, in prestige and power. On the civil rights bill especially he decided to "shove in all my stack," despite the advice of some of his advisers and staff members. During the middle years of his presidency he found that to exert leadership did not mean using up the resources of leadership; on the contrary, he went on from victory to victory, shoving in all his stack each time.

The basis of this success lay in the majority that Johnson planned to mobilize in 1964 and in the power that was his after the majority had been mobilized and a decisive victory scored over Barry Goldwater. While the President courted and played with politicians all across the political spectrum, and while he paid obeisance to "bipartisan politics," in fact he depended on a broad coalition of liberals and laborites bunched toward the left end of the continuum. Like Jefferson and other strong Presidents, he was essentially a partisan, appealing to a huge constituency of the poor, labor, Negroes, and others who needed his leadership and his help.

The second Johnson was the bipartisan mobilizer of consensus. One of the troubles with the politics of consensus is that the idea is not very clear. Does it mean trying to represent all the people, or both parties, or all the major groups, or the combined congressional and executive leadership in Washington? Does it mean one cannot act without clearing policy with all the major leaders, in both parties? Or is it essentially symbolic, a kind of rallying cry for patriots or a comfortable banner for those who hate the divisiveness of democratic politics? Johnson feels that his approach to consensus was misunderstood. It was not, he said, a search for the lowest common denominator, for that almost invariably would lead to inaction. Rather consensus meant deciding what needed to be done, "regardless of political implications," and then convincing a majority of Congress and the American people of the necessity for doing what needed to be done.

Now that is a definition of leadership, not consensus. In fact the President followed that policy in domestic policy-making, but not in foreign, especially in Vietnam. As foreign policy maker he made a fetish of clearing decisions with Everett Dirksen and a wide range of congressional leadership. In his Vietnam policy particularly he followed a kind of lowest common denominator. He pursued a middle way between doves and hawks, between those demanding escalation and those endlessly calling for bombing halts and negotiations. The middle way failed to work against the set strategy of Hanoi. And most ironic of all, the consensus strategy of this President who wanted to represent all the people left the nation more divided than it had been since the days of Bryan or perhaps even Lincoln.

One trouble with the strategy of bipartisan consensus is that it can inhibit policy rather than widen options. The most poignant aspect of this book is its portrait of a desperate, well-meaning man trying every tactical method, every channel of communication, every kind of minor concession, to win Hanoi's agreement to some kind of negotiations. The President never seemed to recognize that it was just as impossible for the North Vietnamese to give up the struggle in South Vietnam as it was for the Americans to quit the struggle and go home. Hanoi had a public opinion problem too; after countless years of battle and bloodshed the Communists could not give up their effort to take over South Vietnam through invasion or subversion.

Johnson perceived quite rightly that any kind of coalition government that Hanoi would accept was bound to deliver the South Vietnamese into its hands sooner or later. But the President did not seem to feel that he had the latitude to try in his Indo-China policy the kinds of imaginative and daring alternatives that he had employed so successfully on the domestic front. Some observers, for example, had been urging for years that the United States foster a repartition of South Vietnam, yielding the Communists northern, upland and inland sectors, so that Hanoi might conclude that it could give up the struggle and still claim victory. There is no indication in this volume that the President tried this or other possible alternatives. Rather he was stuck with the policies of repeated bombing pauses, efforts to get negotiations started, and other tactical ploys that—we know now, and many knew at the time—never had a chance of succeeding.

It is largely because of Vietnam, I think, that the President concludes his book with the query as to whether he got too far out ahead of his troops, tried to move too far and too fast, gave the American people insufficient breathing spells. He even comes out for a six-year, nonrepeatable term for Presidents, as though he had concluded that a President of all the people could do best if he did not have to win the endorsement of a majority of the people. He believes that he would have won re-election if he had stood again in 1968—but concedes that he would have lacked the kind of broad support necessary to an effective presidency.

One thinks of Harry Truman, who did not let his minority status and powerful enemies stop him from undertaking audacious aid programs abroad and civil rights efforts at home. Perhaps the chief lesson of Lyndon Johnson's book for Democrats in the 1970s is that the next Democratic President should take a partisan stance in both his domestic and foreign policies. Bipartisanship is essentially another form of gradualism and easily leads to paralysis of politics and policy. The tactics of consensus may sometimes help gain support for policies, but it should not be followed as an end in itself.

Still, there is much more in this book than

*NOTE.—The reviewer is professor of political science at Williams College and author of "Roosevelt; The Soldier of Freedom."

the agony of Vietnam and the dilemmas of democratic politics. A picture emerges of a dedicated, compassionate and committed President—a portrait that I think will long survive the distortions of the last decade. Two of the author's observations will stick in my mind for a long time. One is his conclusion that "Politics goes beyond the art of the possible. It is the art of making possible what seems impossible." In domestic affairs and in many foreign accomplishments the President embodied that notion. The second is his reflection, on returning home for good to his beloved hill country, that he could hardly believe that he had shared the power and splendor of the presidency. "But on this night I knew I had been there. And I knew also that I had given it everything that was in me." And he had.

LYNDON BAINES JOHNSON

(By John P. Roche)

For about three years now—ever since he left the White House—the decisions of President Lyndon Baines Johnson have been the subject of intensive amateur research and polemical dispute. The focus has, of course, been Vietnam, and the purpose has been to make it possible for liberal Democrats to escape responsibility for an unpopular, protracted war. The main theme, especially since the publication in various newspapers of the so-called Pentagon Papers, has been that Lyndon Johnson, with superhuman cunning and diabolical design, tricked everybody. It is hard to go anywhere in Washington these days without encountering a Senator announcing to all and sundry that he was just a poor, barefoot innocent who was gulled by that Machiavelli in the White House.

Those of us who respect the wisdom of the American voter may wonder how the electorate will respond to these advertisements of alleged incompetence by its spokesmen, but far more important for our purposes here is the fact that there have been three huge gaps in all the published accounts to date: the views of the President, of the Secretary of State and of the Secretary of Defense. The publication thus resembles a performance of *Hamlet* without the Prince, Laertes and King Claudius. The Pentagon Papers under close analysis turn out to be mostly the memoranda of lower-echelon advisers and bureaucrats. A number of bureaucrats have on occasion thought they were President of the United States, but the cold truth is that there is only one President in town. And nobody makes his decisions for him.

This was particularly true of Lyndon Johnson. As one who watched him at close range for more than two years, I never ceased to wonder at his mastery of intricate detail. Indeed, much of his reputation for imperiousness arose, in my judgment, from the fact that he knew too much. Watching him go through a budget briefing with a Cabinet Secretary was an amazing experience. One striking instance comes to mind: a Secretary was due to testify before the Senate Appropriations Sub-Committee in charge of his budget, and Johnson had him over to discuss the presentation.

After half an hour it was clear that the Secretary had only the vaguest notion of what was in the budget, who was on the Sub-Committee and, perhaps most important, what hobbies the latter cherished. For three hours the President led his Cabinet member through the budget, pointing out which Senators were particularly concerned about various sections, what bean-balls might be thrown, and how to take a polite dive on unresolved controversies. The Secretary went back to his barony and denounced the President as a bully. The President sadly suggested to the Director of the Bureau of the Budget that the Secretary's next budget include a Seeing-Eye Dog.

Fortunately for posterity President Johnson had a strong sense of history and a profound distrust of memory as a source of fact. From the outset of his Congressional career he therefore saved everything—documents, transcripts of meetings, records of vital phone conversations and a wide array of less useful materials. This aroused a certain amount of genial amusement among his staff (one wit mounted and sent to the archives a toothpick the President used to spear an hors d'oeuvre), but in overall terms Johnson's passion for the record will provide an invaluable source for historians attempting to make sense out of the turbulent 1960s.

The first installment of Lyndon Johnson's commentary on his political world certainly confirms his wisdom as a collector of primary sources. *The Vantage Point: Perspectives of the Presidency, 1963–69* provides a remarkable, if not unique, inside view of the work, the joys, the complexities and the frustrations of the man in the Oval Office. As the title indicates, it does not pretend to be a definitive history of the period, but it will be indispensable for anyone who tries to come to grips in a clear-eyed, systematic fashion with the Era of Dissensus. If one looks at the 1960s in a clinical fashion, he finds that the United States was shaken by three simultaneous, major political earthquakes: the civil rights movement, the upsurge of youth and antiwar militance. The fault-lines of these three quakes intersected under the White House.

To put it another way, it was Lyndon Johnson's fate to be President at a time when the remarkable consensus that dominated American politics from the end of World War II through the Eisenhower years began to come apart at the seams. To say this is not to suggest that one should feel sorry for him—the Presidency, after all, is a job limited to volunteers. It is rather to indicate that Johnson became President just as the principles that had dominated American political life for a generation began to be challenged. And the conditions under which he assumed the job were hardly auspicious—one of the most gripping chapters in *The Vantage Point* deals simply and movingly with that baleful day in Dallas.

Now the time has perhaps come to make a critical distinction. What the former President has done in this book is set out with convincing documentation his responses to the crises of his Administration. It is a book by a strong man with vigorous convictions who tried to do, as he would put it, "what was right." Obviously one may disagree with any number of his conclusions: segregationists will denounce his civil rights initiatives; the new isolationists will scorn his opposition to aggression in Vietnam; conservatives will deplore his war on poverty, aid to education, and Medicare; and pro-Arabs will excorciate his support for the Israelis.

But before the critics get too far into their act (and it might be noted that this is the only volume in history that had seven adverse reviews before the first chapter was written) they had better do their homework. It is one thing to attack Johnson for what he did; it is quite a different matter when he is assaulted for fictitious offenses. One hates to dwell on Vietnam—particularly when there are so many other fascinating topics in the book—but it does present the classic example of historical misrepresentation confronted by mere facts. There are five chapters in *The Vantage Point* on the course of our intervention in Southeast Asia, and it is fair to say that they make mincemeat out of the demonologists who have dominated the bookstalls these last few years.

Ironically, in the light of later events, Johnson's problem was that in 1964–65 he refused to fly with the hawks, while in 1967–68 he would not coo with the doves. At a time when all hands were gung-ho (in 1965 David Halberstam of *The New York Times*, later an ardent dove, wrote that South Vietnam was "perhaps one of only five or six nations in the world that are truly vital to U.S. interests," and Neil Sheehan, also of *The New York Times*, had already announced that the "fall of Southeast Asia because of an American defeat in Vietnam would amount to a strategic disaster of the first magnitude"), the President was extremely cautious. As *The Vantage Point* amply documents, he, Dean Rusk and Robert McNamara were trying to maintain a low silhouette, doing everything in their power to avoid a great power confrontation.

However, by 1967, partly because the President had never built Vietnam into a major crisis, the American people and a number of their elected spokesmen began to tire of a long march. Johnson, who had been preparing his defenses against a right-wing attack for what they called his "No Win" strategy—Goldwater had received 27 million votes in 1964—suddenly found himself flanked on the left by a weird combination of authentic pacifists, Hanoi hawks (who were rooting for the Communists), liberal isolationists who wanted to save the ghettos at the cost of abandoning the world, upper-middle-class college students who felt that the authority principle was a violation of their uniqueness, and a few Southern Democrats who simply extrapolated their view of the Negro upon the non-whites of Southeast Asia.

What did the great "wheeler-dealer" do? Find out where the crowd was going so he could lead it? No. In a way that would be described as doggedly idealistic in another man, and which certainly can be designated non-political in the usual sense of the term, Lyndon Johnson stuck to his convictions. He was not going to start a general war; he was not going to "tuck tail and run." Between these two polar positions he labored—and anguished—day and night trying to end a war he never wanted in such a way that he could still look at himself in the mirror. He failed to find the solution—perhaps because it never existed.

Like most of us, President Lyndon Johnson could not walk on the water. Unlike his critics, who specialize in 20-20 hindsight, he was approaching history head-on in search of decisions, not footnotes. *The Vantage Point* is the narrative of his journey, the candid analysis of a trip through the rapids by one of the most complex, most intelligent men I have ever known. The ultimate historical verdict on Johnson's stewardship is hidden in the future, but his book provides intriguing insight into the decisions and policies of a decade. At the fundamental level it is, paradoxically enough, the autobiography of a man who would rather be right than President.

SUSAN B. ANTHONY

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. HALPERN) is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, I rise in support of my bill, to provide congressional recognition of the American woman's role in our Nation's history. Specifically, my bill calls for the issuance of a new Federal Reserve note to be graced with the portrait of Susan B. Anthony, one of the great champions of women's rights and an active pre-Civil War abolitionist.

Backing this proposal is no less than 25 women's organizations representing some 50 million women in this country,

32 of my colleagues here in the House and 17 State Governors.

I expect there may be some who will charge that this bill represents a patronizing attempt on the part of 32 Members of Congress to produce a milksop for satisfying the demands of many millions of American women who are challenging the very basic concepts of their role in society.

Mr. Speaker, nothing could be further from the truth. This bill was introduced for the same reason that any similar legislation is brought before this body—to honor a person who deserves national recognition.

Despite the fact that there have been thousands of women who have served their country officially and unofficially, including the position of Treasurer of the United States, it struck me that only one woman—Martha Washington—has ever been honored formally by having her portrait on the Nation's currency.

After extensive research, I was surprised at the number of women who have made major contributions to our society. Indeed, I would have been hard pressed to prepare as long a list of men who have made major contributions to our Nation.

I took my list around to my colleagues and to many who are in the front line of women's rights advocacy and I asked them "Who shall we pick?" The answers were varied but it became very clear to us that Susan B. Anthony holds a special position—she represented all women who either had contributed or wanted to contribute to our Nation's well-being.

Inasmuch as we now see modern woman taking her rightful place next to modern man in all segments of society, Susan B. Anthony seemed an even more appropriate symbol of women's role, women's rights, and women's liberation.

I have heard among my male counterparts a great number of quiet comments about women's liberation. As with any movement that has not reached a popular peak, these comments dwell on the extremes, without considering the true basis. It is great sport to discuss the burning of bras and the humorous aspects of a sexless society. But these same comments are to me on an identical level with comments of past years—comments directed at the "Black Sambo" and "Aunt Jemina" before the civil rights revolution, comments directed at the "Abbies" and the rabbis before Auschwitz and the Nazi extremes.

Yes, gentlemen of this distinguished body, we are all guilty of our subtle comments. But do we look to see if one of our able distaff colleagues is present before we make them? Did you use your Black Sambo jokes in the presence of a black man? Your talk about Abbie and rabbi in the presence of your Jewish colleagues? And so on.

We, too, are guilty of treating today's woman with the same subtle—or not so subtle—humor that we have treated most of our Nation's minorities. But is it less funny? Indeed, it has become crude in most circles, just as "Abbie" and "Black Sambo."

One of the reasons why I applauded the demise of TV cigarette commercials is that I no longer had to see and hear the ad which said "You've come a long way, Baby!" While I think this is a true conclusion, as applied to the external habits and dress of modern American women, I could not help but feel that it was a patronizing and a very surface conclusion.

Yes, today's female in our society can dress and act pretty much as she wants. But this begs the real question. Can she earn what she's worth? Can she get the job in the first place? Can she avoid the stereotypes put on her by society in her youngest years? These are the basic questions and I must agree with my friends in the movement when they say "No." Even today's woman cannot really do what she is able to do. Like the discrimination against the Jews, against Negroes, and against other segments of this society the woman is faced with barriers.

We in the Congress must take affirmative steps to overcome these stereotypes and barriers. For example, why should not women constitute one-half of the delegates in the convention nominating our Presidential candidates? Why is not this Congress composed of more representatives who truly reflect 53 percent of our society?

I am sure that Susan B. Anthony would be asking the same questions today, because she was asking them many decades ago. This is why I am proposing that she be honored by the Congress. This is why it is fitting and proper. But such recognition is only that. It cannot replace the affirmative actions which still remain for us to support and enact if true equality for all Americans is to exist.

The items follows:

H.R. 11515

A bill to provide for the issuance of two-dollar bills bearing the portrait of Susan B. Anthony

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in addition to such other currency as he is authorized to issue on the date of enactment of this Act, the Secretary of the Treasury is directed to issue United States currency in the denomination of two dollars and bearing the portrait of Susan B. Anthony in such form and design as the Secretary may determine appropriate.

COSPONSORS OF TWO-DOLLAR BILL

1. Shirley Chisholm (D-N.Y.).
2. Louise Day Hicks (D–Mass.).
3. John Duncan (R-Tenn.).
4. Brad Morse (R.-Mass.).
5. Augustus Hawkins (D-Calif.).
6. Les Aspin (D-Wis.).
7. Michael Harrington (D-Mass.).
8. Claude Pepper (D-Fla.).
9. Frank Horton (R-N.Y.).
10. Spark Matsunaga (D-Hawaii).
11. Mario Biaggi (D-N.Y.).
12. Bella Abzug (D.-N.Y.).
13. Benjamin Rosenthal (D.-N.Y.).
14. James Burke (D-Mass.).
15. John Dow (D-N.Y.).
16. Bill Ryan (D-N.Y.).
17. Ed Koch (D-N.Y.).
18. George Collins (D-Ill.).
19. Walter Jones (D-N.C.).
20. Ray Madden (D-Ind.).
21. Edward Roybal (D-Calif.).
22. William Andersen (D-Tenn.).
23. Bill Alexander (D-Ark.).
24. William Hathaway (D-Maine).
25. Peter Rodino (D-N.J.).
26. Nick Begich (D-Alaska).
27. Donald Fraser (D-Minn.).
28. Robert Nix (D-Pa.).
29. James Scheuer (D-N.Y.).
30. Larry Coughlin (R-Pa.).
31. Frank Brasco (D-N.Y.).
32. Romano Mazzoli (D-Ky.).

GOVERNORS WHO SUPPORT PROPOSED BILL

1. Dale Bumpers—Arkansas.
2. John Burns—Hawaii.
3. Milton Shapp—Pennsylvania.
4. Milton Hathaway—Wyoming.
5. Kenneth Curtis—Maine.
6. Robert Docking—Kansas.
7. Wendell Anderson—Minnesota
3. William G. Milliken—Michigan.
9. Francis W. Sargent—Massachusetts.
10. Russell W. Peterson—Delaware.
11. Preston Smith—Texas.
12. Jimmy Carter—Georgia.
13 Calvin Rampton—Utah.
14. John C. West—South Carolina.
15. Patrick Lucey—Wisconsin.
16. Arch A. Moore, Jr.—West Virginia.
17. Nelson Rockefeller—New York.

WOMEN'S ORGANIZATIONS WHO SUPPORT THE PROPOSED BILL

1. National Council of Women (23 million women.
2. American Business Women's Association.
3. National Federation of Republican Women.
4. Federation of Jewish Women's Organizations.
5. National Council of Catholic Women.
6. American Baptist Women.
7. National Association of Women Artists.
8. Women United for the United Nations.
9. American Association for Health, Physical Education & Recreation.
10. National Council of Administrative Women in Education.
11. Women World War Veterans (2nd).
12. Association for Women's Active Return to Education.
13. International Association of Women Police.
14. Chinese Women's Association, Inc.
15. American Mothers' Committee, Inc.
16. Federation of Women Shareholders in American Business.
17. Women Strike for Peace.
18. National Association of Negro Business and Professional Women's Club, Inc.
19. B'nai B'rith Women
20. American Medical Women's Association, Inc.
21. Association of American Women Dentists.
22. Unitarian Universalist Women's Federation.
23. Women's Overseas Service League.
24. National Women's Conference of the American Ethical Union.
25. National Association of Women Deans and Counselors.
26. Women's Veterinary Medical Association.

A TRIBUTE TO SUSAN B. ANTHONY

The struggle for equality under law in the United States has never had a stronger champion than Susan B. Anthony, one of the outstanding American reformers of the nineteenth century. Born in Massachusetts, during the administration of James Monroe, she moved with her family to Rochester, New York, and there, in her adult years, made the acquaintance of numerous social and political reformers of the time.

Rochester was the place of publication of *The North Star,* an anti-slavery journal

edited by Frederick Douglass, a former slave and the best known abolitionist in all America. *The North Star* had the backing of one of the most effective Female Anti-Slavery Societies in existence. The so-called "Rochester Group," formed in 1835, included such outstanding Abolitionists as Elizabeth Cady Stanton, Sojourner Truth, Sallie Holley, Amy Post, and Mrs. Samuel D. Porter. All were militant reformers, but none more so than Susan B. Anthony, who became their leader.

In those times "that try women's souls," as she wrote in a letter to a friend, Susan Anthony was soon driving herself hard, accepting chairmanship of the American Anti-Slavery Society in New York State, and speaking to audiences everywhere, many of them hostile to her cause. In the fight against slavery she made the acquaintance of William Lloyd Garrison and Wendell Phillips, and took their slogan as her own "No Union with slaveholders."

Following the Civil War, she was one of the first to advocate Negro suffrage, and when the Fourteenth Amendment came up for consideration, she took the position that women, too, should have the franchise. When this was not provided for, under the terms of the Amendment, she assisted in organizing the National Woman Suffrage Association, dedicated to securing voting rights for women, and agreed to serve as Chairman of the organization's Executive Committee.

