# HOUSE OF REPRESENTATIVES—*Tuesday, January 18, 1972*

This being the day fixed by Public Law 92–217, 92d Congress, enacted pursuant to the 20th amendment of the Constitution, for the meeting of the second session of the 92d Congress, the Members of the House of Representatives of the 92d Congress met in their Hall, and at 12 o'clock noon were called to order by the Speaker, the Honorable CARL ALBERT, a Representative from the State of Oklahoma.

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

*I have set before you life and death, blessing and cursing: therefore choose life, that both thou and thy seed may live.*—Deuteronomy 30: 19.

Almighty God, our Father, whose love created us, whose strength sustains us, and whose wisdom makes us wise in reverence of mind and humility of heart, we bow before Thee as we set out upon a new year. May we be empowered by Thy spirit to meet these disturbing days with creative courage and a worthy willingness to work.

Bless Thou our President, our Speaker, our Representatives, and those who labor with them. Lay Thy blessing upon all who work in our Government, with our Armed Forces and especially for our prisoners of war. Together may they and we face the future with faith and hope and love.

We remember before Thee our beloved colleague, GEORGE W. ANDREWS, of Alabama, who passed away during our recess. We thank Thee for him, and the fine contributions he made to our country and to his State of Alabama. May Thy presence comfort his family and give them strength for the days ahead.

Our Father who art in heaven, hallowed be Thy name, Thy kingdom come, Thy will be done on earth as it is in heaven. Give us this day our daily bread, forgive us our trespasses as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil. For Thine is the kingdom and the power and the glory forever. Amen.

## CALL OF THE HOUSE

The SPEAKER. The Clerk will call the roll to ascertain the presence of a quorum.

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

[Roll No. 1]

| | | |
|---|---|---|
| Abbitt | Bingham | Burlison, Mo. |
| Abzug | Blackburn | Burton |
| Adams | Blanton | Byrnes, Wis. |
| Anderson, Calif. | Boggs | Byron |
| | Bolling | Cabell |
| Anderson, Ill. | Bow | Carney |
| Andrews | Brasco | Carter |
| Arends | Brinkley | Casey, Tex. |
| Ashley | Brooks | Cederberg |
| Aspinall | Broomfield | Chamberlain |
| Baker | Brotzman | Chappell |
| Begich | Brown, Mich. | Clancy |
| Belcher | Brown, Ohio | Clausen, Don H. |
| Bennett | Broyhill, N.C. | |
| Bergland | Broyhill, Va. | Clawson, Del |
| Bevill | Buchanan | Cleveland |
| Biaggi | Burke, Mass. | Collier |
| Biester | Burleson, Tex. | Collins, Ill. |
| Collins, Tex. | Jones, Ala. | Reid, N.Y. |
| Colmer | Jones, N.C. | Reuss |
| Conable | Karth | Riegle |
| Cotter | Kastenmeier | Roberts |
| Crane | Kazen | Robinson, Va. |
| Culver | Keating | Robison, N.Y. |
| Curlin | Kee | Rodino |
| Daniel, Va. | Keith | Roe |
| Daniels, N.J. | Kemp | Rogers |
| Danielson | King | Roncalio |
| Davis, Ga. | Kluczynski | Rooney, N.Y. |
| Davis, S.C. | Koch | Rooney, Pa. |
| Davis, Wis. | Kuykendall | Rostenkowski |
| Delaney | Kyros | Roush |
| Dellenback | Landgrebe | Rousselot |
| Denholm | Landrum | Roy |
| Dennis | Latta | Runnels |
| Dent | Link | Ruppe |
| Derwinski | Lloyd | Ruth |
| Devine | Long, Md. | Ryan |
| Dickinson | Lujan | St Germain |
| Dingell | McClory | Sandman |
| Donohue | McCollister | Sarbanes |
| Dorn | McCormack | Satterfield |
| Dow | McDonald, Mich. | Saylor |
| Dowdy | | Scherle |
| Drinan | McEwen | Schmitz |
| Dulski | McFall | Schwengel |
| Duncan | McKinney | Scott |
| du Pont | Macdonald, Mass. | Sebelius |
| Dwyer | | Seiberling |
| Eckhardt | Madden | Shipley |
| Edmondson | Mahon | Shoup |
| Edwards, Calif. | Mann | Sikes |
| Eilberg | Mathias, Calif. | Skubitz |
| Erlenborn | Mathis, Ga. | Slack |
| Eshleman | Matsunaga | Smith, Calif. |
| Evans, Colo. | Mazzoli | Smith, Iowa |
| Fascell | Meeds | Smith, N.Y. |
| Fish | Melcher | Snyder |
| Fisher | Metcalfe | Spence |
| Flood | Michel | Springer |
| Ford, Gerald R. | Mikva | Stanton, J. William |
| Forsythe | Miller, Calif. | |
| Fountain | Miller, Ohio | Stanton, James V. |
| Frelinghuysen | Mills, Md. | |
| Frenzel | Minish | Steiger, Ariz. |
| Fuqua | Mink | Steiger, Wis. |
| Gaydos | Minshall | Stephens |
| Gettys | Mitchell | Stratton |
| Giaimo | Mizell | Sullivan |
| Gibbons | Mollohan | Symington |
| Gonzalez | Monagan | Taylor |
| Goodling | Moorhead | Teague, Calif. |
| Gray | Morgan | Teague, Tex. |
| Green, Pa. | Morse | Terry |
| Griffiths | Mosher | Thompson, Ga. |
| Gross | Moss | Thompson, N.J. |
| Grover | Murphy, N.Y. | Thomson, Wis. |
| Gude | Myers | Thone |
| Haley | Natcher | Tiernan |
| Hall | Nedzi | Ullman |
| Hamilton | Nelsen | Vanik |
| Hammer-schmidt | Nix | Veysey |
| | Obey | Vigorito |
| Hanley | O'Hara | Waggonner |
| Hanna | O'Konski | Wampler |
| Hansen, Idaho | O'Neill | Ware |
| Harsha | Patman | Whalley |
| Hathaway | Patten | White |
| Hawkins | Pelly | Whitehurst |
| Hays | Pepper | Widnall |
| Hechler, W. Va. | Perkins | Wiggins |
| Hicks, Mass. | Peyser | Williams |
| Hicks, Wash. | Pickle | Wilson, Charles H. |
| Hillis | Pirnie | |
| Hogan | Poage | Winn |
| Holifield | Poff | Wright |
| Howard | Powell | Wydler |
| Hull | Preyer, N.C. | Wylie |
| Hungate | Price, Ill. | Wyman |
| Hunt | Price, Tex. | Yates |
| Hutchinson | Pryor, Ark. | Yatron |
| Ichord | Purcell | Young, Fla. |
| Jacobs | Quie | Zablocki |
| Jarman | Quillen | Zion |
| Johnson, Calif. | Railsback | |
| Jonas | Rarick | |

The SPEAKER. On this rollcall 308 Members have answered to their names, a quorum.

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

## THE HONORABLE RICHARD W. MALLARY

The SPEAKER laid before the House the following communication:

WASHINGTON, D.C.,
*January 17, 1972.*

The Honorable CARL ALBERT,
*The Speaker, House of Representatives, Washington, D.C.*

DEAR MR. SPEAKER: Please be advised that the Clerk of the House has received the official certification of election issued by the Board of Canvassers of Vermont, showing that Richard W. Mallary received the greatest number of votes to be elected Representative to Congress for the unexpired term, ending on the third day of January 1973.

The above certification of election is on file in the Clerk's Office.

With kind regards, I am,

Sincerely,

W. PAT JENNINGS,
*Clerk, House of Representatives.*

The SPEAKER. The Representative-elect will present himself in the well of the House for the purpose of having the oath administered to him.

Mr. MALLARY presented himself at the bar of the House and took the oath of office.

## COMMITTEE TO NOTIFY THE PRESIDENT

Mr. BOGGS. Mr. Speaker, I offer a privileged resolution (H. Res. 758) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 758

*Resolved*, That a committee of three Members be appointed by the Speaker on the part of the House of Representatives to join with a committee on the part of the Senate to notify the President of the United States that a quorum of each House has assembled and Congress is ready to receive any communication that he may be pleased to make.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints as members of the committee on the part of the House to join a committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled, and that the Congress is ready to receive any communication that he may be pleased to make, the gentleman from Louisiana, Mr. BOGGS, the gentleman from Massachusetts, Mr. O'NEILL, and the gentleman from Michigan, Mr. GERALD R. FORD.

## NOTIFICATION TO SENATE

Mr. MAHON. Mr. Speaker, I offer a privileged resolution (H. Res. 759) and aske for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 759

*Resolved*, That the Clerk of the House inform the Senate that a quorum of the House is present and that the House is ready to proceed with business.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## DAILY HOUR OF MEETING

Mr. COLMER. Mr. Speaker, I offer a privileged resolution (H. Res. 760) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 760

*Resolved,* That until otherwise ordered, the daily hour of meeting of the House of Representatives shall be at 12 o'clock meridian.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## COMMUNICATION FROM THE CLERK OF THE HOUSE

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

WASHINGTON, D.C.,
*December 17, 1971.*

The Honorable, the SPEAKER,
*House of Representatives.*

DEAR SIR: Pursuant to the authority granted by the House on December 17, 1971, the Clerk received today the following messages from the Secretary of the Senate:

That the Senate passed without amendment:

H. Con. Res. 439, to provide for the printing of fifty thousand additional copies of the Subcommittee print of the Subcommittee on Domestic Finance, of the House Committee on Banking and Currency, entitled "A Primer on Money";

H. Con. Res. 441, Authorizing the printing of "The Joint Committee on Congressional Operations: Purpose, Legislative History, Jurisdiction, and Rules" as a House document, and for other purposes;

H. Con. Res. 469, to provide for the printing as a House document a compilation of the eulogies on the late Justice Hugo L. Black;

H. Con. Res. 498, providing for the sine die adjournment of the First Session of the Ninety-Second Congress; and

That the Senate passed S. Res. 215, resolving that a committee of two Senators be appointed by the Presiding Officer to join a similar committee of the House of Representatives to notify the President of the United States that the two Houses have completed their business of the session and are ready to adjourn unless he has some further communication to make to them.

With kind regards, I am,

Sincerely,

W. PAT JENNINGS,
*Clerk, House of Representatives.*

## ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will receive unanimous-consent requests from Members, but will first recognize the gentleman from South Dakota (Mr. DENHOLM) to announce the death of a former Member.

## THE LATE HONORABLE HAROLD O. LOVRE

Mr. DENHOLM. Mr. Speaker, it is my sad duty to announce to the Members of this assembly the death of the Honorable Harold O. Lovre, who served with distinction as a former Member and colleague in this House from 1948 through 1956.

Mr. Lovre was an able and kind man—devoted to a lifetime of service to others and to his country. He lived a commendable life and his death last night is a sorrow sensed by all of us today.

Harold O. Lovre, 67 years of age and a former Republican Member of this House of Representatives from South Dakota passed away last night at Silver Spring, Md. Mr. Lovre lived at 9516 East Bexhill Drive in Kensington and was a Member of Congress from 1948 through 1956.

As a member of the House Agriculture Committee, Mr. Lovre sponsored many bills to provide full 100 percent of parity for the Nation's farmers and was also active in promoting legislation for extended farm credit. He was also an advocate of river development and took the lead in the House to obtain funds for construction of dams on the Missouri River for flood control, navigation, and power generation. Mr. Lovre was an advocate of a two-price farm program which provided full parity for farm products sold in the United States while surplus commodities would be sold in international markets at prevailing world prices.

Mr. Lovre was a charter member of the Chowder and Marching Club. President Nixon and Secretary of Defense Melvin Laird are also charter members of the group organized in 1949 by new Republican Congressmen for the purpose of discussing legislation. The organization later became deeply involved in President Nixon's campaigns for the Presidency. Even after leaving the House of Representatives, Mr. Lovre was very active in the organization and each year, until recently, provided a wild game dinner for the group.

While in Congress, Mr. Lovre served as an assistant Republican whip for the Midwest States and after leaving Congress, he was active in Republican activities in the district and throughout the Nation. He was known as one of the leading fundraisers for the Republican Party and for individual Congressmen and Senators.

In 1957, Mr. Lovre established a law practice in the district and was Washington counsel for the American Football League from its inception until the merger with the National Football League. He also represented the merged leagues and was one of the leaders in obtaining a congressional exemption from the antitrust laws for the merger. Also, in addition, he represented the American Trucking Associations and a number of trade associations before regulatory agencies and the Congress. He was an advocate of protecting American farmers and ranchers from imports and represented American mink ranchers several times before the Congress and the Tariff Commission.

Mr. Lovre was born in Toronto, S. Dak., on January 30, 1904, and was graduated from Toronto High School. He received an LLB degree from the University of South Dakota in 1927. He served as Republican county chairman and State GOP chairman and was a member of the South Dakota State Senate. He was also president of the South Dakota State Fair Board. He was a member of Lambda Chi Alpha, social fraternity, and Phi Delta Phi, legal fraternity. He was admitted to the practice of law in South Dakota, the District of Columbia, and Maryland and also the U.S. Supreme Court. He was also active in the Masons and Elks.

Mr. Lovre was a member of St. Luke Evangelical Lutheran Church of Silver Spring and a former president and member of the church council.

Mr. Lovre is survived by his widow, Viola, of the home address, and four daughters. The daughters are Mrs. Wayne L. Hall, Janice, of Hanover, N.H.; Mrs. M. O. Ryan, Jr., Carmen; Mrs. Stacy Williams, Sandy, of Potomac; and Mrs. Zachery Taylor, Linda, of Saddlebrook, N.J. A brother, Dr. Stanton Lovre of Arizona, also survives.

The family has requested that in lieu of flowers, contributions be made to the American Cancer Society or the St. Luke Memorial Fund.

Mr. Lovre was my friend—he was the friend of all who knew him. He shall be remembered by many and forgotten by few. He was a man among men—he knew the sense of duty, honor, and country. He was an American and his work of life shall be his memorial on this earth for all to see.

I am sure that all of us—his acquaintances, his friends, and his colleagues—join with me in extending our sincere sympathy to Mrs. Lovre and their four daughters, and to all of his loved ones at this time of great sorrow.

I have been informed that friends may call at Joseph Gawler's and Sons Funeral Home at 5130 Wisconsin Avenue at Harrison Street NW., from 3 to 5 and 7 to 9 p.m., Wednesday, January 19.

Funeral services will be held January 20, at 3:30 p.m. at St. Luke's Evangelical Lutheran Church at Colesville Road and Highland Drive, Silver Spring, Md. Interment will be at Parklawn Cemetery.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. DENHOLM. I yield to the gentleman.

Mr. BYRNES of Wisconsin. Mr. Speaker, I am sure the news of the passing of our former colleague, Harold Lovre, saddens the hearts of all who knew him. He was a respected Member of this House and a gentleman in every way—a wonderful father, and a great friend, and I must say, Mr. Speaker, I listed Harold Lovre among my closest friends.

All who knew him share deeply, I am sure, the sorrow and sympathy that words cannot express. We hope that his family, particularly his dear wife, will get some solace in the knowledge of the great respect in which he was held by all who knew him. To his wife and his children I extend my deepest sympathy.

Mr. DAVIS of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. DENHOLM. I am pleased to yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. Certainly everyone who served here with Harold Lovre or had an opportunity to become acquainted with him in the years since his service while he remained in the Washington area and thousands of people in the State of South Dakota will share in the grief that all of us feel at the passing of Harold Lovre.

The things that we think of every time

we try to describe a good friend, one we respected and admired, can be said in all sincerity relating to Harold. He was a generous man, a man with a great love for his country and his God, a man who doted upon his family, a man who was generous and kindly, and a true friend of those many who could be named among his friends.

He suffered a difficult time prior to his passing; so for him I suppose it can be said it is a blessing that finally eternal peace has come to him.

I know that many of us here want to share in expressing to his wife Viola and to his fine family the grief that we feel and the admiration that we had for him as a Member of this House and as a true and lasting friend.

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

Mr. DENHOLM. I am delighted to yield to the gentleman from Illinois.

Mr. MICHEL. I appreciate the gentleman's yielding.

I must say I am very saddened to hear of the passing of our departed friend, Harold Lovre.

I got to know Harold Lovre when he first came to Washington, as he was sworn in as a Member of this body, when I was still serving as an assistant, to my predecessor, but he had occasion to stop by our office any number of times. All through these years we got to know one another well and we have kept up our close ties after he left this body.

As Mr. DAVIS has indicated, he experienced very troublesome times physically within the past couple of years, having suffered a stroke and several serious stints in the hospital. But through it all he always had a very optimistic outlook on life. Harold loved life when he was in good health and always had such a friendly attitude toward all Members of this body, even after leaving. I am certainly going to miss the good times we had together.

It is a terrible loss for us to have to sustain, and I certainly want to express my unbounded sympathy to Viola and the children for our having lost such a dear friend.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

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

Mr. BROWN of Ohio. I am extremely sorry to hear the announcement the gentleman has made. This is my first news of Harold Lovre's passing.

I join with my colleagues in extending to Viola and his family the sincere sympathies of Joyce and myself.

Mr. GERALD R. FORD. Mr. Speaker, will the gentleman from South Dakota yield?

Mr. DENHOLM. I am delighted to yield to the minority leader, the distinguished gentleman from Michigan.

Mr. GERALD R. FORD. I heard this morning of Harold Lovre's passing.

Harold and I came to the Congress together. We were sworn in on January 3, 1949. We became very close friends, almost from the beginning, and that friendship continued following his political defeat in the 1950's. Our families were very close and still are today. I have the highest respect for his service in the House of Representatives.

He was a conscientious, dedicated, and able legislator. He continued his interest in government following his defeat, and it was a constructive, unselfish, forward-looking interest on behalf of what he thought was right. With the death of Harold Lovre, the country has lost one of the finest and most conscientious people I have ever known.

I join with our other Members in extending to Harold's wonderful wife Viola, and to his family, my deepest sympathy. They have gone through a very difficult time in the last several months. We have all lost a great friend, and the country has lost a very fine citizen.

Harold Lovre passed away Monday night at Carriage Hill extended care nursing home in Silver Spring, Md. He lived at 9516 East Bexhill Drive in Kensington and was a Member of Congress from 1949 to 1957.

As a member of the House Agriculture Committee, Mr. Lovre sponsored many bills to provide full 100 percent of parity for the Nation's farmers, and was also active in promoting legislation for extended farm credit. He was also an advocate of river development and took the lead in the House to obtain funds for construction of dams on the Missouri River for flood control, navigation, and power generation. Mr. Lovre was an advocate of a two-price farm program which provided full parity for farm products sold in the United States, while surplus commodities would be sold in international markets at prevailing world prices.

Mr. Lovre was a charter member of the Chowder and Marching Club. President Nixon and Secretary of Defense Melvin Laird are also charter members of the group, organized in 1949 by new Republican Congressmen for the purpose of discussing legislation. The organization later became deeply involved in President Nixon's campaigns for the Presidency. Even after leaving the House of Representatives, Mr. Lovre was very active in the organization and each year, until recently, provided a wild game dinner for the group.

While in Congress, Mr. Lovre served as an assistant Republican whip for the Midwest States and after leaving Congress he was active in Republican activities in the District and throughout the Nation. He was known as one of the leading fundraisers for the Republican Party and for individual Congressmen and Senators.

In 1957, Mr. Lovre established a law practice in the District and was Washington counsel for the American Football League from its inception until the merger with the National Football League. He also represented the merged leagues and was one of the leaders in obtaining a congressional exemption from the antitrust laws for the merger. Also, in addition, he represented the American Trucking Association and a number of trade associations before regulatory agencies and the Congress. He was an advocate of protecting American farmers and ranchers from imports and represented American mink ranchers several times before the Congress and the Tariff Commission.

Mr. Lovre was born in Toronto, S. Dak., on January 30, 1904, and was graduated from Toronto High School. He received an LL.B. degree from the University of South Dakota in 1927. He served as Republican county chairman and State GOP chairman and was a member of the South Dakota State Senate. He was also president of the South Dakota State Fair Board. He was a member of Lambda Chi Alpha, social fraternity, and Phi Delta Phi, legal fraternity. He was admitted to the practice of law in South Dakota, the District of Columbia, and Maryland and also the U.S. Supreme Court. He was also active in the Masons and Elks.

Mr. Lovre was a member of St. Luke's Evangelical Lutheran Church of Silver Spring and a former president and member of the church council.

Mr. DENHOLM. Mr. Speaker, I thank the gentleman from Michigan.

Mr. ZABLOCKI. Mr. Speaker, I wish to join my colleageus in expressing sorrow at the untimely passing of our esteemed former colleague, the Honorable Harold Lovre.

It was my privilege to enter the Congress with him as a member of the 81st Congress and to serve with him. Congreesman Lovre represented his district and his State and country with dedication and devotion. He was a pleasant and friendly gentleman.

He will be missed by his family and his many friends. The Nation has lost a great citizen. My wife joins me in expressing deep sympathy to his beloved wife and family. May they derive some small consolation from the knowledge that their loss is shared by his many friends.

Mr. GROSS. Mr. Speaker, it is with great sadness that I learned today of the death of my friend and former colleague, the Honorable Harold O. Lovre.

Harold and I were elected in 1948 and came to Congress for the first time in the 81st session. Prior to his election to this body, Harold served as a State's attorney in South Dakota; as president of the State Board of Agriculture in South Dakota; and a member of the State senate.

He was a capable and dedicated Member of the House of Representatives, and his untimely death is a blow to all of his many friends.

Mrs. Gross joins me in extending deepest sympathy to his wife, Viola, and all members of the family.

Mr. MAHON. Mr. Speaker, I wish to join my colleagues in paying tribute to the memory of our former colleague from South Dakota, Harold Lovre. He performed a distinguished service for his State and for the Nation during his service in the House. After leaving Congress he continued in private life to make a significant contribution to the strength and stability of the Nation.

I join in mourning the passing of Mr. Lovre and in expressing deepest sympathy to the loved ones left behind.

### GENERAL LEAVE

Mr. DENHOLM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

### REPORT OF COMMITTEE TO NOTIFY THE PRESIDENT

Mr. BOGGS. Mr. Speaker, your committee on the part of the House to join a like committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled and is ready to receive any communication that he may be pleased to make has performed that duty. The President asked us to report that he will be pleased to deliver his message at 12:30 o'clock p.m., Thursday, January 20, to a joint session of the two Houses.

### JOINT SESSION OF THE TWO HOUSES, THURSDAY, JANUARY 20, 1972

Mr. BOGGS. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 499) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 499

*Resolved by the House of Representatives (the Senate concurring)*, That the two Houses of Congress assemble in the Hall of the House of Representatives on Thursday, January 20, 1972, at 12:30 p.m., for the purpose of receiving such communications as the President of the United States shall be pleased to make to them.

The consurrent resolution was agreed to.

A motion to reconsider was laid on the table.

### AUTHORIZING SPEAKER TO DECLARE RECESS ON THURSDAY, JANUARY 20

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that on Thursday, January 20, 1972, it may be in order for the Speaker to declare a recess at any time subject to the call of the Chair.

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

There was no objection.

### DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY OF THIS WEEK

Mr. BOGGS. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week may be dispensed with.

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

There was no objection.

### ANNOUNCEMENT BY SPEAKER OF PROCEDURES FOR JOINT SESSION JANUARY 20, 1972

The SPEAKER. The Chair desires to make an announcement.

After consultation with the majority and minority leaders, and with their consent and approval, the Chair announces that on Thursday, January 20, 1972, the date set the joint session to hear an address by the President of the United States, only the doors immediately opposite the Speaker and those on his left and right will be open. No one will be allowed on the floor of the House who does not have the privileges of the floor of the House.

### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title:

S. Con. Res. 54. Concurrent resolution to print additional copies of hearings on "War Powers Legislation."

The message also announced that a committee consisting of two Senators be appointed by the Vice President to join such committee as may be appointed by the House of Representatives to wait upon the President of the United States and inform him that a quorum of each House is assembled and that the Congress is ready to receive any communication he may be pleased to make.

The message also announced that the Secretary inform the House of Representatives that a quorum of the Senate is assembled and that the Senate is ready to proceed to business.

### RESOLUTION DISAPPROVING AND CENSURING CONDUCT OF PRESIDENT

(Mrs. ABZUG asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Mrs. ABZUG. Mr. Speaker, I am introducing today a resolution disapproving and censuring the conduct of the President of the United States in deliberately violating the law. Section 601 of the Military Procurement Act of 1971 declares it to be the policy of the United States to terminate "at the earliest practicable date" all military operations of the United States in Indochina and provides for the withdrawal of all U.S. military forces "at a date certain" subject to the release of all American prisoners of war.

In signing this law, the President said he had no intention of abiding by section 601, and he has flouted both its language and intent by refusing to set a date for withdrawal. He escalated the massive bombing of North Vietnam while Congress was in recess, and he has continued the mass bombings in Laos and Cambodia.

What is at issue here is a constitutional confrontation. Has the President the authority to pick and choose which sections of the law to obey and which to disobey?

Congress must correct the imbalance of power that we allowed to develop between the executive and the legislative branches. By its overwhelming vote to repeal the Gulf of Tonkin resolution on December 31, 1970, Congress attempted to reassert its authority by removing from the President a statement of policy which the Executive had improperly interpreted as a blank check for war.