Any chronological record of Susan Anthony's life would be largely one of lecture tours and the direction of campaigns in one State after another. But she was not merely an orator or an executive. Testing the validity of the voting laws of 1872, she and 50 female associates voted in the Presidential election of that year and were arrested for breaking the law. In a staggering display of male chauvinism, the judge in her case delivered a written opinion, drawn up *before* the trial had taken place, which directed the jury to bring in a verdict of guilty. In the face of objections on the part of Miss Anthony's counsel, the judge also refused to permit the polling of the jury, and decided the case on his own, imposing a fine of $100, which Miss Anthony flatly refused to pay.

In 1892, Miss Anthony was elected President of the National American Woman Suffrage Association, which post she held until her 70th year. Throughout the many years of her strenuous career, she was ever in the forefront of the struggle for equal rights and equal opportunity. An outstanding American reformer in every meaning of the term, she deserves the compliment implicit in the printing of her portrait on American currency.

END OF THE FREE ECONOMY

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 10 minutes.

Mr. CRANE. Mr. Speaker, there has been increasing discussion in our country about the need for governmental controls upon the economy. These policies have been urged by many who previously opposed every concept of a regimented economy, and in many instances businessmen, those who might be expected to oppose such control and regimentation, have either silently accepted such control or have vocally endorsed and supported it.

Few of those who have endorsed a Government-controlled economy seem to have considered the intrinsic link between economic freedom and political freedom. Many seem to believe that it is possible to lose our economic freedom while remaining free in other aspects of our lives. Such a view is illogical, and seems contrary to the facts of history.

In his important volume, "Capitalism and Freedom," Prof. Milton Friedman points out:

The kind of economic organization that provides economic freedom directly; namely, competitive capitalism, also promotes political freedom because it separates economic power from political power and in this way enables the one to offset the other.

Professor Friedman notes:

Political freedom means the absence of coercion of a man by his fellow men. The fundamental threat to freedom is power to coerce, be it in the hands of a monarch, a dictator, an oligarchy, or a momentary majority. The preservation of freedom requires the elimination of such concentration of power to the fullest possible extent and the dispersal and distribution of whatever power cannot be eliminated—a system of checks and balances. By removing the organization of economic activity from the control of political authority, the market eliminates this source of coercive power. It enables economic strength to be a check to political power rather than a reinforcement.

Many Americans are concerned with the apparent drift of our economy toward one of governmental control. In a recent letter Mr. John R. Montgomery III, president of the Lakeside Bank in Chicago pointed out:

I was very disappointed with President Nixon's announcement of Phase II of his Economic Game Plan; maybe frightened would be a better word. Kiplinger and the president of the First Pennsylvania Bank have both said recently to prepare ourselves for controls which will last for "the rest of our natural lives." The prospect of long-term controls over our free market economy is repugnant. Such an extension of governmental bureaucracy would effectively throttle business' interest in risk-taking. History has proven that the most rapid technological advances occur in a free market economy where the prospect of reward is commensurate with the magnitude of risk undertaken.

Mr. Montgomery writes:

Looking at controls from a short-range vantage point only, there would appear to be an undeniable hypocrisy underlying this economic scheme. Business, labor and consumers generally are being asked to sacrifice in the name of patriotism to combat inflation. This is certainly a worthy goal and there is no question but that increases in wages and in some prices have clearly fueled the fires of inflation. However, the root cause of inflation has been excessive government spending at a time when the economy was at full employment. Now we are all being asked to pay the price for that excess and restrain ourselves while at the same time the Federal Government is preparing to run a deficit in the current fiscal year to exceed $30 million. This will be the largest peacetime deficit in our history, a deficit that can no longer be rationalized on a full employment concept, but which has to be considered clearly inflationary. Add to this the expansionary monetary policy being pursued coincidentally by the Federal Reserve and the prospect for significant future inflation is assured. Thus, we are being asked to restrain ourselves throughout the country in the name of patriotism to forestall inflation while the government is free to continue creating the very inflationary pressures that it is asking us to reduce.

Mr. Montgomery concludes:

The fear we all have to feel is that of knowing that these controls will not be effective in the face of continued excessive government spending. The failure of controls to mitigate inflation will lead government, unless they engage in self-incrimination, to more pervasive and obligatory controls on the supposition that these will be more effective.

Today there are many who would eliminate the checks and balances to which Professor Friedman referred and provide Government with the power to set the wages of workers and prices of businessmen—thereby giving Government total power of the economic life of the Nation. In a recent editorial, the Wall Street Journal stated:

Without wanting to sound apocalyptic, we find rather dismaying the ease with which the business community and a Republican administration have accepted—and often welcomed—the prospect of a controlled economy.

The Journal reminded its readers of the larger questions which too many tend to forget:

Beyond all that is a question of politico-economic philosophy. We see a free economy (and we would have assumed most businessmen and supposedly conservative government officials do likewise) not only as something good and marvelously productive in itself. It is also part and parcel of the whole broader concept of individual freedom. This is what has made the U.S. pre-eminent, both economically and as a political model. But at root individual freedom is a moral issue.

I wish to share with my colleagues this Wall Street Journal editorial of September 27, 1971, and insert it into the RECORD at this time:

END OF THE FREE ECONOMY

Without wanting to sound apocalyptic, we find rather dismaying the ease with which the business community and a Republican administration have accepted—and often welcomed—the prospect of a controlled economy.

Thus the board of directors of the National Association of Manufacturers has just voted strong support for President Nixon's economic program, "temporarily" suspending its long opposition to wage-price controls. Numerous individual business executives from their own various vantage points, echo the pro-Nixon sentiment.

One executive, White Motor's Semon E. Knudsen, sounds a note of grim resignation as he contemplates the future. Quoted by John S. Knight in The Detroit Free Press, Mr. Knudsen says America's traditionally free economy may become a thing of the past.

He contends that the whole international economic picture has changed; for example, industrialists in other countries have not only learned everything we knew about management but are also in a position to teach us a few things about productivity. Partly for this reason, Mr. Knudsen suggests that the old way of life, with prices and wages set by the free-market forces of supply and demand, is now disappearing.

"I don't like it, you don't like it," he observes. "But if you look at the alternatives—continuing inflation, instability, loss of foreign markets and deteriorating public confidence—we know the course is clear."

(It should be noted that a good many working men are growing increasingly disenchanted with the President's policies. Not, it would seem, out of any great dedication to the philosophy of economic freedom but out of a feeling that they are being unfairly asked to bear the brunt of the burden.)

Certainly Mr. Nixon and his advisers are doing little to diminish the prospect of a controlled future. Although the President has

said he doesn't want controls permanently, he also talks of the post-freeze program as one with teeth in it. And the other night he declared that Phase Two of his economic blueprint would cover the whole economy and last indefinitely. "Indefinitely" strikes us as pretty ominous.

Now we ourselves will concede that the old, abandoned policy of gradually reducing inflation and unemployment without controls was proceeding slowly. It may be that Mr. Nixon did have to take temporary measures, if only for their psychological effect. We do not particularly fault the 90-day freeze simply as a way of, so to speak, catching breath.

All the same, the old plan was working, however slowly. Inflation was being curbed, and the outlook for cutting unemployment further was promising; at the same time, an economic upswing was under way. The Nixon aides were right when, denouncing the control-type approach they have now embraced, they claimed that gradualism was bearing fruit.

So it might have been more logical, and more productive, to have fought inflation more vigorously through fiscal and monetary policies. We thought throughout the period that the administration, the Federal Reserve and Congress should have taken stronger steps to replace reckless policies with responsible ones.

If, in any event, the nation is now headed down the control road "indefinitely," it ought to be a cause of very considerable concern instead of acceptance, resigned or otherwise.

It's not just, as we believe, that alternate courses were available. Or that the historical record of the workability of controls—whatever they may be called—is fairly dismal. Or even as we have written countless times over the years, that controls do not attack the source of inflation in government finance but only its symptoms in a wage-price spiral.

Beyond all that is a question of politico-economic philosophy. We see a free economy (and we would have assumed most businessmen and supposedly conservative government officials do likewise) not only as something good and marvelously productive in itself. It is also part and parcel of the whole broader concept of individual freedom. This is what has made the U.S. preeminent both economically and as a political model. But at root individual freedom is a moral issue.

We are not yet prepared to insist that the new control mentality is necessarily a precursor of wider regimentation. Perhaps all of us, including all those willling businessmen, will find it possible to live with the post-freeze constraints, whatever they may be. But it would be hard to argue that the new economic policy reinforces the traditional American ideal of individual liberty.

ENVIRONMENTAL PROBLEMS AND DETERGENTS

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. KEMP), is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, on September 15, the Council on Environmental Quality, the Department of Health, Education, and Welfare, and the Environmental Protection Agency jointly announced a number of conclusions regarding health and environmental problems associated with detergents.

First. These agencies concluded that nitrilotroacetic acid—NTA—should not be used in detergents at this time because of unresolved questions concerning its possible longterm effects on health and the environment.

Second. These agencies concluded further that the health hazards of increasing use of highly caustic substitutes for phosphates in laundry detergents is a cause for serious concern.

Third. The Administrator of the Environmental Protection Agency has announced an intensive study to identify those bodies of water in the country that have a potential or actual eutrophication problem due to phosphates and will assist State and local governments in reducing phosphates to the extent necessary through the treatment of municipal wastes.

Some of the nonphosphate detergents now available contain ingredients which, if accidentally eaten, breathed in, or introduced into the eyes, may be extremely hazardous, especially to children. One child recently died because she accidently ate a laundry product in which caustic materials had replaced phosphates.

There have been other tragic accidents involving no-phosphate detergents in recent months. Children have been severely burned by no-phosphate caustic detergents; a child in California was blinded by a similar type of product; and one child has had to undergo repeated surgery for burns on his esophagus.

Although Food and Drug Administration officials report that there has never been a single death or injury from a phosphate-based detergent in 25 years, we must not forget the impact upon the environment of detergent phosphates.

An estimated 370 million pounds of phosphorus finds its way into our Nation's waters from washing machines each year. Figures vary, but detergents may contribute 50 percent of the phosphorus reaching Lake Erie, 40 percent entering Lake Ontario, and 70 percent entering the Potomac River.

Lake Erie is said to have aged 15,000 years in the last 50. We know that the phosphorus content of the lake's western basin has more than tripled since detergents with phosphorus were introduced in the 1940's.

Obviously, steps must be taken to prevent this source of pollution—but our efforts must not stop there.

It is vital that we remember that any substitute that is used in place of phosphates will also be flowing into our waters and used in our homes and we must be sure that we are not trading one evil for another.

Mr. Speaker, earlier this year I contributed testimony to the Federal Trade Commission concerning phosphates and other substances in detergents and recommended several courses of action.

At that time I stated that I believed that tests should be established—with all possible speed—to determine the effects, on the consumer and on the environment, of all present and proposed ingredients of detergents, cleansers, and other products. The best and surest way to accomplish the removal of contaminants is not to introduce them at all.

Mr. Speaker, I am cosponsor of a bill—H.R. 10840—the Toxic Substances Control Act, which would offer this protection to both the consumer and the environment. No legislation now exists that requires biological testing to assure that man or the environment is safeguarded against adverse effects of products that reach the market place.

In order to prevent future tragedies—both human and environmental—it is my hope that early hearings will be held and prompt congressional action taken concerning this vital legislation.

Mr. Speaker, the residents of my District, the 39th in New York State, are very fortunate in having a number of articulate and effective spokesmen for environmental programs. Today, I would like to call attention to the outstanding work concerning water pollution and the Great Lakes which has been accomplished by Dr. Robert A. Sweeney, director of the Great Lakes Laboratory of the State University College at Buffalo, and Mrs. David Phillips and Mrs. Edward Massaro of the Buffalo metropolitan area organization, Housewives to End Pollution—HEP.

I would also like to mention at this time that the Great Lakes Laboratory is located at the State University College at Buffalo, which is, despite the similarity in names, completely separate from the State University of New York at Buffalo.

Dr. Sweeney and Mrs. Phillips, accompanied by Mrs. Massaro, testified last week before the Conservation and Natural Resources Subcommittee of the House Committee on Government Operations concerning detergent phosphates and their effect upon our lakes and waterways.

I commend Mrs. Phillips, Mrs. Massaro, and Dr. Sweeney for their timely statements and I include them now, along with related materials, for the attention of my colleagues:

HOUSEWIVES TO END POLLUTION

Statement before the House of Representatives Conservation and Natural Resources Subcommittee, October 29, 1971

Mr. Chairman and Members of the Committee:

My name is Mrs. David Phillips and I am accompanied by Mrs. Edward Massaro. We are chairmen of the detergent task force of a Buffalo metropolitan area organization called Housewives to End Pollution (HEP). While HEP now has several task forces studying problems that affect the housewife and her environment and making recommendations for possible solutions to these problems, a brief summary of how this organization began should illustrate our interest in these hearings.

HEP is an organization of housewives formed in April, 1970, as a result of the International Joint Commission report which included information that detergent phosphorus was contributing to the excess algae growth in Lakes Erie and Ontario. Since housewives, by their use of phosphate-based detergents, were contributing to the eutrophication of these lakes, we began a public information campaign. Meetings were held with the Buffalo Food Council and the detergent manufacturers, signs were posted in stores listing detergent phosphorus percentages, and research begun to determine the cause of the problem, the solutions offered, and the agencies responsible for the administration of those solutions. We found the recommendations of your committee and the phosphorus percentages which appeared in the House Report on Phosphates in Detergents and the Eutrophication of America's

Waters a valuable guide in assessing progress on this matter and in making our own recommendations. HEP's goals regarding detergent products are to: 1) reduce the phosphorus content of detergents immediately; 2) require labeling of all detergent ingredients; 3) establish standards for detergent ingredients that will protect the consumer and the environment.

Since April, 1970, Mrs. Massaro and I have been advisors to our County Legislature regarding a local law, now in effect, prohibiting the sale of detergents containing greater than 8.7% phosphorus and banning phosphorus-based detergents as of January 1, 1972. We also expressed our recommendations to our state legislators regarding a New York state law, similar to our local law, to become effective on January 1, 1972. I also testified in April before the Federal Trade Commission regarding the proposed rule on the labeling and advertising of detergents.

It is our understanding that the purpose of these hearings is to discuss our reactions to statements made by government officials on September 15 regarding the detergent issue. We believe that a closer examination of remarks made that day reveals that little has changed regarding government policy or action. Therefore, we would like to discuss what industry and government have failed to do and recommend actions we feel are necessary to protect the consumer and the environment.

Manufacturers of phosphorus-based detergents have labeled their products according to phosphorus percentages and in some communities products sold contain no greater than 8.7% phosphorus. However, manufacturers have not taken these actions voluntarily. Since the detergent industry resisted placing phosphorus information on the packages and lowering phosphorus content in their products, many communities found it necessary to legislate such actions and many more communities were considering such legislation. In an effort to maintain uniformity, the manufacturers labeled their products' phosphorus percentages and lowered the phosphorus content to 8.7% where required by law.

We feel that the detergent industry has not shown what your committee called "good faith efforts" in trying to solve the problems created by the products they sell for public use. They have used the phosphorus issue as a "soapbox" to divert the public's attention from the fact that independent scientists studying the phosphate issue have almost unanimously recommended an immediate reduction and eventual removal of phosphates from detergents. While calling the issue of phosphates in detergents a "case history of how confusion and misunderstanding can sweep the country," this industry has fed and thrived upon the confusion. They have promoted the impression of concerned consumers and scientists as being unnecessarily harsh and restrictive toward their industry. We would like to point out that only when manufacturers have failed to provide proper and necessary information to the public and only when they have failed to accept their responsibilities to consumers, have legislative actions been necessary.

The introduction of phosphate-free detergents on the market has prompted consumer complaints of poor cleaning power, gritty-feeling clothes, residue remaining in laundry tubs and washing machines, burning hands and rashes upon contact and excessively heavy packaging. Further investigation of these products reveals that claims of being pollution-free seldom, if ever, can be substantiated, ingredients are unavailable to the public (as is the case with the phosphate-based detergents), and too many manufacturers are using hazardous substances without properly labeling their products until caught in the act. These manufacturers have seized upon the opportunity to jump on the bandwagon of confusion and have presented the public with products which there is question as to their effectiveness and human and environmental safety.

Three government agencies share the primary responsibilities for the administration of regulations involving the detergent industry. They are the Food and Drug Administration (FDA), the Federal Trade Commission (FTC), and the Environmental Protection Agency (EPA).

The FDA has the authority to regulate formulations, labeling and packaging under the provisions of the Hazardous Substances Act and the Poison Prevention Packaging Act. The FDA has tested phosphate-based and phosphate-free detergents and has required the relabeling of some of these products as to the hazards involved in their use. The fact that 25 of 39 products tested required relabeling illustrates the need for further testing by this agency of all detergent products presently on the market. We are unaware of any action by this agency to prevent the marketing of detergent products packaged in unsafe containers.

The FDA is currently working with the detergent industry on product reformulation, adequate labeling and child-proof packaging. Yet, according to the Surgeon General, only where it is believed that a warning label and child-proof packaging do not provide sufficient protection from hazardous materials, will the FDA consider banning the material from interstate commerce under the provisions of the Hazardous Substances Act.

There are clearly two faults in the handling of the problems posed by these hazardous ingredients: 1) FDA too frequently reacts after a problem has arisen with products already marketed, thus allowing seriously hazardous situations to exist in the homes of unsuspecting consumers; and 2) FDA, under the present system, must prove that an already-marketed product is unsafe in order to remove it from interstate commerce.

As consumers, we insist that the burden of proof must be borne by the manufacturer. Unsafe products should not be on the market in the first place. A positive approach, whereby manufacturers must submit pretesting results to the FDA proving their products safe, must replace the present negative approach requiring FDA to prove products unsafe that are already for sale to the public.

Only after such authority is provided to the FDA can the consuming public's confidence in this agency's decision-making policies be restored.

The FTC has the authority to regulate the labeling and advertising practices of the detergent industry. Using this authority, they are presently considering a proposal requiring detergent manufacturers to list all ingredients and warn of the environmental impact of phosphates. We have recommended the following to the FTC: (1) label all detergent ingredients and their percentages; (2) place an environmental caution statement on the packages; (3) adopt a prove-it or don't-claim-it policy. We have suggested that the FTC consider each proposal on its own merits and not rely upon the acceptance or rejection of another.

Since other government agencies are faltering while attempting to find solutions, ingredient information becomes an absolute necessity. Potential health hazards, potential pollution problems and possibly irresponsible manufacturers can all be restrained if there is a "truth-in-labeling" regulation. Such labeling would also satisfy the public's right to know what is in the products they use.

The issue of a caution statement may perhaps be more complex. In light of statements made by other agencies, it is difficult to determine what warnings to issue and to whom. However, since consumers can be made aware of health hazards and precautions involved with a product's use, they should also be informed of environmental hazards and precautions regarding the products they use.

Unless manufacturers can prove their products to be pollution-free, they must be restricted from so claiming. Since tests have yet to be devised to determine the capabilities of some ingredients, the term pollution has not yet been defined to the satisfaction of industry, government or scientists.

We have urged the FTC to take the lead and show that some actions can and will be taken to give the public adequate information upon which to base decisions while the long-range and more permanent goals are being pursued.

The EPA is responsible for assessing the nation's requirements for water pollution control, determining the most cost-effective methods of achieving waste reduction and allocating funds for approved projects.

This agency has revealed that studies are underway to determine those areas affected by nutrient enrichment. EPA, therefore, does not favor a national law limiting the phosphorus content in detergents, but, has decided to pursue a phosphorus-reduction program through waste treatment facilities.

However, advanced sewage treatment facilities will not be available in our community for at least 5 years. There will also be some communities in New York state not required to have phosphorus removal because they will not treat the required one million gallons daily of sewage.

If one uses the most conservative estimates supplied by the Soap and Detergent Association on the cost of phosphorus removal, the city of Buffalso, which will handle 180 million gallons of waste water daily, will have to pay $5400 daily or approximately 2 million dollars annually to remove phosphorus from its sewage. While 200 million dollars has been earmarked for advanced sewage treatment facilities in the Great Lakes region, this money will go to construction only. Operation and maintenance costs, according to EPA, ought to be borne by the individual who is creating the waste.

Therefore, in order to assist government agencies in encouraging a phosphorus reduction in detergents and safe phosphate-free products, we suggest that industry pay its fair share of the expense for phosphorus removal at waste treatment facilities. We propose that a tax be assessed to detergent manufacturers based upon the quantity of phosphorus they use and the average cost of removing phosphorus from sewage. Enabling legislation must prohibit detergent manufacturers from passing this tax on to consumers in the form of added cost of their products and that all money derived from such a tax be returned to municipal sewer authorities or their equivalent for the express purpose of operating and maintaining a facility for phosphorus removal.

We have presented in our formal statement those considerations which we feel to be most outstanding. We believe that there are many more aspects of the entire detergent issue that are equally important and are prepared to discuss any of these with you.

Consumers must be offered suggestions for actions that can be taken now, while the more permanent solutions of sewage treatment and pretesting are being sought.

HOUSEWIVES TO END POLLUTION, BUFFALO, N.Y.—POSITION REGARDING DETERGENTS

On Wednesday, September 15, representatives from various federal agencies requested communities having legislation regarding phosphorus in detergents to reconsider that legislation. Erie County is among those communities since it will be unlawful to allow for sale in this County a detergent containing any phosphorus, as of January 1, 1972.

However, Dr. Jesse Steinfeld (Surgeon General), Dr. Charles Edwards (FDA), Mr. Wil-

liam Ruckelshaus (EPA), and Mr. Russell Train (CEQ) have, as a result of their remarks that day, raised further questions which must be answered before any action should be taken in Erie County. Statements attributable to Dr. Steinfeld have caused a great deal of controversy and have managed to inject further confusion into the detergent issue rather than clarify the situation. He has neglected to offer all possible solutions and alternatives to the public in such a manner that may be easily understood and readily acted upon.

The above-mentioned considerations have prompted Housewives to End Pollution to present at this time our present position on this issue as it relates to Erie County.

We continue to support legislation that will accomplish the following goals:

1. Reduce the phosphorus content in detergents.

2. Require the labeling of all detergent ingredients and phosphorus percentages in grams per washload.

3. Establish standards for detergent ingredients that will protect the consumer and the environment.

We support the continued vigorous enforcement of that part of the County law already in effect requiring that detergents sold here not exceed 8.7% phosphorus content.

We continue to support improved sewage treatment facilities.

We make the following recommendations to area homemakers:

1. Use soap. It is a safe and can be an effective cleaner.

2. Keep *all* household cleaning products out of the reach of children.

3. Measure. Do not use an amount of soap or detergent in excess of what is needed.

4. Read all *labels* before buying.

We reiterate our statement of April 1, 1971 delivered before County Executive Tutuska regarding the Erie County legislation. At that time, Housewives to End Pollution stated that "we cannot allow more harmful substitutes for phosphorus to enter Lake Erie from detergent sources. A further evaluation of this ban will be made later this year."

Finally, the issues of eutrophication, phosphates and detergents are Erie County problems which must be solved. Since many questions remain unanswered, we wholeheartedly support the hearing to be held here on November 11. Further decisions regarding the Erie County law cannot be considered, in our opinion, until all available information is re-examined. The November hearing will allow all involved an opportunity to review the problems.

We urge all area residents to join with our legislators and support this hearing.

HOUSEWIVES TO END POLLUTION,
Buffalo, N.Y., October 10, 1971.

MR. WILLIAM DIXON,
Division of Industry Guidance, Federal Trade Commission, Washington, D.C.

DEAR MR. DIXON: This letter represents the opinions of Housewives to End Pollution regarding the FTC proposal on the labeling and advertising of detergents. Enclosed are some additional materials regarding this issue. I hope you will review my testimony of April 26 while considering this statement.

A number of actions and reactions have taken place since the FTC labeling proposal was announced early this year.

The detergent manufacturers finally put phosphorus percentages on their packaging and these labeled products finally reached the marketplace. However, we do not believe these actions were an effort on the part of the manufacturers to voluntarily present this information, as they claim. It was, we believe, a reaction to a New York State law effective January 1, 1971, requiring a form of phosphate labeling and a concern that other communities would be requiring some form of phoshate labeling. In order to ensure uniformity, the detergent manufacturers found it necessary to label all their products as to the phosphorus percentages.

In many communities, including Erie County, detergent products sold contain no greater than 8.7% phosphorus. We have been told many versions of how this figure was derived, however, it is only necessary to recognize that this 8.7% phosphorus figure is accepted by Canada, many U.S. communities and the manuufacturers. Again, we do not believe that manufacturers have lowered the phosphorus percentages willingly. Legislation requiring such a reduction has been appearing throughout the country. In order to maintain uniformity, the manufacturers began lowering the phosphorus percentages to 8.7. This was not voluntarily done, but an action that was required by law in many communities and being considered by many others.

Meanwhile, some industrious manufacturers seized the opportunity to place on the market detergent products containing no phosphorus. Housewives, eager to "do their part" for the environment, started using these products in increasing numbers. However, complaints of poor cleaning power, gritty-feeling clothes, residue remaining in laundry tubs and washing machines, burning hands and rashes upon contact, and excessively heavy packaging prompted many to question these phosphate-free products' ingredients. A careful examination of the detergent product containers revealed that most claimed to contain no phosphates, no enzymes, and no NTA. Many also claimed to be non-polluting or pollution-free. As has been the case with phosphate-based detergents, housewives knew what the phosphate-free products did not contain. But, what did they contain?

For any number of reasons, the manufacturers of Ecolo-G have the singular distinction of being the first to be required by the FDA to relabel their products. From this starting point, under provisions established by the Hazardous Substances Act, the FDA has tested no less than 39 products and has required the labeling of at least 25 products as to the hazards that may result from their use. Some products actually state the hazardous substance to be soda ash, sodium metasilicate, or sodium carbonate. Antidotes are listed on many packages. However, in our opinion, FDA too frequently reacts after a problem has arisen. This agency must use authority it may already possess and seek authority it may not already possess to ensure that hazardous products are properly labeled before marketing and that highly hazardous products be kept off the market. We realize that it is a complex problem with no easy solutions, but solutions must be sought and found.

On September 15, the grand finale to date on this issue took place in the form of a press conference. The participants were Dr. Jesse Steinfeld, Dr. Charles Edwards, and Mr. William Ruckelshaus. The object was to clarify the Administration position on detergent products and phosphates. In our opinion, the participants in this conference only succeeded in further confusing the public and this entire issue. According to a 23 page unofficial transcript of the conference, apparently compiled by Dr. Ian Mitchell (we understand he is in the Dept. of HEW), Dr. Steinfeld stated that the Administration position is to handle the phosphate problem through sewage treatment facilities. Our questions are: when will these plants be ready and what do housewives do in the meantime? There were many contradictory statements made by these Administration representatives at this conference (we think it would be advisable for you to secure a copy of the conference and read these for yourself), but the following did emerge:

1. Mr. Ruckelshaus stated that the phosphorus content of the detergents should be lowered and in those communities where eutrophication is a problem, limiting phosphorus at its source (detergents) would be helpful in assisting the advanced sewage treatment facilities in alleviating the problem.

2. Dr. Edwards stated that the problems posed by "potentially" hazardous products could be handled by proper formulation, packaging and labeling.

3. Dr. Steinfeld indicated that testing for health hazards and environmental safety should be stepped-up.

So, despite all the confusing and contradictory statements made and all the reports that the Administration position had changed, a closer examination of these gentlemen's remarks reveals that things really have changed little. We will have improved sewage treatment plants *someday*, packaging will improve *someday*, and some sort of improved testing will appear *someday*.

However, phosphate-free detergents, phosphate-based detergents, and soap are marketed *today*. Eutrophication and health hazards exist *today*. Housewives must wash clothes *today*. And the FTC proposal must be considered *today*.

In light of the previously-mentioned considerations and realizing that the decision made will possibly be contested by detergent manufacturers, we would like to recommend that the FTC consider three separate proposals. Each of these must be considered on its own merits and not rely upon the acceptance or rejection of another. We are limiting our suggestions to proposed detergent labeling. While there are many aspects of the entire detergent problem, it is our understanding that the FTC jurisdiction extends only to labeling and advertising. We will attempt not to stray too far from these considerations and confuse the issues, as we feel others have done. Therefore, we recommend the following:

1. All detergent ingredients and their percentages must be labeled.

2. A caution statement should appear on detergent packages.

3. A prove-it or don't-claim-it policy should be adopted by the FTC.

Since other government agencies are faltering while attempting to find solutions, ingredient information becomes an absolute necessity. Potential health hazards, potential pollution problems and possibly irresponsible manufacturers can all be restrained if there is a, shall we say, "truth-in-labeling" regulation. Testimony submitted to the Commission has raised many questions regarding meaningful labeling. A similar situation existed a year ago when manufacturers were stating that the phosphorus percentages could not be lowered. Yet, today, as a direct result of increased legislation, phosphorus percentages are on detergent packages and phosphorus percentages are lower where required by law. The manufacturers are even claiming that these 8.7% phosphorus-based detergents are "even better". When legally required to do so, detergent manufacturers can somehow accomplish the impossible.

The issue of a caution statement may perhaps be more complex. In light of statements made by other agencies, it is difficult to determine what warnings to issue and to whom. Congressman Jack Kemp has told you that your warning proposal regarding the environment is unique and unparalleled by other agencies. Here, however, your actions must, in part, be determined by what the other agencies involved do. Let us assume that all detergent ingredients and percentages will appear on the packages. The FDA can still require caution labels singling out a particular hazardous ingredient (soda ash, sodium metasilicate, sodium carbonate) and stating necessary antidotes, as is presently required. They can continue to add or eliminate ingredients from this list as new in-

gredients appear or old ones disappear. Therefore, the FTC, using information supplied by EPA, can require cautions on potential environmental hazards (phosphorus) and state precautions to be taken (avoid excessive use). This list can also be altered, when necessary.

Unless manufacturers can prove their products to be pollution-free, they must be restricted from so claiming. Few consumers are aware that little, if any, proof is required by any government agency regarding polluting ingredients. Tests have yet to be devised to determine the capabilities of some ingredients. The FTC must increase its surveillance and protect the right of consumers to receive accurate information based upon proven fact.

While sewage treatment is the ultimate and necessary goal, these facts still remain:

1. Sewage treatment with phosphorus removal will not exist in most communities where it is needed for many years.

2. Bodies of water affected by phosphorus and other nutrients still need to be determined.

3. According to existing plans, some communities will not be required to remove phosphorus at the sewage treatment plant.

4. Cost to taxpayers will be less if there is less phosphorus to remove. (This is also true of other possible nutrients that can be controlled at their source.)

5. Methods can and must be found to determine and properly inform consumers in those communities where phosphorus is not the limiting nutrient, but where other pollution problems or no pollution problems exist from using detergents.

Having read some statements presented to you, we are of the opinion that your original proposal would be forgotten and confused were it not in writing. The manufacturers used the hearings as a "soap box." The issues were so frequently confused that many concerned individuals questioned what you really had proposed. We find it disappointing that Mr. Russell Train, while presenting the Administration point of view to you in September, neglected to address the issue of listing all detergent ingredients.

If this reads as a critique of lack of action on the part of some government agencies and detergent manufacturers, it is because we believe this to be true. The issues have become confused. There has been a lack of information giving the public alternatives that may be acted upon while we wait for the studies, proper packaging, proper labeling and sewerage treatment facilities.

By proposing this regulation, the FTC has shown that its members recognize that something must be done in the interim while the more long-range goals are sought. We feel that a necessary first step would be the *labeling of all detergent ingredients.*

We feel that the FTC must now take the lead and show that some actions can and will be taken to give the public adequate information upon which to base decisions while the long-range and more permanent goals are being pursued.

Consumers and ecologists have been accused of contributing to an eventual collapse of the free enterprise system. We are told that laws protecting the public are unnecessary and restrictive.

We would like to point out that only when manufacturers have failed to provide proper information to the public and only when they have failed to accept their responsibilities to consumers, have legislative actions been necessary.

We look forward to a favorable decision from the members of the Commission in the near future. Please keep us informed of your actions regarding this matter.

Sincerely,

BONNIE PHILLIPS,
Chairman, Detergent Task Force.

CXVII——2425—Part 29

PRELIMINARY SUMMARY ON PHOSPHATES IN DETERGENTS

"Phosphates are considered to be the most significant single factor in the excessive proliferation of algae in lakes and streams and in the resultant eutrophication and 'aging' of lakes.

"Detergents alone represent approximately one-half of the phosphorous content of waste water discharges. The phosphate in detergents dissolves in the water and is discharged into the sewers after laundering. Because most conventional sewage treatment plants remove little, if any, phosphates, they eventually find their way into our rivers and lakes." (Nelson A. Rockefeller, May 19, 1970.)

Within the past year, there have been several lists published by various groups, including state and federal legislators, listing the phosphate or phosphorous content in detergents. Few of these lists have in agreement.

Since the capability of a detergent to stimulate algal growth is proportional to the phosphorous it contains, we recommend that phosphorous percentages be used for future listings. Phosphorous figures will be lower than phosphate figures because the element phosphorous (P) is measured. Phosphate figures are higher because the element phosphorous and oxygen are measured (ex. PO_4). Phosphate figures vary from list to list because there are six phosphate compounds, each with its own chemical formula. There appears to be disagreement as to which compound to measure, how to measure it, etc. The Federal Water Quality Administration uses the compound sodium tripolyphosphate (STPP) as its standard, explaining that this is the most commonly used compound. Yet, a New York State law, that is to go into effect January 1, 1971, will require the labeling of soaps and detergents sold in this state of the phosphate percentage, calculated as tri-sodium phosphate (TSP). To avoid future confusion on the phosphate vs. phosphorous percentages, it is believed that the better way would be to measure the element basic to all six phosphate compounds and the element causing excess algal growth in America's waters—phosphorous.

Recommendations regarding phosphates in detergents have been made by the International Joint Commissioon, the Federal Water Quality Administration, the Committee on Governmental Operations which produced House Report No. 91–1004, "Phosphates in Detergents and the Eutrophication of America's Waters—April 14, 1970," the Council on Environmental Quality, the Office of Science and Technology, Consumer Reports and many scientific groups studying the problem. The suggestions of most of the above-mentioned groups are best outlined on pages 65–67 of House Report 91–1004.

The principal recommendations of the committee are:

1. Reduce phosphorus in detergents immediately.

2. Ban enzyme pre-soaks.

3. Abolish the Joint Industry-Govern-Task Force.

4. Formulate detergents for hard and soft water areas.

5. Require labeling of ingredients. (FTC–FDA).

6. Inform the public through continuing education. (FWQA).

7. Encourage research and development. (FWQA).

8. Ban detergents containing phosphorus by 1972.

The following actions have been taken on these recommendations:

1. Canada has ordered a reduction in phosphates in detergents to 20%.

2. There has been no ban on enzyme pre-soaks. The FTC's Division of Scientific Opinions is studying possible harm to handlers of detergents containing enzymes.

3. The Joint-Industry Government Task Force still exists.

4. At least Electrosol and Finish are formulated for hard and soft water areas. However, this was prior to the House Report.

5. The FTC's Division of Industry Guidance is considering holding public hearings regardiing the labeling of detergents sold in interstate commerce as to their phosphate content. (Note there is no mention of a requirement to list the other ingredients in detergents.) For further information the FTC suggests that the FWQA be contacted.

The FDA has some jurisdiction over the soap and detergent companies under the Hazardous Substances Act. Recently, the FDA tested the arsenic content in detergents and found between 5 and 59 parts per million to be present in the detergents tested. Under the provisions of the Hazardous Substances Act, arsenic, as found in the detergent packages in the quantities tested, does not constitute a hazardous substance, and therefore, does not fall under the jurisdiction of the FDA. However, arsenic, when released in America's waters, is another matter. To determine these effects, different tests are required regarding arsenic in our waters from those performed by the FDA and these tests related solely to water quality. The FDA recommends that the FWQA be contacted regarding these standards.

Thus, the FTC and the FDA point to the FWQA.

6. The FWQA has continued to release phosphate percentage figures.

7. The FWQA has granted an 18 month contract to the Gillette Company Research Institute in Rockville, Md., for the purpose of producing phosphate-free detergents. The Gillette Company is to determine the biodegradability, the stimulatory effects, and the laundering characteristics of the products produced. A sub-contract has been awarded to the Academy of Natural Sciences in Philadelphia, Pa. Under the direction of Dr. Ruth Patrick in the Department of Limnology, the Academy will determine the toxicity of the products.

8. Canada has banned phosphates in detergents by 1972. Beyond what it has already done, the FWQA represented here on June 24, 1970, stated that a stronger stand against the Soap and Detergent companies is a matter of "congressional prerogative."

Thus, the FWQA points to Congress. There are at least four bills before Congress which have been referred to the Committee on Public Works. They have been sponsored by Congressman Richard McCarthy, Roman Pucinski, and Henry Reuss and by Senator Gaylord Nelson. All recommend the removal of phosphates from detergents by specific dates, depending on the bill. They also suggest that standards be set to determine the effects of the detergent ingredients on the environment and human health, and encourage financial support for research efforts.

Stalling tactics have been used by the Soap and Detergents companies to slow action on the recommendations of the House Report and on the bills before Congress. The following points are presently being debated:

1. The eutrophication of America's waters is not necessarily due to phosphorus but rather to carbon or nitrogen. However, sufficient information exists which points to phosphorus as the limiting nutrient in controlling excess algal growth in many bodies of water including Lake Erie and Ontario.

2. Sewage treatment plants should remove all the phosphorus going into the waters. The detergent companies should not have to remove the phosphorus from their products. However, sewage treatment facilities will not be modernized for quite a while and there is evidence which indicates that they will still

have more than enough phosphorus from other sources to remove. In the meantime, phosphorus can be limited in detergent formulations.

3. Phosphorus comes from sources other than detergents. This is true. However, detergents contribute over 50% of the phosphorus in municipal sewage. Detergents are the largest single source of phosphorus and the easiest to control.

4. The cleanliness standards which we now have cannot be maintained without the phosphorus in detergents. The only case where this appears to be true at present is in automatic dishwashers, which have been manufactured to use phosphorus-based detergents. However, with regard to clothes washing, we have proven that clothes can be cleaned with low-phosphorus detergents or soap and washing soda.

While the debates go on, HEP recommends that there be an *immediate* reduction in the phosphorus levels in detergents.

While admitting the possible hazards to a phosphorus substitute, NTA, the Soap and Detergent companies have gone ahead and put NTA into some detergents already. Our greatest concern about NTA is that there is not sufficient knowledge as to its environmental or health effects. Yet, it is presently being used in detergent formulations with the explanation that if you take out the phosphorus, you must put in a substitute. We disagree with this way of thinking, since *we have used* low-phosphorus detergents or soap and washing soda and find that we can get our clothes clean. Admittedly, there is an intial difficulty (lasting about four weeks) in removing built-up detergent residue. However, after this time there appears to be little difficulty.

Therefore, since we wish to use detergents free of possibly harmful phosphorus substitutes and detergents low in phosphorus, HEP recommends the labeling of detergent packages as to their ingredients and to their new phosphorus percentages in grams per washload. Phosphate-free and NTA-free do not tell us the ingredients in a detergent.

Finally, we should move with all possible speed to establish tests that will determine the effects of detergent ingredients on the consumer and on the environment. Until these standards are established, the FWQA and the Soap and Detergent companies should wage an *active* campaign to inform the public of the pollution problems involved and of steps that can be taken in the interim to maintain cleanliness standards and protect the environment.

Housewives to End Pollution supports legislation that will accomplish these immediate goals:

1. Reduce the phosporous content in detergents immediately.

2. Require the labeling of all detergent ingredients and new phosphorous percentages in grams per washload.

3. Establish standards for detergent ingredients that will protect the consumer and the environment.

We also support long range, more permanent actions that will protect the consumer and the environment.

HOUSEWIVES TO END POLLUTION.
September 23, 1970.

CLEANING WITHOUT HIGH-PHOSPHATE PRODUCTS, APRIL 1971

Recognizing the extent to which the nutrient phosphorus is contributing to the pollution of Lakes Erie and Ontario and that detergents are the largest single source of phosphorus entering these waters, Erie County has approved a ban on the sale and distribution of cleaning products containing more than 8.7% phosphorus effective April 30, 1971. Laws, such as the one passed in Erie County restricting the sale of high phosphate products, are already in effect in Canada and Chicago; and other communities across the nation are contemplating similar action.

A wide variety of cleaning products, including soap, low phosphate and phosphate-free detergents will still be available to the consumer in Erie County. The following information is presented to aid in the selection and use of these products.

Soap under soft water conditions is a superior, safe cleaner, frequently preferred over synthetic detergents by laundries and hospitals. In areas with medium hard water such as in Erie County, the addition of a water softening agent such as washing soda is recommended. Clothes that have been washed consistently in high phosphate detergents may require "stripping," a separate washing in washing soda to remove detergent residues, before the soap and washing soda combination can be used effectively.

Low-phosphate and phosphate-free products rely on chemical compounds in addition to or other than phosphates to soften water, control alkalinity, and to keep dirt particles in suspension. Because standards for detergent degradability, toxicity and growth-stimulating effects do not exist, and because manufacturers are not required to disclose the ingredients of their cleaning products, consumers are rightly concerned about the human and environmental safety of phosphate substitutes. It should be noted that some phosphate substitutes now being used are compounds present in many phosphate-based detergents, but in smaller quantities. Also, many detergent ingredients, including phosphates, are classified as moderately toxic to man upon ingestion and should be recognized by the consumer for their potentially harmful properties.

NTA, nitrilotriacetate, considered the "most promising replacement for phosphates', has been used in some detergents (Cold Water All, Cheer, Gain) in the United States since 1967. However, the Safety of NTA has been questioned by some researchers. In December 1970 the Environmental Protection Agency and the Surgeon General suggested discontinuance of its use pending further study. The presence of NTA in detergents is not considered an immediate health hazard and existing stocks of products containing this compound can be sold.