The House can now take another step to restore its independence and dignity. In adopting this resolution, which "disapproves and censures" the conduct of the President and directs him to implement the provisions of section 601, we will be assuring the American people that the Constitution lives in our land and that we will not allow the law to be violated, even by the President of the United States.

The SPEAKER. The Chair must, under the rules and precedents of the House, admonish our visitors who are guests of the House in the galleries, that demonstrations of approval or disapproval are not permitted from the galleries during proceedings of the House.

### THE PRESIDENT'S POLICY IN SOUTHEAST ASIA

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

Mr. RYAN. Mr. Speaker, as we begin this new session of Congress, the war in Southeast Asia remains the supreme issue before our country and before Congress.

The President has attempted to show the American people a reassuring scene of a war dwindling away. But behind the facade of Vietnamization, the facts of Vietnam remain as ugly and brutal as ever.

No amount of Presidential rhetoric can mask the impact of this dreaded war—the blood shed and the lives lost; the horror and tragedy of a disastrous conflict which has drained our treasure and stained our conscience.

No amount of Presidential rhetoric can mask the fact that the President's policy is not one of peace—but of continued death and destruction in direct violation of the will of the people and the letter of the law.

Section 601 of the Military Procurement Act of 1971, Public Law 92–156, declares it to be the policy of the United States to terminate at the earliest practicable date all U.S. military operations in Indochina and to provide for the withdrawal of all U.S. military forces at a date certain subject to the release of all American prisoners of war. The Congress passed this law in response to the overwhelming sentiment of the American people who want this deadly conflict to end, and to end now.

At the time the President signed this law, he stated that he did not intend to abide by this provision, and he has lived up to his word. Not only has he ignored the law of the land, but through renewed bombings—while the Congress was in recess—he has embarked on a policy in direct opposition to it.

The people of this Nation have demonstrated their steadfast opposition to this war time and time again: in the voting booth, in public opinion polls, and in the streets.

Yet the President—as deaf as his so-called majority is silent—continues to fuel the fires of war. Such callous disregard for the will of the people and the laws of the United States cannot be countenanced.

Therefore, we are today introducing a resolution to disapprove and censure the conduct of the President. The President must be held accountable for his actions.

## THE PRESIDENT IS NOT ABOVE THE LAW

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

Mr. MITCHELL. Mr. Speaker and Members of the House, as a new Member coming in last year I was thrilled by the charge and the mandate given by our distinguished Speaker. That mandate and charge said that this body would assume its rightful place of leadership in the structure of Government in this country.

I was thrilled, and every Member of the House was thrilled, because we know that we have the ability and the capacity to assume that role. We must do this because we are the body closest to the people.

I am rising to speak to the resolution introduced by the distinguished gentlewoman from New York. The President is not above the law. This House has a responsibility to act when basic laws are transgressed, ignored, and defied.

I am rising to speak in support of this resolution because once and for all in this Nation we must make a determination that the separation of powers of Government means the equal sharing of power.

No one is above the law, not even the President of the United States.

The SPEAKER. The Chair reminds our guests in the galleries that the Chair must enforce the rules of the House and that demonstrations from the galleries will not be permitted.

## ON THE MOTION TO CENSURE THE PRESIDENT

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

Mr. KOCH. Mr. Speaker, I join in this motion to censure not because I expect that this will occur, but because I know that so many times on this floor Members have stood up and criticized the other body for failing in its responsibilities. I think it is time that the Members stood up and criticized the President when he has failed in his responsibilities.

However, there is something we can do even if we do not censure the President, and that is we can cut off the funding of this immoral and unconstitutional war in Vietnam.



Mrs. MINK. Mr. Speaker, we are told that there will be much said this year by certain strategists about law and order.

Certainly the highest form of law in this country is the constitution, and the most important issue of order is war or peace.

Yet we find the President of the United States in flagrant and admitted violation of the constitution.

Our Constitution wisely preserves for the Congress, the body most closely representative of all the people, the right to declare war. It names the President as Commander in Chief, thereby assigning him the lesser duty of implementing the military decisions made by Congress.

By the adoption of the Mansfield amendment in Public Law 92–156, the Congress made a decision that the Vietnam war should be ended at the earliest practicable date. The President was mandated to withdraw all our troops, with the provision that our forces should remain only as long as our prisoners of war are not released.

In his remarks on signing the bill the President stated flatly that he would ignore this provision of law. By so doing, he has usurped the constitutional power of Congress, and it is our duty to respond. If we fail to act, we will have only ourselves to blame for further erosion of the rights and responsibilities of the legislative branch of government.

I am today joining in the introduction of the concurrent resolution sponsored by the gentlewoman from New York (Mrs. ABZUG) resolving that President Nixon be censured for disregarding his constitutional obligation to end the Vietnam war.

He has failed to order a prompt withdrawal of all our forces by a date certain, and instead has decreed a massive increase in the air war and bombing. This escalation of the war was commenced when Congress was away on recess and college students were home on vacation.

I support an immediate end to the war, the immediate withdrawal of all our forces and a total halt to the bombing.

## THE WEST COAST DOCK STRIKE

(Mrs. MINK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MINK. Mr. Speaker, I regret that on this first day of this new session of Congress I must rise to express my deep regret that the parties representing the west coast shipping industry who were in negotiation were unable to arrive at a settlement, necessitating the resumption of the strike yesterday.

Those of us who followed this situation that began last summer realize the economic hardships and losses both to the State of Hawaii, which I represent, and many west coast areas and other agricultural communities.

Because of the resumption of this strike we are again faced with the possibility of even more serious economic hardships in our areas. Therefore, I am today introducing a joint resolution which will require the Attorney General to seek another court injunction calling for a second 80-day cooling off period in order to permit the parties additional time in which to arrive at a settlement.

In yesterday's news releases one of the parties declared that they simply "ran out of time" while the other party stated that there was only one major issue that was preventing a settlement. In view of this and because of the precedents established by this House and by this Congress in dealing with the railway transportation difficulties, I call upon the committees that will be receiving this resolution to expeditiously handle this legislation and to enact it in order that all areas involved may be saved from further difficulties.

## POINT OF ORDER

Mr. HALL. Mr. Speaker, I demand that the gallery be cleared.

The SPEAKER. The Chair will not tolerate demonstrations of approval or disapproval in the galleries.

Mr. HALL. Mr. Speaker, I make a point of order that our guests and those in the galleries are not in order. I request that the gallery be cleared.

The SPEAKER. The gentleman's point is well taken. The galleries will be cleared.

## CRUDE AND UNWARRANTED PUBLICITY GIMMICK

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to include extraneous matter.)

Mr. YOUNG of Florida. Mr. Speaker, nobody is more interested in bringing the Vietnam war to a swift and just conclusion than President Nixon. By May 1, American strength will have been reduced by almost one-half million troops during the course of the Nixon administration. Casualty figures, which were hitting 300 in the last years of the Johnson administration, are now in single figures. The dollar cost of the war is less than a third of what it was in 1968.

The spectacle we have just witnessed should really focus the attention of all Americans on this question: should we support the programs of those very people who put us so deeply involved in Vietnam or should we support the only policy that has had any effect in getting us out of Vietnam? The answer should be obvious to us all.

The so-called Mansfield amendment, as finally approved by the Congress, does not claim to be binding on the President. It expresses a judgment about the manner in which American involvement in the war should be ended. The President is not obliged to follow its recommendations—and as the success of the alternative course he is taking should make clear, it is a good thing that he does not feel obliged to follow it.

And that is why, before closing, I would like to make just a few remarks about the tone and character of the unnecessary and uninvited display here this afternoon. Democracies are fragile institutions. They are dependent on rea-

soned discourse and mutual respect. What we have just witnessed here today was far from that. It was an attempt to use the floor of the House of Representatives—an institution I regard as the greatest deliberative, constitutional body anywhere in the world—for a crude and unwarranted publicity gimmick.

I think the organizer of this spectacle owes both our colleagues and the Nation at large an apology for this behavior. If anybody warrants the censure of this body, it is not President Nixon who has courageously and selflessly endured assault after assault on his motives and character—but, rather, those who would use this Chamber as a stage for continuing those assaults—a stage being watched by the world audience with our friends in amazement and our enemies chuckling with glee.

## DEMONSTRATION IN THE GALLERY OF THE HOUSE OF REPRESENTATIVES

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

Mr. SIKES. Mr. Speaker, the demonstration—if that is the proper word for the disturbance which has just taken place in the galleries—quite obviously is well organized and well planned. It flaunts the tradition and dignity of the House. It is an insult to the constitutional processes of government.

Now, the question is who organized it? It cannot be held that this disturbance was simply coincidental with the statements that were made earlier today in the House urging that the President be censured. It makes one wonder who is directing this ugly show, what their connections are, and what their true motives are.

## A MISORDERING OF PRIORITIES

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

Mr. ECKHARDT. Mr. Speaker, it appears to me to be a misordering of priorities for speeches to point to a floor demonstration as a breach of the rules so as to becloud the issue that the President of the United States has violated the Constitution of the United States.

It is true that the President has the power to direct the Armed Forces of the United States, but not to declare war or to continue it in opposition to the policy of the Congress of the United States.

The statements that have been made before are entitled to be respected and should in no manner be disparaged because of any activity which may happen in the gallaries.

I am not intimidated, and support the gentlewoman from New York and the gentleman from New York on the resolution. I favor it. I believe in this instance it is a serious offense for the President to say flatly he will not respect the broad policy determination of the Congress of the United States.

## NO HAPPY NEW YEAR UNLESS BIG STRIKES CURBED

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

Mr. LLOYD. Mr. Speaker, 1972 is only a few hours old and already it appears that our Nation faces the ominous and all too familiar threat of again being brought to its economic knees by a major transportation strike.

We were greeted in this morning's papers, for example, with the news that the long and costly west coast longshoremen's strike has been resumed.

This unhappy New Year's development dramatically underscores the urgency of devising better means of dealing with these major labor disputes.

The House Republican Task Force on Labor-Management Relations, which I am privileged to chair, conducted a series of informal meetings on this subject early last year.

Since then, a number of bills have been introduced—and formal hearings begun by the Committee of Jurisdiction.

While these developments are highly encouraging, few of us need be reminded of the past reluctance of the Congress to come to grips with this issue. Not even a recent series of three back-to-back crises, for example, was enough to command more than 11th-hour temporary solutions.

Thus, as the secoond session of the 92d Congress begins, it is imperative that the momentum now built up not be lost.

Accordingly, our Task Force will continue to work to complement the activities of others in keeping the debate on this issue in sharp focus.

Beginning this month, we will intensify our efforts to help the Congress identify a legislative solution which is both workable and fair to the parties—and which, most importantly, reflects our paramount concern of protecting the public interest.

Our examination will be thorough. In addition to complete analyses of presently pending proposals, we will solicit the views of other Members of Congress, the administration, academicians, and representatives of business, labor and the public. We are not looking for an anti-union or anti-management solution—but a pro-public one, which is really in the best interest of everyone concerned. I am confident that at the conclusion of our review we will be able to offer some specific recommendations which will assist the Congress in reaching a consensus over this sorely-needed and long-overdue reform.

The American people, innocent bystanders whose wellbeing and livelihoods are jeopardized and ravaged by these major strikes, are demanding—and deserve, an expeditious and effective congressional response.

And our Task Force is anxious to lend all the assistance it can to help hasten the day when Congress acts.

## PUBLIC OPINION CANNOT BE ACCURATELY MEASURED IN NEW YORK CITY

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

Mr. MICHEL. Mr. Speaker, I am a little bit amused at the remarks of the gentlewoman from the city of New York who seems to think the sun rises and sets in that community, and that New York City is a good bellwether of public opinion in this country.

I am reminded of a few of the talk shows originating there with a stacked audience such as we witnessed here a few moments ago. The reactions to questions or statements by individuals on those shows is predictable when the audience is made up strictly of native New Yorkers. And if one would take the measure of public opinion simply from that community he would certainly be fooling himself.

I would suggest that to get an honest sampling of public opinion as to what kind of President Mr. Nixon is that the gentlewoman from New York ought to get a much better reading from aroumd our country. I suspect most Members fresh from their districts will agree with me that he's more popular now than ever before.

Finally, if the gentlewoman from New York and a few others do not like what our President is doing, it is certainly their right to introduce a censure or impeachment resolution, but I predict its support will be as negligible as the gentlewoman's influence in this House.

## ANTONIO B. WON PAT FULLY REBUTS U.N. ASSERTION THAT GUAM'S CITIZENS ARE UNHAPPY WITH ROLE AS U.S. TERRITORY

(Mr. MATSUNAGA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MATSUNAGA. Mr. Speaker, Hauoli Makahiki Hou"—or Happy New Year, as we say in Hawaii. It is my understanding that the first legislative order of business in the House in this second session of the 92d Congress will be the consideration of H.R. 8787, a bill to provide nonvoting representation in the House for Guam and the Virgin Islands.

In this connection my colleagues will no doubt be interested in the correspondence from Antonio B. Won Pat, Guam's elected but as yet unofficial delegate to Washington, relating to charges by a United Nations subcommittee that Guam's political association with the United States is detrimental to the best interests of Guam's citizens.

Mr. Won Pat responded to that as-

sertion in the strongest possible terms, pointing out that—

Even the most casual visitor to Guam would readily see that the people are anything but captive subjects of an oppressive colonial power.

To the contrary, since Guam first became a possession of the United States in 1898, the overwhelming sentiment of our people has been to obtain greater participation in America's affairs, not less.

And, Mr. Speaker, it is precisely to that end that H.R. 8787 is directed. It would provide both Guam and the Virgin Islands with a real voice in our Nation's affairs.

I urge that each Member be present today to support this equitable legislation, and I commend to each Member the full text of the letters from Mr. Won Pat, referred to above, which I include in the RECORD:

TERRITORY OF GUAM, U.S.A., OFFICE OF GUAM'S REPRESENTATIVE IN WASHINGTON.

*Washington, D.C., November 2, 1971.*

DEAR CONGRESSMAN: The United Nations Subcommittee on the Pacific recently submitted to the full Committee on Colonialism a report critical of the present relationships between the United States and two of its territories, Guam and American Samoa. The report asserted, in effect, that in the best interests of the island's inhabitants these relationships well might be re-evaluated.

While I cannot speak for American Samoa, as the elected Representative of the 100,000 American citizens of Guam, I can and do denounce all statements which denigrate the excellent relations Guam and the rest of the United States enjoy.

In the hope that it may be of interest to you and in view of the pendency of the Delegate Bill, H.R. 8787, I am pleased to enclose a copy of my letter to the Honorable U. Thant, Secretary-General of the U.N., rebutting some of the misinformed and misleading statements in the report of the U.N. Subcommittee.

I would be glad to have any comments you might care to make.

With best wishes,

Sincerely yours,

ANTONIO B. WON PAT.

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TERRITORY OF GUAM, U.S.A., OFFICE OF GUAM'S REPRESENTATIVE IN WASHINGTON,

*Washington, D.C., November 1, 1971.*

Hon. U. THANT,
*Secretary-General of the United Nations,*
*U.N. Plaza,*
*New York, N.Y.*

DEAR MR. SECRETARY: As a native of Guam and the elected Representative of the more than 100,000 people of Guam who are all Guamanians (U.S. citizens), I am writing to protest the allegations of the United Nations Subcommittee on the Pacific, Special Committee on Colonialism, that Guam's political association with the United States is detrimental to the best interests of its citizens.

A careful examination of the facts will certainly reveal that nothing could be further from the truth.

It is difficult to conceive of what grounds the members of the Subcommittee used as a basis for their findings. Certainly, it could not be laid to information received from disgruntled islanders lobbying for a change in our status. To my knowledge, no such group exists.

Nor could substantiating data have been gathered during a personal inspection tour. Even the most casual visitor to Guam would readily see that the people are anything but captive subjects of an oppressive colonialist power.

To the contrary, since Guam first became a possession of the United States in 1898, the overwhelming sentiment of our people has been to obtain greater participation in America's affairs, not less.

Our loyalty to America has been proven many times. In World War II, when Japanese forces invaded and held Guam captive for several years; yet not a single Guamanian turned his back on America. In the conflict in Vietnam, where 67 of our sons, to date, have died in support of U.S. foreign policy in Southeast Asia. And in countless other instances where my fellow islanders have gladly volunteered to serve whenever America called.

In return, our fellow Americans have expressed their awareness of our efforts on their behalf by granting us citizenship in 1950, along with the right to elect a 21-man legislature. Two years ago, the U.S. Congress authorized Guam to elect its first native Governor. Last year, the elections were held, and over 85 per cent of the registered voters turned out to cast their ballots in an open and honest election. This last fact, I am sure you will note, is more than can be said for many of Guam's neighbors in the Far East.

Today, the U.S. House of Representatives is preparing to vote on a bill, H.R. 8787, that would authorize the Territories of Guam and the Virgin Islands to each elect a non-voting delegate to that body. Passage of this legislation would not only assure the people of Guam true representation within the Federal establishment but also permit us at least a voice in our Nation's affairs.

Obviously, Guam's relationship with the United States has not been a one-way street. The people of Guam have benefited enormously and the United States has been able to count on the lasting support and affection of the Guamanian people. In today's confused world nothing more can be expected and, quite often, far less is received.

To be sure, through the years moments of stress and strain have shown through the fabric of our mutual association. Today, for example, the Government of Guam is hard at work seeking an agreement with the U.S. Navy to limit the amount of island land the military controls. Efforts are being made to have large tracts of Federally-owned land, now lying vacant, returned to the people of Guam.

Chances of a settlement in each of these instances appear favorable in time and I am confident that our present differences, much like our past difficulties, will all be adequately resolved by working within a democratic system of government.

I trust that the preceding statements will afford you and the members of the Subcommittee a better understanding of the true nature of Guam's relationship with the United States. If I may be of further service to you with respect to the American Territory of Guam, please feel free to call on me at any time.

With best wishes,

Sincerely yours,

ANTONIO B. WON PAT.

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## PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

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## MRS. ROSE THOMAS

The Clerk called the bill (H.R. 2067) for the relief of Mrs. Rose Thomas.

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.

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## MARIA LUIGIA DI GIORGIO

The Clerk called the bill (H.R. 2070) for the relief of Maria Luigia Di Giorgio.

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.

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## MRS. ANNA MARIA BALDINI DELA ROSA

The Clerk called the bill (H.R. 3713) for the relief of Mrs. Anna Maria Baldini Dela Rosa.

Mr. DELLENBACK. 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 Oregon?

There was no objection.

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## CHARLES COLBATH

The Clerk called the bill (H.R. 4310) for the relief of Charles Colbath.

Mr. HALL. 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 Missouri?

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## MRS. CARMEN PRADO

The Clerk called the bill (H.R. 6108) for the relief of Mrs. Carmen Prado.

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 on objection.

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## RENE PAULO ROHDEN-SOBRINHO

The Clerk called the bill (H.R. 5181) for the relief of Rene Paulo Rohden-Sobrinho.

Mr. HALL. 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 Missouri?

There was no objection.

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## CATHERINE E. SPELL

The Clerk called the bill (H.R. 7312) for the relief of Catherine E. Spell.

Mr. HALL. 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 Missouri?

There was no objection.

FRANK J. McCABE

The Clerk called the bill (H.R. 1862) for the relief of Frank J. McCabe.

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.

DONALD L. BULMER

The Clerk called the bill (H.R. 1994) for the relief of Donald L. Bulmer.

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.

MRS. MARINA MUNOZ DE WYSS (NEE LOPEZ)

The Clerk called the bill (H.R. 5579) for the relief of Mrs. Marina Munoz de Wyss (nee Lopez).

Mr. HALL. 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 Missouri?

There was no objection.

VITO SERRA

The Clerk called the bill (H.R. 5586) for the relief of Vito Serra.

Mr. HALL. 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 Missouri?

There was no objection.

CARMEN MARIA PENA-GARCANO

The Clerk called the bill (H.R. 6342) for the relief of Carmen Maria Pena-Garcano.

Mr. HALL. 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 Missouri?

There was no objection.

WILLIAM H. NICKERSON

The Clerk called the bill (H.R. 4064) for the relief of William H. Nickerson.

Mr. DELLENBACK. 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 Oregon?

There was no objection.

ANTONIO BENAVIDES

The Clerk called the bill (H.R. 2394) for the relief of Antonio Benavides.

Mr. HALL. 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 Missouri?

There was no objection.

MRS. CONCEPCION GARCIA BALAURO

The Clerk called the bill (H.R. 2703) for the relief of Mrs. Concepcion Garcia Balauro.

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.

ALBINA LUCIO Z. MANLUCU

The Clerk called the bill (S. 559) for the relief of Albina Lucio Z. Manlucu.

Mr. DELLENBACK. 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 Oregon?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

DELEGATES TO THE HOUSE OF REPRESENTATIVES FOR GUAM AND THE VIRGIN ISLANDS

Mr. BURTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8787) to provide that the unincorporated territories of Guam and the Virgin Islands shall be represented in Congress by a Delegate to the House of Representatives.

The SPEAKER. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8787, with Mr. SLACK in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from California (Mr. BURTON) will be recognized for 1 hour, and the gentleman from California (Mr. DON H. CLAUSEN) will be recognized for 1 hour.

The Chair recognizes the gentleman from California, (Mr. BURTON).

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

Mr. Chairman, as the author of this legislation, I am pleased to have been honored by the responsibility of managing this bill.

Mr. Chairman, the bill before us would extend the democratic and representative process to our fellow Americans of two of our self-governing territories, Guam and the Virgin Islands, by providing them the opportunity to elect nonvoting Delegates who would represent them here, in this House, beginning with the next Congress.

This bill has received bipartisan support in the Committee on Interior and Insular Affairs: the vote was 26 ayes, and only one no.

The proposal to grant these territories a non-voting Delegate has been before the Congress, in one form or another, since the 84th Congress.

At the last Congress, my bill, almost identical to H.R. 8787, was reported by the Committee on Interior and Insular Affairs. Its coauthors included such distinguished colleagues as the Hon. Rogers Morton, now Secretary of the Interior, and Mr. ALBERT and Mr. FORD and Mr. ASPINALL. Unfortunately, the committee action came too late in the session for a rule to be granted and the bill never came to the floor.

However, the bipartisan spirit of support continued during the current Congress. Three bills were introduced at this session and were considered by the subcommitteee on Territorial and Insular Affairs. One was introduced by myself and other members. In addition, the distinguished ranking minority member, Mr. SAYLOR, introduced a separate bill, and so did Mr. HOSMER and nine other minority members of the committee.

The bills were almost identical. The minor differences generally were easily resolved. It was decided that there should be a runoff election should no candidate receive a majority—which was a proposal of the Administration. It was resolved that the Delegates would not have a vote in committee unless the House Rules were changed; and that the House Rules could be amended to adjust the compensation and benefits of the Delegates. It was proposed that the cost of the Delegates be paid by the territories, but this was not adopted as there was no precedent for it.

A clean bill, H.R. 8658 was introduced by myself with Mr. ASPINALL and Mr. DON H. CLAUSEN as principal coauthors and with 23 other sponsors including Mr. STEPHENS of Georgia, Mr. TAYLOR of North Carolina, Mr. KASTENMEIER, and Mrs. CHISHOLM.

So that members of the full committee, who were not members of the subcommittee, could join in sponsorship of this legislation, the committee reported out this bill, H.R. 8787, introduced by myself, which incorporated the committee amendments. Mr. ASPINALL and Mr. SAYLOR are principal coauthors of this bill.

It is this legislation, H.R. 8787, which is before the House today.

Mr. Chairman, I would like to point out that we in the Congress more than anyone else have created the imperative need for the territories to be represented among us. Year by year the Congress has included the territories more and more in general legislation—from public assistance to housing; from educational aid to the minimum wage; from airports to veterans benefits; and in a multitude of other bills. Seldom today do we pass separate legislation just for the territories. We have come to recognize that they have reached a stage in their development when we can treat them like the rest of our country. It is a credit to our

fellow Americans in the territories, and to the Congress, that they have come so far. They elect their Governors and their legislators and manage their own affairs as do the people of the several States.

No longer does legislation for the territories pass through a handful of subcommittees. Every committee of Congress is legislating for the territories. And no longer does only one administrative department, the Department of the Interior, have control over Federal programs for the territories. Every agency of Government now is administering these programs.

The territories recognized several years ago that they, like congressional districts each of us represent, need an elected official in Washington. Therefore, Guam and the Virgin Islands each elected a Washington representative. This proved an unsatisfactory solution because these representatives, although able men, have no status above that of any lobbyist. They could only ask Congressmen and Senators to do for them what they could not do themselves.

And I must add, Mr. Chairman, that many Members of this House have shown great interest, and devoted much time, to assisting Guam and the Virgin Islands.

The two territories petitioned the Congress to grant them what we have granted every mature territory for 180 years: a nonvoting delegate in the House of Representatives. Such a delegate would have the access and the official stature necessary to represent the American citizens of the territories. His voice could be heard in the Congress and in the Executive.

Under this legislation, a Delegate would be elected under the same conditions and for the same term of office as a Member of the House. He would have the privilege to speak and access to the same resources as does the Resident Commissioner from Puerto Rico.

More important, indeed, than all the practical reasons I have given for passage of this legislation, is that this bill extends democratic representation to American citizens who have never had a direct voice in the course of their government. In passing this bill, we shall be affirming our commitment to the democratic principles of our Republic.