Borates (Borax), is present in approximately ¼ of phosphate based detergents constituting about 10% of the detergent when present. Borax is also sold in pure form and in combination with other compounds as a water softening agent. It has little effect when used as an antiseptic in washing diapers and infants' clothes. Borates are toxic to plants and are used in some herbicides; and, for this reason, they are not considered a suitable general substitute for phosphates.

Silicates are present in almost all detergents as corrosion inhibitors. Increased quantities of sodium metasilicate in detergent formulas greatly increases the alkalinity. Contact with such substances has been found to cause skin irritations and dermatitis in some individuals. Detergents containing this substance in sufficient quantity are required to carry a hazardous substance warning. (Ecolo-g, containing a large quantity of soduim metasilicate, was removed from the market by the FDA because the label did not include a proper warning.)

Carbonates (Washing Soda), was the commonly used water softening agent before synthetic detergents came into use. Since phosphates have been discredited, its popularity and use as a substitute is increasing. (Sears no phosphate detergent contains 64% washing soda, and Shakless Basic L is 73% washing soda.) Like silicates, carbonates are strongly alkaline and can cause skin irritations.

SUGGESTIONS FOR USE OF LOW PHOSPHATE AND PHOSPHATE-FREE DETERGENTS

1. Because many of the phosphate substitutes now being used must first precipitate hardness salts, it is recommend that the detergent be added to the wash before clothes are added.

2. To obtain good cleaning results, wash water should be hot (140° F.)

3. These granular detergents are strongly alkaline and the alkalinity increases rapidly as the concentration increases. Care should be taken to avoid excessive skin contact. If collars or cuffs are to be scrubbed by hand, protective gloves are recommended.

4. Alkaline residues on clothing can cause fabric deterioration. In some cases an additional rinsing may be desirable.

It is suggested that questions or comments as to the ingredients, the safety and the efficacy of particular detergent products be directed to the manufacturer, the Federal Food and Drug Administration and the Federal Trade Commission.

The residents of Erie County are being asked to make some minor changes in their washday practices, but these changes are a small price for improving the quality of the lake upon which we all depend for our livelihood, our recreation, and our supply of pure drinking water. It is hoped that other communities will take similar action.

REFERENCES

Bulletin No. 111 (W) Phosphate-free Detergents, The Rochester Committee for Scientific Information, P.O. Box 5236, River Campus Station, Rochester, New York 14627.

Clinical Toxicology of Commercial Products, Gleason, Gosselin, Hodge and Smith, Third Edition.

Bailey's Industrial Oil and Fat Products, Daniel Swern, Editor, Third Edition.

STATEMENT ON LOCAL LAW NO. 5-8—RESTRICTION OF THE SALE OF PHOSPHATE-BASED DETERGENTS

Housewives to End Pollution is appearing here today to lend its support to this proposed local law. We congratulate our legislators for recognizing the problems posed by detergent phosphates used in our community and in the Lake Erie region and for taking this action aimed at lowering and eventually eliminating the amount of phosphorus entering our waters from detergent sources.

Alerted by the International Joint Commission report on the pollution of Lakes Erie and Ontario published early in 1970 which stated that not only are municipal wastes the largest contributors of phophorus entering into these waters, but that detergents are by far the greatest source of the total phosphorus input into the lakes, Housewives to End Pollution has embarked on a continuing study to determine just how much we, as homemakers, are directly contributing to this problem and what solutions are available. Of the extensive government, trade, scientific and consumer groups publishing information on this matter, most agree that phosphorus is the limiting nutrient in controlling the excess algal growth in many bodies of water including Lakes Erie and Ontario and that detergents are the largest single source of phosphorus and the easiest to control. Recommendations regarding prosphorus in our waters suggested by the abovementioned sources include:

1. Reduce the phosphorus in detergents immediately.

2. Remove phosphorus from detergents as soon as possible.

3. Improve sewage treatment facilities.

We believe that the problem of what to do about the phosphorus in detergents requires a two step attack similar to actions already implemented in Canada, as of August, 1970, and in Chicago, as of February, 1971. *The phosphorus content in detergents should be lowered immediately.* Since this has not been accomplished on the manufacturing level, local governments must mandate that only low-phosphorus detergents may be sold in their communities. We see no reason why the 8.7% phosphorus level used by Canada and Chicago should not be the guideline, since the detergent companies are complying with this standard in these com-

munities and Erie County's acceptance of this standard would foster cooperation among all parties involved.

The second step of phosphorus legislation should be to *specify a date for removal of this ingredient*. This has also been done in Chicago and Canada. However, it appears that communities differ on a specific date for phosphorus removal from detergent products. We suggest that since the federal government has awarded a contract requiring the Gillette Company Research Institute in Rockville, Maryland to produce a phosphorus-free detergent that is safe for consumers and the environment by December, 1971, the January 1, 1972 ban on phosphorus-based detergents in Erie County is not, at this time, unreasonable. County legislators and agencies, Housewives to End Pollution and all others concerned with this problem recognize that we cannot allow more harmful substitutes for phosphorus to enter Lake Erie from detergent sources. A further evaluation of this ban will be made later this year. A congressional report allows for the possibility that manufacturers may not be able to produce an acceptable substitute by recommending that an extension may be granted after good faith efforts have been made by detergent companies to find a substitute. Should an extension be granted, we must have step one of this legislation to rely upon to allow only low-phosphorus detergent products on the market.

We suggest that the real key to the situation appears to be the "good faith efforts" on the part of the manufacturers. Their efforts are not as strong as they would have the general public believe. Until detergent manufacturers are able to convince those involved with this particular matter that they are sincere in their research for an answer, they will be subject to the attacks they have been receiving. Efforts to balance what we feel as taxpayers and consumers with the realities of the detergent industry are extremely difficult since we cannot find the reality for the propaganda.

Dissenting voices to legislation such as this are heard primarily from those who are directly associated with the soap and detergent industry. We are told that the industry in committed to an all-out effort to reduce phosphorus and eventually eliminate it from their products. We question just how committed when it is suggested on packages of presoaks and general purpose cleaners that ½ cup or so will aid the cleaning power of a regular detergent. What is not stated is that an additional ½ cup usually carries with it an additional and unnecessary higher phosphorus content.

The industry also continually states that sewage treatment plants will remove most of the phosphorus and other nutrients at a reasonable cost. Again, industry spokesmen fail to include that in our community these plants will not be available until 1975–76, that the cost will be more reasonable if we remove a major source of the phosphorus (detergents), and that some communities will not be required to have phosphorus removal systems since they do not handle the necessary one million gallons daily of sewage.

According to industry spokesmen, compliance with this type of legislation will deprive the housewife of useful and essential cleaning products. We have found this not to be so. One of our projects has been to use soap, washing soda, low-phosphorus products and phosphorus-free products. We accept suggestions, comments and criticisms on these products from those who use them and find that most housewives are willing to experiment until they find an acceptable product and that they are satisfied with the product they use. Soap does get clothes clean.

Detergent makers were granted a preliminary injunction restraining Akron, Ohio from enforcing on February 1, 1971 phase one of an ordinance similar to Erie County's proposed law. Arguments given supporting this injunction include manufacturers' claims that no way is known to make additional substantial reductions or to eliminate by the dates set the phosphorus in detergents and that compliance will cause immediate and irreparable harm to the manufacturing, marketing, and distributing process. Yet, in Chicago, where legislation identical to Akron's went into effect on February 1, 1971, the detergent manufacturers are complying with the law stating that reductions to 8.7% phosphorus can, are and will continue to be met. Manufacturers have also stated that sufficient supplies of the products falling into the acceptable phosphorous range will be available. If Chicago's 8.7% phosphorous limitation can be met, so can Akron's and, more important to us, so can Erie County's.

Finally, industry spokesmen state that legislation such as this will hinder their efforts to phase out phosphorous. We contend that we are aiding their efforts. We are using soap and low-phosphorous products and are willing to share our knowledge of their cleaning power. We are informing the public of the pollution problems involved and what they, as individuals, can do. In January, we contacted the eleven major retailers in our area and made them aware of this proposed law. We are working with the county health department regarding public information programs. Since we, too, are committed to clean waters and clean clothes, we are encouraging the use of soap and low-phosphorus products.

Housewives to End Pollution urges support of this legislation. Passage of this law will enable us to further illustrate to our representatives in Albany and Washington that local legislators and citizens recognize the need for action in this area of pollution and that we have provided an example which we suggest they follow.

A Statement Presented Before the Conservation and Natural Resources Subcommittee, Committee on Governmental Operations

(By Dr. Robert A. Sweeney, Director, Great Lakes Laboratory, State University College in behalf of The Environmental Defense Fund, October 28, 1971)

Mr. Chairman and Members of the Subcommittee:

Thank you for inviting the Environmental Defense Fund (EDF) to discuss some matters related to phosphates, detergents and eutrophication; topics of considerable confusion during the past few weeks. However, before discussing these subjects, I believe that a statement concerning the Environmental Defense Fund is in order. EDF is a non-profit, public-benefit membership corporation organized under the laws of the State of New York, with its principal office located in Stony Brook, New York. EDF's membership is composed of scientists, educators, lawyers and other citizens dedicated to the protection of our environment and the wise use of our natural resources. By its activities, EDF seeks the preservation and restoration of environmental quality on behalf of the general public. Its objectives include combining "the best scientific findings with the most appropriate social action discovered by the social sciences and legal theory in order (to) . . . best promote a quality environment."

I have been privileged to have been associated as a scientific advisor with EDF shortly after it was incorporated.

For the past ten (10) years, I have been studying algae and the factors which affect their growth. The initial phase of my investigations were largely confined to the laboratory. For the past five (5) years, I have been examining the growth of these plants in Lakes Erie and Ontario. My remarks today will be confined to the Great Lakes and their eutrophication. These five (5) lakes contain more than a third of the available freshwater in the world. I do not believe that it is necessary for me to elaborate on their importance to the United States and Canada.

One important lesson that I have learned is that algae respond quite differently in the field than they do in a test tube in a laboratory. Much of the confusion of late has been caused by those who have yet to learn this fact.

In order to grow, algae requires large quantities of five (5) elements—carbon, hydrogen, oxygen, nitrogen and phosphorus. To control the growth of these plants, it has been suggested that the quantity of one or more of these elements be limited. Everyone agrees that it is not possible to limit either hydrogen or oxygen. However, there is considerable disagreement regarding the other elements. Many suggest limiting phosphorus; others, who are primarily financially supported by the detergent industry, suggest reducing other elements.

One theory that has been projected by those who do not believe that it is necessary to limit the input of phosphorus into natural waters, particularly by reducing the phosphate content of detergents, is the carbon theory. . . . A major proponent of this theory, Dr. L. E. Kuentzel, is employed by the leading manufacturer of phosphates for detergents. . . . Proponents of the carbon theory believe that we must limit the amount of carbon, principally by constructing sewage treatment plants. . . . I also favor the erection of new and the modernizing of existing sewage treatment plants. However, the fact that these plants may lower the organic carbon entering our lakes and rivers will not slow population explosions of algae. . . . I believe that the carbon theory was finally laid to rest by Dr. Claire Sawyer*, a noted sanitary engineer, in an address to the Phycological Society of America. I believe his conclusions are worth entering in the record:

1. Inorganic fertilizers have been used successfully to increase phytoplankton growths in lakes and ponds where greater production of fish was desired. No supplementary source of carbon dioxide or organic matter was found necessary.

2. Cultural eutrophication of lakes and reservoirs has occurred in numerous instances even when high degrees of secondary treatment (carbonaceous removal) was accomplished.

3. Carbon dioxide is always present in the atmosphere and enters the water at increasing rates as pH levels rise above 8.0 moreover, pH levels in excess of 10 have been measured in natural waters where algae are active.

4. Generation of algae tissue produces organic matter which upon death becomes subject to bacterial action and release of carbon dioxide within the ecosystem. In deep lakes, carbon dioxide is stored in the hypolimnion along with other nutrients, and is released gradually to the epilimnion by transport through the thermocline as it descends during the late summer and fall.

5. All natural waters of concern are buffered by the carbon dioxide-bicarbonate-carbonate complex. In all but acid and very low alkalinity waters this constitutes a tremendous storehouse of carbon dioxide.

My observations in the Great Lakes and their tributaries support Dr. Sawyer's conclusions.

It is also important to note that D. L. King,[1] another noted scientist, has demon-

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*Dr. Sawyer's speech "ABC's of cultural eutrophication and its control" was reprinted in the September 1971 issue of *Water and Sewage Works*.

[1] King, D. L. 1971. The role of carbon in eutrophication. Journal of the Water Pollution Control Federation. 42:2035.

strated that blue-green algae, the plants which cause some of the most severe taste and odor problems in the waters of the Great Lakes, are capable of proliferating at much lower carbon content than the green algae. Hence, if the carbon content of natural waters were reduced and all the factors remain unchanged, the least desirable plants may become dominant.

Nitrogen also is an important nutrient whose reduction may result in a lessening of algal problems. However, in most lakes and rivers there are species of bacteria and algae which are capable of removing nitrogen from the atmosphere, of which this element comprises nearly eighty percent (80%), converting the nitrogen to ammonia and nitrates and making it available to other plants in the water. Hence, to artificially limit the nitrogen going into the Great Lakes in order to control algal growth appears to be wasted effort.

The one element that is required in relatively large quantities by algae and whose input into the Great Lakes can be limited by man is phosphorus. It has been demonstrated by Vallentyne and others that reducing the quantity of this element can limit the undesirable growth of algae in Lakes Erie and Ontario.

The sources of phosphorus, which generally is found in nature in various combinations with oxygen in the form of phosphates, are varied. However, a significant source is in detergents. For example, in Erie County, New York, detergents account for more than fifty percent (50%) of the phosphates entering the natural waters. Hence, the phosphorus pollution can be reduced by lowering the content of this element in cleaning products. In the case of the Lake Erie drainage basin, it is imperative that this be done as soon as possible.

A Canadian-American study—Project HYPO—which was conducted during 1970, showed that Lake Erie was on the brink of an ecological disaster.

To better understand the problem, some knowledge of limnology (science of freshwater) is necessary. . . Each summer most lakes, including Erie, become temperature stratified. . . The warm upper layer of water is termed the epilimnion; the cooler, deeper layer the hypolimnion. . . Most algal production occurs in the epilimnion where sunlight is abundant. The algae continue to grow until most of the available phosphorus is incorporated in these plants. Algae reach large numbers in Lake Erie because of the high inputs of phosphates from the communities surrounding this relatively shallow lake. . . When the algae become crowded, these cells frequently poison one another, die and sink to the bottom. On the bottom, they decay—an oxygen consuming process. Low dissolved oxygen results in the death of fish and other desirable organisms.

Once most of the available phosphorus is used-up, the algae cease to grow until the Lake becomes equal in temperature from top to bottom. This occurs each fall. At this point, the lake turns-over and phosphate rich bottom water is brought to the surface. The problem that is becoming critical concerns the quantity of phosphates being added and then redistributed in the autumn.

Scientists from the Environmental Protection Agency, U.S. Bureau of Commercial Fisheries and the Canada Centre for Inland Waters demonstrated that since 1953 the decay of algae on the bottom of the lake during the summer has reduced the oxygen levels in these water to near zero over an increasingly larger area and for a longer period of time. Under these conditions, greater quantities of phosphates, which had accumulated on the lake bottom through the death of algae, are converted from an organic to an inorganic form. Organic phosphates are largely insoluble and cannot be used by algae. Inorganic phosphates are largely soluble and are readily used by algae. . . . In the absence of dissolved oxygen, the conversion of organic to inorganic phosphate on the bottom of the lake takes place eleven (11) times faster than when free oxygen is present. When mixing of the lake water occurs, the phosphates promote the growth of more algae. These plants increase until they reach a certain concentration at which they poison themselves and die. On the bottom, they decay—an oxygen consuming process. In the absence of oxygen, phosphates are released from the bottom to perpetuate the vicious cycle.

If something is not done in the near future to reduce the quantity of phosphates initially fertilizing the algae, the system may become self perpetuating. The quanties released from the sediment during the summer may be sufficient to sustain massive algae production year round. Therefore, even if we add no more phosphates, amounts in the surface waters may be sufficient to create a perpetual algal bloom. If this occurs, there is little that we can do to rejuvenate the lake. All the efforts by industry, governments and private citizens to turn the lake from a liability to an asset will be for naught.

I urge your Committee to take all necessary steps to see that this does not occur. It is insufficient to solely remove the prosphates by the construction of new and up-grading of old municipal sewage treatment plants. Even if the money was available today, it would take more than ten (10) years to adequately treat most of the sewage entering Lake Erie. This would be too late. We must reduce at least part of the phosphate loading by 1974. The only logical alternative appears to be to reduce or eliminate the phosphates in detergents used in the Lake Erie basin.

If the leading detergent manufacturers in the United States can meet the Canadian phospate standards at their Canadian-based factories, then they can achieve these objectives on our side of the border. I ask that your Committee promote such an end.

Dr. Robert A. Sweeney is the Director of the Great Lakes Laboratory and Professor of Biology at the State University College at Buffalo. A graduate of The Ohio State University (M.S. and Ph.D.) and the State University of New York at Albany (B.S. cum laude), he has written two (2) books on the chemistry and biology of Lakes Erie and Ontario, as well as numerous articles on algal ecology. Dr. Sweeney is a consultant to the U.S. Army Corps of Engineers, New York State Departments of Environmental Conservation and Health and the International Field Year on the Great Lakes.

In his five (5) years as head of the Great Lakes Lab, he has directed applied research on water pollution for numerous governmental and private agencies. Neither he nor the lab has ever received funds from any manufacturer of detergents, phosphates or phosphate substitutes.

NEW YORK TIMES DISTORTS PLAN FOR PANAMA CANAL GIVEWAY

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 15 minutes.

Mr. FLOOD. Mr. Speaker, a page 1 news story by Benjamin Welles in the New York Times of October 19, 1971, announced that the United States is preparing to cede substantial territory of the U.S.-owned Canal Zone to Panama and that "steady progress" is being made toward a new canal treaty to replace the 1903 Hay-Buneau-Varilla Treaty. In the latter Panama granted a concession of sovereign rights, power, and authority en bloc for the great purpose of the construction, maintenance, operation, sanitation, and protection of the Panama Canal. The authority under this grant includes the right for "expansion and new construction," such as the major modernization of the existing canal.

For those seeking detailed information in the premises attention is invited to my address in the CONGRESSIONAL RECORD of September 23, 1971, quoting my testimony on September 22 before the House Subcommittee on Inter-American Affairs, a 1971 memorial to the Congress by the Committee for Continued U.S. Control of the Panama Canal, a State Department paper that clearly outlines its policy for surrender at Panama, and the 1971 American Legion resolution on sovereignty and modernization of the Panama Canal.

The indicated New York Times news story is without question one of the most anti-American, misleading and inaccurate pieces of propaganda that I have yet encountered on a matter of such grave importance.

As to its inaccuracies, I shall quote and comment on certain parts of the article:

The United States will insist on its rights either to improve the existing canal with a third set of locks or to build a new sea-level canal.

COMMENT

The United States under existing treaty provisions has the right to provide for "expansion or new construction" for the existing canal. Why should we negotiate for authority that our country already has? As to a sea-level canal, even its own advocates have publicly admitted that it may never be constructed, that it is not economically warranted and that its main purpose is to secure better treaty relationships with Panama.

In any event, the extravagant sea-level project across the Isthmus is being strongly opposed not only by informed engineers and other experts but also by marine biologists because of the danger of a biological catastrophe. Yet the article does not mention this important new angle in the interoceanic canal problem.

Panama . . . did not give the United States "sovereignty" over the Canal Zone. It leased to the United States for the building of a canal a strip 10 miles wide and 50 miles long.

COMMENT

The facts are that Panama granted to the United States the "use, occupation and control" of the Canal Zone in perpetuity for the "construction, maintenance, operation, sanitation and protection" of the Panama Canal with all the "rights, power and authority within the zone * * * which the United States would possess and exercise if it were sovereign" and "to the entire exclusion of the exercise by * * * Panama of any such sovereign rights, power or authority." In addition, the United States acquired ownership of all privately owned land and property in the zone by purchase from individual owners. Yet the article does not give these crucial facts.

The rental price to Panama at the time was $10,000,000 down and $250,000 a year.

COMMENT

This is contrary to facts. The Canal Zone is not rented. The $250,000 annual

payment was the annual obligation of the Panama Railroad to Colombia which obligation was assumed by the United States in the 1903 treaty.

Secretary of State, John Hay, is said to have remarked that the United States had obtained a treaty very satisfactory to the United States and we must confess not so advantageous to Panama.

COMMENT

He made this statement in a personal letter to a Senator at the time the 1903 Treaty was under consideration, but he also said much more and this was to the effect that U.S. authority in the Canal Zone was that of complete sovereignty. (Foreign Relations, 1904, pages 598–607.)

We're going to turn unused area in the Zone and lots of commercial operations—piers, movie houses, commissaries, and so forth, over to Panama.