For the first time in our history, with the passage of this legislation, every American citizen living permanently on American soil, will be represented in the Congress of the United States.

Mr. Chairman, I yield 20 minutes to the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Colorado (Mr. ASPINALL).

Mr. ASPINALL. Mr. Chairman, as I have seen the years come and go in my public service, which period is now approaching the half century mark, I have become more and more impressed by a philosophy of life which has been expressed ofttimes as follows:

The better we know each other, the more we love each other.

To this I would add that as understanding and love develops in the minds of people who are associated together by common principles of freedom and liberty, we tend to desire to share not only the responsibilities which flow to those of us who are dedicated to such principles of freedom and liberty but also we desire to share the benefits. It is in this spirit as members of a freedom-loving nation that I wish to make my statement in support of the legislation now before us.

It has been my responsibility and privilege in this body beginning in January 1949 to help in the consideration of matters and problems relating to the territories of the United States of America. I chose such assignment when I came to Congress because of my interest in government, attained and furthered during my university days and my years of teaching in the public schools.

Our fellow citizens of the territories are not our wards, but rather, they are full-fledged citizens of our Nation. Insofar as it is practical to do so, they are entitled to the full spectrum of the responsibilities and the benefits of citizens of the United States. Since the beginning of our Nation, segments of our area have been inhabited and developed by citizens of the territories. In all instances except that one having to do with the Republic of the Philippines, they have become integral parts of our Nation, either as sister states or as incorporated or unincorporated territories or as a Commonwealth, such as Puerto Rico.

Twenty-two years ago this summer I was charged with the handling of the legislation on the floor of this body providing for Puerto Rico to develop its own Commonwealth Constitution. I was acting chairman of the Committee on Interior and Insular Affairs when the statehood bill for Alaska was passed by this body in 1958. I was chairman of the committee when Hawaii was granted statehood in 1959. I have been a part of the legislative operation of the House committee and the approving of the Organic Acts for Guam and the Virgin Islands. Since passage of the Organic Acts, we have seen fit to provide for the election of the territorial legislatures and the Governors of these two areas. We have also provided for the election of the legislature for the national area of Samoa as well as the legislative body of the Trust Territory. Recently the unincorporated territories of Guam and the Virgin Islands have provided for the election of persons designated by them to serve as representatives here in our Nation's Capital.

As far as the unincorporated territories of Guam and the Virgin Islands, may I say that in my opinion the next orderly step is to pass legislation permitting these integral parts of our Nation whose industry, service, and loyalty have been proven over and over again, to have nonvoting delegates serving in the House of Representatives of the United States of America.

Mr. Chairman, I know the people in these areas almost as well, in some cases just as well or even better, than I know the people of my own congressional district. I have visited their areas and worked with their people continually during the last 23 years. I know them intimately, including all of their leaders, Governors appointed by various administrations and now elected by the people, and legislators belonging to all political organizations present in the territories.

It has been one of the most rewarding experiences of my public life to see what I am prompted to refer to as the orderly and constructive development of the people of these areas into local bodies which are completely in harmony with our government and which are serving the citizens of these areas not only in the interests of the areas concerned, but in the interests of our Nation itself.

The Virgin Islands were acquired by the United States in 1916. Those who did not desire to become citizens of their new nation were allowed to seek their citizenship elsewhere. Very few of them did. They have been continually proud of their association with their new mother country. I have never seen a people who are prouder of the fact that they are citizens of the United States of America than these people of the Caribbean.

Guam came to the United States in 1898 as a part of the treaty which ended the war between the United States of America and the monarchy of Spain. Since that time Guam has been the western gateway to the United States of America. Because of its relationship to the international dateline, they have the slogan that Guam is the first area of each new day where the sun rises on American territory. Its struggles and phenomenal growth, advantaged and disadvantaged at the same time by the military, has been unequalled in any other part of our great Nation. The loyalty of its people during two great world wars has been so outstanding that knowledgeable citizens of the United States have constantly referred to such loyalty as being unsurpassed by any of our citizens.

In each of these two territories the people have proved themselves worthy of the confidence and trust reposed in them by the Federal Government. I would be the first to admit that during their progress toward closer and fuller association with the rest of the citizens of the United States that they have had their difficulties and problems, but I would suggest at the same time that by and large they have handled them as wisely as any peoples we have within this Union.

They are now asking for this closer relationship with the people of the United States of America. They are not outsiders—they are insiders. We are not helping some people removed from us, we are helping our own. We are making it easier for them to let all of us understand and know their problems and their potential contributions to our Nation. We are not giving them something new and unheard of—we are sharing with them that which is dear to us. I return to my first quote:

The better we know each other, the more we love each other and the more we love each other, the more determined we are to share with each other mutual responsibilities and benefits.

Mr. Chairman, I urge the enactment of H.R. 8787, which provides for two nonvoting Delegates to the House of Representatives, one from the Virgin Islands and one from Guam. At the present time

the House has a nonvoting Resident Commissioner from Puerto Rico, and a nonvoting Delegate from the District of Columbia. The enactment of this bill will result in a total of four nonvoting Delegates to the House from the U.S. territories and possessions. Incidentally, in the past Congress has had as many as 10 nonvoting Delegates at one time. There is no particular significance to the fact that one is called a Resident Commissioner and the others are called Delegates. Under this legislation each of them are elected representatives from their respective territories, with the right to represent their territorial interests in the House of Representatives in a nonvoting capacity.

It should be emphasized at the outset that the enactment of this bill will not affect the total number of Members in the House. That total has been 435 since 1910, except for the brief period prior to 1960 when it was increased to 437 as the result of the admission into the Union of the State of Alaska and the State of Hawaii. When the Representatives were apportioned after the 1960 census the total number became 435 again, where it is today. The nonvoting Delegates are not Members of the House and are not counted in the total number.

As a matter of general interest, the total membership of the House during its entire history has been as follows: 65 under the original constitutional apportionment; 106 after the 1790 census; 142 after the 1800 census; 186 after the 1810 census; 213 after the 1820 census; 242 after the 1830 census; 232 after the 1840 census; 237 after the 1850 census; 243 after the 1860 census; 293 after the 1870 census; 332 after the 1880 census; 357 after the 1890 census; 391 after the 1900 census; 435 after the 1910 census.

In addition to its official Members, the House has had a long history of official, nonvoting, delegates from the various territories. The practice started under the ordinance of 1787, and has continued to the present time. The ordinance of 1787 provided for a delegate from the territory northwest of the River Ohio, and the first delegate from that territory was William Henry Harrison. In 1790 Congress authorized a delegate from the territory south of the River Ohio, but the delegate did not actually take office until 1795. The following list shows the territories authorized to send delegates to Congress, and the authorizing statute:

TERRITORY AND AUTHORIZING STATUTE

North of the Ohio River—Northwest Ordinance of 1787.
South of the Ohio River—1 Statute 123 (1790).
Mississippi—1 Statute 549 (1798).
Indiana—2 Statute 58 (1800).
Orleans—2 Statute 322 (1805).
Michigan—2 Statute 309 (1805).
Illinois—2 Statute 514 (1809).
Missouri—2 Statute 743 (1812).
Alabama—3 Statute 371 (1817).
Arkansas—3 Statute 493 (1819).
Florida—3 Statute 654 (1822).
Wisconsin—5 Statute 10 (1838).
Iowa—5 Statute 235 (1838).
Oregon—9 Statute 323 (1848).
Minnesota—9 Statute 403 (1849).
New Mexico—9 Statute 446 (1850).
Utah—9 Statute 453 (1850).
Washington—10 Statute 172 (1853).
Nebraska—10 Statute 277 (1854).
Kansas—10 Statute 283 (1854).
Colorado—12 Statute 172 (1861).
Nevada—12 Statute 209 (1861).
Dakota—12 Statute 239 (1861).
Arizona—12 Statute 664 (1863).
Idaho—12 Statute 808 (1863).
Montana—13 Statute 853 (1864).
Wyoming—15 Statute 178 (1868).
District of Columbia—16 Statute 426 (1871).
Oklahoma—26 Statute 81 (1890).
Hawaii—31 Statute 141 (1900).
Puerto Rico—31 Statute 86 (1900).
Philippine Islands—32 Statute 694 (1902).
Alaska—34 Statute 169 (1906).
District of Columbia—84 Statute 848 (1970).

One important fact with respect to territorial Delegates needs to be mentioned and emphasized. The provision for a nonvoting territorial representative in the House is in no sense a first step in the admission of the territory into the Union as a State. It is, of course, a historical fact that most of the territories that have sent Delegates to the House were later admitted as States. There are important exceptions, however, and these exceptions underscore the fact that the provision for a Delegate is not necessarily a prelude to statehood.

The most obvious exception is the Philippine Islands. Instead of becoming a State, the territory became an independent nation. Another exception is Puerto Rico. It has a special statutory status called Commonwealth, and although future statehood is a possibility, there are other alternatives that are equally possible, and that are under active consideration today. The provision for a Resident Commissioner in Congress is in no sense a prejudgment that the Commonwealth is destined to become a State. I do not mean to imply that it would not. I mean only to say that statehood is not necessarily the alternative that will be provided by Congress. Other alternatives are available.

What I have said about Puerto Rico is equally applicable to the District of Columbia.

Next, I want to say a word about the distinction between incorporated and unincorporated territories. An incorporated territory is one to which all of the provisions of the Constitution have been extended. The Constitution is usually extended to a territory by a specific provision in its organic act. An unincorporated territory is one in which some provisions of the Constitution do not apply, again because of the terms of its organic act. The United States does not now have any incorporated territories. The last ones were Alaska and Hawaii. Our present territories are Guam, the Virgin Islands, American Samoa, the Commonwealth of Puerto Rico, and a few small islands. All of them are unincorporated. My point is that incorporation or lack of incorporation has no relevance to the need for nonvoting representation in the House of Representatives.

Although the incorporation of a territory has, historically, been a preliminary step to statehood, this bill has nothing to do with incorporation. It is concerned only with a nonvoting Delegate, and historically a nonvoting Delegate is not necessarily associated with statehood, as I have pointed out with respect to Puerto Rico, the Philippines, and the District of Columbia.

When this bill is enacted, American Samoa will be our only remaining territory which has no representation in Congress. I do not regard the enactment of this bill, which provides for nonvoting delegates from Guam and the Virgin Islands, as any precedent for a nonvoting Delegate from American Samoa. The need for a nonvoting Delegate must be determined on the basis of the facts applicable to each territory. The facts relating to American Samoa at the present time are vastly different from the facts applicable to Guam and the Virgin Islands, and the enactment of this bill should not be regarded as a precedent for American Samoa under present circumstances.

It has long been the policy of the Federal Government to encourage the development of self-government in the various territories. Puerto Rico probably has a greater degree of self-government than either Guam or the Virgin Islands. The District of Columbia, however, probably has less.

Tremendous strides have been made in recent years in the development of self-government in Guam and the Virgin Islands. Each territory has a broad Organic Act, enacted by Congress, under which the territory has an elected Governor, an elected legislature, and an independent judiciary. The local government has a degree of autonomy in local affairs that is comparable to that of the States.

In both territories the people have shown an increasingly mature grasp of their responsibilities. Politically, they have developed meaningful party systems. In the last general election in the Virgin Islands, 80 percent of the registered voters actually voted. In Guam 88 percent voted. That is an unusual record. Moreover, there was not a single charge of election irregularity or fraud.

The budgets for operating the territorial governments are in the neighborhood of $70 million annually for Guam and $87 million annually for the Virgin Islands. The territorial governments are responsible for the administration of these funds.

Economically, the private economy in both territories is growing and prosperous. It is based both on tourism and supporting services, and on manufacturing. Development of the economy has increased the need for health, education, and welfare services, and for public improvements. The territorial governments are responding to those needs.

The population of Guam is around 87,000 and the population of the Virgin Islands is about 64,000. This is larger than the population of many of our earlier territories which sent delegates to the House.

The enactment of H.R. 8787 will benefit both the Federal Government and the territorial governments. The day has passed when all Federal legislation for the territories can be handled separately from general legislation. Rapidly changing economic and social conditions in both the continental United States and the territories make it necessary to deter-

mine on a case-by-case basis whether a particular Federal program should or should not be made applicable in the territories. As legislation progresses through the various legislative committees of the House, the presence of a nonvoting delegate who can speak with authority and with knowledge of territorial needs will be invaluable to the House.

From the standpoint of the territory, it is equally important that the people have an elected spokesman who can participate in the legislative process, on a nonvoting basis, and make certain that Congress considers the interests of the territory along with the interests of all other citizens.

For several years, both Guam and the Virgin Islands have maintained a representative in Washington, and those two representatives have been diligent in their efforts to bring to the attention of the committees and to the Members of the House the needs and aspirations of the territorial people. These representatives, however, have no status in Congress and they must function in much the same manner that a lobbyist functions. This is not a satisfactory arrangement. The territorial people should have a representative, accredited to the House, who can participate in committee deliberations and in floor debate.

Many of my colleagues will remember the important contributions that were made by the Delegates from Alaska and the Delegates from Hawaii before those States were admitted to the Union. All of my colleagues have firsthand knowledge of the contributions made by our present Resident Commissioner from Puerto Rico. Their participation in the legislative process up to the point of voting has been helpful both from the national and from the territorial viewpoint. I believe the time has come for similar partition by Delegates from Guam and the Virgin Islands.

The cost of this bill will equal the compensation and allowances payable for two Members of the House of Representatives. That is, each of the Delegates will be entitled to receive the same compensation and allowances that are provided for a Member of the House of Representatives. This is the same rule that applies to the Resident Commissioner from Puerto Rico and to the Delegate from the District of Columbia. I shall offer an amendment to provide for four trips for each Delegate and 60 percent of the statutory amounts to operate the offices of the Delegates.

The following table, prepared by the Congressional Research Service, shows the various general statutes, some of which relate to cost, that apply both to Members of the House and to nonvoting Delegates:

STATUTORY REFERENCES TO CONGRESSMEN, DELEGATES, AND RESIDENT COMMISSIONERS

| Reference | Citation | Congressman/delegate |
|---|---|---|
| Time of election | 2 U.S.C. sec. 7 (1970) | Tuesday after 1st Monday in November in every even-numbered year. |
| Vacancies, manner of filling | 2 U.S.C. sec. 8 (1970) | Prescribed by laws of several States or territories respectively. |
| Oath of office | 2 U.S.C. sec. 25 (1970) | Given by Speaker. |
| Compensation | 2 U.S.C. sec. 31 (1970) | $42,500 per year. |
| Concerning residence | 2 U.S.C. sec. 31c (1970) | $3,000 yearly limit on tax deductions for living expenses away from residence. |
| Salaries | 2 U.S.C. sec. 34 (1970) | Payable monthly. |
| Salaries upon taking oath | 2 U.S.C. sec. 35 (1970) | Payable at end of month. |
| Salaries for unexpired term | 2 U.S.C. sec. 37 (1970) | Commence on date of election and not before. |
| Disposition of unpaid salary upon death. | 2 U.S.C. sec. 38a (1970) | Paid to persons surviving according to statutory procedure. |
| Deductions for absence | 2 U.S.C. sec. 39 (1970) | Deducted from monthly payments. |
| Deductions for withdrawal | 2 U.S.C. sec. 40 (1970) | Mileage for returning home forfeited. |
| Deductions for delinquent indebtedness. | 2 U.S.C. sec. 40a (1970) | Deducted from salary. |
| Allowance for newspapers | 2 U.S.C. sec. 41 (1970) | None allowed. |
| Airmail and special delivery stamps. | 2 U.S.C. sec. 42c (1970) | $700 maximum per session. |
| Mileage | 2 U.S.C. sec. 43 (1970) | 20 cents per mile. |
| Additional transportation expenses. | 2 U.S.C. sec. 43b (1970) | Number of round trips per year between Washington, D.C., and place represented equal to number of months Congress is in session. |
| Stationery | 2 U.S.C. sec. 46b (1970) | $3,000 per regular session. |
| Do | 2 U.S.C. sec. 46b–2 (1970). | Prorated when Member elected for portion of term. |
| Telephone, telegraph, radiotelegraph allowance. | 2 U.S.C. sec. 46g (1970) | 70,000 units per session. |
| Telephone charges outside the District of Columbia. | 2 U.S.C. sec. 46g–1 (1970). | Reimbursed up to $300 quarterly. |
| Certification of salary and mileage accounts. | 2 U.S.C. sec. 48 (1970) | Conclusive upon all departments and officers in Government. |
| Certificate during recess | 2 U.S.C. sec. 49 (1970) | Signed by Clerk of House. |
| Substitute to sign accounts | 2 U.S.C. sec. 50 (1970) | Speaker may sign accounts for those who appoint him. |
| Monuments for deceased members. | 2 U.S.C. sec. 51 (1970) | For Members buried in Congressional Cemetery (not delegates). |
| U.S. Code Annotated | 2 U.S.C. sec. 54 (1970) | Provided for each Member and Delegate. |
| Student interns | 2 U.S.C. sec. 60g–2 (1970). | Each Member and Delegate may have 1 for summer. |
| Clerk hire | 2 U.S.C. sec. 92 (1970) | 8 or 9 per Member or Delegate depending upon population of district. |
| Pay of clerks as affected by death of representative or delegate. | 2 U.S.C. sec. 92a (1970) | Continues for 1 month after death. |
| Pay of clerks as affected by death of Member of Congress only. | 2 U.S.C. sec. 92b (1970) | Continued until election of successor |
| Office space in district | 2 U.S.C. sec. 122 (1970) | Each Member and Delegate entitled to 2 places. |
| Reimbursement for office outside the District of Columbia. | 2 U.S.C. sec. 122(2) (1970). | Amount not to exceed $300 quarterly. |
| Use of recording studio | 2 U.S.C. sec. 123b(b) (1970). | Access exclusively to Members (including Delegates). |
| Reimbursement for transportation expenses of employee of office of Member or Delegate. | 2 U.S.C. sec. 127a (1970) | 1 employee, 2 trips; 1 trip, 2 employees between the District of Columbia and district. |
| Corrupt practices | 2 U.S.C. sec. 241(b) (1970) et seq. | Corrupt Practices Act applies to candidates for Congressman and Delegate. |
| Contested elections | 2 U.S.C. sec. 381 et seq. (1970). | Provisions apply to candidates and incumbents, Members or Delegates. |
| Rules of the House of Representatives. | | |
| Generally | Rule XII, secs. 1, 2 [1] | Resident Commissioner from Puerto Rico and Delegate from the District of Columbia may serve on standing committees in same manner as Members, and possess in such committees the same powers and privileges as other Members. Delegate from the District of Columbia to serve on District Committee. |
| Franking privilege | Rules, misc., 39 U.S.C. sec. 4161 (1970). | May send free through the mails any matter not exceeding 4 lbs. to any Government official, and to any person, correspondence not exceeding 4 oz., upon official or department business. |
| Do | 39 U.S.C. sec. 4162 (1970). | May send and receive all public documents printed by order of Congress. |
| Do | 39 U.S.C. sec. 4163 (1970). | May send Congressional Record, or any part thereof. |
| Do | 39 U.S.C. sec. 4171 (1970). | Upon death of Member, Delegate, or Resident Commissioner, surviving spouse may send materials relating to death, under frank, for 180 days thereafter. |
| Do | 39 U.S.C. sec. 4164 (1970). | Seeds and agricultural reports emanating from Department of Agriculture. This privilege extends to ex-Members and ex-Delegates until June 30 following expiration of term of office. |

[1] "Citations" under this rule indicate that a Delegate may debate, may in debate call another Member to order, may make any motion which a Member may make except the motion to reconsider, may make a point of order. He may move an impeachment, be appointed a teller, and make reports for committees. But he may not vote.

The need of the citizens of the United States who reside in Guam and the Virgin Islands for representation in Congress, and the need of Congress for the advice and counsel of such representatives, are, in my judgment, beyond dispute. Now is the hour to cement this closer union and mutual feeling of understanding and security. I urge the enactment of H.R. 8787.

Mr. BURTON, the chairman of the Subcommittee on Territorial and Insular Affairs, will discuss in more detail the provisions of the bill.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I am glad to yield to my friend from California.

Mr. DON H. CLAUSEN. I just want to state that in my remarks, which I will be including in the RECORD at a later time, I want to concur fully in the content and substance of the remarks the gentleman just made as they related to statehood.

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

Mr. ASPINALL. Yes, I would be glad to yield to my friend from Iowa.

Mr. GROSS. What were the figures given by the gentleman for the population of these two islands?

Mr. ASPINALL. I am sorry, but I did not hear my friend.

Mr. GROSS. What population figures did the gentleman give for these two islands? I have a figure from the 1970

census for Guam of 84,996 population and for the Virgin Islands 62,468.

I believe the gentleman from Colorado increased that by 2,000 or 3,000 in each case; did he not?

Mr. ASPINALL. I would suggest to my friend that the population has been growing. I am giving the gentleman some figures which I think are up to date at the present time. It is 87,000 for Guam and about 64,000 for the Virgin Islands.

Mr. GROSS. Will the gentleman yield for a further question?

Mr. ASPINALL. Yes.

Mr. GROSS. Where does the influx of population come from—the increase in the last year over the 1970 census?

Mr. ASPINALL. Most of it comes from certain areas of the United States as a result of some of our people who are retiring with a desire to go to these areas to make their home.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, is it the purpose of these Delegates in each case to represent the Americans who are retiring to live on the Virgin Islands and Guam?

Mr. ASPINALL. Well, my friend has Americans, as he knows it—and we are talking about Americans in each instance—who retire in his congressional area. I have those who retire to my congressional area, and as soon as they retire there they become citizens and it is my pleasure—and I am sure it is my friend's pleasure—to represent them here in Congress in any interest which they may have. These people who we legislate for in this bill are our own. They are no different than anybody else.

Mr. GROSS. If the gentleman will yield further, why is it that this legislation has been before the Congress in one form or another since the 84th Congress but never has it reached this stage to my knowledge. I do not recall it ever having been considered on the floor.

Has this legislation been before the House?

Mr. ASPINALL. It has never been before the House heretofore. It has been before our committee for some time. May I say to my friend who has served in this body the same length of time that I have—and the gentleman has seen the operations of the House Committee on Interior and Insular Affairs. He has seen what I called attention to in my opening remarks, the orderly development of territorial areas.

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

Mr. BURTON. Mr. Chairman, I yield 10 additional minutes to the gentleman from Colorado.

Mr. ASPINALL. At first, we had naval or military control over both of these areas. Then, they had the Organic Act with administration under the Department of the Interior, a part of our Government closer to us than the other. Next we provided for the election of legislatures—unicameral legislatures in each territory—and next we provided for the election of a Governor. Until these steps took place, there was never any real purpose in bringing this legislation before this body for approval.

This is the orderly development that comes with any governmental process for developing peoples, permitting them to proceed in the fashion which I have described.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in support of the legislation as it has been presented from the committee.

Mr. Chairman, I rise in support of H.R. 8787, a bill which provides that the unincorporated territories of Guam and the Virgin Islands shall each be represented in the Congress by a nonvoting Delegate to the House of Representatives.

The territory of Guam was ceded to the United States in 1898. The Virgin Islands territory was purchased from Spain in 1917. Since that time, Congress has passed legislation providing organic acts for each territorial government. Each territorial government has a formal structure. The 90th Congress provided for the popular election of the Governor and Lieutenant Governor in each territory. Congress has supported social, economic, and political growth and advancement in each territory in the best of democratic traditions and both territories have matured rapidly along lines compatible with and in furtherance of our democratic way of life. Nevertheless, the citizens of Guam and the Virgin Islands, though affected in varying degrees by the acts of Congress, do not have direct representation in Congress. This bill before the House today is designed to remedy that defect.

Both Guam and the Virgin Islands are key areas and, in addition to serving the interests of the U.S. citizens living in these areas, it becomes increasingly mandatory that we provide the legislatures and elected Governors with the best possible ties to our Nation through improved communications with the Congress.

Legislation of the sort here proposed is not new. In every Congress for the past 8 years proposals to provide for congressional representation for each territory have been introduced. In the 90th Congress the Committee on Interior and Insular Affairs reported out a bill similar to this one. This bill is not the idea of someone sitting here in Washington divorced from the problems and aspirations of the citizens of Guam and the Virgin Islands. It is the wish of the people, expressed through their elected legislators and heard here in Washington. The Subcommittee on Territorial and Insular Affairs, of the Committee on Interior and Insular Affairs charged with oversight responsibility for the territories carefully considered this proposal. The Department of the Interior recommended enactment of similar legislation and the committee carefully considered this bill and has recommended enactment.

The fact is that the rapidly changing economic and social conditions in Guam and the Virgin Islands are no longer so limited in scope that the national interest and general welfare of the inhabitants of these territories can be so easily handled in one committee of the Congress.

There are political and security considerations which are changing in the areas surrounding these territories and demand our urgent attention. Our attention can best be focused through an elected delegate who can carry the responsibility for maintaining contact and liaison with the Congress and with the executive agencies.

We have had problems in the past in the world because we did not have the important proper line of communication between existing governments and the United States. We must always be prepared for any eventuality.

The Delegates to Congress authorized by this bill would be duly accredited and accepted Members of the House of Representatives and, as such, would receive the same compensation and allowances as any other Member unless the rules of the House are amended to provide otherwise. The Delegates would receive the same privileges and immunities as the Resident Commissioner from Puerto Rico except the right to vote, which shall be the same as the Resident Commissioner from Puerto Rico, unless the rules of the House are amended to provide otherwise.

There is ample precedent for seating territorial Delegates or Commisisoners in the House. The first Delegate was elected from the territory south of the Ohio River which had been created by Congress in 1790. That territory later became the State of Tennessee. He was seated in the second session of the Third Congress, November 3, 1794. The second Delegate elected to the House came from the territory northwest of the Ohio River. He was seated in the Sixth Congress, convening on January 2, 1800. Since that time, there have been many Delegates from many territories—most recently, we seated a nonvoting Delegate from the District of Columbia. The pattern can and should continue. Our representative form of government should continue to be representative. To do that, it must grow with the people.

These two territories, Guam and the Virgin Islands, can and should have representation in the Congress. Citizens, resident in these territories should, just as the citizens, resident in the several States, have the opportunity to express their views respecting the acts of the Congress through their elected representatives, duly accredited and accepted by the House of Representatives. Although these delegates will have limited powers, their presence in the House will aid their constituents and territorial governments in the pursuit of the broad range of legislative objectives of the territories. Passage of this bill is a step in the right direction. I sincerely hope that at the beginning of the 93d Congress, the duly elected delegates from Guam and the Virgin Islands will be here assuming the responsibility of representing the needs, welfare and interests of the inhabitants of each territory. Fuller representation of the people is not a partisan issue.

I would like at this point to express my appreciation to the distinguished representatives from Guam and the Virgin Islands, Mr. Antonio B. Won Pat and Mr. Ron DeLugo, the popularly elected Governor of Guam and the Virgin Islands, Gov. Carlos Camacho and Gov. Melvin Evans, and their respective legislatures for their enthusiastic support and endorsement of this legislation. Governor Evans flew to Washington as did Governor Comacho and members of

the Guam Legislature to express their deep concern and support for legislation.

This bill is in the best interests of the United States and I strongly support it. Mr. Chairman, I hope our colleagues will give this legislation the overwhelming support it fully deserves.

Mr. Chairman, I will reserve my time.

Mr. BURTON. Mr. Chairman, would the gentleman yield?

Mr. DON H. CLAUSEN. I am happy to yield to the gentleman from California.

Mr. BURTON. Mr. Chairman, at this time I would like to note the leadership and applaud the effective contributions made by our distinguished colleague, the gentleman from California (Mr. DON H. CLAUSEN), the ranking minority member on our subcommittee.

Mr. DON H. CLAUSEN, working in conjunction with the administration, has played a most significant role in developing the legislation before us, and I would like to commend the gentleman. And for that matter I would also like to commend all of our colleagues on the subcommittee, as well as on the full committee, on the other side of the aisle, because there literally was not a single Member on the other side of the aisle in the subcommittee or in the full committee who voted against the recommendation of this legislation.

Mr. DON H. CLAUSEN. Mr. Chairman, I thank the gentleman from California.

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

Mr. DON H. CLAUSEN. I yield to the gentleman.

Mr. HUTCHINSON. Mr. Chairman, I understand from the discussion here today that there are plenty of precedents for this bill en toto. But I have one problem.

I understand that both of these territories are organized but are unincorporated. My question is, Is there precedent for admitting delegates to the House from unincorporated territories?

Mr. DON H. CLAUSEN. In checking with counsel, I am advised that, based upon their research, there would be precedents for this. The answer is "Yes." And these precedents are the District of Columbia and the Philippines.

Mr. HUTCHINSON. Thank you very much.

Mr. DON H. CLAUSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania (Mr. SAYLOR), the ranking minority member of the full Committee on Interior and Insular Affairs.

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

Mr. SAYLOR. I yield to the gentleman.

Mr. BURTON. Mr. Chairman, I would also like to take this opportunity to commend the ranking minority member of the full committee, our distinguished colleague, the gentleman from Pennsylvania (Mr. SAYLOR).

Mr. SAYLOR, as all of us know, is learned in the work and the affairs of various matters pending before the Interior Committee and the various subcommittees. He has been of enormous assistance to us and has backstopped our ranking subcommittee member and has always been most cooperative in the efforts to construct the most viable pieces of legislation that can be constructed that come out of our full committee.

Mr. SAYLOR. I thank my colleague from California for those kind remarks.

Mr. Chairman, I rise to urge the support of my colleagues for this bill, H.R. 8787, a bill to provide for a delegate to the House of Representatives for the unincorporated territories of Guam and the Virgin Islands. This is a logical step that the Congress should take at this time with regard to these two territories.

Very frankly, it has been my privilege to serve along with WAYNE ASPINALL as chairman of the full Committee of the House Committee on Interior and Insular Affairs since 1949, and it has been interesting to watch the development that has taken place in these and other territories, former territories under the American flag.

What is happening is completely contrary to what has happened with every other nation that I know of in the world because, instead of exploitation and colonization which has been the role of other nations, the United States has assumed a different attitude toward the individuals in the territories under the American flag; to wit that, as they show that they could handle properly more and more elements of self-government, the Congress in its wisdom has given them those rights.

As a result, all of the territories and the people in the territories under the American flag have come closer and closer to the American people rather than further and further away from self-government and independence as has been the policy of other nations.

In 1970, when the census was conducted in the territory of Guam, there were 84,996 people. In the Virgin Islands, there were 62,468 people.

These are American citizens. The Congress has given them that right.

Let us look at the government of these two territories, because these are the governments that provide for over 150,000 American citizens. In both territories the Congress has given them the right to elect their local representatives of their local legislatures—and they have done that. That legislature has been responsive in both cases to the needs of the people.

In both territories the Congress has given them the right to set up a separate judicial branch so their courts are separate and operate under the federal system, of course.

In the last step we took, we gave to both territories the opportunity for them to elect their own Governor.

And in the election which occurred 2 years ago, in a turnout which makes most of our voting areas hang their heads in shame as far as comparison is concerned, because over 90 percent of the eligible voters in both territories turned out, and after a very, very spirited campaign, they elected two fine gentlemen as Governors. Melvin Evans was elected as Governor of the Virgin Islands, and Governor Camacho was elected in Guam.

The next step, therefore, should be to give them some voice in the Halls of Congress, because this is what Congress had done in the other territories which now call themselves States.

You will find my name on this piece of legislation for the reason that I support the concept that the people of these territories can and should have some representation in the Congress. That representative can, should and will, if this bill is enacted, be here as an elected representative with limited powers representing each of the territories. It matters little to me what you would call him, whether you call him a resident commissioner, a delegate, or any other name, as long as they are here in an official capacity. But that representative will be charged with the responsibility of representing the desires, aspirations, and the hopes of his constituents in a broad range of legislative proposals, proposals ranging from social welfare to housing, agriculture assistance, aid for highways and airports, import quotas, veterans' benefits, immigration laws, and voting rights.

By the way, since I mentioned the veterans' benefits, it is interesting to note that from both territories percentagewise, both of them have turned out tremendous portions of their population to participate in the armed services of their country, your country, and mine.

Presently, only one of the committees of Congress has the responsibility of looking after the specific needs of people and the governments of these territories. Many measures considered by many Members of the Congress, ranging from simple to complex Federal problems, affect the political, social, and economic welfare of the territories. Elected Delegates from the territories will be able to more easily handle the varied territorial legislative objectives. For this reason it troubles me a little that this bill does not give the territorial representatives, Delegates, a vote in the committees unless the rules of the House are amended to so provide. I am afraid that the effects of the provisions in this bill will be to create the impression in the minds of my colleagues that the Committee on Interior and Insular Affairs wants to handicap these Delegates. I have no argument with the proposition that the Delegates should conform and be governed by the rules of the House. I just want the record clarified to reflect a positive application of those rules rather than a negative inference. One purpose of the Delegates will be to express the views of the citizen-resident in his respective territory. They are entitled to have their views heard concerning legislation which affects them, as they are citizens of the United States, just as the citizens of the 50 States are so entitled, and it is surely not the intention of the committee to stifle those views.

There is a section of the bill that concerns me very much, and that is section 5. This section would have the Treasurer of the United States absorb the cost of the salaries and office expense of the two nonvoting Delegates. Both Guam and the Virgin Islands now have representatives in Washington. These representatives are not Delegates to and recognized Members of this body. Both Guam and the Virgin Islands now

pay the salaries and expenses of those representatives, and I am not aware that the governments of these two territories plan to discontinue the practice if this bill does not pass and their representatives are already here continuing to perform their functions under their present status.

I can see no reason why the passage of this bill should relieve those governments of that obligation they have already assumed, especially since their assumption of that obligation is partially offset by financial support. I will, therefore, at the proper time offer an amendment to provide that the territories each pay the expenses of their respective Delegates and to delete the appropriate language.

During the 91st Congress the Committee on Interior and Insular Affairs did report out legislation providing for Delegates from these two territories. The bill was reported late in the session, and there just was not enough time to get a rule.

This Congress will be able to do a little better. We are now on the floor, the rule having been granted, and discussing a measure that is going to reflect the growth and contribute to the political maturity of these two territories of this great country. The passage of this bill will be in keeping with the principles of representative government. The cost to the Federal Government considered in these terms, is small. Therefore I urge Members of Congress and the House to proclaim their support of this bill and on a rollcall vote to vote "aye."

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

Mr. SAYLOR. I yield to the gentleman from North Carolina.

Mr. TAYLOR. Mr. Chairman, I liked the gentleman's statement that we have two groups of American citizens who do not have any voice in this body. Does the gentleman agree that this condition is not equitable and is not right and that the purpose of this bill is to correct this condition?

Mr. SAYLOR. That is correct. This bill is in keeping with what prior Congresses have done with every territory that has been added to the sisterhood of States to make us now the 50 States of the Union.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

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

Mr. DON H. CLAUSEN. Mr. Chairman, I thank the ranking Republican Member of our full committee for his very articulate statement. His comments parallel, I believe, the unanimous position of the membership of our committee. While there may be different points of view as to how the nonvoting delegate and his staff should be funded, the very fact that the gentleman has stood in the well and has presented in this very articulate manner the reasons why we should have this legislation is deserving of my thanks as well as that of the membership of the committee.

Mr. SAYLOR. I thank the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I yield such time as he may consume to the Resident Commissioner from Puerto Rico.

Mr. CÓRDOVA. Mr. Chairman, I rise in support of H.R. 8787. I commend the chairman and the ranking minority member of the committee on their remarks and their support of this legislation. It is, indeed, important to these two communities of American citizens as it is important to the Nation to grant this measure of recognition to these citizens.

It is true that the grant of representation with voice and without vote in Congress will involve additional expense and that these two communities have thought it important enough to have someone in Washington to appropriate the money to pay for the expenses of a representative from each of them, but at the same time I suggest that in considering this legislation we do not distinguish between these two representatives and others who have preceded them from territories and other communities of American citizens, that we do not distinguish in the sense of withholding from them that degree of recognition which is implicit in the assumption by the Government of the United States of the expenses of these officers, as has always been done in the case of all the delegates and Resident Commissioners who have represented the territories and other communities of American citizens in the House of Representatives.

It is true that these two communities of American citizens, just as is true of the community which I represent, do not for the most part pay Federal taxes in the end. They are entitled to retain the taxes which are collected in the respective communities. But they do carry a heavier burden than the tax burden, just as my constituents carry it. There is a burden inherent in our citizenship, the burden of contributing to the defense of our Nation. This burden has been particularly severe in recent years in the Virgin Islands and in Guam, as well as in Puerto Rico and as well as in the rest of the Nation, because of the unfortunate conflict in which the Nation saw fit to engage itself quite some years ago, from which it has not yet been completely extricated.

The sacrifice of the blood of the young people of the Virgin Islands and of Guam should be a sufficient consideration to justify the treatment of their representative in the same manner as representatives from other communities of American citizens.

It may be wise and convenient to place a limit, as has been suggested by the chairman of the committee, on the expenses of these two officials. There is no question that, because of the limited populations of these two areas, consideration must be given to the issue of whether their representatives here should have the same staffing as allowed to Members of Congress. But, whatever limitation it may be wise to place on the expenses, the expenses should be borne by the U. S. Government, just as has been done in the case of every other nonvoting delegate who has been permitted to represent his community in this body.

I strongly urge the Members of the House, in considering this legislation, not to withhold from the Virgin Islands and Guam, not to withhold from their elected Representatives, the same recognition that has been uniformly granted to delegates from every other part of the country throughout history.

I believe it is particularly important in the case of these two communities of American citizens, precisely because they are small, precisely because their populations are small, precisely because the possibility of their becoming full-fledged States is perhaps so remote, to grant to these communities such recognition as may be granted them short of statehood.

I believe one of the things that can be done is the granting of the nonvoting delegate to represent each of these communities in the Congress, and the assumption by the Government of the United States of whatever reasonable expenses these delegates may incur.

I, therefore, urge my colleagues to vote in favor of this bill. I suggest that whatever amendments are deemed wise they do not eliminate the assumption by the U.S. Government of the expenses of these delegates.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. CÓRDOVA. I yield to the distinguished gentleman from California.

Mr. DON H. CLAUSEN. I believe the gentleman now speaking in the well, the Resident Commissioner from Puerto Rico, is probably the most qualified Member in the House to be able to respond to this kind of question.

The questions I would ask, pertain not only to the Virgin Islands on the one hand, which is in the Caribbean area, but also to Guam even more so, which is in the Pacific. As an example, I am thinking in terms of service to your constituency. I recognize you have a substantially larger number of people in Puerto Rico than they have in these other areas, but I would like to have you respond to this question for the benefit of the House. What percentage of your time is spent in responding to requests in the area of military and veterans affairs alone? Second, the other question which I think would be very helpful—and I understand the gentleman from Hawaii will be speaking later on this, and I hope he will possibly address himself to this question, also—is how much do you feel this nonvoting delegate would improve on your ability as well as the potential ability of other countries in the Caribbean area to improve their communications between the people who are American citizens in these areas and the people of Puerto Rico as well as those in the Nation's Capital?

Mr. CÓRDOVA. As to the percentage of my time devoted to veterans' affairs, I could not say. I know that by far the greater proportion of my time is taken up with casework, work on matters involving veterans and soldiers and social security affairs, but soldiers and veterans are the bulk of it. We have 165,000 veterans in Puerto Rico right now from every war this country has engaged in during this century. Although the Virgin Islands and Guam do not have a comparable number of veterans, yet I have found that being a Member of the House and a Delegate in the Congress has helped me enormously in seeking to help the veterans and members of the Armed Forces.

The bureaucracy pays particular attention to the letterheads of the U.S. Congress. That alone is important. That alone will help the elected Delegates from the Virgin Islands and Guam in taking care of the problems of their constituents in regard to such problems as they might encounter in the Armed Forces or thereafter as veterans.

Mr. DON H. CLAUSEN. My concluding comment to the gentleman in the well is that I do want to compliment him for the excellent advice and counsel that he provided to the committee where he sits as a member in helping to educate the members as to the problems he faces and how it would relate directly to the areas under consideration at this point.

Mr. CÓRDOVA. I thank the gentleman.

Mr. BURTON. Mr. Chairman, I yield 5 minutes to the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. Chairman, as a cosponsor of H.R. 8787, I rise in support of the bill to provide both the territories of Guam and the Virgin Islands with nonvoting delegates to the House of Representatives.

When the rule for H.R. 8787 was adopted last October, I set forth in some detail the reasons for my support; I will not repeat them now. But let me say that this measure represents, for me and a number of other Members, the culmination of several years of legislative labor. I wish, therefore, to commend the chairman of the subcommittee, the gentleman from California (Mr. BARTON), and members of his committee for bringing this measure to the floor.

The issue before us is a very simple one. It is this: Do the people of Guam and the Virgin Islands deserve some form of official representation in Congress?

We who are proponents of the legislation say "Yes." The people of both territories are highly literate and politically mature, and imbued with a deep sense of loyalty, appreciation, and respect for the principles of American democracy. Congress recognized this in 1969 by granting them the right to elect their own Governors.

Guam now has a larger population than that living in any of 17 territories at the time of their admission to statehood; the population of the Virgin Islands now exceeds that of eight former territories at the time of their admission into the Union of States. But neither of these two territories now seek nor desire statehood. They are not asking for admission into the Union as States. They are not even asking for any voting representation in the Congress. But, as Americans, they do assert that their cherished American heritage of "consent of the governed" demands some measure of representation in the National Legislature, and all they are asking for is to be represented by a nonvoting Delegate in the U.S. House of Representatives.

Certainly there is ample precedent for voteless representation. A nonvoting Delegate served in the Congress as early as 1794, as a representative from what is now the State of Tennessee. Hawaii was allowed a nonvoting Delegate throughout her status as a territory; so was Alaska. A nonvoting Resident Commissioner has represented Puerto Rico in the House since 1904, and 1971 saw the addition of a nonvoting Delegate elected by the residents of the District of Columbia.

In fact, both Guam and the Virgin Islands are now represented in the Nation's Capitol by Delegates who are elected by the people of these territories, but who are without any official status from the Federal standpoint. What the pending bill would do would be to grant these duly elected Delegates official recognition on the same basis as the nonvoting representatives from Puerto Rico and Washington, D.C. In more simplistic terms, the financial burden of maintaining their nonvoting representation in Washington, D.C., would be shifted from the territories to the Federal Government. Certainly, our fellow Americans in Guam and the Virgin Islands deserve at least this much consideration.

We need to remember, too, Mr. Chairman, that enactment of H.R. 8787, will not operate as one-way legislation. The Federal Government, and consequently, the American people in general, will gain as much as will the citizens of Guam and the Virgin Islands.

Congress would have at hand experts fully cognizant of territorial problems and all their nuances.

The peoples' representatives would be informed of crucial developments in legislation affecting the welfare of their respective territories, and could work for legislation beneficial to the best interest of their people.

The advice and expertise of the Delegates would benefit the Department of the Interior and other interested agencies as well as the Congress.

Finally, the American public would benefit, with the Delegates' informed remarks and opinions being widely disseminated through the CONGRESSIONAL RECORD and other media.

One other consideration of greatest significance is that the creation of the office of delegate for Guam and the Virgin Islands would do much to dispel lingering impressions of American colonialism still held in some areas of the Pacific and the Caribbean. A recent report of the United Nations Colonialism Subcommittee on the Pacific, inept as it may have been, tended to lend credibility to such misimpressions. Representation in Congress for these island residents is an urgent and necessary step in our American democratic process.

Mr. Chairman, if we genuinely believe in furthering that democratic process, then we must provide the Guamanians and Virgin Islanders with at least a nonvoting Delegate to Congress, for, in fact, they are not colonists; they are Americans.

Mrs. MINK. Mr. Chairman, will the gentleman yield?

Mr. MATSUNAGA. I am happy to yield to my colleague from Hawaii.

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

Mr. BURTON. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mrs. MINK. I thank the gentleman from Hawaii for yielding. I want to commend the gentleman for his most excellent and persuasive statement in support of this bill which has been reported out of the subcommittee of which I am a member. I want to join also in strong support and advocacy of the passage of this legislation.

Both the gentleman from Hawaii (Mr. MATSUNAGA) and I, representing the State of Hawaii, are fully aware of the importance of this bill as well as the services which the people of these areas will be able to benefit from through the passage of this legislation.

I wish to take this opportunity to commend the chairman of the full committee and the chairman of the subcommittee for their work in making possible this legislation which is pending before the House today.

Mr. Chairman, I support this legislation. I want to first of all commend the distinguished chairman of the full committee and the chairman of the subcommittee for their leadership and stanch advocacy of full recognition of the rights of the people of our territories. Because of their great leadership, our territories have moved step by step toward full participation in their own governance. Today's legislation is the culmination of our recognition of the right of all Americans to have representation in a legislative body which controls their welfare and their destiny.

The progress of Guam and the Virgin Islands has been steady and impressive. These two territories, through their own initiative, have sent to the Congress their own delegates to speak to their needs. Mr. Won Pat of Guam and Mr. Ron de Lugo of the Virgin Islands have done a remarkable job despite the handicaps of being without portfolio, without office, and almost without staff.

Since I came to the Congress, along with my predecessors, feeling a strong alliance with our friends from Guam and the Virgin Islands, we have attempted to speak for them whenever and wherever it was required or opportune. Hawaii has known what it is like to be without a voice in Congress. She has known the great advantages that came from our being allowed a nonvoting Delegate in 1900.

We must remember that as a nation we have renounced our intention of being a colonial power. We have more than proven this point on many occasions. Certainly, the granting of Statehood to Hawaii was one of the principal acts of faith in the right of all Americans to equal participation in the affairs of our country.

The people of Guam and the Virgin Islands, like the people of Hawaii and Alaska before Statehood, are every bit as American as you and I. Their citizens are Americans by birthright. Any one of them could be elected President of the United States.

Yet, they are not accorded the privilege of participating in this national legislative body, where decisions are made which apply to them, equally as they apply to us. They are not seeking to affect the policies of our country. They are merely seeking the right to be heard. Only the right to be heard in matters which affect their people. This is an essential right of representative govern-

ment. The Constitution provides that all citizens have the basic right to present their grievances to their government. These Americans in Guam and the Virgin Islands are hampered in this right because they do not have the mechanism by which they can effectively be heard.

It seems to me that we have an obligation and responsibility to these citizens, to provide for their representation in the House of Representatives. While the Delegate envisioned by this legislation will be nonvoting, he will be able to effectively bring before the Members of Congress the needs and wishes of these constituents.

We need information about the problems and the conditions on Guam and the Virgin Islands in order to effectively legislate for them, just as much as the people there need to give us their counsel. We should not operate in the dark with regard to these territories but should have the full-time working representation of their elected Delegates to advise us of their special needs and requirements.

Consequently, this legislation works both ways—it benefits both the Congress and the people who now lack representation.

This House has previously enacted laws for the people of Guam and the Virgin Islands through legislation granting them greater self-determination, including the power of their local legislatures to fix their own salaries, to reapportion themselves, and the right to elect their own Governors.

In keeping with this recognition of the principle of complete self-government, the people of the Virgin Islands and Guam should be afforded this coordinate right to representation here in the Congress.

I urge the adoption of H.R. 8787.

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

Mr. MATSUNAGA. I yield to the gentleman from South Dakota.

Mr. DENHOLM. Mr. Chairman, I thank the gentleman for yielding to me, and I want to associate myself with the remarks of the gentleman from Hawaii. I support the effort the gentleman has made in enacting this legislation, and who, as an individual, did so much for our country in the last great war in the Pacific.

I would think that those who oppose this legislation would be glad that the people of Guam and the Virgin Islands are willing to join us and that they want to join us in our efforts to maintain the peace in the Pacific and around the world. And insofar as the opponents to this legislation are concerned——

I wonder what country they prefer that the people of Guam and the Virgin Islands should be associated with rather than America. The people that we talk of today are Americans—I welcome their representation in this House of the people and I urge the adoption of the resolution.

I commend the gentleman from Hawaii (Mr. MATSUNAGA) on his courageous efforts in behalf of the people of the Islands in the peaceful Pacific—and for his duty and honor to our country.

Mr. ANDERSON of California. Mr. Chairman, would the gentleman yield?

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

Mr. ANDERSON of California. Mr. Chairman, I want to commend the gentleman from Hawaii (Mr. MATSUNAGA) for the remarks he has made on behalf of this bill. I, too, want to congratulate the Members who introduced this very worthwhile legislation.

Mr. Chairman, I rise in strong support of H.R. 8787, a bill which would allow both the citizens of Guam and the citizens of the Virgin Islands to each elect a representative to sit in the U.S. House of Representatives.

Since the Treaty of Paris in 1898 when Guam was ceded to the United States by Spain, the territory of Guam has had a history of participatory democracy. The territory has developed a formal governmental structure of a locally elected legislature and executive. Last year, when elections were held, over 85 percent of the registered voters cast their ballots in an open, honest election.

The loyalty that the Guamanians have shown toward America has been proven over and over again. In World War II, Japan held Guam captive, but the Guamanians remained true to the United States. In Vietnam, to date, 67 Guamanians have died in support of U.S. foreign policy.

The rapid political, economic, and social maturity of this island of 100,000 people parallels the highest ideals of American democracy and human aspiration. Such growth brings with it the need for further, more effective representation on the Federal level.

Mr. Chairman, many Guamanians live in the area that I am privileged to represent and I have witnessed firsthand their industry, their diligence, and their grasp of political, economic, and social responsibilities.

Simple justice demands that the U.S. citizens of these two territories be allowed to elect a delegate to the House of Representatives.

I enthusiastically support this measure and I urge my colleagues to also vote favorably on H.R. 8787.

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

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

Mr. BURTON. Mr. Chairman, I would like to commend the gentleman in the well, the gentleman from Hawai (Mr. MATSUNAGA) for his invaluable assistance in developing this legislation, and his helpful support before the House Committee on Rules.

I would also like to underscore with great emphasis the leadership given by our distinguished colleague, the gentlewoman from Hawaii (Mrs. MINK) and that is "Ms."—for her leadership on this question over the years, and her great work and contribution in the subcommittee and the full committee not only in this Congress, but in the Congress before this, and the one before that.