COMMENT

A loose statement. President Taft, by Executive order in 1912, declared that all land in the zone is necessary for canal purposes. Moreover, more is needed now than at that time. Piers are major operational parts of the canal enterprise and the suggestion for their cession is utterly ridiculous.

Senator Alan Cranston recently called in Congress for a restoration of full Panamanian sovereignty over the Canal Zone with the United States retaining responsibility for operating and defending the waterway as a "world facility."

COMMENT

This reveals an ignorance of Isthmian history and facts that is pathetic. Panama was never a really effective sovereign over the Canal Zone except for a few months (Nov. 3, 1903–Feb. 26, 1904). Until November 3, 1903, the sovereign of the Isthmus was Colombia. If there is to be a cession of sovereignty it should be to Colombia.

Responsibility for operating and defending the canal without sovereign control would saddle the United States with a grave burden without adequate authority and invite the inevitable recriminations that always accompany intraterritorial rights.

In general the article is wholly inadequate. It—

First. Ignores the provision in article IV, section 3, clause 2 of the U.S. Constitution that vests the power to dispose of territory and other property of the United States in Congress.

Second. Fails to prevent the importance of the Panama Canal as the key to Western security.

Third. Treats the Canal Zone territory as a disposable piece of real estate without regard to its purpose as the protective frame of the Canal Zone, indispensable for canal defense, operation, and modernization.

Fourth. Fails to consider the long-range Soviet plan for control of the Panama Canal as a key objective for encirclement of the United States with satellites.

Fifth. Disregards the probability of Panama becoming another Cuba astride the world's last great interoceanic link.

Sixth. Understates the amount of the total net investment of the United States in the canal enterprise, which, including defense, is more than $6,000,000,000.

Seventh. Minimizes the cost of a sea-level project, which in addition to the 1970 estimated initial cost of $2,880,000,000 would have to include the amounts of a huge indemnity to Panama and the cost of acquiring the right-of-way.

The indicated article is important not for its intrinsic merits but as a tipoff for what is being planned by certain elements in our Government as regards the Panama Canal. As such it should serve as a warning to all citizens to write the President, and Members of the Congress, especially Senators, in opposition to any surrender at Panama. It also serves to emphasize the importance of immediate favorable action by the House on pending Panama Canal sovereignty resolutions on which hearing were held on September 22 and 23, 1971.

Mr. Speaker, as I have stated on other occasions should the President send the projected treaty to the Senate for approval, my distinguished and able colleague from Missouri (Mr. HALL) and I stand ready to lead all Members of the House of Representatives interested in saving the Panama Canal in a march four abreast to the office of the chairman of the Senate Committee on Foreign Relations to request time for each to oppose the treaty. Based upon a large correspondence, I do not believe that the people of our country will support any administration, no matter what it is or any President or any Secretary of State who attempts to surrender U.S. sovereignty over the Canal Zone and Panama Canal.

In order that the full text of the indicated article may be available to all Members of the Congress and the Nation at large, I quote it as part of my remarks:

[From the New York Times, Oct. 19, 1971]

U.S. CONCESSIONS TO PANAMA SEEN—CEDING OF LAND EXPECTED IN MOVE FOR NEW CANAL PACT

(By Benjamin Welles)

WASHINGTON, October 18.—The United States is preparing to cede to Panama substantial territory, commercial concessions and some legal jurisdiction in the 500-square-mile Panama Canal Zone, according to American and Latin diplomats.

After 17 meetings since June 29, United States and Panamanian negotiators here are reported to be making steady progress toward a new canal treaty to replace the 1903 accord that gave the United States a lease on the canal zone "in perpetuity."

The United States is reported eager to shed its "colonialist" image in Panama—and throughout much of Latin America—by making concessions on all but two key issues.

First is the right to operate and defend the strategic waterway, built by the United States for $387-million and opened to world traffic in 1914. Second, the United States, given Congressional approval, will insist on its right either to improve the existing canal with a third set of locks at an estimated cost of $1.5-billion or build a new sea-level canal across Panama for an estimated $3-billion. The latter would take 15 years to build and 60 years to amortize.

A Presidential panel has recommended that either one course or the other be adopted before the year 2000.

In the background is a sense of rising expectation in Panama, spurred by anti-United States riots in 1956, and 1964. Four Americans and 22 Panamanians were killed in the 1964 riots. Panama broke off diplomatic relations with the United States in protest.

The panamanian goal, according to well-informed Latin sources, is to leave the United States with full rights to operate and defend as well as improve or supplement, the canal—although not necessarily the full 500-square-mile zone around it—in a treaty with a fixed time limit. This would end the exclusive United States rights "in perpetuity." Panama also is demanding increased economic returns from the canal fees.

UNITED STATES DID NOT GET SOVEREIGNTY

The 1903 treaty, signed two weeks after the Republic of Panama had broken away from Colombia and had been recognized by the United States, did not give the United States "sovereignty" over the Canal Zone. It leased to the United States for the building of a canal a strip 10 miles wide and 50 miles from the Atlantic to the Pacific. The rental price to Panama at the time was $10-million down and $250,000 a year.

The 1903 treaty gave the United States the "power and authority" within this zone "which the United States would possess and exercise as if it were the sovereign of the territory."

At the time, the United States Secretary of State, John Hay, is said to have remarked that the United States had obtained a treaty "very satisfactory to the United States and we must confess not so advantageous to Panama."

Now the United States and Panamanian Governments are reported agreed in principle that the 1903 "in perpetuity" provision must be dropped. They are said to have agreed also that the total United States jurisdiction—including commercial monopolies—in the Canal Zone deprives Panama of needed income and violates her sovereignty.

CONTROLS TO BE RETAINED

"We're going to turn unused areas in the zone and lots of commercial operations—piers, movie houses, commissaries and so forth—over to the Panamanians," said one United States source. "But we're going to retain control of what we need to operate and defend the canal—or a new one if it gets built—for a very long time; maybe 50, 60 years."

This source said that under the new treaty the United States would gradually cede to Panama legal jurisdiction over many United States private activities inside the Canal Zone that now are exempt from Panamanian laws.

Panamanian regimes have long complained that the zone is a "government within a government" in which Americans with no direct contact either with the operation of the canal itself or with the United States military forces guarding it enjoy extraterritorial privileges. Neither the Panamanian police nor legal authorities have jurisdiction in the Canal Zone.

Senator Alan Cranston, Democrat of California, recently called in Congress for a restoration of full Panamanian sovereignty over the Canal Zone with the United States retaining responsibility for operating and defending the waterway as a "world facility."

A "COLONY" OF 40,000

In testimony Sept. 27 before a House Foreign Affairs Subcommittee, Mr. Cranston cited a "colony of 40,000" mostly white Americans who reside in the Canal Zone year after year, and some, generation after generation. He described "nicely paved roads, lovely suburban homes and the 15 percent differential on top of an inflated pay scale to entice people to come down from the States."

Of the 15,000 workers employed in the Canal Zone, he said, 4,000 are Americans. Of these 4,000, he said 1,289 work on the canal while the majority are employed in "schools, movie theaters, bowling alleys, commissaries, golf courses and a zoo."

The continuing presence of the Canal Zone, bisecting Panama and pre-empting its two main ports—Colon on the Atlantic and Balboa on the Pacific—provides fuel, Mr. Cranston said, to "militant factions in Panama and elsewhere." They point to the Canal Zone, he said, as a "colonialist outrage fenced apart from the horrible slums which neighbor alongside."

While the negotiations, headed for the United States by Robert B. Anderson, a former Secretary of the Treasury, and for Panama by Ambassador Fernado Monfredo Bernai have made headway, informants say, differences remain over the extent of United States military and economic concessions to Panama.

According to Senator Cranston, the Canal Zone "has little to do with protecting the canal from invasion." Of the 40,000 United States military officers, men and dependents in the Canal Zone, he said the combat forces consisted of "one infantry battalion on the Atlantic end and one mechanized infantry battalion on the Pacific end."

Mr. Cranston cited Maj. Gen. Donnelly P. Bolton of the Army as having said that "no significant Navy or Air Force high-performance combat units are based in the zone." In the event of trouble, General Bolton is said to have stated, reinforcements would have to come from Florida or Virginia.

Panamanian officials say that the 1903 treaty did not give the United States the right to use the Canal Zone for such activities as jungle training for Vietnam.

Gen. Omar Torrijos, who seized power in Panama on Oct. 11, 1968, recently called on the United States to cut its large military presence in the Canal Zone on the ground that it is unnecessary. General Torrijos himself attended United States military schools in the Canal Zone, as have many thousands of Latin-American officers, and the 11,000-man Panamanian National Guard has been trained and equipped by the United States.

American sources insist, however, that the United States will retain key areas in the zone in which troops will be permanently stationed and into which others can be airlifted should trouble threaten.

The United States economic concessions to Panama have not been settled, informants say, because political concessions come first and are still being worked out.

However, Latin sources said that the Panamanians had already won in principle larger concessions from the United States than they did in the 1967 draft treaties. These, after being worked out laboriously over three years, were never ratified by Panama for domestic political reasons.

At that time the United States offered to give Panama a share in the annual $100-million in tolls. Had the treaties been ratified these would now be yielding Panama $25-million yearly. At present the United States is paying Panama $1.9-million a year from canal tolls.

However, United States officials say that the economic benefit to Panama from the presence of 40,000 Americans is approximately $160-million a year in direct spending and local employment. This is $60-million more than the United States receives in canal tolls.

UNSAFE SCHOOLBUSES IN FLORIDA

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 10 minutes.

Mr. ASPIN. Mr. Speaker, today I would like to include in the RECORD an article entitled "Florida Schools Cite Unsafe Bus Brakes," which appeared in the Sunday Washington Post.

This article is just one more piece of evidence that schoolbuses must be built more safely than they are at present and that Federal regulation of safety design standards for schoolbuses is long overdue.

Mr. Speaker, as you know, 52 Members of the House recently joined me in cosponsoring schoolbus legislation which would require the Department of Transportation to use the authority it now has to promulgate effective standards for the design of safe schoolbuses. With each passing day it becomes more incredible that, while Congress has regulated the safety design and manufacture of automobiles, virtually nothing has been done on the Federal level to assure that those vehicles which transport our children to and from school are reasonably safe.

What makes the present situation even more incredible is that some very excellent safety design standards have been promulgated by the Vehicle Equipment Safety Commission—an interstate compact with 46 member States. Recently, the Ward Bus Co. held a demonstration of a new prototype bus which complies with the VESC's standards. That bus is unquestionably superior in virtually every safety aspect to schoolbuses presently on the road. The cost of the very great safety improvements that the Ward Co. has designed into this prototype was only $390. Especially when compared with the average cost of a schoolbus of about $10,000, that is a very small price indeed to pay for these much-needed improvements.

Mr. Speaker, I believe that when the Congress realizes how little has been done in the area of schoolbus safety design, it will move with greater alacrity to rectify an inconsistent and intolerable situation. I hope that the Post article, which follows, will help to bring about that realization by Congress:

FLORIDA SCHOOLS CITE UNSAFE BUS BRAKES

TALLAHASSEE, FLA.—Up to 452 school buses in 40 or more Florida counties are equipped with brakes that state school officials say are subject to sudden failure.

Among the counties that have reported temporary brake failures on school buses are Sarasota, Manatee, Polk and Gadsden. A three-year-old boy was injured in Sarasota when the brakes on a school bus failed and the vehicle slammed into his grandmother's car.

"The brakes fade," said Sarasota County transportation supervisor James Hightower. "It seems like they're grabbing."

"It isn't too very often but it's enough to keep us worried," he said. "It happened twice in one week."

International Harvester, which manufactured the 1969 and 1970 model buses experiencing brake problems, sent representatives to Sarasota Oct. 5 and promised a report within a few days.

LET US NOT HOGTIE THE PRESIDENT

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 10 minutes.

Mr. GONZALEZ. Mr. Speaker, I am introducing a continuing resolution to provide for support of the foreign assistance program until further action is taken by the Congress on this matter.

It would be foolish, improvident, and even tragic if we were not to provide for continued support of these programs, at least on an interim basis. To allow the action of the other body taken last Friday to stand unmodified would mean the complete abolition of a program that has stood us in good stead through the whole postwar era, and moreover would mean the abandonment of multiple commitments our country has which are both political and moral. Beyond that, this action, left standing, would hogtie the President; we would not provide him any alternatives for carrying out essential programs for the security of our country, and the development of struggling nations around the world. It may be hard to conceive, but these programs range from the provision of modern weapons for the support of Israel to the simple, and nearly cost-free, task of training librarians in Nepal.

Surely bilateral assistance programs have their faults and limitations, some of them grave. Yet this does not mean that we should throw out the baby with the bathwater. We must, if we want to get out of the bilateral aid business altogether, allow time to find and forge an effective instrument for its replacement.

I hope that the Committee on Banking and Currency will soon be able to report to the House its program for a multilateral assistance package, but even if that package is adopted in its entirety, it would not allow enough resources to replace what would be lost through the action of the Senate last Friday. If we are to have multilateral aid only, we will need time to find out how much, and how to provide it, and through what international agencies. This continuing resolution would at least provide that.

We cannot act out of greed or fear or impatience. We are dealing in issues that involve more than our own destinies. We have at stake the destiny of the whole world. We are not talking about giveaway programs, or secret commitments. We are talking about ways of developing countries that need help for development, and ways of helping countries defend themselves, today no less than England needed help under the lend-lease program.

We cannot withdraw from the world; we cannot ignore all that is happening around us. We are part of it, and it is part of us.

It would be a disaster if we failed to continue support for the foreign assistance program, at least until we find some better way to accomplish the same ends. And the price we might one day pay for our failure to act, or for our temporary rage and frustration, is too fearful to contemplate. Let us not tie the hands of the President, nor of our own country, in whose name these programs exist.

LAND USE PLANNING IN ALASKA

(Mr. ASPINALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ASPINALL. Mr. Speaker, during the recent debate on the floor of the House of the bill (H.R. 10367) to provide

for the settlement of certain land claims of Alaska Natives and for other purposes, some Members offered an amendment which would have established a temporary joint Federal-State natural resources and land use planning commission.

I opposed this amendment, pointing out that legislation relating to planning for the use of both public and private lands was being considered by the Subcommittee on the Environment of the Committee on Interior and Insular Affairs, and that it would include the State of Alaska as well as the other States of the Union. My opposition was not to the principle of land use planning but rather to the manner in which it was introduced:

The amendment being offered on the Floor had not been considered in Committee and therefore had not benefited from the detailed attention the Committee had given to other parts of the native claims settlement; and

The amendment, although said to be in accordance with recommendations of the Public Land Law Review Commission (PLLRC), did not appear to be compatible with the philosophy of the Commission or, indeed, of any land use policy legislation now being considered by the Subcommittee.

House deliberation of a bill has always been directed and resolved most constructively when the Members can rely upon the Committee of Reference having thoroughly considered the legislation, including amendments. I believe this is an important enough instance of the need for application of this procedure to take time to detail what I believe the facts to be.

PLLRC REPORT

The PLLRC recommended establishment of a joint Federal-State natural resources and regional planning commission for Alaska, having first reiterated that generally the public land laws should apply equally in all States, including Alaska, but finding the situation "entirely different" in Alaska because of the extensive land grants made in the Statehood Act and the need for selection of lands to fulfill such grants by 1984. PLLRC then noted that its "general recommendation for coordination . . . with local and state governments must be strengthened and the State of Alaska given a greater role in planning the future uses of the public land base, since a significant part of that land base will belong to the state in the future (PLLRC report, p. 65)."

As I understand the rationale for the PLLRC recommendation that a joint planning commission be established for Alaska, the people of that State ought to be permitted to play a greater role in planning future uses of public land than is the case in other States because a part of the Federal holdings will become State land under the selection process and, even after selections have been completed, two-thirds of the State will remain in Federal ownership.

H.R. 7211

Last April, along with my colleagues, Mr. BARING, Mr. TAYLOR, Mr. UDALL, and Mr. KYL, former members of PLLRC, I introduced H.R. 7211 as a first step toward statutory implementation of the commission recommendations. That part of H.R. 7211 dealing with regional coordination—sections 8–12—establishes Federal regional coordinating committees—composed of Federal gency representatives—interstate land use coordinating commissions—to represent regional, State, and local governments—and a joint Federal-State natural resources and regional planning commission—to coordinate use of public lands in Alaska).

Although the Alaskan commission is separately provided for in section 11 of the bill, it is similar in many respects to the coordinating committees and commissions that would operate in the lower 48 States. The separate commission for Alaska is proposed largely because of the geographic separation of Alaska from other land areas in the United States—an interstate commission here would not be very practical—and so great a percentage of Alaska is and will remain Federal public land; the problem of coordinating planning for public land with planning for other lands is compounded.

In effect, the joint Alaskan commission is a combination of the regional coordinating committees and the interstate coordination commissions established in the lower 48 States under the bill. Its recommendations would be advisory only, with both the Federal Government and the State of Alaska free to accept or not to accept the advice of the commission. The commission is directed by the bill to develop for Alaska a land management plan "in accordance with the purposes, policies, and goals and objectives of H.R. 7211." It would be a temporary commission in that, in any event, it would cease to exist no later than 1984. Authorization is made for $750,000 annually to finance the commission.

PROPOSED AMENDMENT TO NATIVE CLAIMS BILL

Section 9(g)(8) of H.R. 11305, the Udall-Saylor bill introduced October 18, on which the amendment offered October 20 during the debate on the Native claims legislation is based, establishes a temporary joint Federal-State natural resources and land use planning commission. With the exception of the word "temporary," the name given to this commission is the same as the one given to that established under H.R. 7211.

The 23 members of the H.R. 7211 commission and the 14 members of the Udall-Saylor commission would be somewhat similarly appointed but their duties would be somewhat different.

Under the Udall-Saylor proposal, the commission or any subcommittee or member thereof, would be authorized to "hold such hearings, take such testimony, receive such evidence, and sit and act at such times and places as deemed advisable." Specifically included is the holding of public hearings "both in Alaska and in other States, for obtaining public views of statewide land use planning."

The commission is directed to "undertake statewide land use planning, including recommendation of areas for permanent reservation" and for disposal. It is further directed to "promulgate land use plans" for lands selected by the Natives as well as those selected by the State as part of its statehood grant. It is to make recommendations to the President and to the Governor as to programs and budgets of both Federal and State agencies administering the public lands. To finance the commission's operations, $1½ million are authorized annually.

CONCLUSION

In summary, much more authority is spelled out by statute for the Udall-Saylor commission than is the case with respect to the one established by H.R. 7211. The most important respect in which the proposal of Messrs. UDALL and SAYLOR differs from that recommended by PLLRC and contained in H.R. 7211 is that the Udall-Saylor commission would have zoning powers, and the provisions of plans developed by it would be binding on the State as to its selections and on the Natives as to theirs. It would be a regulatory agency.

By making the plan binding on the State of Alaska, the Udall-Saylor proposal is in effect a modification of the Statehood Act under which Alaska was given unrestricted title to its grants—a matter of no little significance.

There was no opportunity to discuss this proposal in the Subcommittee on Indian Affairs, where the Native claims legislation was developed; and in the full committee, the planning amendment that was offered did not pertain to Native selections, a fact so stated by its proponent.

Certainly a difference in philosophy is apparent. Whereas, the fact that so large a percentage of Alaska is and will remain public land led the PLLRC to recommend that the citizens of that State have a greater role in planning future uses of public land—and this is reflected in H.R. 7211's joint commission—this same fact apparently leads the Members introducing the amendment to propose that future planning be done by persons outside the State—including the holding of hearings to obtain public views anywhere in the United States.

Perhaps some of the differences can be resolved as the so-called national land use planning legislation is developed. We may need to spell out in more detail than is done in H.R. 7211 what a joint commission would do in Alaska—it may need more than advisory authority in certain instances—so that it will not be too different from such commissions as are authorized to carry out planning in other States of the Union.

The point is, these matters can be resolved within a few months during the next session of this Congress in accordance with our regular procedure—after the Subcommittee on the Environment has completed its hearings on land use policy and has agreed upon legislation from among the 12 to 15 bills now before it, and after the full Interior and Insular Affairs Committee has had an opportunity to review the work of its subcommittee.

Then, and only then, I submit, is this matter before this House in the most constructive manner. I intend then to fully support land use planning in Alaska, as elsewhere, and I suspect that those Members supporting the amend-

ment recently proposed and the majority of our committee will not be far apart. We can then confidently expect the Members of the House to be fully informed, so that this important legislation can move forward just as was the case with the Native claims bill 2 weeks ago.

SILVER ANNIVERSARY GALA, WASHINGTON CHAPTER, SOCIETY OF FORMER SPECIAL AGENTS OF THE FBI

(Mr. SMITH of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SMITH of California. Mr. Speaker, the Society of Former Special Agents of the Federal Bureau of Investigation has a membership of several thousand. The Washington chapter is the largest, with over 500 members.

On October 22, 1971, the Washington chapter celebrated its silver anniversary with a banquet and dinner-dance at the John F. Kennedy Center for the Performing Arts. It was under the direction of John J. Grady, chairman of the Washington chapter, and Paul E. Ertzinger, chairman-elect.

This was, indeed, an outstanding and memorable occasion. Particularly so because we were especially honored by the presence of our esteemed Director of the Federal Bureau of Investigation, Mr. J. Edgar Hoover. The Kennedy Center is limited in the number it can serve and on this occasion the room was filled to capacity. Many could not be accommodated.

Mr. Speaker, the remarks of Mr. Hoover were outstanding and an inspiration to all. I am honored and privileged to place them into the CONGRESSIONAL RECORD.

REMARKS OF J. EDGAR HOOVER, DIRECTOR, FEDERAL BUREAU OF INVESTIGATION, 25TH ANNIVERSARY DINNER, WASHINGTON CHAPTER, SOCIETY OF FORMER SPECIAL AGENTS OF THE FBI, INC., JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS, WASHINGTON, D.C., OCTOBER 22, 1971

It is a pleasure to be able to participate this evening in the festivities marking the 25th Anniversary of the Washington Chapter of the Society of Former Special Agents of the FBI. It is particularly fitting that such a significant event is being commemorated in this superb setting.

As you are aware, a new Headquarters for the Bureau is very gradually emerging from the ground on Pennsylvania Avenue across the street from the Justice Building. One local newsman has compared it to the building of a "Great Pyramid." I feel I must disagree with his observation . . . I am convinced that the ancient Egyptians were able to build their pyramids in far less time than it is taking to erect our new building.

There are some who maintain that the only reason I am staying on as Director of the FBI is to be present at the dedication. This is absolute nonsense. At the rate the building is going up, *none* of us will be around by the time it is completed.

This, of course, is the fervent wish of some of my more virulent critics. One of them . . . his name escapes me for the moment . . . has apparently fallen off his merry-go-round once too often.

Last spring he spent considerable time sifting through my garbage. I'm not complaining, mind you. In fact, my only reason for mentioning it is that I understand he is becoming increasingly confused between the trash he examines and the trash he writes.

Remarkably consistent in his disregard for the truth, my personal garbage sorter recently alleged that I had censured and transferred an FBI Agent because he was not properly attired at the time he killed an armed hijacker holding a stewardess hostage at the Kennedy Airport in New York.

You may be sure that no such censure has ever included anything like the commendation and the $500 check that this cool-headed young man received for averting what could have been a real tragedy. Under the circumstances, is it any wonder that there are some who question the accuracy, no less the integrity and motives of some so-called news scavengers?

Maybe those of us in the FBI are narrow-minded when we frown on indiscretions involving unmarried couples. . . . Maybe we are intolerant when we refuse to permit our personnel to participate in the activities of groups and organizations that are hostile to our government. . . . Maybe we are old-fashioned when we frown upon extreme hair styles and wearing apparel. If we are, I am confident that you and the majority of the American people share our views.

The Bureau's achievements over the years have been the direct result of the kind of men and women who have served in the FBI . . . people like you . . . clean-cut, highly intelligent, dedicated Americans of the finest moral character who are totally loyal to their country and to the organization for which they work.

We have exacting standards in the FBI and we apologize to no one for them. We have no intention of arbitrarily compromising these standards to accommodate kooks, misfits, drunks, and slobs. . . . Were we to do so, you may be sure we would eventually merit the unwarranted criticism we now receive.

Over the years, law enforcement, including the FBI, has borne the brunt of criminal violence. Twenty-three Special Agents, whose memories we revere, made the supreme sacrifice.

I am sure there are some in this room who may have known or worked with one or several of these heroic men. All of you have shared their hardships and dangers and we can be grateful that the toll in human life hasn't been greater.

The hazards of being a law enforcement officer . . . an FBI Agent . . . continue to increase at an alarming rate as certain elements in our society are determined to defy lawful authority and are encouraged in it by some vituperative segments of the news media.

Despite the fact that FBI Agents act in self-defense and use firearms only as a last resort . . . armed criminals, displaying shocking contempt for authority and human life, have engaged our personnel in 67 gun battles since 1966. In addition . . . during a recent 12-month period, no less than 105 Bureau Agents were assaulted while fulfilling their official responsibilities.

Disregard for law and order is encouraged by hatemongers, extremists, and others who assert that revolution against society is justified and necessary . . . and that men should be permitted to murder, rob, loot, and pillage with impunity to achieve their goals.

Some of us are old enough to remember the hoarse, terrifying, mindless roars of Hitler Youth; and though it is a frightful thing to say, it must nevertheless be said: A thing not too dissimilar from Hitler Youth has been abroad upon the campuses, and elsewhere in this country.

They have twisted and perverted rights into license of intellectual terrorism, into a conscious subversion of lawful national purposes constitutionally arrived at.

The U.S. Supreme Court has said, "Civil government cannot let any group ride roughshod over others simply because their 'consciences' tell them to do so."

Disregard for law and order is the anarchistic banner of those who want the rule of no rule . . . who profanely proclaim that all of the values of the past have failed mankind and that real progress can only be achieved by discarding tradition, demolishing our democratic institutions, and ultimately destroying our existent society.

Disregard for law and order is the stock-in-trade of vicious hoodlums who are encouraged to think and act as if they are without fault, but who suffer from spiritual malnutrition.

It is the end product of a chaotic philosophy which maintains that there is no such thing as right or wrong, guilt or innocence, and which accuses responsible authority of violating rights and restricting freedom when it responds to protect society from vile depredations.

Society, to survive, must protect itself from the lawbreaker. Of course, there are some who maintain that to imprison a criminal, to place him behind bars, is to dehumanize him.

Incarceration for the lawbreaker is certainly no more dehumanizing than a rationale that would have us believe that man is without fault and should not be held responsible for his deeds . . . that he is a helpless victim of forces that he can neither master nor control . . . that he is in effect a mindless brute who, while he walks erect, is really no different from the savage beast.

Warped and distorted concepts such as these only serve to encourage the lawless and erode the moral and spiritual strength of our Nation.

Too long we have concerned ourselves with the plight of the criminal. We have coddled him, we have shown him our compassion, our mercy and our leniency and, unrepentant, he has shown us his contempt.

Justice is not served when innocent victims and society suffer while the vicious criminal goes free.

Justice cannot be served when the rights of society are trampled in our courts by over-indulgent judges and misguided attorneys whose overriding concern for the criminal and obsession with legal technicalities have all too often distorted the true meaning and purpose of our constitutional guarantees.

Justice cannot be served as long as penal institutions fail to rehabilitate and conditions continue to exist in our revolving-door systems of parole and probation whereby convicted felons are unleashed on society, more eminently qualified to resume a life of crime than when they were imprisoned.

It is time we stopped coddling the hoodlums and the hippies who are causing so much serious troubles these days. Let us treat them like the vicious enemies of society that they really are regardless of their age. Let the punishment fit the crime, not the age.

Justice is not a separate thing—it is inherent in law and order.

Nor can justice be served as long as there are some who suggest and others who believe that law enforcement itself is a sinister threat to our free society. There are a few journalistic prostitutes who in their jaundiced outlook upon realities and truth attribute the increase in crime as somehow the fault of the FBI or the result of inadequate performance by it. They do not merely skirt but ignore completely the fact that the overwhelming part of the increase in crime has been in areas where the FBI has neither the authority nor jurisdiction, namely at the local and State level.

As Abraham Lincoln once said, "When you see a lot of different people all popping off to the same effect at the same time, you have very good reason to believe that a concerted campaign is afoot."

While intemperate voices raise cries of police brutality and police repression with little to support their contention, there are others who regard the use of science, the computer, and other technical advances as a potential threat to their freedom.

To serve the public properly in a society that grows ever more complex, to contend with the criminal who becomes ever more mobile, law enforcement, to succeed, must continue to seek improvement in its training, methods, and techniques.

I would be less than candid if I were to maintain that there are no longer incompetent policemen and abuses of police power, for the record shows otherwise. Unfortunately, the one bad police officer, the one who commits that isolated act of brutality, turns up among thousands of outstanding men, and becomes the symbol of all policemen rather than the exception that he is.

Extremists and hate groups which are committed to violence use allegations of police brutality and repression as an excuse for their malicious activities and to discredit the entire law enforcement profession.

Incredible as it may seem, there have been instances in which the news media, particularly television, have accepted without question wildly improbable allegations made by hate groups against the police and, even when the facts have been readily accessible, certain segments of the media have, for whatever reason, chosen to ignore and disregard them. Unfortunately, the truth never seems to catch up with the "big lie," and even if it does, it is too late to undo the harm that has been done in denigrating the forces of law enforcement.

The publication of drivel, while admittedly a right—is not the best way of discharging the precious responsibilities of a free press.

Criticism, of course, is essential in our democratic society . . . but criticism, to be valid, must be based on knowledge and a desire to correct deficiencies. The foundation of any news media should be truth, objectivity, and justice.

Criticism without basis is demoralizing and serves the interests of those subversives and criminals who seek to serve only themselves and not democracy. No man has the inherent right to place himself above and beyond the law, even though he may personally consider that law to be onerous.

It is time for the voices of logic and decency to be heard and to make their influence felt.

People of goodwill must rededicate themselves to building greater public respect for and confidence in law enforcement in the crucial role it plays in our survival.

We are citizens of the greatest nation on the face of the earth. We enjoy the most envied way of life known to man.

If we are to survive as a nation, we must challenge the attitude of those who have been selling America short . . . who want to destroy, who want rights without responsibilities, and who encourage disrespect for law and order.

We live in a period of stress and turmoil . . . in times that demand spiritual strength and moral fortitude. If this country is going to wage an effective war against crime, it cannot be done by lessening the severity of the present laws but by enforcing them.

This nation's greatness and our freedom are based solidly on respect for the law.

Difficult and trying days lie ahead. The FBI, undaunted and ever mindful of its obligations to the American people, faces the uncertain future with confidence and determination. This is our pledge to you who have given us your loyal support and made important contributions to the success of the FBI.

The going will be tough . . . however, when the going *gets* tough, the *tough* get going.

WOMEN SUPPORT PRAYER

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, with a vote scheduled next Monday, November 8, it seems to me pertinent to know views of a group of respected women as it relates to the proposed prayer amendment.

I invite your attention, Mr. Speaker, to the article appearing in the Columbus, Ohio, Citizen-Journal of November 1, 1971, outlining the steps taken in circulating a petition favoring Hon. CHALMERS P. WYLIE'S valiant fight to preserve the right to pray and read the Bible in public buildings.

WOMEN CIRCULATE PRAYER PETITIONS

(By Pauline Wessa)

Freedom to pray where and when one desires is the first target of a new movement which is enlisting woman power in all 50 states.

Spearheaded by Miss Martha Rountree, long-time news analyst, broadcaster and columnist, some 34 million women are becoming involved in a "Crusade Against Moral Pollution."

"We have women working at the grass roots level right now on the prayer petition," Miss Rountree said at an informal coffee Friday morning.

The prayer petition is one introduced in the U.S. House of Representatives by Ohio Congressman Chalmers Wylie in 1967.

Wylie successfully led a drive to force the proposed amendment out of the House Judiciary Committee and it will be called up on the House Floor on Nov. 8 as a privileged matter.

A two-thirds majority will be necessary to advance the proposed amendment to the Senate. The House has never before voted on the issue because of the adamant opposition of Judiciary Committee Chairman Emanuel Celler (D–New York).

Prayer in schools has been a controversial issue since 1962 when the Supreme Court decision on the Engel case stated that prayer could not be required by law.

Wylie pointed out that the Supreme Court decision did not prohibit voluntary prayers, but decisions made in the lower courts since that time were prohibiting prayer of any kind in some areas . . . and that the Stein case in New York prohibited young students from even having any voluntary prayer meetings on school property.

"And the Supreme Court has refused to hear 67 cases where a school board has been sued because they had non-denominational prayers in the school," Miss Rountree said. "When the Supreme Court refuses to hear a case, it's impossible to get a ruling."

"Separation of Church and State is the primary basis for opposition to the amendment . . . but recalling my history, the original purpose of this was to prevent the state from infringing on a person's right to worship as he wished," she continued.

"This has now been turned around and the state is telling us how and where we cannot pray. That's a complete reversal of the freedom that was intended," she said.

"This is one reason, I think, that we've had a 200 per cent increase in crime since 1962 in the age group of 15 to 24," Wylie said. "There are more 16-year-olds than any other age group involved in criminal acts. Next are 15-year-olds and next 14-year-olds. Now that ought to tell you something."

Miss Rountree, who has been in 43 states during the past 17 months and will be in another six during the next 10 days, stated, "The women of this country are very concerned about what's happening in our country. Women want prayer in our schools to give their children some degree of stability!

"That's why they're putting forth a concerted effort at the grass roots level," Miss Roundtree said. "This is above religious affiliation and party politics . . . and they're doing it in spite of opposition by many denominational hierarchies."

"A strange lobby of church leaders and members of Congress has joined in to fight this amendment," Wylie said. "I do not question the sincerity nor the motives of those who oppose it, but . . . they are misinformed about the meaning of this amendment and are guilty of not recognizing that, in a democracy, the people govern.

"I noted in the Congressional Record for Oct. 19, 1971, a statement by the Hon. J. Glenn Beall Jr., senator from Maryland, in which he publishes the results of polls on the issue beginning August 1962 through February 1971 . . . which show that from 73 to 91.5 per cent of the American people overwhelmingly favor the civil right of free school prayer, depending on the form of the question.

"In my own hometown of Columbus, said to be a typical American community, a poll taken by ABC–TV revealed that 91.5 per cent said prayer should be permitted in public schools," Wylie said.

He pointed out that since 1962, in one case after another, students have been prevented from reading a voluntary prayer, from reading prayers from the Congressional Record, from singing the last verse of "America" because it mentions God, and even from saying the Pledge of Allegiance because of the phrase, "One nation, under God."

It's the very liberals who are screaming for equal rights for all, who will not permit equal rights for all," Wylie declared.

While the National Council of Churches opposes the Prayer Amendment, not all ministers do, according to Wylie. He has been receiving support favoring the amendment from the National Association of Evangelicals, National Council of Catholic Youth, American Legion and VFW Chapters.

"That's in addition to what these women are doing," Wylie said.

More than 28,000 petitions, containing room for 20 signatures each, are being circulated in Ohio with the Ohio Federation of Women's Clubs spearheadings the effort. The petitions will be forwarded to Miss Rountree in Washington, D.C., in time for the Nov. 8 hearing.

"Prayer is not the only thing we're going to undertake, but it's a good thing to start with. Most meetings do, why not this? Everywhere I went, that's what women expressed an interest in," Miss Rountree stated.

"We are setting up a national board—Leadership Foundation Inc.,—so the work will continue month in and month out. We hope to deal with a new issue each month. Every issue will be researched and documented, the information distributed, a poll taken and results circulated to every politician governmental leader, the White House and news media.

"We have key women and key women's organizations throughout the country involved in this. Mrs. Everett Dirksen is heading up the Prayer Petition drive," Miss Rountree said.

"We have a job to do as women to uphold standards in this country, and we're not going to get that until we all work together—

until we make our representatives stand up and be counted. And if they won't do it, we'll just refuse to put them back in office.

"People sometimes ask me about women's lib," Miss Rountree said. "Well, I don't know about women's lib—but women do have the vote."

Ohians serving on the national advisory board of Leadership Foundation Inc. are Mrs. William Holub, Cincinnati, second vice president; Mrs. Donald Kidwell, 772 Latham-ct, Columbus, treasurer; Mrs. Robert E. Ernst of Lakeside, Mrs. Frank A. Grimmett of Youngstown, Mrs. Benjamin F. Roth of Youngstown, Mrs. Robert Smith of Worthington, and Mrs. Robert E. White of Proctorville, national policy board.

THE DEATH OF JOSÉ J. FÉNYKÖVI OF SPAIN, A GREAT DONOR TO THE SMITHSONIAN INSTITUTION

(Mr. BOW asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BOW. Mr. Speaker, not every American recognizes the name of J. J. Fénykövi, who met an untimely death in an accident in Spain recently. But millions of Americans would immediately recognize with gratitude a costly and unique gift that Mr. Fénykövi gave to the Smithsonian Institution as his tribute to the American people.

The elephant that stands in the rotunda of the National Museum of Natural History never fails to awe Smithsonian visitors. This specimen is the largest land animal ever measured by scientists in the modern world. It stands 13 feet, 2 inches high at the shoulder. It was tracked and secured for science by Mr. Fénykövi, a Hungarian-born engineer and amateur zoologist and, in his later years, a scientifically motivated conservationist who was one of the leading industrialists of Spain. He first spotted the tracks of the giant animal in 1954 while he was carrying on mammalian field studies in the uninhabited Cuando River region of southeastern Angola. The following year, he organized a special expedition and on November 13, 1955, he finally tracked the elephant down and secured it as a scientific specimen. The animal was old, and if it had not been taken in this way as a unique specimen, it would almost certainly have been lost to science. At great personal expense and by the use of elaborate engineering skill, he and the members of his expedition skillfully preserved the animal's skin which weighed many tons and trucked it over 600 miles of wild terrain to the nearest railroad. He decided to give the specimen to the Smithsonian because, as he later said:

I thought it was time somebody gave something to the United States, instead of always taking from the United States.

He also added that the United States had been most helpful to his native country of Hungary.

His generosity did not stop with collecting the specimen. He gave personal attention to all the complex details required in processing the skin and in the elaborate taxidermic work that was necessary in mounting the specimen for its display at the Smithsonian. The exacting and expert job of preparing this largest of all land mammals in the world for exhibition was carried out by a distinguished American taxidermist, William L. Brown, of the Department of Vertebrate Zoology of the Smithsonian. Mr. and Mrs. Fénykövi flew from Spain for the unveiling in the rotunda of the Smithsonian Natural History Museum of his gift by the then Vice President of the United States and Smithsonian Regent, Richard M. Nixon.

Generation after generation of future Americans will be grateful to Mr. Fénykövi for his magnificent and to his very costly scientific gift to one of our great national institutions. It is interesting to remember that the Smithsonian itself began as a bequest to America from a citizen of another country, so it is especially appropriate that one of its most dramatic, popular and scientifically unique exhibits should also be a reminder that generosity can still flow from people to people across national boundaries.

The Smithsonian and our Nation have lost a steadfast and good friend in the death of J. J. Fénykövi. His passing also is a hard blow to the cause of African animal conservation for which he had done so much not only in Spain but also in the world at large.

Mr. Speaker, in August, through the courtesy of Dr. Leonard Carmichael, vice president for research and exploration for the National Geographic Society, Mrs. Bow and I had the pleasure and honor of lunching with Mr. Fénykövi and his gracious wife in their home in Spain. At that time Mr. Fénykövi again expressed his great admiration for the United States and his desire to return so that he could again visit with his many friends in this country. Unfortunately, his untimely death will prevent this.

Dr. Leonard Carmichael, a former Secretary of the Smithsonian Institution, was among the close and intimate friends of Mr. Fénykövi and he, Dr. Carmichael, has also made great contributions to the Smithsonian Institution.

I am sure that I express Dr. and Mrs. Carmichael's feeling of deep personal loss in the passing of their friend Mr. Fénykövi.

And I am sure that all Americans familiar with Mr. Fénykövi's graciousness to the United States join in extending to Mrs. Fénykövi our sincere sympathy.

THE HONORABLE VITO MARZULLO—DEDICATED PUBLIC SERVANT

(Mr. ANNUNZIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ANNUNZIO. Mr. Speaker, last night the Marshall Square Chicago Boys Club honored as their 1971 "Man of the Year" Alderman Vito Marzullo, the ward committeeman of the 25th ward, located in my own Seventh Illinois Congressional District which I have the honor to represent in the Congress of the United States.

Vito Marzullo personifies the American dream. His life is a vivid testimony that the American system works and works well. He arrived in America from Italy at the age of 12, with no money, little formal education, and few friends.

Today he is chairman of one of the most important committees in the City Council of Chicago—the committee on local transportation—and is recognized as being among the most able and qualified members of the council. He is a member of the executive and slate making committee of the Cook County central committee of the Democratic party.

Alderman Marzullo has served his city and State with exemplary conduct. He is a dedicated, honest, conscientious public servant working in behalf of all of the people of our city and our State. He served as ward superintendent for over 24 years, as a member of the Illinois Legislature for 14 years where, as a member of the house of representatives committee on municipalities, he became one of the outstanding spokesmen on pensions for municipal employees, as chairman of the Illinois Public Employees Pension Commission, and as alderman of the 25th ward since 1953.

Next year he will celebrate his 50th wedding anniversary. Joining in the anniversary celebration will be his gracious and devoted wife, Edith Cozzi Marzullo, his six children, and 19 grandchildren.

Mr. Speaker, in addition to being presented the Man of the Year Award, Alderman Marzullo was presented with the following laudatory resolutions in the form of award plaques: A resolution from the State senate, a resolution from the State house of representatives, a resolution from the City Council of Chicago, a resolution from the Cook County Board, a resolution from the Circuit Court of Cook County, a resolution from the Veterans of Foreign Wars, a resolution from the American Legion, and a resolution from the Joint Civic Committee of Italian Americans.

All of the leaders of these organizations were present to manifest their deep admiration for this humble, patient man who has worked so industriously and so diligently in behalf of all of the people of their organizations.