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

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

Mr. SAYLOR. Mr. Chairman, I thank the gentleman for yielding, and I would like to commend our colleague, the gentleman from Hawaii (Mr. MATSUNAGA) for his statement, and particularly that part of the statement where he called attention to the report from the United Nations, and to the everlasting credit of the two individuals who now represent Guam and the Virgin Islands on a selective basis for those people, may I say that both of them sent very scathing letters of denunciation to the United Nations saying that they were not colonies, and that they had full rights, and that they looked forward to the day when they would have a voice on the floor of this Congress. This will be a further step in that direction.

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

Mr. Chairman, I would like to take this time to thank and commend the majority staff, Bill Thomas and Nancy Larson, of the subcommittee, and the minority staff counsel, Mr. Charles Leppert. I have already mentioned the contribution of the gentleman from California, the ranking minority member (Mr. DON H. CLAUSEN) as well as the contribution of the ranking minority member of the full committee, the gentleman from Pennsylvania (Mr. SAYLOR).

I would also like at this time to mention for the record the thanks of the subcommittee to the gentleman from North Carolina (Mr. TAYLOR), the gentleman from Washington (Mr. FOLEY), the gentleman from New York (Mr. RYAN), the gentlewoman from Hawaii (Mrs. MINK), the gentleman from Washington (Mr. MEEDS), the gentleman from Missouri (Mr. BURLISON), the gentleman from Georgia (Mr. STEPHENS), the gentleman from Pennsylvania (Mr. VIGORITO), the gentleman from Wyoming (Mr. RONCALIO), who has championed this issue for some time. And, of course, the gentleman from Alaska (Mr. BEGICH), as well as obviously the contribution of the gentleman from California (Mr. HOSMER), the gentleman from Kansas (Mr. SKUBITZ), our distinguished colleague from Michigan (Mr. RUPPE), our distinguished colleague from New Mexico (Mr. LUJAN), our colleague from Kansas (Mr. SEBELIUS), the gentleman from Colorado (Mr. MCKEVITT) and the Resident Commissioner from Puerto Rico (Mr. CÓRDOVA).

Finally, I should like to note the effort of my predecessor as chairman of the Subcommittee on Territorial and Insular Affairs (Mr. CAREY of New York). When I proposed in 1968 that the subcommittee include in the Elected Governor Act nonvoting delegates for Guam and the Virgin Islands, Mr. CAREY was very helpful. Subsequently this amendment was removed in the full committee, but not before we received a promise that the nonvoting delegates would be considered at the next session. Consequently, Mr. CAREY'S assistance enabled this bill to take its first step toward enactment.

In addition, Mr. Chairman, I would like to call attention to an editorial which appeared in today's editions of the Washington Post:

AMERICANS WITHOUT A VOICE IN CONGRESS

Today, as a new congressional session begins on Capitol Hill, members of the House will have an important opportunity to realize the longstanding hopes of some American citizens who are without any representation in the Congress. They are the people of Guam and the Virgin Islands who, in a bill scheduled as the first order of business, are seeking voices in the House in the form of non-voting delegates.

Obviously, the subject strikes a familiar chord in this community, which until last year was similarly voiceless—but the situations are by no means identical. For one thing, Guam and the Virgin Islands are U.S. territories that already enjoy the right to elect their own local governments and governors; thus, the quest for non-voting delegates is not really related to any "home rule" issue—or even to the future status of the two areas.

The legislation, sponsored by Rep. Phillip Burton (D-Calif.), would simply provide a non-voting delegate for each of the two territories with the same privileges granted already to the resident commissioner of Puerto Rico and the District of Columbia delegate—except for a vote in committee. (The committee-vote issue would remain up to the House to decide later, through amendment to its rules.) The legislation has administration support and was reported favorably by the Interior Committee by a 26-to-1 vote.

The bill does not entail any abdication of power by the Congress. Rather, it would permit the people of Guam and the Virgin Islands a formal voice, if not a vote, in the handling of their affairs on the Hill. It is a limited and appropriate way to recognize the reasonable desires of these American territories, and we hope the House will act favorably on it.

I was reluctant to urge the adoption of Chairman ASPINALL's amendment spelling out that the clerk hire allowance to each delegate shall be 60 percent of a Member and that the transportation expenses shall be limited to less than those granted to Members. However, these two limited exceptions undoubtedly will assure passage of the legislation. The amendment does not effect many benefits to the delegates including Government contributions to life insurance, health benefits, and retirement. Nor does it affect postage, district office rental and expense, telephone and telegraph allowances, and electrical equipment. The amendment was a small price to pay for passage of the legislation.

I would like to commend the elected representatives of both the territories, Mr. Antonio B. Won Pat of Guam and Mr. Ron de Lugo of the Virgin Islands, for their able and effective role in gaining passage of this legislation. Able assistance was also give to me by Mr. Tom Dunn, Virgin Islands Affairs Officer for the Department of the Interior, and Mr. Ed Baxter, Washington representative for the Governor of the Virgin Islands.

Without the counsel and advice of our distinguished chairman of the full committee (Mr. ASPINALL) this effort today would have been enormously more difficult.

Mr. DON H. CLAUSEN. Mr. Chairman, I will just make these concluding remarks.

The principal reason that I have added my support to the legislation before us is that this will not only provide that these people will have representation, but it will improve their ability to communicate with we who serve in the position of responsibility in the Congress through their own popularly elected delegate.

But most significant of all in my view is the rapidly changing circumstances throughout the world as it relates to the security question.

In the Caribbean certainly, we have the Cuban problem. We have had problems with the Dominican Republic. There has been some unsettlement in Haiti and in some of these other areas.

I believe it is necessary for the United States to move toward an action program rather than a reaction program after the problems develop. Certainly, with the changes that have taken place in the Pacific, with the question of Okinawa and the question of Taiwan and the political status question of Micronesia, yet to be resolved, I think what we do here today will have great effect on the kinds of working relationships that we have with these other areas in the future. Certainly, the meeting that I attended with our chairman of the subcommittee with the Pacific conference of legislators in Guam brought out very clearly some of the problems that have become a part of a total Pacific basic community and their effort to resolve some of the security questions as well as the political, economic, and social problems that do exist in those areas.

For that reason, I strongly urge a strong vote in support of this legislation which is now before us.

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

Mr. DON H. CLAUSEN. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. A few moments ago the gentleman from Hawaii spoke of the admission of these territories to the Union. I have heard a couple of other Members, perhaps three or four Members say this afternoon that there is no thought of admitting them. Which is it? Is this a preliminary thing to admitting these two territories—one with a population of 84,000 and the other with a population of 60,000—admitting them as States to the Union? Is this what we are up to?

Mr. DON H. CLAUSEN. As I stated earlier, Mr. GROSS, I view this as no movement toward statehood and I intend to include in the record to make the legislative history what my comments are, which are consistent with what the chairman of the full committee (Mr. ASPINALL) has stated earlier. Certainly, the resolution factor alone, the fact that the Congress itself will determine whether or not there will be a change in the political status question is safeguard enough so far as I am concerned. I would not entertain that as long as I am in this particular position because, obviously, it is not realistic.

Mr. GROSS. If the gentleman will yield further, of course, that is the next step on the part of the Congress, if it wants to take it, to admit them to statehood; it is not?

Mr. DON H. CLAUSEN. Obviously, that is a possibility, but I do not see it as a likelihood because I believe this will be considered with the other political questions of the entire area surrounding these areas. So I am not the slightest bit concerned at this particular point about that kind of movement receiving the support not only in this body but also the support of the other body.

Mr. Chairman, on the question whether providing a nonvoting Delegate for Guam and the Virgin Islands in the Congress can or should be considered as the first step toward granting statehood to the Territories of Guam and the Virgin Islands, let me assure my colleagues that this bill should not, and I urge that it not be considered in the context of granting statehood to these territories.

I ask and urge that this bill not be looked upon as a first step to statehood because that is not the intent of the legislation and the committee. During hearings on this bill, it was made explicitly clear that the committee did not, nor should the people of the territories, consider the passage and enactment of this legislation as preliminary to the granting of statehood. The question of statehood is a matter that must be decided by this Congress or a future Congress.

Many of my colleagues in this body who have studied the history of our great Nation will recall that Congress in its wisdom provided for a nonvoting Delegate or Resident Commissioner for the Territory of the Philippines.

Today, this former territory, after having sought their independence, rather than statehood, obtained the same, despite their having representation in the Congress of the United States.

On the importance of providing a nonvoting Delegate for the Territories of Guam and the Virgin Islands, let me cite for my colleagues some cogent points from the committee report on this:

Each Congress considers and acts upon a variety of proposals which (if enacted, affect the territories and their people in varying degress, sometimes only remotely, but often in a direct and substantial way. We submit the citizen residents of these territories are as entitled as the citizens of the several States to express their views respecting the actions of the Congress through a duly accredited and accepted member of the House of Representatives, albeit one with limited powers.

At the present time, the unincorporated territories of the United States are not affected by general legislation unless they are specifically mentioned in the legislation or the legislation is made applicable to the territories and possessions of the United States.

The fact is that the rapidly changing economic and social conditions in Guam and the Virgin Islands are no longer so limited in scope that the national interest and general welfare of the inhabitants of these territories can be so easily handled in one Committee of the Congress. For example, the legislative objectives of these territories range, inter alia, from education and welfare assistance, to housing, agricultural assistance, food stamps, unemployment compensation, prevailing wage rates, immigration amendments, airport construction assistance, federal highway and harbor assistance, air routes, water and electric power, oil and watch quotas, veterans benefits, and voting rights.

Through legislation already enacted the federal involvement in the economic and social conditions of both Guam and the Virgin Islands has progressed to the point where they are affected by measures considered by

many of the Committees of Congress. The various and complex federal programs which affect the needs of these territories are now so numerous and so varied that the territories require direct territorial representation to meet the changing economic and social conditions in each territory. The enactment of the bill will place the responsibility for the furtherance of the legislative objectives of these territories upon the popularly elected delegates.

This bill provides for the election of a Delegate from each of the territories to the House of Representatives who can more effectively represent and interpret the needs, welfare and interest of the inhabitants of each territory. He will carry the responsibility of maintaining the contacts and liaison with the Committees of the Congress and the officials of the Executive Branch of Government to meet territorial concerns. In doing so, the elected Delegate will relieve other Members of Congress of the necessity of dealing with individual problems in these territories in addition to meeting the usual calls upon them from their own constituencies.

Mr. BURTON. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Chairman, I would first like to pay tribute and my respect for the ability and expertise of the chairman of the full committee (Mr. ASPINALL), and the chairman of the subcommittee (Mr. BURTON), who this year embarks on the work in the House Interior Committee regarding the legislative chores in enacting laws from the subcommittee he now chairs.

I, too, support the bill which I am honored to cosponsor.

Earlier in the debate we had our attention called to the fact that the first delegate elected to this House came from a territory, a nonvoting delegate, in 1793. That tradition has been firmly established ever since.

I am pleased to note also in our report that the second delegate to be elected to the House as a nonvoting delegate, and again from an unincorporated territory, was William Henry Harrison who came here from the Northwest Territory of Ohio, in 1799.

His great, great grandson some 138 years later came to the State of Wyoming, then not too many years a full State, and he was then elected to the Congress and for many years was one of my predecessors from the State of Wyoming.

In addition to the 70,000 to 80,000 who live in the Virgin Islands and the 80,000 or so who live in Guam, hundreds of thousands of American citizens visit these territories monthly. This factor, and a respect for the American visitor there, as well as the military roles, which were alluded to by my colleague from California (Mr. DON H. CLAUSEN) and above all the National Parks which great conservationists such as Rockefellers created in the Virgin Islands—areas for wildlife and for marine life observation, as we have in the National Parks in the Virgin Islands—I think all this commends the bill to all of us, and I sincerely hope it will pass with a strong approval.

Lastly, Mr. Ron De Lugo, the representative from the Virgin Islands, and Mr. Tony Won Pat, of Guam, will make commendable additions to this membership. Their welcome is long past due.

Mr. BURTON. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. RYAN).

Mr. RYAN. Mr. Chairman, I rise in strong support of this bill, which will give a voice in Congress to the people of Guam and the Virgin Islands. It is a need which is long overdue and one which we should now recognize.

I should like to take occasion to commend not only the distinguished gentleman from Colorado, the chairman of the full committee (Mr. ASPINALL), but also the distinguished gentleman from California, the chairman of the Subcommittee on Territorial and Insular Affairs (Mr. BURTON), for the effective support which they have given this measure and the leadership which they have shown. Particularly the gentleman from California, a new subcommittee chairman, has demonstrated great ability in bringing this measure to the floor and presenting it very lucidly.

As a cosponsor of this legislation (H.R. 8787), I believe it will improve our relationships with Guam and the Virgin Islands. It is consistent with the democratic principles which we cherish and coincides with the aspirations of the people of both territories.

I include at this point in the RECORD an editorial from today's Washington Post:

AMERICANS WITHOUT A VOICE IN CONGRESS

Today, as a new congressional session begins on Capitol Hill, members of the House will have an important opportunity to realize the longstanding hopes of some American citizens who are without any representation in the Congress. They are the people of Guam and the Virgin Islands who, in a bill scheduled as the first order of business, are seeking voices in the House in the form of nonvoting delegates.

Obviously, the subject strikes a familiar chord in this community, which until last year was similarly voiceless—but the situations are by no means identical. For one thing, Guam and the Virgin Islands are U.S. territories that already enjoy the right to elect their own local governments and governors; thus, the quest for non-voting delegates is not really related to any "home rule" issue—or even to the future status of the two areas.

The legislation, sponsored by Rep. Phillip Burton (D-Calif.), would simply provide a non-voting delegate for each of the two territories with the same privileges granted already to the resident commissioner of Puerto Rico and the District of Columbia delegate—except for a vote in committee. (The committee-vote issue would remain up to the House to decide later, through amendment to its rules.) The legislation has administration support and was reported favorably by the Interior Committee by a 26-to-1 vote.

The bill does not entail any abdication of power by the Congress. Rather, it would permit the people of Guam and the Virgin Islands a formal voice, if not a vote, in the handling of their affairs on the Hill. It is a limited and appropriate way to recognize the reasonable desires of these American territories, and we hope the House will act favorably on it.

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

Mr. DON H. CLAUSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Chairman and Members, I should like to offer my very strong support for H.R. 8787, which would provide Guam and the Virgin Islands nonvoting representation in the Congress.

I just had an opportunity last week to join my colleagues (Mr. JOHNSON of California and Mr. BURLISON of Missouri) in a trip to Guam, and I would like to point out that this territory is certainly ripe for representation and indeed very deserving of representation in the Congress.

I am proud to note, first of all, that the enthusiasm of the people of Guam for the strongest affiliation with the United States and for representation here is unqualified. They have throughout that island the warmest regard for all of us here on the mainland and a great patriotism, perhaps even a greater patriotism than has been evidenced by many other Americans in the last few years.

Statistics indicate that well over 60 people from Guam have been killed in Vietnam and in Southeast Asia in the Vietnam conflict. If we had the same proportion of loss within the continental United States, it would mean that our losses suffered here on the mainland would total well over 200,000 killed. This more than anything else I saw demonstrates the patriotism, the loyal devotion to the flag on the part of the people of Guam.

In addition, we should recognize that they very actively participate in their own governmental and elective affairs and have done so for the past several years. They have elected successively a Governor and a 21-member Senate. The people on the island are obviously very enthusiastic about the elective process. They very widely participate in their own elections on Guam. It is obvious they understand the importance and appreciate the impact of the elective process. I am sure they are going to elect someone as a delegate to this Congress who will very ably represent them, as indeed they have been ably represented by Governor Comacho and Mr. Tony Won Pat these past years. So, understanding the patriotism and interest of the people of Guam in the mainland of the United States and their devotion to us, and considering their participation in the election process these past years, I think they merit our support, and certainly H.R. 8787 should be passed forthwith.

Mr. O'NEILL. Mr. Chairman, I wish to commend my friend from the Virgin Islands, Mr. Don DeLugo, who has been the Virgin Islands representative in Washington since 1968. He has performed an outstanding job in interpreting the needs of his territory in his capacity as official representative for the Virgin Islands. But the needs of the Virgin Islands and Guam have changed; these territories have had rapidly changing economic and social conditions in the past decade. Legislative objectives of these two territories now range from education and welfare systems to housing, agriculture, food stamps, veterans' benefits, and voting rights: these objectives are such that they can no longer be han-

dled by just one congressional committee. The national interest and general welfare of the 86,926 inhabitants of Guam and 63,200 inhabitants of the Virgin Islands necessitate their direct representation in the House of Representatives. I strongly support this initiative.

A nonvoting delegate from Guam and the Virgin Islands in the House of Representatives is hardly a new proposal. It has been before us since the 84th Congress. During the 91st Congress, a nonvoting delegate legislation was overwhelmingly approved by the Subcommittee on Territorial and Insular Affairs. But this bill was reported out too late to receive a rule. In this Congress we have an opportunity to vote on this proposal.

This proposal represents a progressive step in enhancing the principles of American democracy. Our democratic government encourages fuller representation of its people. By a series of enactments over the past decade, Congress has continually provided greater self-government for its territories. We now have a nonvoting delegate from Puerto Rico.

We now also have nonvoting delegate from the District of Columbia. How many years did it take for us to finally grant the District of Columbia a nonvoting delegate? This is only a beginning. I have supported these previous moves toward fuller representation and as my colleagues know, I strongly support the next step of home-rule for the District of Columbia.

Now let me ask you how many years will it take us to grant the Virgin Islands and Guam a nonvoting delegate?

The enactment of this legislation is not only in keeping with our modern trend of democratic representation; it would also serve to erase any lingering impressions of American colonialism which may still exist in some quarters of the world. Colonialism has been an anathema to the principles of American democracy. We have before us today another excellent chance to prove this once again.

Mrs. CHISHOLM. Mr. Chairman, at a time when every effort is being made to recognize and to secure the human rights of all segments of our society, the interests of 150,000 American citizens are being forgotten. The residents of Guam and the Virgin Islands lack a direct voice in the Government that rules them. In every matter of concern to these people, Congress acts as self-appointed representative, and it is time to create a position of real power for a delegate native to these territories who will voice their aspirations and be responsive to their needs.

Loyal and law-abiding, these island citizens have more than earned their right to an elected spokesman in Congress. Many Guamanians, for example, have served in our Armed Forces. Fifty-nine men, all of them volunteers, have died in Vietnam. No other State, commonwealth, or territory has sacrificed a greater proportion of lives. The islanders are proud and dedicated people willing to die for our country.

At the same time, they are helpless, even more so than mainlanders, in the face of governmental bureaucracy. If nothing else, a Congressman in Washington is an indispensable source of reassurance and aid to those who are confused by the intricacies, vastness, and impersonality of our national machinery. The Congressman is a valuable mediator making Government work for his constituents and, in so doing, maintaining their faith in the democratic process.

We have much to lose by their disenchantment. It is these people and their representatives who can best provide us with the knowledge and expertise necessary to drafting meaningful and responsive legislation.

If Americans are sincere in their belief that self-determination is the right of all people, they will welcome this move on the part of Virgin Islanders and Guamanians to participate in the decisionmaking processes that control their destiny. Let us not get trapped in petty quarrels over official titles and the incorporated or unincorporated status of these territories. Let us, rather, direct our energies to the realization of one of our most precious national principles: the right to choose who will speak for us in the representative bodies having authority over us. More than ever, it is imperative that we inject dignity and trust into our relations with fellow citizens in the territories.

Mr. DERWINSKI. Mr. Chairman, I am pleased to see this bill, H.R. 8787, which would authorize a nonvoting delegate for Guam and the Virgin Islands, brought to the floor and I hope that the House will expedite passage of the bill. I feel enactment of this measure is long overdue and I especially want to go on record as supporting H.R. 8787.

There is ample precedent for granting nonvoting representation in Congress to American citizens of Guam and the Virgin Islands—for example, Puerto Rico, the Philippines, and Alaska. It must also be remembered that Congress has recognized the growing political maturity of the American citizens of Guam and the Virgin Islands by passing laws granting them greater self-determination and responsibility.

This legislation has had bipartisan support for many years in the territories, in the Congress, and in the executive branch of the Federal Government. The administration of Dwight D. Eisenhower first called for such legislation, the administration of John F. Kennedy, Lyndon Johnson, and now Richard Nixon have all supported such legislation.

Since Guam and the Virgin Islands are an integral part of the United States, I believe that their views and interests should be articulated in Congress by their elected representatives. This can be done by passing this legislation before us today, and I urge all Members to support H.R. 8787.

Mr. KASTENMEIER. Mr. Chairman, as a cosponsor of H.R. 8787, I am pleased to rise in support of this measure which grants each of the territories of Guam and the Virgin Islands with a Delegate to the U.S. House of Representatives.

The people of Guam and the Virgin Islands are governed in large part by the laws enacted by Congress. It is only fitting, therefore, that these two communities of American citizens enjoy the same privileges as other citizens of this Nation, and that includes having representation in this Chamber.

The success of this legislation is due, in large part, to my good friend and colleague, the distinguished gentleman from California, PHIL BURTON. He is to be commended for outstanding leadership in the development and passage of this measure. As chairman of the House Interior Subcommittee on Territorial and Insular Affairs, and as principal author of H.R. 8787, PHIL BURTON has honored his longstanding personal commitment to extending the democratic process of government and representation to the people of Guam and the Virgin Islands.

Mr. LONG of Maryland. Mr. Chairman, I rise in opposition to H.R. 8787, providing nonvoting delegates to the House of Representatives from Guam and the Virgin Islands.

I oppose this legislation on population grounds. Guam, with a population of 84,994, and the Virgin Islands, with a population of 62,468, have a combined total population less than one-third that of the average congressional district, which has a population of nearly 500,000.

I oppose this legislation because we are already short on office space. If we have to provide space for two more Members, it will hasten the time when we have to build an additional House Office Building.

I oppose this legislation because neither Guam nor the Virgin Islands pays any money into the Federal Treasury. In 1970, the $10,837,000 in Federal taxes collected in Guam went back into Guam's treasury. Federal taxes collected in the Virgin Islands that year were not large enough to be listed as a separate category in Internal Revenue statistics. But all of the money collected was returned to the Virgin Islands treasury. In comparison, Federal revenue collected in Alaska, the smallest congressional district, totaled $181,287,000. And yet, if this bill is enacted, the American taxpayers will have to provide hundreds of thousands of dollars a year in salaries and allowances for these delegates. The people of the Virgin Islands and Guam will not have to share this cost.

Representatives of Guam and the Virgin Islands argue that their residents are subject to the draft, and should thus have a voice in our legislature. However, aliens residing in the United States are also subject to the draft. They do not elect representatives to Congress. I do not hear anybody arguing that they should have this privilege.

I urge you to join me in voting to defeat this legislation.

Mr. DON H. CLAUSEN. Mr. Chairman, I have no further requests for time.

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the territory of Guam and the territory of the Virgin Islands each shall be represented in the United States Congress by a nonvoting Delegate to the House of Representatives, elected as hereinafter provided.

Mr. SAYLOR. Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

Mr. GROSS. Mr. Chairman, reserving the right to object, this is a very short bill, and I believe it could stand at least a little reading before we dispense with further reading of it. It is less than a three-page bill.

Mr. Chairman, I therefore object.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. GROSS

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

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 1, line 6, after the comma, insert "and the United States Senate,".

Mr. GROSS. Mr. Chairman, until the rule came up on this bill, I could not believe that anyone was serious in offering this kind of legislation—that is, serious to the extent that it would ever get to the floor of the House. I do not know what the purpose of this bill really is. It can only be on the basis of giving these two nonvoting delegates prestige or something akin to prestige and recognition.

If we really want to give them prestige and if we want to give them recognition, the Members should support this amendment to give them a delegate in the U.S. Senate. Can Members think of a more prestigious deal than that?

I am amazed that the committee did not report a bill giving both these islands a delegate in that august body across the Capitol. I simply do not understand why the U.S. Senate is not included. I think there ought to be a representative in the U.S. Senate from Puerto Rico or any other islands we can drum up with 84,000 population or 62,000 population or less. Surely we do not propose here this afternoon to deny the Senate the pleasure of rubbing elbows with the delegates from Guam, the Virgin Islands, and Puerto Rico. Surely the Members do not mean to do that. I have several technical amendments to offer elsewhere to make the bill conform and which I will offer after the Members adopt—as I am sure they will want to do—my amendment to give these territories representatives in the U.S. Senate. Also at the conclusion of the bill, I will offer an amendment to amend the title.

I urge a favorable vote for this amendment which I know will provide a glorious hour in the lives of these islanders.

Mr. BURTON. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I rise to oppose the amendment, and I urge its defeat.

Mr. ASPINALL. Mr. Chairman, I move to strike the necessary number of words.

There has never been the consideration our friend from Iowa (Mr. GROSS) would give to the legislation. We are providing for a representative for these people in the House of Representatives which, after all, is the body which represents the people.

We are not providing for prestige. We are providing for these people simply to have representation in this body, which I believe they are entitled to one way or another. Now that the Department of the Interior no longer represents them to any great extent, this would give them the opportunity of being represented here. I am sure my friend from Iowa understands this.

I cannot take exception to the reference to the other body, but I believe, after all, this is the body where people are represented. This is the reason why we provide in this legislation for representation in this body and not in the other body.

Mr. GROSS. Mr. Chairman, will my friend from Colorado yield?

Mr. ASPINALL. I am always willing to yield to my genial friend from Iowa.

Mr. GROSS. I thank the gentleman for so doing.

Is the gentleman saying that the U.S. Senate does not represent the people?

Mr. ASPINALL. No. The gentleman from Colorado is stating the constitutional situation about the other body in its origin. I would hope at this time it represents States as well as people, and there is no State involved in this particular matter. We are talking here about people in various areas. Therefore, representation in that distinguished body on the other side of the Capitol is not a part of this legislation, and should not be.

Mr. GROSS. But would not the gentleman think they would be much more prestigious and much more distinguished and carry far more weight? Prestige and recognition seems to be the argument here. I have heard no other argument for these delegates.

Mr. ASPINALL. May I again remind my friend from Iowa, this is not an attempt to make a State or States out of these areas, and it is no precedent.

Mr. GROSS. I am not talking about a precedent; I am talking about prestige.

Mr. ASPINALL. I know what the gentleman is talking about, and that kind of prestige does not mean anything to these people, I can guarantee the gentleman.

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

I rise in opposition to the amendment. I do so because our colleague from Iowa has stated he was concerned as to whether or not this was a precedent for statehood.

If we really want a precedent for statehood, we should adopt the amendment of the gentleman from Iowa, because the Founding Fathers said that all States should be equal and should have two Senators. If we want to treat these people as equals in that respect, we should not accept just one Senator, but we ought to have it amended to provide that they have two, both of which should be designated as Senators.

From the very earliest days of this country, after our Constitution was originally drafted, the House of Representatives has set the pattern for admission of delegates or commissioners to come and represent the people and to give voice to the desires of the people in the territories. This House of Representatives is the forge of democracy. This is where the laws actually are made. This is where the vital decisions are made.

If we really want to give these people prestige, we will do so by adopting the bill which the committee has reported.

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

Mr. SAYLOR. I am happy to yield to the gentleman from Iowa.

Mr. GROSS. All I am trying to do is spread the good things of life among the greatest number.

Mr. SAYLOR. All I can say, in deference to the gentleman's desire is that to extend those rights to the other body, in my opinion does not extend the good things of life.

Mr. GROSS. I am talking about the delegates from Guam and the Virgin Islands, not what it will do to enhance the other body.

Mr. DON H. CLAUSEN. Will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman?

Mr. DON H. CLAUSEN. It is not my intent to take up too much time other than to express my opposition to the amendment.

I know that the gentleman from Iowa is very sincere in wanting to help the people in those areas, but I believe we should not infringe upon the prerogatives of the other body and add to their confusion.

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

As I understand it, I would like to ask the gentleman handling this bill, this delegate or whatever you will call him will get all of the staff and everything that a Member of the House gets?

Mr. BURTON. Will the gentleman yield?

Mr. HAYS. I yield to the gentleman.

Mr. BURTON. Well, this would be determined by the very important and authoritative and highly regarded and well thought of committee chaired by our colleague from Ohio (Mr. HAYS).

Mr. HAYS. Let me put another question to you after all those encomiums, which I appreciate thoroughly. What is the population of this group of islands?

Mr. BURTON. In the order of 80,000 each.

Mr. HAYS. In other words, the average House of Representatives area will now range from 460,000 to 470,000, depending on the State. Do you think that an area with a population of approximately one-sixth that of the average congressional district should have as many staff people as a Congressman should have? I want a little guidance on what to set. Do you not think about two or three would be sufficient?

Mr. BURTON. I have always had great confidence in the judgment of our distinguished colleague from Ohio in matters of this sort. I am led to believe further that the distinguished chairman of the full Committee on Interior and Insular Affairs will offer an amendment which will provide not only some insight but even a ceiling that the gentleman from Ohio might appreciate.

Mr. HAYS. I understood that it was going to be 60 percent. So that would be 9 people to run an office for 80,000 people as against 15 people to run an office for 470,000 people. I do not mind telling

you that that seems to be quite a bit too high for me.

Mr. BURTON. I would just like in further response to the gentleman to state that I have full confidence that after hearing the case the Committee on House Administration, which, as it has in almost all instances in the past, rendered a very sound judgment, will do so with regard to the case stated. It was because in part of the fact that we wanted to leave the House this flexibility and with the knowledge that this committee, led by our distinguished friend from Ohio, would be rendering a judgment on it that we felt the facts contained in the bill would permit the soundest possible judgment in this regard.

Mr. DON H. CLAUSEN. Will the gentleman yield?

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

Mr. DON H. CLAUSEN. In addition to what has been said, the committee saw fit to establish a very detailed hearing record on the budgets of each of the territorial governments and what is now allocated to the current representatives. I am convinced that Mr. De Lugo and Mr. Won Pat are fully aware of the concerns that are being expressed by the gentleman. We do not want to infringe on another committee; namely, that chaired by the gentleman from Ohio, but certainly the budget they present will be given careful scrutiny not only by our committee but by the gentleman from Ohio's committee.

Mr. HAYS. I appreciate what the gentleman has said. I had not been aware, really, that we had authority to set the number of employees for this delegate. If we do, that is one thing, but if it is set arbitrarily at a certain number, that will influence how I vote on this particular piece of legislation.

Mr. DON H. CLAUSEN. That is where we will rely on the discretion of that particular individual. I can say categorically that we have stated in the strongest possible terms that the entire legislation would be in jeopardy if they did not prove themselves responsible as far as the number of employees they employed as staff, whatever that number is.

Mr. HAYS. That does not make much sense, because the legislation is going to be passed, obviously, before they show whether they have any discretion or not. So, the gentleman's argument does not carry much water with me.

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

Mr. HAYS. Yes, I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman has not asked the question, although I suspect it has occurred to him, but he has not had time to do so, about travel to Guam. As I understand it, the first-class air fare is a substantial amount of money. I think it is about $1,700 first class, and that involves 12 trips, exclusive of the trip at the opening of a session.

I think some attention ought to be given to this as well as the cost of the staff.

Mr. HAYS. Well, I have never been to Guam but it may be, as in the case of some Members from places closer, once they get down here they do not want to go home. Maybe the fellow may not want to go back very often and we may not have that problem at this time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GROSS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GROSS. Mr. Chairman, on that I demand tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. (a) The Delegate shall be elected by the people qualified to vote for the members of the legislature of the territory he is to represent at the general election of 1972, and thereafter at such general election every second year thereafter. The Delegate shall be elected at large, by separate ballot and by a majority of the votes cast for the office of Delegate. If no candidate receives such majority, on the fourteenth day following such election a runoff election shall be held between the candidates receiving the highest and the second highest number of votes cast for the office of Delegate. In case of a permanent vacancy in the office of Delegate, by reason of death, resignation, or permanent disability, the office of Delegate shall remain vacant until a successor shall have been elected and qualified.

(b) The term of the Delegate shall commence on the third day of January following the date of the election.

SEC. 3. To be eligible for the office of Delegate a candidate must—

(a) be at least twenty-five years of age on the date of the election,

(b) have been a citizen of the United States for at least seven years prior to the date of the election,

(c) be an inhabitant of the territory from which he is elected, and

(d) not be, on the date of the election, a candidate for any other office.

SEC. 4. The legislature of each territory may determine the order of names on the ballot for election of Delegate, the method by which a special election to fill a vacancy in the office of Delegate shall be conducted, the method by which ties between candidates for the office of Delegate shall be resolved and all other matters of local application pertaining to the election and the office of Delegate not otherwise expressly provided for herein.

SEC. 5. The Delegate from Guam and the Delegate from the Virgin Islands shall have such privileges in the House of Representatives as may be afforded him under the Rules of the House of Representatives. Until the Rules of the House of Representatives are amended to provide otherwise, the Delegate from each territory shall receive the same compensation, allowances, and benefits as a Member of the House of Representatives, and shall be entitled to whatever privileges and immunities are, or hereinafter may be, granted to the Resident Commissioner for Puerto Rico: *Provided*, That the right to vote in committee shall be as provided by the Rules of the House of Representatives.

Mr. SAYLOR (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD and open to amendment at any point.

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

There was no objection.

AMENDMENT OFFERED BY MR. SAYLOR

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

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: Page 3, line 11, After the period insert the following:

The salary and expenses of office for the Delegate from each territory shall be paid by each territory respectively.

And on lines 13 through 15, strike the following languages: "shall receive the same compensation, allowances, and benefits as a Member of the House of Representatives, and".

Mr. SAYLOR. Mr. Chairman, this is an important amendment. It has to do with the matters which were just being discussed by the gentleman from Ohio (Mr. HAYS) and the gentleman from Iowa (Mr. GROSS). The bill now provides that the Delegate from the Virgin Islands and Guam shall receive compensation, allowances, and benefits as a Member of the House of Representatives.

Mr. Chairman, this is the same pattern that has been used in every other bill that has been passed affecting a Resident Commissioner or a Delegate to the House of Representatives.

However, we are dealing with a situation in Guam and the Virgin Islands that is not the same as it is in any other territory that we have talked about up until now, and that is that these territories enjoy a special tax privilege. The taxes which are normally paid into the Federal Treasury in the form of income tax and other taxes in these two territories are not covered in the Treasury of the United States. They are covered into the treasury of the local territory.

Now, for that reason, and since they get this privilege they should pay their bills. Congress did this because these two territories were not self-supporting and rather than having the people come to the Congress each year and to the Appropriations Committee and ask for large contributions to run their office of Governor, to run their legislature, to run their judicial system, Congress in its wisdom said it was foolish to have it come in and then turn around and send it back out. Why not let the people in these territories keep their money and spend it?

The two territories at the present time do pay all of the expenses of their Delegates here in Washington.

Some question has been raised as to what this will cost, or what it will save if this amendment is adopted. The Clerk of the House of Representatives, Mr. Jennings, under date of May 20, 1971, sent to the Committee on Interior and Insular Affairs an estimated cost of the nonvoting Delegate from the Virgin Islands in assuming his office, if he comes from the city of St. Thomas, and the nonvoting Delegate from the island of Guam, the differences are only in air travel. The mileage, of course, from Guam is in the first instance $3,808.20, and from the Virgin Islands it is $720.80. As to the round trips provided for Members for air travel, from Guam it is $16,800, and from the Virgin Islands it is $3,024.

The total expenditure for 15 employees—and, by the way, I would like to say to our colleague, the gentleman from

Ohio (Mr. HAYS), that if this bill is passed in its present form without my amendment, the gentleman has no jurisdiction except to give them 15 clerks if they so desire to hire them at the salaries specified in the various acts, and the expenses will be, for the Virgin Islands, $253,250.80, and the expenses for Guam, because of the difference in air travel, is $272,410.20.

I realize that we have in the Congress, with reference to prior Delegates or prior Resident Commissioners, never required that they pay the expenses of their office.

In view of the fact that we are tight for space in the House at the present time, one of the real jobs, when this bill is passed, that the Speaker is going to have and that the Clerk of the House is going to have, is to find adequate office space to put these two nonvoting Delegates in but if we give them free office space, which will be a savings to the people in both of these territories, then I think it is only fair, because of the unusual tax situation, that we should ask them at the present time to assume this responsibility and to continue to pay for the expenses of their Delegates. This they have done in the past, and I am sure they would be willing to do this in the future.

Mr. Chairman, I urge that this amendment be adopted.

SUBSTITUTE AMENDMENT OFFERED BY MR. ASPINALL FOR THE AMENDMENT OFFERED BY MR. SAYLOR

Mr. ASPINALL. Mr. Chairman, I offer a substitute amendment for the amendment offered by the gentleman from Pennsylvania (Mr. SAYLOR).

The Clerk read as follows:

Substitute amendment offered by Mr. ASPINALL for the amendment offered by Mr. SAYLOR: Page 3, line 19, change the period to a colon and add: *"Provided further,* That the clerk hire allowance of each Delegate shall be a single per annum gross rate that is 60% of the clerk hire allowance of a Member: *Provided further,* That the transportation expenses of each Delegate that are subject to reimbursement under section 1 of the Act of September 17, 1967 (81 Stat. 226, 2 U.S.C. 43b), shall not exceed the cost of four round trips each year."

Mr. ASPINALL. Mr. Chairman, no matter which way we go in this particular matter, we are going to establish a precedent. The amendment that my friend, the gentleman from Pennsylvania (Mr. SAYLOR) has ordered, establishes for the first time the precedent that representatives from territories would have to pay their own expenses.

My amendment limits the amount for such Representatives serving in the House of Representatives in two instances.

First, in the matter having to do with clerk hire. The total amount of which is around $133,500 per year for each Member. I would limit that to 60 percent which would be about $80,100.

Then in the matter of the four trips that are involved. The round trip fare to Guam is $1,400 and four trips would amount to $6,400. The round trip fare to the Virgin Islands is $260 and four trips would cost $1,040.

This would have nothing to do with travel expenses of Representatives that a Representative receives in reporting to the Congress and his return to his district once every session of the Congress.

I can see logic to limiting the expenses in the matters that I have set forth in my substitute because of the size of these areas at the present time. Although I would say this—these are full-time jobs and more than likely the offices will be quite busy.

Guam is far removed and about the only way there would be any way at all to get in touch would be by correspondence. Secretarial help is very necessary.

I listened to what my good friend, the gentleman from Ohio (Mr. HAYS) had to say relative to the expenditure of these funds. May I say that I have been here going on 24 years now and only once in my service have I ever spent the total amount of my allowance. I may approximate it again in a matter of 6 weeks or so. I understand that not spending the full allowance is not uncommon. This is a common practice—we do not spend all of the money that is available to us unless we need it—and this is the way it should be.

My difficulty in following the logic of my good friend and coworker, the gentleman from Pennsylvania (Mr. SAYLOR) is this—if we give to our fellow citizens the benefits and responsibilities coupled with their citizenship, then I see no reason why we should treat them any differently except perhaps in amounts, than we treat ourselves. They have a job to do for the citizens they represent just like we do. I think we should not give them something and then in the legislation hold back from them some of the benefits that go with the task which we have given to them.

For that reason, I think there is more logic to the substitute which I have proposed.

We are not talking about very much money. Most of us think in terms of thousands of dollars rather than millions of dollars or billions of dollars. As I said in my opening statement, we are thinking about our own. We are not thinking about others away from us—we are not thinking about outsiders. We are talking about insiders. When we take these amounts of money, as small as this, and when it comes to our relationship—and I might say I sometimes question my own actions—with some of our neighbors throughout the world—this small amount means nothing.

But it does mean something. I am the first one to agree with my friend, the gentleman from Pennsylvania, that sooner or later—and the sooner the better—that these territories should begin to return to the Federal Government some part of their special tax funds they now keep for themselves. I have made overtures to this effect and I understand this proposition will be considered soon in their constitutional conventions. But right at the present time it just is not possible, in my opinion, for us to give something on the one hand and then not go the full way and make their operation honorable and in most respects similar to the responsibilities which you and I accept without question.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in opposition to the amendment offered by my friend from Pennsylvania (Mr. SAYLOR) and in support of the substitute offered by the gentleman from Colorado.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. DON H. CLAUSEN. We have had a number of continuing discussions since the resolution was considered in the committee, and while we developed, as I said earlier, in-depth information as to the operating budget of the respective individuals now serving in a representative capacity, Mr. DeLugo and Mr. Won Pat, I am inclined to believe that this is an acceptable compromise. As stated before, I was concerned about precedent, but I am also concerned about discrimination. If you look at the situation, as an example, in Alaska, there is no limitation on administrative allocation, and yet the population is, I believe, a little over 200,000. In this instance, with all the other demands that will be met—and I am convinced there will be increasing demands because in Guam alone we have not only the 85,000—this summer it will be 85- or 90,000 residents of the area who are American citizens—but we also have a substantial military population. For that reason, as far as I am concerned, and I believe I speak for the majority of the membership on our side, we are willing to accept the substitute offered by the gentleman from Colorado.

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

Mr. DON H. CLAUSEN. I yield to the gentleman from California.

Mr. BURTON. I would like to join with our colleague, the ranking Member on the other side of the subcommittee, in urging adoption of the substitute amendment offered by the distinguished chairman of our full committee, the gentleman from Colorado (Mr. ASPINALL).

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened to some of the debate on the amendment offered by the gentleman from Pennsylvania and the substitute offered by the gentleman from Colorado, the distinguished chairman of the Committee on Interior and Insular Affairs.

I would like to ask a question, because I think this is part of the overall problem we are discussing. As I read the bill and the committee report, the two individuals who would come in this instance to the House would get the same allowances, et cetera, that the Members of the House of Representatives get. If I solicit accurately, each Member of the House currently has the right to 15 staff members for a congressional district that has, on the average, a population of 450,000 to 460,000. I read in the committee report that the Census for 1970 indicates the Government of Guam will have a population of 86,926. The Government of the Virgin Islands will have 63,200 inhabitants. It is hard for me to rationalize why those who represent those two areas should have 15 employees for a far lesser number of people to serve than a Mem-

ber of the House who has far more constituents to serve. Is there an answer to that question?

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

Mr. GERALD R. FORD. Of course, I yield to the chairman of the committee.

Mr. ASPINALL. We are talking in numbers, and, of course, the number 15 is the maximum number that Members can have.

It so happens that I have in my office six or seven employees. I use, not the maximum, but the major part of my allowance. My amendment which I just offered as a substitute in place of the amendment offered by the gentleman from Pennsylvania (Mr. SAYLOR) would limit the clerk hire to 60 percent of what the other Members of the House use, and it would limit the number of trips which we have to four trips instead of the 12 which we take, keeping in mind each one of us is entitled to a trip to the session and a return trip from the session as an additional trip.

I think there is some logic to what the gentleman from Pennsylvania has in mind, but I do not want to go so far as to establish a precedent in this instance and cause these areas to pay all of their own expenses. So my amendment would limit it to 60 percent and four trips.

Mr. GERALD R. FORD. One of the words used by my friend, the gentleman from Colorado, I think was used inadvertently incorrectly. I believe the chairman said 60 percent of the allowance for personnel "used" by Members of Congress. Did the gentleman not mean 60 percent of that authorized for Members of Congress?

Mr. ASPINALL. That is correct. My friend, the gentleman from Michigan is correct.

Mr. GERALD R. FORD. Let me say, Mr. Chairman, in conclusion that I favor this legislation. I have some concern about the precedent that might be established by the amendment offered by the gentleman from Pennsylvania or even that offered by the gentleman from Colorado, but whatever happens on either of these amendments, it is my intention to support the legislation. I think it should be passed, and I hope the House will approve it.

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

Mr. Chairman, I take this time for the purpose of directing a question to the gentleman from Colorado who offered the substitute amendment. In the summary that was submitted by the Clerk of the House to our committee, and in accordance with the statutes on the books at the present time, the clerks to Members are entitled to two round trips into the district in any 1 year. Is there any effort in the amendment the gentleman has offered to limit the travel for clerks?

Mr. ASPINALL. I would say to my friend that, as I understand this amendment, it goes to the trips by the Members. I would have to refer to this statute again to see, but it would seem to me if the Members have the right to have their staffs visit their home districts, that we could not deny this particular right within limitaiton to the Members from Guam and the Virgin Islands.

Mr. SAYLOR. I am only asking these questions for purposes of clarification.

Now, the total amount for clerk hire in accordance with the letter submitted by the Clerk of the House to our committee is $141,500, and that was before the last 5-percent increase, so the present amount allowed for clerk hire is $148,575. Is it the intention of the gentleman from Colorado to take 60 percent of the figures submitted by the Clerk of the House or the latter figure which is the present allowance?

Mr. ASPINALL. It is the intention of the gentleman from Colorado to take 60 percent of whatever the total amount would be. I do not have that from the Clerk, I have it from our staff members. If I am a little under, it would not be by very much.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I take this time to ask a question of the gentleman from Colorado. How did the gentleman arrive at 60 percent? Is it just a good round percentage figure, or is there something back of the 60 percent?

Mr. ASPINALL. If my friend, the gentleman from Iowa, would yield to me, I arrived at that figure as a logical reasonable percentage of what we Members of the House have had allowed to us. I did not try to boost their officers, I did not try to cause their officers to be understaffed. I say again, as I said when I was in the well of the House a few minutes ago, that we do not have to use all of our office allowances. These gentlemen will not have to use all of their office allowances. I would say that if they become Members, they will be closer in touch with us all the time, and we will know what they are doing. I think this will be good for all of us. And if they are overstaffing, I think we can take care of that.

Mr. GROSS. The 60 percent is not based on the population that the delegates are designed to serve?

Mr. ASPINALL. The gentleman is correct.

Mr. GROSS. It has no relation whatever to that. I cannot think of anything it does have a relation to.

Mr. ASPINALL. If my friend will yield, the 60 percent is based on the amount necessary to operate a reasonable, honorable staff which operates for the benefit of the people whom they represent.

Mr. GROSS. I am not asking a question, but I would hope when these delegates get here, if this bill is passed and I hope it is not approved, that their offices will not be equipped with crystal chandeliers which were installed in the Speaker's lounge during adjournment and I saw for the first time a few minutes ago. I am told those things cost about $15,000.

I would hope that at this time in the history of this country, the House would begin to husband the taxpayers' dollars, and it will not be accomplished by purchasing expensive crystal chandeliers such as now adorn the Speaker's lounge.

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

Mr. GROSS. I am glad to yield to the gentleman from Colorado.

Mr. ASPINALL. For 24 years my friend has had the best eyesight and has had the best hearing and, may I say, as industrious an operation as any Member of Congress. I know this to be a fact.

Do not measure this operation by what it costs here at the Capitol. Let us see what these people can do for us.

Mr. GROSS. Of course, this operation is happening right here at the Capitol.

Mr. ASPINALL. I suppose it is.

Mr. GROSS. That is right.

Mr. ASPINALL. The gentleman has to advise me. He sees a lot more of those things than I do.

Mr. GROSS. And this legislation, providing for delegates from these two comparatively small islands, is being acted on right here at the Capitol this afternoon. This legislation will cost money—make no mistake about that.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

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

Mr. DON H. CLAUSEN. This will be very brief.

So far as my reason for accepting this particular percentage as offered by the gentleman from Colorado is concerned, I believe it is reasonable, in that again I refer to the number of people living in the State of Alaska. There are something around 200,000 people. When we combine the military people living on Guam with the number of American citizens living out there, it is a little over half. This is one reason why I felt 60 percent as a formula, restrictive as it is, is reasonable.

Mr. GROSS. Of course, those servicemen living on Guam will likely come back to the Representatives or Senators from their home States and districts for the help they get. That is what they have been doing.

I do not see that as a basis for 60 percent, 80 percent, 40 percent or any other figure.

I support the amendment of the gentleman from Pennsylvania. So long as the taxes are being retained by the islands, there is no reason why we should dip into the Federal Treasury to pay the costs of maintaining these delegates.

Mr. DON H. CLAUSEN. If the gentleman will yield further, the only thing I can say is so long as the particular military operation in that area has the significance it has on the total security picture I believe it is a small price to pay.

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

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

Mr. BOW. It comes to my mind, if they have 80,000 on these two islands and want to get the 60 percent, how about Puerto Rico, with 2.7 million? Are we going to adjust that figure?

Mr. GROSS. That is a very good question, an excellent question. I cannot answer it. The proponents of this bill should do so.

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

Mr. Chairman, I rise in support of this legislation, and ask not a question of the gentleman from Pennsylvania or the gentleman from Colorado, but the Members of this body.

We are talking about U.S. citizens. We are talking about U.S. possessions.

I had the happy privilege of visiting Guam during World War II, and again in August of this past year. It is the coming recreation point of the Pacific. It is our last bulwark against the agressors of the Far East.

Why do we single them out to restrict in any way the privileges of these citizens, these people who will die for our freedom? If we suffer the fires of our national devotion to expire, then the flames, the democratic flames, will also expire, to the ultimate detriment of mankind.

I say we should be here today championing the cause of Guam and the Virgin Islands, treating the people as citizens, and going forward to build up these islands for the defense of this great Nation.

The majority of the tourists who came to Guam last year, other than those from the United States, from the mainland, were from Japan. Japan is now the economic giant of the Pacific. She is building up these islands and pouring millions and millions of dollars into Guam while we here on the mainland speak as if Guam is an island so distant that we will never get there or never travel there.

Today, Guam is a part of America. Her people are U.S. citizens. We should build them up. We should welcome them with open arms, remembering the future of this country lies in these islands as well as in our defense posture. Let us go forward; let us recognize these U.S. citizens; let us bring them in on an equal basis and go forward toward a greater and broader United States of America.

Thank you.

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

Mr. Chairman, I shall take only a minute to compliment the chairman of the full committee and of the subcommittee, the gentleman from California, as well as the members of the committee on this legislation.

I know that the chairmen of the committee and the subcommittee have devoted a tremendous amount of time to this subject. I know they have been to both places on several occasions.

I feel this House would be acting very wisely if it adopts this bill by a very large majority.

I think the gentleman from Tennessee correctly described the thrust of the legislation, which is to extend as far as is practicable and possible the benefits of citizenship in this great Republic. That has indeed been the thrust of our democracy since its inception.

The amendments we have adopted to our Constitution, many of them, have been in that direction; namely, to extend citizenship and the privileges and responsibilities of citizenship to all.

As the gentleman from Tennessee (Mr. QUILLEN), has pointed out, these are not very distant places today. We have instant communication with them and travel there in a matter of hours.

The best evidence of good citizenship I think, has been the great rewards we have obtained by extending statehood to our fellow State of Hawaii which is not contiguous to the States and what it meant to this great union of States.