Mr. Speaker, all of the proceeds from the banquet last night in honor of Vito Marzullo were contributed to the Marshall Square Chicago Boys Club, located in my Seventh Congressional District. In February of 1938 the Marshall Square Chicago Boys Club was founded in the 2800 block of Cermak Road. Today it carries on a very effective program of helping the young boys and girls of our community. The club is dedicated to promoting the health, social, educational, vocational, and character development of our young people through a variety of programs including day camp—hiking, swimming, and fishing—a recreation program—golf, tennis, soccer, baseball, and softball—and a cultural arts program—marching band, dramatics, and majorettes.

The program for the banquet follows:

1971 MAN OF THE YEAR TESTIMONIAL DINNER COMMITTEE

(For the benefit of Marshall Square Chicago Boys Club)

HONORARY CHAIRMAN

Honorable Richard J. Daley, Mayor of Chicago.

CO-CHAIRMAN

Dr. Martin L. Gecht and Richard Parrillo.

GENERAL COORDINATOR

A. J. Monaco

COMMITTEE

Judge Thaddeus V. Adesko, Frank Andreas, Congressman Frank Annunzio, Thomas Baloun, Commissioner Charles Bonk, Madison Brown II, James Del Bello, William G. Clark, and State Treasurer Alan J. Dixon.

Richard Dolejs, John Domagala, President George W. Dunne, Patrick Gentile, State's Att'y Edward V. Hanrahan, Morris Kaplan, Alderman Thomas F. Keane, County Treas. Bernard J. Korzen, and Judge Anthony J. Kogut.

Stanley T. Kusper, Jr., Ludwig A. Leskovar, Robert D. Marzullo, O. Robert Nottelmann, Albert Patera, Paul Peluso, Commissioner Lillian Piotrowski, William H. Regnery, and Senator Sam Romano.

State Rep. Matt Ropa, E. John Sierocinski, Lt. Gov. Paul Simon, Alderman Frank Stemberk, Lester Trilla, Joseph Votel, Casimir R. Wachowski, Jules Wayne, and Eugene Zemsky.

1970 Man of the Year—A. J. Monaco.

PROGRAM

Dais Procession, Introductions by Hon. Lillian Piotrowski.

Words of Welcome and Introduction of Master of Ceremonies, Richard Parrillo.

Master of Ceremonies, Judge Thaddeus V. Adesko.

National Anthem, Mrs. Toni Windsor.

Invocation, Reverend Anthony Janiak.

Dinner.

Opening Remarks, Judge Thaddeus V. Adesko.

About the Marshall Square Chicago Boys Club, Stephen J. Antonik and Dr. Roger A. Nosal.

About Vito Marzullo: Hon. Richard J. Daley, Mayor of the City of Chicago; Frank Annunzio, Member of Congress, 7th Illinois Representative District; William G. Clark, Former Attorney General of Illinois; Alan J. Dixon, Illinois State Treasurer; George W. Dunne, President Cook County Board of Commissioners; Edward V. Hanrahan, State's Attorney of Cook County; Thomas E. Keane, Alderman & Ward Committeeman, 31st Ward; O. Robert Nottelmann, Chairman of the Board, Marshall Square Chicago Boys Club; Dr. Martin L. Gecht, Chairman of the Board, Metropolitan Bank and Trust Company; Richard Parrillo, President of National Republic Bank of Chicago; Sam Romano, Illinois State Senator, 20th Senatorial District; Paul Simon, Lieutenant Governor of the State of Illinois.

Presentation of the Man of the Year Award, A. J. Monao.

Acceptance, Honorable Vito Marzullo.

Presentation to Marshall Square Chicago Boys Club, Honoarble Vito Marzullo.

Acceptance, O. Robert Nottlemann, Chairman of the Board of Marshall Square Chicago Boys Club.

Benediction, Reverend Steven Nahrwold.

AMMONIATED MERCURY IN COSMETICS FOUND TO CAUSE INJURIES

(Mr. EVANS of Colorado asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EVANS of Colorado. Mr. Speaker, in the last few months we have all become aware of the dangers of mercury. Due to excessive residues, swordfish was completely removed from the market and millions of cans of tuna fish were forced to be recalled. FDA cautioned against indiscriminate ingestion of products containing mercury after a woman in New York was found to have mercury poisoning due to an overreliance on swordfish in her diet.

However, I have just been informed in a letter from FDA that mercury poisoning can also be caused by certain bleaching cream cosmetics containing ammoniated mercury, which cause damage, not through ingestion, but from absorption through the skin. Already injuries have been reported to FDA in which the women affected showed "signs of systematic poisoning—such as headache, lassitude, nausea, impaired vision, incoordination, speech and hearing effects, muscle twitches." FDA further informed me that one of the products implicated in causing these injuries "is still being marketed." Also, FDA noted that—

Packaging of this material with inadequate warning labels may have been responsible for these effects.

Though fortunately the number of mercury-related injuries in cosmetics to date have been small, the danger remains and will continue to remain unless FDA more stringently regulates the whole field of cosmetics. FDA at present has no systematic way of discovering the ingredients of cosmetics, though the agency is beginning to investigate the general use of heavy metals—lead, zinc, and alumium "as related to their use in cosmetic products."

Furthermore, there are no requirements that cosmetics be tested before they are marketed. Therefore, the full burden of testing falls on FDA when dangers are uncovered after the products have been sold to the public. For example, FDA is presently testing 2,4–TDA, an ingredient of certain hair dyes, which has been reported to produce cancer when fed to rats. However, FDA's statement in their letter to me that "this ingredient is reportedly no longer used in hair dyes by most manufacturers" is so vague as to fail to be reassuring.

But far more important is the fact that hair dyes and all other cosmetic products can be sold without ever being tested for such dangers. It is for these reasons together with disclosures I have previously reported, that I again state my belief that there is a need for legislation to empower FDA to adequately regulate the cosmetic area.

TO LOWER THE AGES OF ELIGIBILITY FOR ELECTION TO CONGRESS

(Mr. DRINAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DRINAN. Mr. Speaker, today I shall introduce an amendment to the Constitution of the United States and speak about this proposal on the floor of the House of Representatives.

I am honored to be associated in proposing this amendment with Senator BIRCH BAYH, a member of the Senate Judiciary Committee and the chairman of its Subcommittee on Constitutional Amendments.

Together we propose that the Constitution be changed so that American citizens may be eligible to become Members of the House of Representatives if they have attained the age of 22, rather than 25 as the Constitution now requires, and that similarly an American man or woman may become a Member of the U.S. Senate upon attaining the age of 27 rather than the present minimum age of 30 years.

There are several reasons why I am proposing this amendment but the prime and the principal reason is to allow the young people of this Nation to participate as Congressmen and Senators in the formation of the policy by which all Americans will be governed.

The people of America took only a few months to lower the age for voting from 21 to 18. Although the Congress delayed this particular measure for not a few years the people were ready to act. They knew that young people in this country deserved the right to vote at the age of 18 because young people were adequately prepared and sufficiently mature to exercise the franchise responsibly.

I have the hope and expectation that the Congress and the people of the United States, having now lowered the voting age recognized by the Founding Fathers, will follow through and provide that the ages of 25 and 30 set forth in the Constitution as the minimum requirements for membership in the House and the Senate should be comparably lowered by 3 years.

Some might argue that any American citizen should be eligible to run for the House or the Senate if he or she has attained the age of 21 or even 18. The amendment which I and Senator BIRCH BAYH propose, however, does not seek any alteration of the logical symmetry of the constitutional pattern, but only seeks to bring the age at which a person can become a Member of Congress into line with the new age at which young people may become voters.

Nonetheless the amendment which we propose today may have a tremendous impact on the perception of millions of young people who constitute that half of the Nation whose average age is under 27 years.

This amendment is highly relevant to that vast army of 25 million young people who will be voting in presidential and congressional elections for the first time on November 7, 1972. This amendment would say to them that not merely do we want them to participate as voters but that we want them to aspire while they are still young adults to be Members of the Congress of the United States.

The proposed amendment does not seek to alter the minimum age of 35 required by article II, section 1 of the Constitution for any person to be eligible for the office of President. For several reasons Senator BIRCH BAYH and I feel that the minimum age for the Presidency is a separate question. It is our judgment that the citizens of America should be able to vote on the minimum ages required for Members of Congress without having this question joined with alteration of a constitutional prerequisite for the Presidency.

I would like to discuss briefly the legislative history of the ages of 25 and 30 as these are found in the Constitution. I would then like to discuss the age limits in the 50 States as well as in foreign nations.

WHY DID THE FOUNDING FATHERS SETTLE ON THE AGES OF 25 AND 30 FOR MEMBERS OF CONGRESS?

A search of all of the scholarly works ever written on the Constitutional Convention reveals little of the underlying reasons for the age limits prescribed in the Constitution. On May 29, 1787, it was decided that Senators should be of a definite minimum age. On June 12 a motion to strike that resolution failed by a vote of 6 to 3. Massachusetts, New York, Delaware, Maryland, Virginia, and South Carolina favored an age limitation while Connecticut, New Jersey, and Pennsylvania did not. North Carolina and Georgia were divided.

Another motion also on June 12 to establish the Senate age at 30 passed 7 to 4. Massachusetts, New York, Pennsylvania, Maryland, Virginia, North and South Carolina favored the minimum age while Connecticut, New Jersey, Delaware, and Georgia voted against it.

On June 22 a motion to set the age of 25 as a qualification for membership in the House of Representatives carried by a divided vote of 7 to 3. Connecticut, New Jersey, Delaware, Maryland, Virginia, North Carolina, and South Carolina favored the 25-year limitation while Massachusetts, Pennsylvania, and Georgia were against it, with New York divided.

From the foregoing legislative history it is very clear that the writers of the Constitution had no overwhelming consensus among themselves about the age limitations of 25 and 30 which finally were inserted into the Constitution. At no time during the Constitutional Convention was the idea extensively considered that either house ought to have no age limit. Nor is there any indication that the delegates to the Constitutional Convention ever debated the question whether the House and the Senate should have the same or different age limits. Similarly, the States, in their ratification proceedings, gave the matter scant if any attention.

A good deal of speculation has occurred in the course of American history with regard to the rationale and motivation for the establishment of the minimum ages in the Constitution. Since all of the pre-1789 State constitutions followed the British practice of lower house eligibility at age 21, it would appear that the delegates to the Constitutional Convention felt that a Member of the House of Representatives needed more maturity than the members of a State legislature.

The entire question is, however, filled with ambiguities and is not susceptible to any generalizations.

What is very clear and indeed amazing, however, is that until today no one in the entire history of the Congress has at any time proposed an amendment to British practice of lower house eligibility for membership in the Congress.

The amendment proposed today does not question the good judgment of those who wrote the Constitution but simply states that, in view of the fact that the voting age has been lowered by 3 years, an identical alteration in the ages of eligibility for membership in the Congress would be a logical step. I believe that a very strong case can be made that the Founding Fathers, who measured legislative eligibility in light of voting eligibility, would have supported this amendment if the voting age in 1787 had been 18.

AGE LIMITS IN STATE LEGISLATURES AND IN OTHER NATIONS

Although the ages at which citizens may become members of State legislatures are steadily decreasing in the wake of the enactment of the 18-year-old vote, at this particular time only seven States require members of the State senate to be 30 years old. Only five States require members of their lower house to have attained the age of 25. The minimum ages, therefore, which now exist in the Federal Constitution are among the very highest of all of the 50 States.

If the age limit for membership in the U.S. House of Representatives were decreased from 25 to 22 it would still be higher than the current age limit for membership in the lower house of 42 State legislatures.

What is proposed, therefore, today in this constitutional amendment would, if enacted, still leave the Congress of the United States having among the highest, if not the highest, age qualifications of any legislature in the United States.

The U.S. Constitution not merely requires congressional age limits which are substantially higher than those of the States, but also imposes a minimum age which excludes young people from Congress for a longer period than most major nations throughout the world. Individuals younger than 22 may serve in any legislative capacity in Australia, Canada, mainland China, France, Great Britain, Indonesia, New Zealand, Switzerland, Finland, Sweden, and Denmark—to name only a very small fraction of similar nations.

There has been in the 20th century a worldwide trend toward reduction of the ages of eligibility for election to the national assemblies of many nations. Research has indicated that this reduction has resulted in large part from the worldwide trend of reducing constitutional age limits for voting.

EFFORTS TO HAVE THE CONSTITUTIONAL AMENDMENT ENACTED

I have spoken with a large number of the Members of Congress concerning this proposed amendment. I have found no resistance whatsoever. In today's mail all of the Members of the House of Representatives will have from me a letter describing the basic provisions of this amendment and asking them to be cosponsors. A large number have already indicated to me that they will be cosponsors of the amendment. I eagerly seek their support.

I have spoken with the chairman of the House Judiciary Committee who indicated to me that hearings should be held on the proposal.

I have spoken to the distinguished Speaker of the House of Representatives about the proposed amendment. He has indicated no difficulty whatsoever and indeed appears to approve the resolution.

I wish to repeat the sentiments with which I opened. This amendment is proposed to young people, for young people and hopefully with young people. However, the beneficiaries will be all of the people.

I understand well the dissatisfaction which so many young people have with the world that their elders have made. I understand the voicelessness and hopelessness which so many young people feel when they realize their powerlessness to change the decisions of a Congress in whose deliberations they are not eligible to participate.

I do not want young people to withdraw from the world which they behold. I want to invite them into the process of stopping man's inhumanity to man and man's destruction of his own environment. I want to give to young people the opportunity to exemplify in their own lives and in their political careers man's humanity to man and man's reverence for the place in which he lives.

I want to say to young people of this country that they can be Members of Congress at the age of 22 and of the U.S. Senate at the age of 27.

I want to remove from young people the temptation to resist a political career on the allegation that the world they experience has been corrupted and that if they enter into it they too will be corrupted. I want to give to these young individuals the opportunity to take upon their shoulders at an early age the responsibility for man and for his destiny. They have a right not to be locked out of the decisionmaking of the Congress of the United States because of a now archaic requirement that they must have attained the age of 25 or 30 before they can be seated in this distinguished body. Many young people of America who, we are told in the volume "The Greening of America," have moved away from the material and moral assumptions of consciousness II into consciousness III, have moved from anger to alienation and finally to apathy with regard to American governmental institutions. It may be that the young people of America are on the brink of giving up on the credibility of government as they have known it. After all, no other generation in American history has been told by their President that it is necessary to invade two nations and bomb four countries in order to withdraw from one country. We can continue to hope, however, that some talented and idealistic young people will still want to work "within the system" by having a voice and a vote in the Congress of the United States.

I hope that on today, November 1, 1971, Senator BIRCH BAYH and I are proposing a fundamental alteration in the Constitution of the United States which will be helpful in restoring to the young people of this country their faith in our institutions and their desire to utilize their talents and their aspirations at an early age as Members of the Congress of the United States.

The text of the amendment follows:

TEXT OF THE PROPOSED CONSTITUTIONAL AMENDMENT

Joint resolution proposing an amendment to the Constitution of the United States lowering the age requirements for membership in the Houses of Congress

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"Section 1. No person who shall have attained to the age of twenty-two shall be disqualified to be a Representative on account of age.

"Section 2. No person who shall have attained to the age of twenty-seven years shall be disqualified to be a Senator on account of age."

ABUSIVE AND UNAUTHORIZED TACTICS BY FEDERAL TRADE COMMISSION DENY DUE PROCESS OF LAW

(Mr. DAVIS of Georgia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DAVIS of Georgia. Mr. Speaker, I rise today to inform my colleagues in the House of one of the most outrageous examples of the abuse of power by a Federal agency that has ever come to my attention. I speak of the totally unauthorized tactics being employed by the Federal Trade Commission to enforce the recently adopted carpet flammability standards.

Without warning—and without having promulgated regulations for the administration of the carpet standard—the Federal Trade Commission has launched massive investigation into every carpet mill in the United States, designed to secure samples of carpets thought by the Commission staff to be of the type most susceptible to failure under carpet flammability standards which have been in effect only since April of this year.

As all of you are aware, I am sure, the Flammable Fabrics Act, as amended in 1967, authorizes the Secretary of Commerce to promulgate flammability standards for "wearing apparel" and "interior furnishings." In April of 1971, the standard for large carpets, promulgated by the Secretary of Commerce went into effect. Until that time, the only flammability standards in existence related to wearing apparel—the necessity for which arose out of the famous "torch sweater" incidents in the early 1950's.

By the terms of the Flammable Fabrics Act, the Federal Trade Commission is charged both with the responsibility for prescribing rules and regulations for the act's administration and with its enforcement.

In adopting the Flammable Fabrics Act, the Congress expressly limited enforcement remedies to a proceeding for an administrative cease and desist order and district court proceedings for temporary injunction, seizure and condemnation, or criminal sanctions, the latter of which are authorized only in the case of a "willful" violation of the statute.

However, contrary to the intent of Congress, the Federal Trade Commission has declared that the remedies prescribed by Congress are "time-consuming and cumbersome legal procedures." In the words of its former Chairman, Caspar Weinberger, the Commission has improvised "an administrative procedure" in recognition of "inherent statutory deficiencies." This so-called administrative procedure consists of mailing press releases across the United States which assert that a named manufacturer's products are thought by the Commission to be "dangerously flammable," terms not even contained in the statute, followed by demands by the Commission's staff that the manufacturer recall all of the style in question produced since the effective date of the standard. These demands, coupled with direct intervention by the Federal Trade Commission staff in the relations of the carpet manufacturer with its customers, all precede and actually take the place of the procedures authorized by Congress which require the Commission to issue a complaint and to give the manufacturer a hearing during which he is entitled to defend himself.

As a consequence of this practice, which was begun by the Commission in midsummer and which has seen Federal Trade Commission staff investigators in virtually every carpet mill in the United States, the Commission staff now proclaims in the public media that over 100 manufacturers are making "bad" carpet. Thus far, 10 press releases of the nature described above have been issued in spite of the fact that in no instance has a complaint been issued against a manufacturer. No carpet manufacturer has been given an opportunity to establish his compliance with the statute and the standard, but his company name and product are being defamed nonetheless. I am especially concerned with this Federal agency in the face of a statute which makes the limited nature of its powers unmistakably clear. Mr. Speaker, this action threatens to destroy the good name of an industry whose annual production now exceeds $2.5 billion, a substantial portion of which is located in my congressional district in northern Georgia. The Commission's actions, its intimidation of carpet manufacturers, its interference with customers of these manufacturers, all in the face of its complete failure to issue interpretative regulations, as required by the Flammable Fabrics Act, threaten the utter destruction of innumerable small- and medium-sized carpet manufacturers located in my district and throughout the United States. Furthermore, the Commission's actions threatens equally serious damage to the larger manufacturers, who are similarly being unjustifiably attacked, and to the industry as a whole.

While I can sympathize with the FTC's desire to overcome past criticism and to polish its image as a protector of the American consumer, I am repulsed at the thought that any Federal agency can be permitted to trample roughshod over an industry which becomes subject to its jurisdiction by the use of tactics which Congress in its wisdom has refused to give that agency.

The Commission's sweeping investigation comes during the initial phases of the implementation of a new standard concerning which the affected industry is uncertain—due in large part to the Commission's utter failure to prescribe regulations clarifying the meaning of the statute, the carpet flammability standard, and the many ambiguities contained therein as it relates to carpet flammability. Such conduct on the part of a supposedly responsible Federal agency is absolutely and totally without justification.

Similarly, the Federal Trade Commission's position that carpet thought to fail the flammability standard now in effect poses the same risk of injury to the American consumer as the "torch sweater" or a cheap imported scarf is absolutely without foundation. The Commission's apparent equation of carpet with a can of soup in which botulism has been detected, is equally fantastic. The consumer who eats a contaminated can of soup will become very sick at minimum and could even die as a consequence. A consumer wearing a flammable scarf or sweater at a time when such a product is ignited by a flame source also faces a high degree of likelihood of being injured. In no sense can that be said to be true of carpet which fails to meet the newly promulgated flammability standard. The hazard upon which it is dependent is ignition in an unattended situation, where the probability of injury or property loss is quite remote.

Similarly, I object to the Federal Trade Commission's position that any failure of a manufacturer's product to comply with the Commission's tests under the carpet flammability standard represents a violation of the Flammable Fabrics Act without regard to the manufacturer's own efforts through testing and sound quality control procedures to comply with the act. I consider such an interpretation contrary to the intent of the Congress in adopting a statute which relates, as does the Flammable Fabrics Act, to products which by their very nature are variable and concerning which it is impossible to guarantee compliance in absolute terms. Finally, according to reports which I have received, the zealousness of the Federal Trade Commission and its disdain for the obvious intention of the Congress, has taken it so far as to go beyond abusive enforcement techniques to redefining the scope of the legislation itself. For example, the staff is reportedly instructing carpet manufacturers that they are not entitled to export carpet which fails the flammability tests, even though Congress expressly provided in section 15 of the act that—

This Act shall not apply to any product which is to be exported from the United States.

Mr. Speaker, I feel that an industry which has on its own initiative taken the lead in the employment of testing procedures designed to insure that its products comply in every way with flam-

mability standards is being abused in ways that are entirely indefensible.