This is not a question of statehood, of course, but it is a question of recognition of the fact that the people who live in Guam and the Virgin Islands are American citizens and are entitled at least to have some voice and some recognition here in this deliberative body.

I hope the amendment offered by the chairman of the committee which seeks a fair solution to the staffing problem will be adopted and that thereafter we will adopt the bill.

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

In connection with the need for these delegates whom we are considering here for staff and other help, may I point out that while the degree and the load of the casework varies more or less directly with the population, still the population does not provide the only measure for determining the need for clerical and other assistance.

The nonvoting Delegate from a territory, like the Resident Commissioner from Puerto Rico, must and does have a legislative workload which is probably larger than that of most Members in that he must watch the progress of legislation, but he must do it in the Senate as well as in the House; that is, he has no help at all in the Senate, no representation at all in the Senate.

The amendment which has been proposed by the gentleman from Iowa (Mr. GROSS) would indeed be a boon to Puerto Rico, it would be a boon to me if I could have some assistance on the other side of the Hill. But, the fact remains that we do not have that assistance. The legislative workload requires the nonvoting Delegate to do whatever representation is required not only on this side of the Hill but also on the other and that should be taken into account. So, it is not purely a question of what is the population. There are other factors involved.

I, therefore, find the amendment proposed by the chairman of the committee eminently reasonable. I understand it is acceptable to the people and the representatives of Guam and the Virgin Islands. I certainly endorse it in preference to the amendment which has been offered by the gentleman from Pennsylvania (Mr. SAYLOR).

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Colorado (Mr. ASPINALL) for the amendment offered by the gentleman from Pennsylvania (Mr. SAYLOR).

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. SAYLOR), as amended by the substitute amendment offered by the gentleman from Colorado (Mr. ASPINALL).

The amendment, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SLACK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 8787) to provide that the unincorporated territories of Guam and the Virgin Islands shall each be represented in Congress by a Delegate to the House of Representatives, pursuant to House Resolution 624, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

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

The question is on the amendment.

The amendment was agreed to.

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

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

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

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

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 232, nays 104, not voting 95, as follows:

[Roll No. 2]

YEAS—232

| | | |
|---|---|---|
| Abourezk | Dow | Jones, Ala. |
| Abzug | Drinan | Karth |
| Adams | Duncan | Kastenmeier |
| Alexander | du Pont | Kazen |
| Anderson, Calif. | Dwyer | Keating |
| | Eckhardt | Kee |
| Anderson, Ill. | Edmondson | Keith |
| Andrews | Edwards, Calif. | Kemp |
| Arends | Eilberg | Kluczynski |
| Ashley | Erlenborn | Koch |
| Aspinall | Evans, Colo. | Kyl |
| Badillo | Fascell | Kyros |
| Begich | Findley | Latta |
| Bennett | Fish | Link |
| Bergland | Flood | Lloyd |
| Biester | Foley | Lujan |
| Bingham | Ford, Gerald R. | McClory |
| Blanton | Ford, William D. | McCloskey |
| Blatnik | | McCormack |
| Boggs | Forsythe | McDonald, Mich. |
| Bolling | Frelinghuysen | |
| Brasco | Frenzel | McEwen |
| Broomfield | Fuqua | McFall |
| Brotzman | Gallagher | McKinney |
| Brown, Mich. | Gibbons | Macdonald, Mass. |
| Brown, Ohio | Gonzalez | |
| Broyhill, Va. | Gray | Madden |
| Burke, Mass. | Green, Pa. | Mallary |
| Burlison, Mo. | Griffiths | Mathias, Calif. |
| Burton | Grover | Matsunaga |
| Byrnes, Wis. | Gude | Meeds |
| Byron | Halpern | Melcher |
| Cabell | Hamilton | Mikva |
| Carney | Hammer-schmidt | Miller, Calif. |
| Carter | | Mills, Md. |
| Cederberg | Hanley | Minish |
| Celler | Hanna | Mink |
| Chamberlain | Hansen, Idaho | Minshall |
| Chisholm | Harrington | Mitchell |
| Clark | Hastings | Mollohan |
| Clausen, Don H. | Hathaway | Moorhead |
| | Hawkins | Morgan |
| Cleveland | Hechler, W. Va. | Morse |
| Collins, Ill. | Heinz | Mosher |
| Coughlin | Helstoski | Moss |
| Culver | Hicks, Mass. | Murphy, N.Y. |
| Daniels, N.J. | Hillis | Myers |
| Danielson | Hogan | Natcher |
| Davis, Wis. | Holifield | Nedzi |
| Dellenback | Hosmer | Nelsen |
| Dellums | Howard | Nix |
| Denholm | Hungate | Obey |
| Dennis | Hutchinson | O'Hara |
| Dent | Ichord | O'Neill |
| Derwinski | Jacobs | Patman |
| Donohue | Johnson, Calif. | Patten |

| | | |
|---|---|---|
| Pelly | Roy | Symington |
| Pepper | Ruppe | Taylor |
| Perkins | Ryan | Terry |
| Peyser | Sarbanes | Thompson, Ga. |
| Pike | Saylor | Thompson, N.J. |
| Pirnie | Schwengel | Thone |
| Poff | Sebelius | Ullman |
| Preyer, N.C. | Seiberling | Vanik |
| Price, Ill. | Shipley | Veysey |
| Pryor, Ark. | Skubitz | Vigorito |
| Pucinski | Slack | Wampler |
| Quie | Smith, Iowa | Ware |
| Quillen | Smith, N.Y. | White |
| Rees | Springer | Widnall |
| Reid | Staggers | Wiggins |
| Reuss | Stanton, | Wilson, |
| Roberts | J. William | Charles H. |
| Robison, N.Y. | Stanton, | Winn |
| Rodino | James V. | Wright |
| Roe | Steed | Wydler |
| Rogers | Steiger, Ariz. | Yates |
| Roncalio | Steiger, Wis. | Young, Fla. |
| Rooney, Pa. | Stephens | Zablocki |
| Rostenkowski | Stratton | |
| Roush | Sullivan | |

NAYS—104

| | | |
|---|---|---|
| Abbitt | Galifianakis | Price, Tex. |
| Ashbrook | Gaydos | Purcell |
| Baker | Gettys | Railsback |
| Belcher | Giaimo | Randall |
| Bevill | Goodling | Rarick |
| Biaggi | Gross | Robinson, Va. |
| Blackburn | Hagan | Rooney, N.Y. |
| Bow | Haley | Rousselot |
| Brinkley | Hall | Runnels |
| Brooks | Harsha | Ruth |
| Broyhill, N.C. | Hays | St Germain |
| Burleson, Tex. | Hicks, Wash. | Sandman |
| Casey, Tex. | Hull | Satterfield |
| Chappell | Hunt | Scherle |
| Clancy | Jarman | Schmitz |
| Clawson, Del | Jones, N.C. | Scott |
| Collier | Jones, Tenn. | Shoup |
| Collins, Tex. | King | Sikes |
| Colmer | Kuykendall | Smith, Calif. |
| Conable | Landgrebe | Snyder |
| Conte | Landrum | Spence |
| Cotter | Long, Md. | Steele |
| Crane | McCollister | Teague, Calif. |
| Curlin | Mahon | Teague, Tex. |
| Daniel, Va. | Mann | Thomson, Wis. |
| Davis, Ga. | Mathis, Ga. | Tiernan |
| Davis, S.C. | Mazzoli | Waggonner |
| Delaney | Michel | Whalley |
| Devine | Miller, Ohio | Whitehurst |
| Dickinson | Mizell | Williams |
| Dorn | Monagan | Wylie |
| Dulski | O'Konski | Wyman |
| Eshleman | Pickle | Yatron |
| Fisher | Poage | Zion |
| Fountain | Powell | |

NOT VOTING—95

| | | |
|---|---|---|
| Abernethy | Flowers | Metcalfe |
| Addabbo | Flynt | Mills, Ark. |
| Anderson, Tenn. | Fraser | Montgomery |
| | Frey | Murphy, Ill. |
| Annunzio | Fulton | Nichols |
| Archer | Garmatz | Passman |
| Aspin | Goldwater | Pettis |
| Baring | Grasso | Podell |
| Barrett | Green, Oreg. | Rangel |
| Bell | Griffin | Rhodes |
| Betts | Gubser | Riegle |
| Boland | Hansen, Wash. | Rosenthal |
| Brademas | Harvey | Roybal |
| Bray | Hébert | Scheuer |
| Buchanan | Heckler, Mass. | Schneebeli |
| Burke, Fla. | Henderson | Shriver |
| Byrne, Pa. | Horton | Sisk |
| Caffery | Johnson, Pa. | Stokes |
| Camp | Jonas | Stubblefield |
| Carey, N.Y. | Leggett | Stuckey |
| Clay | Lennon | Talcott |
| Conyers | Lent | Udall |
| Corman | Long, La. | Van Deerlin |
| de la Garza | McClure | Vander Jagt |
| Diggs | McCulloch | Waldie |
| Dingell | McDade | Whalen |
| Dowdy | McKay | Whitten |
| Downing | McKevitt | Wilson, Bob |
| Edwards, Ala. | McMillan | Wolff |
| Edwards, La. | Mailliard | Wyatt |
| Esch | Martin | Young, Tex. |
| Evins, Tenn. | Mayne | Zwach |

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Stubblefield for, with Mr. Annunzio against.

Mr. Aspin for, with Mr. Nichols against.

Mr. Waldie for, with Mr. Abernethy against.

Mr. Van Deerlin for, with Mr. Hébert against.

Mr. Leggett for, with Mr. Passman against.

Mr. Clay for, with Mr. Long of Louisiana against.

Mr. Barrett for, with Mr. Whitten against.

Mr. Rangel for, with Mr. Dowdy against.

Mr. Diggs for, with Mr. Flynt against.

Mr. Metcalfe for, with Mr. Griffin against.

Mr. Conyers for, with Mr. McMillan against.

Mr. Byrne of Pennsylvania for, with Mr. Montgomery against.

Mr. Rhodes for, with Mr. Betts against.

Mr. Martin for, with Mr. Archer against.

Mr. Buchanan for, with Mr. Talcott against.

Mr. Stokes for, with Mr. Baring against.

Mr. Mailliard for, with Mr. Johnson of Pennsylvania against.

Mr. Camp for, with Mr. Schneebeli against.

Mr. McDade for, with Mr. Zwach against.

Until further notice:

Mr. Addabbo with Mr. Bell.

Mr. Wolff with Mr. Esch.

Mr. Carey of New York with Mr. Shriver.

Mr. Sisk with Mr. Bob Wilson.

Mr. Dingell with Mr. Vander Jagt.

Mr. Evins of Tennessee with Mr. Bray.

Mr. Fulton with Mr. Mayne.

Mr. Garmatz with Mr. McClure.

Mrs. Grasso with Mr. Lent.

Mr. Brademas with Mr. Wyatt.

Mrs. Green of Oregon with Mrs. Heckler of Massachusetts.

Mr. Boland with Mr. Gubser.

Mr. Anderson of Tennessee with Mr. Harvey.

Mr. Caffery with Mr. Frey.

Mr. Corman with Mr. Pettis.

Mr. Downing with Mr. Edwards of Alabama.

Mr. Flowers with Mr. Burke of Florida.

Mr. McKay with Mr. Riegle.

Mr. Henderson with Mr. Goldwater.

Mr. Podell with Mr. Horton.

Mr. Lennon with Mr. Jonas.

Mr. Rosenthal with Mr. McCulloch.

Mr. Fraser with Mr. McKevitt.

Mr. Roybal with Mr. Whalen.

Mr. de la Garza with Mr. Udall.

Mr. Young of Texas with Mr. Stuckey.

Mrs. Hansen of Washington with Mr. Scheuer.

Mr. Murphy of Illinois with Mr. Mills of Arkansas.

Mr. DENT and Mr. WILLIAM D. FORD changed their votes from "nay" to "yea."

Mr. ROONEY of New York changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. BURTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days during which to extend their remarks and to include extraneous material prior to the vote on the passage of the bill H.R. 8787.

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

There was no objection.

## WAIVING POINTS OF ORDER AGAINST THE CONFERENCE REPORT ON S. 2819, FOREIGN ASSISTANCE ACT OF 1971

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 765, Rept. No. 92–763) which was referred to the House Calendar and ordered to be printed:

H. RES. 765

*Resolved*, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (S. 2819) to provide foreign military and related assistance authorizations for fiscal year 1972, and for other purposes, and all points of order against the conference report for failure to comply with the provisions of clause 3, Rule XXVIII are hereby waived.

## LAW CHANGE PROPOSED TO AID FAMILIES SEEKING DRUG HELP

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

Mr. DULSKI. Mr. Speaker, I am today introducing legislation to permit use of the mails by family members seeking anonymous counsel from law enforcement agencies as to whether samples found in their homes contain dangerous drugs.

Present law includes a flat prohibition against the sending of dangerous drugs through the mails.

But I feel a strong case can be made for a limited exception to enable properly worried parents to seek counsel about substances which they discover on the person or in the belongings of their children.

The drug problem among young people is critical and I believe we should seek to cooperate in every way possible with family members who need and seek factual information upon which to proceed.

The plan is intended to overcome the sensitivity of some individuals toward dealing directly with law enforcement officers. They would need simply to mail in the sample, using a code number of perhaps six numerals. A week later, the sender could call the office to which the sample was sent and obtain the report associated with that code number.

My bill was prepared after consulting informally with the several Federal agencies involved.

In addition, I have sent copies of the bill test and an explanation of the plan to law enforcement officials throughout the country. I have asked these State, county, and municipal law enforcement officials for their comments.

I already have talked with Erie County Sheriff Michael A. Amico and he has indicated that he would be happy to analyze any sample submitted to his office in Buffalo, N.Y.

Now, I am seeking the reaction of other representative officials in law enforcement. I recognize that some departments lack laboratory facilities and we need suggestions on how they could handle requests for tests of samples.

In brief, we are looking carefully into all aspects of this plan from the outset in the hope of reducing the time for legislative consideration and action. I am hopeful that the Subcommittee on Postal Facilities and Mail, of which I am an ex officio member, can set hearings in the next couple of weeks.

This plan has a twofold purpose:

First, it is intended to provide parents with facts, in place of suspicions, in dealing with a potential—or real—drug problem in their family. Unfounded suspicions can wreck family relations unnecessarily.

Second, it would contribute to the overall effort to control narcotics traffic by soliciting the cooperation of families and hopefully improving relations with law enforcement officials. Those in police work are interested in preventive action as well as enforcement, in this case by intercepting problems before they endanger both the individuals themselves, their families, and society in general.

## A MAJOR ACHIEVEMENT IN EMERGENCY COMMUNICATIONS FOR THE DISTRICT OF COLUMBIA

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

Mr. ROUSH. Mr. Speaker, I am very happy to be able to announce at this opening of the second session of the 92d Congress, a major achievement in emergency communications for the District of Columbia. I refer to the fact that as of January 16, 1972, the District of Columbia adopted "911" as the single, emergency number, thus joining the more than 100 other communities who have taken this step.

I would like to include in the RECORD at this point the text of Mayor Walter E. Washington's statement on the "911" emergency system made at a special press conference January 14, 1972.

STATEMENT OF MAYOR WALTER E. WASHINGTON ON THE 9–1–1 EMERGENCY SYSTEM, JANUARY 14, 1972

We are today announcing the start of a project that will be of major significance to this community.

Beginning Sunday, this City will have a new around-the-clock emergency telephone system that will sharply reduce the time between a citizen call for help and a response by emergency vehicles.

Using this system, anyone in the City who needs emergency assistance can dial 9–1–1 and have immediate access to fire, police and ambulance dispatchers. The seven-digit emergency numbers we have been using until now will continue in service until we are sure all Washington residents are familiar with the simpler 9–1–1 system.

What we are talking about is shaving the time on calls for help when seconds may spell the difference between life and death for a resident.

The 9–1–1 system has proved successful in other jurisdictions. We want—and we must provide—the most up-to-date emergency system available to the community.

I would caution residents against overtaxing the system by using it for all emergencies, not just the ones it was designed to handle. Calls that do not require a response by police and fire vehicles or ambulances will just tie up the 9–1–1 system so other people in need of help cannot get through. All other emergency calls should be made to the District Government switchboard at NA–8–6000.

The new emergency system will work this way:

When a citizen dials 9–1–1 he will get a dispatcher at the Police Department Communications Center who will immediately send whatever police emergency vehicles are needed. If the call is for fire equipment or an ambulance, the call will be instantly transferred by a direct line to the fire dispatcher. The police officer who originally took the call will remain on the line to determine whether police help is also needed.

There are several additional features to the system we hope will be available within 18 months. These include a mechanism that enables the dispatcher to keep a line open even if the caller hangs up and another that flashes in front of the dispatcher the caller's telephone number. Both features enable the police to help even if the caller is incoherent or confused.

To make the new emergency system operational, we expanded to 33 the number of answering positions at the Command Center. Previously there were 22 positions. In addition, direct lines were installed to several agencies.

I am delighted that Washington is joining 150 communities around the country, including New York City, in using the system. The Council of Governments is making plans for a number of suburban communities to switch to the service.

While the police department will be in charge of day-to-day operations of the 9–1–1 system, its planning has been a joint effort by a number of city agencies and the C&P Telephone Company. I would like to thank all of those involved for their efforts toward making emergency help closer to the people.

We look to this system to bring dramatic improvements in our ability to help citizens in trouble.

Mr. Speaker, my interest in a single, nationwide, emergency telephone number goes back 5 years. I was an original initiator of legislation to provide a sense of Congress resolution regarding the value of such emergency communications. I am the sponsor of legislation at this time to provide funds under the Omnibus Crime Control and Safe Streets Act to assist communities in adopting "911" with the hope that we will make this a nationwide emergency number, easily known, quickly remembered, immediately accessible to persons of all ages, occupations and locations. I have been anxious for the city of Washington to adopt this number. While I had hoped that the whole metropolitan area would be included I recognize that there are many distinct problems in the various jurisdictions involved. I am delighted that the city of Washington, my second home, has now made this progressive step forward. Huntington, Ind., my first home, and the place where my family resides, was the first city in the Bell System to adopt "911." I hope that other cities will follow in the lead of these two vastly different communities, both of which recognize the value of simplified emergency communications.

## NEW SATELLITE WILL BE AIMED AT SOLVING EARTH'S POLLUTION PROBLEMS

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

Mr. CASEY of Texas. During past years on the floor of this Chamber, I have heard my learned colleagues refer to the National Aeronautics and Space Administration as a "wasteful luxury." As you may remember, I have been more than vocal in taking exception to that label.

NASA's past achievements, including landing men on the moon, I feel have more than justified the money Americans have spent on the program. The Agency's activities have stimulated this country's economy by creating new industry and jobs and what may be more important, have captured the imagination of man and crossed international boundaries to achieve a sense of world unity seldom seen in our disjointed world.

In spite of what I feel to be the past advantages of an adequately funded space program, many of you have continued to view NASA as a "wasteful luxury."

The collection of great minds, unparalleled technological capacity and untapped potential at the Manned Spacecraft Center in Houston and at other NASA facilities over the world is unmatched by any university or industry in the world.

With the incredible talent we have assembled at NASA, I have always contended and will continue to assert that there are no technical problems—including pollution of our environment—that cannot be approached and in many cases conquered by the intelligent use of the collected talent at NASA.

I call your attention to an article written by Peter Mosley of the British news service, Reuters, with a dateline in Houston, written at the Manned Spacecraft Center.

The story details a few of the more than 700 experiments which will be carried out by the first earth resources technoiogy satellite due for launch this spring into a near-polar orbit 565 miles above the earth.

This satellite will act as a remote scientific station, relaying information to earthbound scientists regarding such problems as the haze over Los Angeles, land use, environment, and weather in the Great Lakes region of Wisconsin, an inventory of timber resources in U.S. forests, protection of the seacoast and tidal marshes of New Jersey.

The information gathered by this satellite—information which would be difficult or even impossible to gather by any other means—will be used and analyzed by scientists all over the world to solve some complex problems we could solve no other way.

Why even the forests and waters of Wisconsin, so dear to the senior Senator from that State, who has often disagreed with me on the necessity of adequately funding NASA, will benefit from this newest NASA project.

I could go on and name all 700 experiments—including 10 aimed at researching problems in my own home State—but I will let you read for yourselves the benefits the United States and many of our allies will gain from this far-reaching and eventually productive experiment.

After looking into this program, I dare you, I defy you, to label NASA a "wasteful luxury." I do not believe any of you gentlemen would call this satellite project either wasteful or luxurious. Instead, I believe you will agree with me that

such a program is vital, useful, imaginative, and resourceful.

I only ask that the next time this Congress has a chance to vote on any bill which sells the space agency short, you remember this particular NASA project and consider the many more like it which could result if the agency would receive the level of funding it so richly deserves.

I think then you will agree with me that NASA, far from being a "wasteful luxury," is the embodiment of man's desire to achieve, improve, and explore and a necessity which we may well not be able to live without.

The article follows:

ABOUT 700 JOBS ASSIGNED ORBITERS

(By Peter Mosley)

HOUSTON.—Hundreds of experiments, ranging from locating icebergs in the Antarctic to spotting locust breeding grounds in Saudi Arabia and analying the haze over Los Angeles, are being planned for the space agency's first major examination of mankind's environment.

Scientists from all over the world proposed more than 700 experiments for the two earth-orbiting spacecraft which will conduct the examination with an array of cameras and sensors.

They are the first Earth Resources Technology Satellite (ERTS–A), due for launch next spring into a near-polar orbit 565 miles above earth which will keep it synchronous with the sun, and the three-man Skylab orbiting station planned to start operations about one year later.

So far, the National Aeronautics and Space Administration has accepted about 130 Experiment proposals. They came from scientists in 29 states and the District of Columbia and from 22 foreign countries. Another 270 proposals were rejected, and the rest are being evaluated.

The two earth-survey projects represent NASA's answer to those who say the space program is a wasteful luxury.

Even NASA's foes in Congress stand to benefit from the surveys. Sen. William Proxmire (D-Wis.) and Walter F. Mondale (D-Minn.), who have spearheaded the regular attacks on the space agency's budget, can note two experiments planned for studying the ecology, land planning and weather in the Great Lakes region of Wisconsin, and another for studying land use management in Minnesota.

A total of 10 experiments, however, will focus on Texas, and eight on California.

A cross-section of the experiments indicates the ambitious scope of the projects' domestic studies:

Vegetation damage from highway construction in Maine;

Pollution of Lake Pontchartrain, La.;

Effectiveness of measures to control pink bollworm infestation of cotton in the Imperial Valley of California;

Grazing of wild and domestic animals on public lands in the West;

Protection of the seacoast and tidal marshes of New Jersey;

Land use in the great urban stretch from Boston to Washington, D.C.;

Ecological effects of the Gulf Stream off the East Coast;

An inventory of the timber resources in all the major types of forest in the United States.

The experiment to study the formation and location of Antarctic icebergs was proposed by John L. Hult of Santa Monica, Calif. A NASA spokesman said one aspect of the experiment was to examine the feasibility of towing an iceberg to Los Angeles and using it for drinking water or ice cubes.

Remote sensoring of the haze that frequently hangs in the Los Angeles basin was proposed by Dr. Ernest H. Rogers of the Aerospace Corp. in Los Angeles.

The 32 foreign experiments accepted so far include one proposed by D. E. Pedgley of the Anti-Locust Research Center in London, for detecting potential locust breeding sites in southwest Saudi Arabia.

Other environmental studies will be conducted by scientists in Australia, Brazil, Canada, Chile, Colombia, Ecuador, France, West Germany, Greece, Guatemala, India, Indonesia, Israel, Japan, South Korea, Mexico, Norway, Peru, South Africa, Switzerland and Venezuela.

NASA will fund the U.S.-proposed experiments and foreign experiments will be funded by the countries concerned.

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## HIGHWAY USER ACT OF 1972

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

Mr. SCHWENGEL. Mr. Speaker, Americans today enjoy the finest highway system in the world. They enjoy this wonderful system largely due to two companion acts passed by the Congress in 1956. The acts to which I refer are the Highway Revenue Act of 1956 and the Federal-Aid Highway Act of 1956. Together, these acts have provided the mechanics and the finances necessary to build this great system. This system of highways has greatly facilitated our "fifth great freedom," the freedom of movement of men and goods. All sectors of our economy have benefited a good deal from this highway system. One sector of the economy has made especially productive use of this highway system. I refer, of course, to our great transportation industry, and in particular, the trucking industry.

Mr. Speaker, I am a great admirer of the wonderful success story which is the story of our trucking industry. Our truckers move more ton-miles of goods in the United States than all of the rest of the world put together. Their growth and success have been phenomenal. This immense success story was made possible largely due to the action and leadership of the House Roads Subcommittee and the Congress.

At the time the Highway Revenue Act was passed, it was felt Congress lacked sufficient information on the question of the relative shares of the highway costs which should be borne by various classes of highway users. The Congress directed that a study be undertaken to provide this information.

Section 210 of the Highway Revenue Act of 1956, contained a provision which directed a study as to the basis for—

An equitable distribution of the tax burden among the various classes of persons using the Federal-Aid highways or otherwise deriving benefits from such highways.