EXAMPLE SET BY COMMUNITY AND SUBURBAN PRESS IN NORTHWEST SUBURBS OF CHICAGO

(Mr. CRANE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CRANE. Mr. Speaker, the north and northwest suburbs of Chicago, which I am proud to represent in the House of Representatives, have been renowned for years as one of the best and most highly competitive newspaper markets in the Nation.

Currently, more than 25 daily and weekly newspapers are published in the district by owners as large at Time, Inc., and as small as the Des Plaines Publishing Co. and the Paddock Corp.

But even more important than the quantity of publications has been the quality of journalism they practice. Numerous awards and honors have been won by the local press in the 13th District and it is because of their untiring dedication to service that they have been able to survive in such a competitive field.

Recently, there have been several meetings of various press associations in Illinois and I would like to share with my colleagues the distinction the local press has earned.

The Des Plaines Herald, one of 10 daily newspapers published by Paddock Publications in Arlington Heights, Ill., was named the top daily newspaper in the State by the Illinois Press Association. The award was presented to Editor Charles E. Hayes at the 106th meeting of the Illinois Press Association and it was the second year in a row that a Paddock newspaper received the honor in competition with all other daily papers in the State, including the Chicago metropolitan papers.

At the same meeting, Herman A. Herzog, president and general manager of the Des Plaines Publishing Co., was installed as president of the Illinois Press Association.

Mr. Herzog is a past president of the Cook County Suburban Publishers Association and currently is the publisher of seven very excellent weekly newspapers.

Mr. Herzog also has been elected to the Board of Directors of the Cook County Suburban Publishers Association.

Other local news executives who were elected to positions with the Cook County Suburban Publishers Association include Joseph L. Ferstle of Lerner Home Newspapers in Skokie; John W. Carroll of Pickwick Publishing Co., in Park Ridge; and Stuart Paddock, Jr., president of Paddock Publications.

I am proud of the accomplishments of the local press in my district. I wish some of the more renowned members of the fourth estate in our country would pay closer attention to the example set by the community and suburban press.

TAKE PRIDE IN AMERICA

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's great accomplishments and in so doing renew our faith and confidence in ourselves as individuals and as a nation.

The United States is highly regarded for its expertise in truck manufacturing.

Amid the Soviet Union's boasting of space exploits comes the news that they have failed to produce enough common commodities to develop their country. After 50 years of communism, the Soviets want to now import American capitalistic know-how, simply because socialism, attractive in theory does not work in practice. Our system works, despite the ratings and ravings of its detractors—and the Communists have asked the White Motor Co. to come over and show them how to build trucks.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CARNEY (at the request of Mr. TEAGUE of Texas), for November 4 and balance of week, on account of official business as member of House Committee on Veterans' Affairs.

Mr. VEYSEY (at the request of Mr. GERALD R. FORD), for today and November 2, 1971, on account of official business.

Mr. ASPINALL, from 2 p.m. November 3 to November 8, 1971, on account of official business.

Mr. J. WILLIAM STANTON (at the request of Mr. GERALD R. FORD), for today, on account of illness.

Mr. ROONEY of New York, for today until 2:45 p.m., to attend a funeral.

Mr. MURPHY of Illinois (at the request of Mr. BOGGS), for today and November 2, on account of death in family.

Mr. LENT (at the request of Mr. GERALD R. FORD), for November 2, on account of illness in family.

Mr. FOLEY (at the request of Mr. O'NEILL), for today, 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. PATMAN for 30 minutes today and to revise and extend his remarks and include extraneous matter.)

(The following Members (at the request of Mr. DU PONT) and to revise and extend their remarks and include extraneous matter:)

Mr. HALPERN, for 10 minutes, today.

Mr. CRANE, for 10 minutes, today.

Mr. KEMP, for 15 minutes, today.

Mrs. HECKLER of Massachusetts, for 5 minutes, today.

(The following Members (at the request of Mr. DENHOLM) and to revise and extend their remarks and include extraneous matter:)

Mr. FLOOD, for 15 minutes, today.

Mr. ASPIN, for 10 minutes, today.

Mr. GONZALEZ, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FISHER to revise and extend his remarks on H.R. 3187

(The following Members (at the request of Mr. DU PONT) and to revise and extend their remarks and include additional matter:)

Mr. BURKE of Florida.

Mr. STEELE in 10 instances.

Mr. ESCH.

Mr. SPRINGER.

Mr. GUDE in five instances.

Mr. HORTON.

Mr. PELLY in two instances.

Mr. SCHWENGEL in three instances.

Mr. ANDERSON of Illinois in two instances.

Mr. PRICE of Texas.

Mr. HOSMER in four instances.

Mr. HANSEN of Idaho.

Mr. WYMAN in two instances.

Mr. WIDNALL.

Mr. MORSE in two instances.

Mrs. DWYER in two instances.

Mr. BOB WILSON.

Mr. YOUNG of Florida in five instances.

Mr. POWELL.

Mr. SCHMITZ in two instances.

Mr. WYLIE in five instances.

Mr. SMITH of New York.

Mr. ZWACH in two instances.

Mr. MCCLORY.

Mrs. HECKLER of Massachusetts.

Mr. ASHBROOK in two instances.

Mr. MCKINNEY.

Mr. ERLENBORN.

Mr. SCHERLE in 10 instances.

Mr. MCKEVITT.

Mr. COLLINS of Texas in four instances.

Mr. LANDGREBE.

Mr. BRAY in two instances.

(The following Members (at the request of Mr. DENHOLM) and to revise and extend their remarks and include additional matter:)

Mr. HARRINGTON.

Mr. BEGICH in five instances.

Mr. MITCHELL in two instances.

Mr. FRASER in two instances.

Mr. WOLFF.

Mr. CORMAN in 10 instances.

Mr. PUCINSKI in six instances.

Mr. DINGELL in two instances.

Mrs. HICKS of Massachusetts.

Mr. GONZALEZ in two instances.

Mr. RODINO.

Mr. ANNUNZIO in two instances.

Mrs. GRASSO in 10 instances.

Mr. ROGERS in five instances.

Mr. BLATNIK.

Mr. CELLER in two instances.

Mr. GIBBONS in two instances.

Mr. JAMES V. STANTON in three instances.

Mr. RYAN in six instances.

Mr. HAGAN in three instances.

Mr. KLUCZYNSKI in two instances.

Mr. FOUNTAIN in three instances.
Mr. ECKHARDT.
Mr. CAREY of New York.
Mr. OBEY in eight instances.
Mr. GALLAGHER.
Mr. BRADEMAS in eight instances.
Mr. CHAPPELL in two instances.
Mr. MAZZOLI.
Mr. HOLIFIELD in two instances.
Mr. PRICE of Illinois in two instances.
Mr. DANIEL of Virginia.
Mr. HUNGATE.
Mr. O'HARA in two instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 861. An act to designate the Federal office building and United States courthouse to be constructed in Atlanta, Georgia, as the "Richard B. Russell Federal Building"; to the Committee on Public Works.

S. 1273. An act to amend Public Law 89–701, as amended, to extend until June 30, 1973 the expiration date of the Act and the authorization of appropriations therefor, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S. 2687. An act to authorize the acquisition of certain real property in square 724 in the District of Columbia, and for other purposes; to the Committee on Public Works.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4590. An act to amend the Tariff Schedules of the United States with respect to the dutiable status of certain articles.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The Speaker announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 30. An act to establish the Arches National Park in the State of Utah.

S. 137. An act to provide for the conveyance of certain public lands in Wyoming to the occupants of the land.

S.J. Res. 167. Joint resolution to extend authority conferred by the Export Administration Act of 1969.

ADJOURNMENT

Mr. DENHOLM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 50 minutes p.m.) the House adjourned until tomorrow, Tuesday, November 2, 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:

1236. A letter from the Chairman and members, Federal Home Loan Bank Board, transmitting the Annual Report of the Board for calendar year 1970, pursuant to section 17 (b) of the Federal Home Loan Bank Act; to the Committee on Banking and Currency.

1237. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting the Annual Report of the Commission for calendar year 1970, pursuant to various provisions of law; to the Committee on Foreign Affairs.

1238. A letter from the Public Printer, transmitting the Annual Report of the Government Printing Office for fiscal year 1971; to the Committee on House Administration.

1239. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize appropriations for additional costs of land acquisition for the National Park System; to the Committee on Interior and Insular Affairs.

1240. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed amendment to a concession contract for the continued provision of accommodations, facilities, and services for the public within Sequoia and Kings Canyon National Parks, California, for a two year term ending September 30, 1973, pursuant to 67 Stat. 271; to the Committee on Interior and Insular Affairs.

1241. A letter from the President, National Railroad Passenger Corporation, transmitting the first annual report of the Corporation, pursuant to section 308(a) of Public Law 91–518; to the Committee on Interstate and Foreign Commerce.

1242. A letter from the Chairman, Interstate Commerce Commission, transmitting a report on the state of rail passenger service and the effectiveness of the Rail Passenger Service Act of 1970, pursuant to section 308 (b) of the act (Public Law 91–518); to the Committee on Interstate and Foreign Commerce.

1243. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of September 30, 1971, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

1244. A letter from the Deputy Executive Director, National Conference on Citizenship, transmitting a report of the audit of the accounts of the Conference for the fiscal year ended June 30, 1971, pursuant to section 3 of Public Law 88–504; to the Committee on the Judiciary.

RECEIVED FROM THE COMPTROLLER GENERAL

1245. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements of the Export-Import Bank of the United States for fiscal year 1971 (H. Doc. No. 92–172) to the Committee on Government Operations and ordered to be printed.

1246. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend section 552(a) of title 37, United States Code, to authorize continuance of incentive pay to members of the uniformed services for the period required for hospitalization and rehabilitation after termination of missing status; to the Committee on Armed Services.

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. EILBERG: Committee on the Judiciary. House Concurrent Resolution 417. Concurrent resolution to commend the Intergovernmental Committee for European Migration for successfully performing valuable humanitarian work on the occasion of its 20th anniversary (Rept. No. 92–596). Referred to the House Calendar.

Mr. WALDIE: Committee on the Judiciary. S. 996. An act relating to the transportation of mail by the U.S. Postal Service; with amendment (Rept. No. 92–597). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 11341. A bill to provide additional revenue for the District of Columbia, and for other purposes; with amendment (Rept. No. 92–598). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE 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. FLOWERS: on the Judiciary. H.R. 4083. A bill for the relief of Thomas William Greene and Jill A. Greene (Rept. No. 92–595). Referred to the Committee on the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRINKLEY:

H.R. 11494. A bill to limit U.S. contributions to the United Nations; to the Committee on Foreign Affairs.

By Mr. BURLISON of Missouri:

H.R. 11495. A bill to encourage national development by providing incentives for the establishment of new or expanded job-producing and job-training industrial and commercial facilities in rural areas having high proportions of persons with low incomes or which have experienced or face a substantial loss of population because of migration, and for other purposes; to the Committee on Ways and Means.

By Mr. BURTON:

H.R. 11496. A bill to eliminate the provision of the National Labor Relations Act prohibiting the certification, as the bargaining representative of persons employed as guards, of a labor organization which admits to membership, or is affiliated with an organization which admits to membership employees other than guards; to the Committee on Education and Labor.

H.R. 11497. A bill to provide that nonprofit hospitals and employees of States, and political subdivisions thereof, shall be subject to the provisions of the National Labor Relations Act; to the Committee on Education and Labor.

By Mr. DEL CLAWSON (for himself and Mr. TEAGUE of California):

H.R. 11498. A bill to amend section 351 of title 38, United States Code, to enlarge the class of persons entitled to benefits thereunder to include veterans suffering injury or death as a result of natural disaster occurring while they undergo treatment in a Veterans' Administration facility, and the dependents of such veterans; to the Committee on Veterans' Affairs.

By Mr. DICKINSON:

H.R. 11499. A bill to limit U.S. contributions

to the United Nations; to the Committee on Foreign Affairs.

By Mr. DULSKI:

H.R. 11500. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax to a taxpayer who pays the tuition and certain related items of a student at an institution of higher education, where the taxpayer and the student agree to repay the credit (with interest) to the United States after the education is completed; to the Committee on Ways and Means.

By Mr. FAUNTROY (for himself, Mr. MIKVA, Mr. FRASER, Mr. DIGGS, and Mr. DELLUMS):

H.R. 11501. A bill to establish a District of Columbia Development Bank to mobilize the capital and the expertise of the private community to provide for an organized approach to the problems of economic development in the District of Columbia; to the Committee on District of Columbia.

By Mr. HALPERN (for himself and Mr. LENT, and Mrs. HICKS of Massachusetts):

H.R. 11502. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence; to the Committee on Ways and Means.

By Mr. HALPERN (for himself and Mr. ROE):

H.R. 11503. A bill to establish a Commission on Penal Reforms; to the Committee on the Judiciary.

By Mr. HECHLER of West Virginia:

H.R. 11504. A bill to encourage national development by providing incentives for the establishment of new or expanded job-producing and job training industrial and commercial facilities in rural areas having high proportions of persons with low incomes or which have experienced or face a substantial loss of population because of migration, and for other purposes; to the Committee on Ways and Means.

By Mr. LENNON:

H.R. 11505. A bill to limit U.S. contributions to the United Nations; to the Committee on Foreign Affairs.

By Mr. MIKVA (for himself, Mr. BURKE of Florida, Mr. ESCH and Mr. GREEN of Pennsylvania):

H.R. 11506. A bill to change the minimum age qualification for serving as a juror in Federal courts from 21 years of age to 18 years of age; to the Committee on the Judiciary.

By Mr. MIKVA (for himself, Mr. FAUNTROY, Mr. FRASER, and Mr. GREEN of Pennsylvania):

H.R. 11507. A bill to compensate victims of crimes of violence in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MOORHEAD (for himself and Mr. BROOMFIELD):

H.R. 11508. A bill to amend the Foreign Assistance Act of 1961 to expand American exports by utilizing U.S.-owned foreign currencies to pay import duties on such goods, and for other purposes; to the Committee on Foreign Affairs.

By Mr. PRICE of Texas:

H.R. 11509. A bill to rescind and revoke membership of the United States in the United Natons and the specialized agencies thereof, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ROE:

H.R. 11510. A bill to amend the Internal Revenue Code of 1954 with regard to the exempt status of veterans' organizations; to the Committee on Ways and Means.

By Mr. BIESTER:

H.R. 11511. A bill to amend the Internal Revenue Code of 1954 to provide that the deduction for expenses paid for care of dependents shall be fully available to both male and female taxpayers without regard to their marital status, and to increase the dollar limits on such deduction; to the Committee on Ways and Means.

By Mr. FISHER:

H.R. 11512. A bill to amend the Occupational Safety and Health Act of 1970 to exempt retail lumber dealers in States having laws regulating safety in the retail lumber business from the Federal standards created under such act; to the Committee on Education and Labor.

By Mr. HALPERN (for himself, Mrs. ABZUG, Mr. ALEXANDER, Mr. ANDERSON of Tennessee, Mr. ASPIN, Mr. BRASCO, Mr. BEGICH, Mr. BIAGGI, Mr. BURKE of Massachusetts, Mrs. CHISHOLM, Mr. COLLINS of Illinois, Mr. COUGHLIN, Mr. DOW, Mr. DUNCAN, Mr. FRASER, Mr. HATHAWAY, Mr. HAWKINS, Mr. HARRINGTON, Mrs. HICKS of Massachusetts, Mr. HORTON, Mr. JONES of North Carolina, Mr. KOCH, Mr. MADDEN, and Mr. MATSUNAGA):

H.R. 11513. A bill to provide for the issuance of two-dollar bills bearing the portrait of ———; to the Committee on Banking and Currency.

By Mr. HALPERN (for himself, Mr. MAZZOLI, Mr. MORSE, Mr. NIX, Mr. PEPPER, Mr. RODINO, Mr. ROSENTHAL, Mr. ROYBAL, Mr. RYAN, and Mr. SCHEUER):

H.R. 11514. A bill to provide for the issuance of two-dollar bills bearing the portrait of ———; to the Committee on Banking and Currency.

By Mr. HALPERN (for himself, Mrs. CHISHOLM, Mrs. HICKS of Massachusetts, Mr. DUNCAN, Mr. MORSE, Mr. HAWKINS, Mr. ASPIN, Mr. HARRINGTON, Mr. PEPPER, Mr. HORTON, Mr. MATSUNAGA, Mr. BIAGGI, Mrs. ABZUG, Mr. ROSENTHAL, Mr. BURKE of Massachusetts, Mr. DOW, Mr. RYAN, Mr. KOCH, Mr. COLLINS of Illinois, Mr. JONES of North Carolina, Mr. MADDEN, Mr. ROYBAL, Mr. ANDERSON of Tennessee, and Mr. ALEXANDER):

H.R. 11515. A bill to provide for the issuance of two-dollar bills bearing the portrait of Susan B. Anthony; to the Committee on Banking and Currency.

By Mr. HALPERN (for himself, Mr. HATHAWAY, Mr. RODINO, Mr. BEGICH, Mr. FRASER, Mr. NIX, Mr. SCHEUER, Mr. COUGHLIN, Mr. BRASCO, and Mr. MAZZOLI):

H.R. 11516. A bill to provide for the issuance of two-dollar bills bearing the portrait of Susan B. Anthony; to the Committee on Banking and Currency.

By Mr. KYROS:

H.R. 11517. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. SIKES (for himself, Mr. CRANE, Mr. WAGGONNER, Mr. ABBITT, Mr. BEVILL, Mr. BUCHANAN, Mr. CAMP, Mr. CLARK, Mr. DON H. CLAUSEN, Mr. DAVIS of South Carolina, Mr. GROVER, Mr. HAGAN, Mr. LUJAN, Mr. MATHIS of Georgia, Mr. MILLER of Ohio, Mr. ROE, Mr. RUNNELS, Mr. SAYLOR, Mr. SEBELIUS, and Mr. SNYDER):

H.R. 11518. A bill to limit U.S. contributions to the United Nations; to the Committee on Foreign Affairs.

By Mr. THOMPSON of Georgia:

H.R. 11519. A bill to correct inequities in the crediting of sick leave of certain former commissioned officers of the Public Health Service who acquired competitive civil service status and transferred to classified positions in the Federal Water Pollution Control Administration subject to chapter 51 and subchapter III of chapter 53 of title 5, United States Code; to the Committee on Post Office and Civil Service.

By Mr. DONOHUE:

H.J. Res. 940. Joint resolution to authorize the President to proclaim the 7th day of August of each year as Purple Heart Day; to the Committee on the Judiciary.

By Mr. DRINAN:

H.J. Res. 941. Joint resolution proposing an amendment to the Constitution of the United States lowering the age requirements for membership in the Houses of Congress: to the Committee on the Judiciary.

By Mr. EDMONDSON:

H.J. Res. 942. Joint resolution to authorize the President to proclaim April 16, 1972, as "Jim Thorpe Day"; to the Committee on the Judiciary.

By Mr. GUBSER:

H.J. Res. 943. Joint resolution authorizing the President to proclaim September 15 of each year as "Respect for the Aged Day"; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.J. Res. 944. Joint resolution to extend laws relating to housing and urban development; to the Committee on Banking and Currency.

By Mr. GONZALEZ:

H.J. Res. 945. Joint resolution making continuing appropriations for the fiscal year 1972 for activities for which provision was made in the Foreign Assistance and Related Programs Appropriation Act, 1971, and for other purposes; to the Committee on Appropriations.

By Mr. MINISH:

H. Con. Res. 442. Concurrent resolution urging review of the United Nations Charter; to the Committee on Foreign Affairs.

By Mr. ASPINALL:

H. Res. 676. Resolution authorizing additional investigative authority to the Committee on Interior and Insular Affairs; to the Committee on Rules.

By Mr. CELLER (for himself, Mr. CHAPPELL, Mr. CLEVELAND, Mr. CULVER, Mr. DAVIS of South Carolina, Mr. DOWNING, Mr. GONZALEZ, Mr. HAMMERSCHMIDT, Mr. MINSHALL, Mr. MOLLOHAN, Mr. PRYOR of Arkansas, Mr. SLACK, and Mr. WHALEY):

H. Res. 677. Resolution calling for the shipment of Phantom F–4 aircraft to Israel in order to maintain the arms balance in the Middle East; to the Committee on Foreign Affairs.

By Mr. PEPPER:

H. Res. 678. Resolution expressing the sense of the House of Representatives with respect to certain matters relating to phase II of the President's current economic program; to the Committee on Banking and Currency.

By Mr. MITCHELL:

H. Res. 679. Resolution: Health Bill of Rights; to the Committee on Interstate and Foreign Commerce.

By Mr. HELSTOSKI:

H. Res. 680. Resolution expressing the sense of the House of Representatives relative to the Pakistani Civil War and the furnishing of relief assistance to persons affected by it; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURTON:

H.R. 11520. A bill for the relief of Kimiko Iwamoto Goetz; to the Committee on the Judiciary.

By Mr. FISHER:

H.R. 11521. A bill for the relief of Roy A. Harrell, Jr.; to the Committee on the Judiciary.