The study was known as the Highway Cost Allocation Study. The final report on the study was due on March 1, 1959, but an extension to January 3, 1961, was granted. The report is contained in House Document No. 54, 87th Congress, First session. The provisions of section 210 required that the study be coordinated with the results of the AASHO road test at Ottawa, Ill. The AASHO tests were not completed at the time the original cost allocation report was submitted. As a result, a supplementary report of the Highway Cost Allocation Study was submitted—House Document No. 124, 89th Congress, first session, dated March 24, 1965.

Mr. Speaker, these reports showed rather dramatically, that certain categories of highway users have not in fact been paying "their fair share" of the cost of our highway programs. I am today introducing a bill which will make certain adjustments in our highway user tax structure to correct these inequities.

In particular, the larger truck combinations, especially those over 55,000 appeared to be paying considerably less than their fair share of the cost of the highway program.

The State of Iowa recently had occasion to utilize the results of the cost allocation study in analyzing their highway user tax structure. A couple of points made in a letter from Mr. Joseph Coupal, director of highways, Iowa State Highway Commission, are of particular interest on this point:

In our analysis, we have found that generally, truck-tractor semi-trailers are not paying their full share of cost responsibility, based upon an incremental cost study conducted by the Bureau of Public Roads in 1965. The results of this study have been adjusted to reflect the proportionate changes in vehicle miles traveled in Iowa by the several vehicle types, and preliminary figures indicate that truck-tractor semi-trailer combinations have an incremental cost responsibility of 32.5 per cent. Our preliminary figures indicate that this type of vehicle produces 14.3 per cent of the State road use tax fund. We are presently reanalyzing this data, and these percentages are subject to correction. . . .

We have found through the results of the AASHO road test and the Bureau of Public Roads incremental cost study that the road user responsibility for commercial vehicles increases at an accelerating rate as the gross weight increases. The formula that we are suggesting provides for such an accelerated rate per ton of gross weight. . . .

We further believe that there should be a greater than one cent differential between gasoline taxes and diesel fuel taxes. Various studies have indicated that a diesel-powered vehicle obtains twenty-five to thirty-five per cent more miles per gallon than a gasoline-powered vehicle of the same gross weight.

Careful analysis by the Department of Transportation shows a similar pattern of underpayment on a national basis. Figures contained in the publication, "Road-User and Property Taxes," published by the Department of Transportation in 1970 clearly document this point. Based on my analysis of these figures, I find that automobiles pay taxes amounting to 0.1185 cents per ton-mile, while trucks pay only 0.02267 cents per ton-mile. This indicates that automobiles are paying 5.227 times as much in Federal taxes on the fuel they use as do trucks on a ton-mile basis. You must keep in mind too, that trucks have a much higher cost responsibility for highway programs according to Department of Transportation calculations. Trucks should be paying several times more than automobiles rather than the reverse situation which now exists. For this reason, I am today introducing a bill which will make certain adjustments in our high-

way user tax structure to correct these inequities.

The proposed bill is intended to distribute highway program costs more justly among the different classes of highway users. It would do this by changing the present flat annual tax rate of $3 per thousand pounds of gross weight on trucks and buses in excess of 26 pounds gross weight, to a graduated tax applicable only to vehicle combinations—consisting of a truck-tractor and semitrailer either with or without a full trailer, or a truck with one or more full trailers—and intercity buses. The new rates proposed would range from $3.50 per thousand pounds for a vehicle combination with gross weight between 26,000 pounds and 40,000 pounds, to $9.50 per thousand pounds for vehicles with a gross weight of 70,000 pounds or more. In table form the tax as proposed is as follows:

| If the taxable gross weight of such highway motor vehicle is equal to or more than (pounds)— | But less than (pounds)— | The tax for each 1,000 pounds of taxable gross weight or fraction thereof for each taxable period is— | Except that for the taxable period beginning on July 1, 1977, and ending on Sept. 30, 1977, the tax for each 1,000 pounds of taxable gross or fraction thereof is— |
|---|---|---|---|
| 26,001 | 40,000 | $3.50 | $0.88 |
| 40,000 | 50,000 | 5.00 | 1.25 |
| 50,000 | 60,000 | 6.50 | 1.63 |
| 60,000 | 70,000 | 8.00 | 2.00 |
| 70,000 | ---------- | 9.50 | 2.38 |

In recognition of the much higher mileage obtained by those vehicles using diesel fuel, my bill proposes an increase in the tax on diesel fuel used in highway vehicles to 6 cents per gallon, a raise from the present 4 cents per gallon. The additional mileage obtained through the use of diesel fuel naturally means increased wear and tear on the highways.

The text of my bill is that submitted to the Congress earlier this year by the Secretary of Transportation, John Volpe. Secretary Volpe is to be commended for his courage in proposing the much needed changes. Federal Highway Administrator, Frank Turner, made reference to the Department's bill and their position on it during his testimony before our Roads Subcommittee relative to the big truck bill. He stated:

> This Department has transmitted legislation to the Congress to increase heavy truck user charges so that this class of highway user bears what our previous reports to Congress have indicated to be a more equitable share of the cost of Federally aided highway construction. This legislation would carry out congressional policy as set forth in Section 209(b) of the Highway Revenue Act of 1956. It relates to existing disparities in sharing of costs and should be enacted *before* and *regardless* of whether any increase in size and weights would simply compound the current inequitable distribution. (Emphasis added.)

Mr. Speaker, one point raised by the trucking industry on the question of cost allocation should be clarified here. Representatives of the truckers have referred to a recent revision of the truck use tax tables as a "tax increase without legislation." They have inferred that because of this so-called tax increase without legislation, no further tax increase can be justified. This charge clearly indicates the utter irresponsibility of some of the truckowners.

The question arose as a result of stories early this year by Mr. William Steif of the Scripps-Howard newspapers. Mr. Steif revealed that the Treasury Department was losing $40 to $50 million per year, because the truck use tax tables only covered trucks weighing 60,000 pounds or less. The Internal Revenue Code requires that the Secretary of the Treasury promulgate regulations for determining the taxable gross weight of various types of vehicles. Under the regulations which had been promulgated, a maximum gross weight of 60,000 pounds was the heaviest taxable category. The tables ignored any truck having a total gross weight in excess of 60,000 pounds.

So what we really had was a gigantic tax loophole through which the truckers were happily rolling their big rigs. The loophole was created by the negligence of Internal Revenue officials in failing to change the tax table. Secretary Kennedy has quickly moved to bring the tax table up to date and thus close the loophole.

The point I would make is this, not only was there no "administrative tax increase," but there is a real question of whether or not the truckers owe "back taxes" for the heavier rigs operated during this period. Certainly, the updating of the truck use tax tables is not a valid reason for delaying the enactment of the Highway User Act of 1969.

The enactment of H.R. 10947, the Revenue Act of 1971, will cause an estimated loss of $360 million annually in trust fund receipts, due to the repeal of the 7-percent excise provision on light trucks. While I supported this provision of the Revenue Act, I feel that enactment of the bill which I am introducing today will go far toward restoring the loss to the trust fund. By my estimates, the bill which I am introducing today will bring in approximately $295 million per year in excise tax revenues.

Mr. Speaker, the text of this bill was originally submitted to you by the Secretary of Transportation, John Volpe, on July 28, 1969. I introduced the bill as H.R. 15106 in the 91st Congress, and as H.R. 455 in the first session of this Congress. I am reintroducing the bill at this time, because of minor changes made in it, principally due to enactment of the Federal Aid Highway Act of 1970, which extended the termination date of the excise taxes involved here.

The text of my new bill, together with a section-by-section analysis follows:

H.R. 12429

A bill to provide additional revenues for the Highway Trust Fund and for other purposes

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

SECTION 101. SHORT TITLE.

(a) Short Title.—This Act may be cited as the "Highway User Act of 1972".

(b) Amendment of 1954 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SECTION 102. TAX ON SPECIAL FUELS.

(a) Section 4041 (a) and (b) (relating to tax on special fuels) is amended to read as follows:

"(a) Motor Vehicles.—

"(1) In general.—Except as provided in paragraphs (2) and (3), there is hereby imposed a tax of 2 cents a gallon upon any liquid (other than any product taxable under section 4081)—

"(A) sold by any person to an owner, lessee, or other operator of a motor vehicle, for use as a fuel in such vehicle; or

"(B) used by any person as a fuel in a motor vehicle unless there was a taxable sale of such liquid under this section.

"(2) Diesel-powered highway vehicles.—In lieu of the tax imposed by paragraph (1), there is hereby imposed a tax of 6 cents a gallon upon any liquid (other than any product taxable under section 4081)—

"(A) sold by any person to an owner, lessee, or other operator of a diesel-powered highway vehicle, for use as a fuel in such vehicle; or

"(B) used by any person as a fuel in a diesel-powered highway vehicle unless there was a taxable sale of such liquid under this section.

"(3) Other highway vehicles.—In lieu of the tax imposed by paragraph (1), there is hereby imposed a tax of 4 cents a gallon upon any liquid (other than any product taxable under section 4081)—

"(A) sold by any person to an owner, lessee, or other operator of a highway vehicle (other than a diesel-powered highway vehicle), for the use as a fuel in such vehicle; or

"(B) used by any person as a fuel in a highway vehicle (other than a diesel-powered highway vehicle) unless there was a taxable sale of such liquid under this section.

"(4) Definition of highway vehicle.—For purposes of this chapter, the term 'highway vehicle' means a motor vehicle—

"(A) which is registered, or required to be registered, for highway use under the laws of any State or foreign country, or

"(B) which, if owned by the United States, is used on the highway.

"(b) Special Motor Fuels.—There is hereby imposed a tax of 2 cents a gallon on benzol, benzene, naphtha, liquefied petroleum gas, casinghead and natural gasoline, or any other liquid (other than kerosene, gas oil, or fuel oil, or any product taxable under section 4081 or subsection (a) of this section)—

"(1) sold by any person to an owner, lessee, or other operator of a motorboat for use as a fuel in such motorboat; or

"(2) used by any person as a fuel in a motorboat unless there was a taxable sale of such liquid under paragraph (1)."

(b) Section 4041(d) (relating to tax on special fuels) is amended to read as follows:

"(d) Additional Tax.—If a liquid on which tax was imposed on the sale thereof is taxable at a higher rate on the use thereof under this section, there is hereby imposed a tax equal to the difference between the tax so imposed and the tax payable at such higher rate."

SECTION 103. TAX ON USE OF CERTAIN VEHICLES.

Section 4481(a) (relating to tax on use of certain highway motor vehicles) is amended to read as follows:

"(a) Imposition of Tax.—A tax is hereby imposed on the use of any highway motor vehicle, other than a single unit truck, as follows:

| If the taxable gross weight of such highway motor vehicle is equal to or more than (pounds)— | But less than (pounds)— | The tax for each 1,000 pounds of taxable gross weight or fraction thereof for each taxable period is— | Except that for the taxable period beginning on July 1, 1977, and ending on Sept. 30, 1977, the tax for each 1,000 pounds of taxable gross weight or fraction thereof is— |
|---|---|---|---|
| 26,001 | 40,000 | $3.50 | 0.88 |
| 40,000 | 50,000 | 5.00 | 1.25 |
| 50,000 | 60,000 | 6.50 | 1.63 |
| 60,000 | 70,000 | 8.00 | 2.00 |
| 70,000 | ---------- | 9.50 | 2.38 |

SECTION 104. HIGHWAY TRUST FUND.

Section 209 of the Highway Revenue Act of 1956 (relating to the highway trust fund) is amended as follows:

(a) Subsection (c)(1)(A) (relating generally to transfer to trust fund of amounts equivalent to certain taxes) and subsection (c(3)(A) (relating to liabilities incurred before October 1, 1977, for new or increased taxes) are amended by striking out "under sections 4041 (taxes on diesel fuel and special motor fuels)" and inserting in lieu thereof "under sections 4041 (tax on special fuels)".

(b) Subsection (e)(1) (relating to management of trust fund in general) is amended by striking out "Commerce" and inserting in lieu thereof "Transportation".

(c) Subsection (f) (relating to expenditures from trust fund) is amended as follows:

(1) Paragraph (1) (relating to Federal-aid highway program) is amended to read as follows:

"Amounts in the Trust Fund shall be available as provided by appropriation acts, for making expenditures to meet obligations of the United States which are attributable to Federal-aid highways or as otherwise specifically authorized to be appropriated from the Trust Fund by Federal-aid highway legislation and to general administrative expenses of the Federal Highway Administration in carrying out the programs to be financed from the Trust Fund."

(2) Paragraph (5) (relating to transfers from the trust fund for special motor fuels and gasoline used in motorboats) is amended by striking out "Commerce" and inserting in lieu thereof "Transportation".

(d) Subsection (g) (relating to adjustments of apportionments) is amended by striking out "Commerce" each place it appears and inserting in lieu thereof "Transportation".

SECTION 105. EFFECTIVE DATE.

The amendments made by this Act, except by section 103, shall apply to sales or uses occurring on or after the first day of the first calendar month beginning more than sixty days after enactment of this Act. This amendment made by section 103 shall be effective with respect to use on and after July 1, 1972.

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SECTION-BY-SECTION ANALYSIS PROPOSED HIGHWAY USER ACT OF 1972

SECTION 101—SHORT TITLE; AMENDMENT OF 1954 CODE

Section 101(a) of the bill provides that the Act may be cited as the "Highway User Act of 1972".

Section 101(b) of the bill provides that, unless otherwise specified, references are to sections or other provisions of the Internal Revenue Code of 1954.

SECTION 102—TAX ON SPECIAL FUELS

Section 102 amends section 4021(a) and (b) and section 4021(d) of the Internal Revenue Code (relating to tax on special fuels).

*Present Law.*—Under present law, diesel fuel is taxed under section 4041(a) and special motor fuels are taxed under section 4041(b). The general rate of tax on both diesel fuel and special motor fuel is 4 cents a gallon, but the effective rate of tax varies according to the use of the fuel and the type of fuel. For example, liquids (other than gasoline) sold for use or used as fuel in a diesel-powered highway vehicle which is registered or required to be registered for highway use are taxed as diesel fuel at the 4-cent-per-gallon rate. If such vehicle is not registered or required to be registered for highway use, the tax is 2 cents per gallon. Similarly, the special motor fuel tax of 4 cents a gallon is imposed on designated fuels (such as benzol, benzene, etc.) sold for use or used as a fuel in a motor vehicle or motorboat. However, the rate of tax on special motor fuels is only 2 cents per gallon where sold for use or used in a vehicle (including a motorboat) other than a highway vehicle.

The amendment made by section 102(a) of this bill is designed to change the rate of tax applicable in certain cases and to clarify the present system of taxing diesel fuel and special motor fuels by reorganizing section 4041. Thus, subsection (a) imposes tax on liquids sold for use or used as fuel in motor vehicles, while subsection (b) imposes tax on liquids sold for use or used as fuel in motorboats.

*Motor Vehicles.*—Under the bill subsection (a) of section 4041 will impose a tax on fuel sold for use or used in motor vehicles.

Paragraph (1) of subsection (a) provides the general rule that, except as provided in paragraphs (2) and (3), any liquid (other than gasoline) sold for use or used as a fuel in a motor vehicle is subject to tax at the rate of 2 cents per gallon, the same rate as generally applicable under present law.

This is a change from present law wherein some liquids (including kerosene, gas oil, and fuel oil) are not subject to tax unless sold for use or used in diesel-powered highway vehicles. It is desirable to remove the possible competitive advantage accorded fuels not presently subject to tax.

Paragraph (2) of section 4041(a) imposes a tax of 6 cents a gallon (as compared to 4 cents a gallon under present law) on any liquid (except gasoline) sold for use or used in a diesel-powered highway vehicle.

Paragraph (3) of section 4041(a) imposes a tax of 4 cents a gallon on any liquid (except gasoline) sold for use or used in highway vehicles which are not diesel-powered.

Paragraph (4) of section 4041(a) defines "highway vehicle" for purposes of chapter 31 to mean a motor vehicle which is registered, or required to be registered, for highway use under the laws of any State or foreign country, or which, if owned by the United States, is used on the highway. This definition is consistent with present law.

*Special Motor Fuels.*—Under this bill subsection (b) of section 4041 continues the present tax on special motor fuels (benzol, benzene, naphtha, liquefied petroleum gas, casinghead and natural gasoline, or any other liquid (other than kerosene, gas oil, or fuel oil or any product taxable under section 4081 or subsection (a) of section 4041)). The bill deletes the reference to motor vehicles in this subsection because all fuel used in such vehicles is taxable under section 4041 (a). Hence, subsection (b) will only apply a tax of 2 cents a gallon on these fuels when sold for use or used in motorboats in order to preserve existing law.

*Additional Tax.*—Subsection (d) of section 4041 provides for the imposition of an additional tax if a liquid is subject to tax at a higher rate on the actual use made of such liquid than the rate levied on its sale. This additional tax is equal to the difference between (a) the tax imposed on the sale of such liquid and (b) the tax payable at such higher rate on the use thereof.

SECTION 103—TAX ON USE OF CERTAIN VEHICLES

Section 103 of the bill amends subsection (a) of section 4481 (relating to imposition of tax on use of certain highway motor vehicles) by increasing the rate of tax and by instituting a graduated rate system. Under present law the rate of tax is $3 for each 1,000 pounds of taxable gross weight or fraction thereof if the taxable gross weight is more than 26,000 pounds. The rates imposed by section 4481(a) as amended by the bill on each 1,000 pounds of taxable gross weight or fraction thereof for each year are:

| Taxable gross weight equal to or more than— | But less than— | Rate |
|---|---|---|
| 26,001 pounds | 40,000 pounds | $3.50 |
| 40,000 pounds | 50,000 pounds | 5.00 |
| 50,000 pounds | 60,000 pounds | 6.50 |
| 60,000 pounds | 70,000 pounds | 8.00 |
| 70,000 pounds | | 9.50 |

Provision is made for proration of the tax for the taxable period beginning on July 1, 1977, and ending on September 30, 1977 (the day immediately preceding the date on which the tax is scheduled to terminate).

In accordance with the Highway Cost Allocation Study conducted by the Bureau of Public Roads, section 4481(a), as amended by section 103 of the bill, modifies existing law to provide that the tax shall not apply to single-unit trucks. Thus, the tax would apply only to combination trucks and trailers, tractors and trailers, and buses. This section would also amend section 4481(a) so as to reflect the rate of tax which is applicable for the portion of the fiscal year between the end of the last full fiscal year and the date of the termination of the trust fund.

SECTION 104—HIGHWAY TRUST FUND

Section 104 of the bill amends the Highway Trust Fund provisions in section 209 of the Highway Revenue Act of 1956, as amended.

Subsection (a) of section 104 of the bill amends subparagraph (A) of sections 209(c)(1) and (3) of the Highway Revenue Act to provide for the transfer to the Highway Trust Fund of taxes collected on the sale or use of special fuels as imposed by section 4041 of the code as amended by section 102 of the bill.

All revenues from the present tax on special fuels imposed by section 4041 of the code now are transferred to the Highway Trust Fund. Currently, estimated revenues from the tax on special motor fuels used in all motorboats are now and would continue to be transferred from the Highway Trust Fund to the Land and Water Conservation Fund.

Subsection (b) of section 104 of the bill amends paragraph (1) of section 209(e) (relating to management of trust fund in general) of the Highway Revenue Act by changing "Secretary of Commerce" to "Secretary of Transportation" to reflect transfer of these functions by the Department of Transportation Act.

Subsection (c)(1) of section 104 of the bill amends section 209(f)(1) of the Highway Revenue Act relating to the date during which expenditures may be made from the trust fund. Present law terminates such expenditures on October 1, 1977; this bill amends section 209(f) so as to make available the revenue transferred to the trust fund for the payment of expenditures after September 30, 1977, attributable to obligations incurred on or before that date in connection with the Federal-aid highway program. A clarifying amendment is made in the language relating to general expenses. Also, the bill deletes the reference to Bureau of Public Roads made necessary due to the

creation of the Federal Highway Administration.

Subsection (c)(2) amends section 209(f)(5) of the Highway Revenue Act by changing "Secretary of Commerce" to "Secretary of Transportation" to reflect transfer of functions under that subsection by the Department of Transportation Act.

Subsection (d) amends section 209(g) relating to adjustments of apportionments by changing "Secretary of Commerce" to "Secretary of Transportation" to reflect transfer of functions under that subsection by the DOT Act.

SECTION 105—EFFECTIVE DATE

Section 105 of the bill sets forth the effective date of the amendments contained in the bill.

Section 105 provides that the amendments made by the bill, except section 103, shall apply to sales or uses occurring on the first day of the first calendar month beginning more than sixty days after enactment of the Act. The amendment made by section 103 shall apply to uses occurring on and after July 1, 1972.

## CHATTANOOGA JUDGE ATTACKS COURT-ORDERED BUSING

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

Mr. BAKER. Mr. Speaker, last week in Chattanooga, Tenn., Circuit Court Judge Joe Hunter handed down an order prohibiting expenditure of the taxpayers' funds for busing to achieve numerical racial balance in our city's school system.

Responding to a lawsuit brought by concerned Chattanooga parents, Judge Hunter ruled no new funds may be appropriated for busing and ordered the city to stop spending money already earmarked for this purpose.

This is another chapter in the conflict between the people and the Supreme Court of the United States. The question becomes, "Will the wishes of the people be respected?" This query becomes particularly important when over 80 percent take the same position on a question, as they have overwhelmingly against court-ordered crosstown busing of our young people.

I believe this is one battle the people will win, with freedom of choice and right of individual determination being upheld in the American system.

Judge Hunter stated, and rightfully so:

The concept (of forced busing to achieve racial balance) violates the laws of reasoning and even sanity. It endangers and jeopardizes the health and lives of hundreds of small children. It creates unbelievable traffic conditions. It gets small children out before daylight to go to school.

It is disturbing the minds of citizens and their tranquility. It disrupts the neighborhood's whole concept of the American way of life, and it depreciates quality education. In addition to being illegal, it is feared and despised by the vast majority of people in this nation, and in the opinion of the court, it should not be allowed.

Our proposed constitutional amendment to outlaw assignment of a student to any school on the basis of race, color, or creed remains in the House Committee on the Judiciary. More than 125 of my colleagues and I have joined in signing a petition to discharge the measure so that the representatives of the people may vote upon it. Judge Hunter's remarks point up once again the very significant reasons for passage of this amendment during this session.

## THE NEW IMMIGRATION—1970

The SPEAKER. Under a previous order of the House, the gentleman from Missouri (Mr. HALL) is recognized for 20 minutes.

Mr. HALL. Mr. Speaker, when Congress was considering the Kennedy-Johnson immigration bill, now the act of October 3, 1965, Public Law 89-236, I cautioned that if enacted this law would do several things of questionable value to the Nation, including the following:

It would increase immigration at a time when the nation was already suffering from the social and economic problems of overpopulation and unemployment.

It would shift the source of our immigration from the countries of northern and western Europe, which founded the nation and gave to it its language, culture and political institutions, and thus would discriminate against the majority of our citizens.

It would in a generation or so bring about vast and radical changes in the culture and institutions of this nation because the population would be ethnically changed in composition.

It would accentuate political and social unrest by increasing racial minorities out of proportion to their numbers in our population, so that the chaos and riots of the 1960's would be tame in comparison to those of the future.

I stand upon these predictions. I was, perhaps, too cautious, because they are coming true faster than anticipated.

The 1970 annual report of the Immigration and Naturalization Service is now available to the public and to Members of Congress from the Superintendent of Documents, U.S. Government Printing Office. This 130-page report is carefully prepared by experts, and is the official record of what is being done under the Kennedy-Johnson first-come, first-served immigration law of 1965. I quote one paragraph from page 4 of the report:

There has been a significant shift in the ethnic makeup of immigrants coming to this country. The flow of English, Irish, German, and Scandinavian immigrants of past years has slowed considerably, and, in their place, more immigrants are coming from Asia and from Southern and Eastern Europe. Thus, while total immigration to the United States in 1970 was up 26 percent over that of 1965 (the last full fiscal year prior to the Act of October 3, 1965), immigration from Northern and Western Europe dropped 54 percent. At the same time, immigration from Asia increased 369 percent; from Southern and Eastern Europe it increased 121 percent.

The following table from page 5 of the report gives a country-by-country breakdown of these regional totals:

IMMIGRANTS BORN IN SPECIFIED COUNTRIES AND AREAS: PERCENT CHANGE, 1965 VERSUS 1970

| Country of birth | Fiscal year— 1965 | 1970 | Percent change 1965-70 |
|---|---|---|---|
| Total immigrants | 296,697 | 373,326 | +25.8 |
| Total, Northern and Western Europe | 76,816 | 35,112 | −54.3 |
| Austria | 1,680 | 888 | −47.2 |
| Denmark | 1,384 | 602 | −56.5 |
| France | 4,039 | 2,477 | −38.7 |
| Germany | 24,045 | 9,684 | −59.7 |
| Ireland | 5,463 | 1,562 | −71.4 |
| Netherlands | 3,085 | 1,457 | −52.8 |
| Norway | 2,256 | 539 | −76.1 |
| Sweden | 2,411 | 722 | −70.1 |
| Switzerland | 1,984 | 1,051 | −47.0 |
| United Kingdom | 27,358 | 14,158 | −48.3 |
| Other Northern and Western Europe | 3,111 | 1,972 | −36.6 |
| Total, Southern and Eastern Europe | 37,513 | 82,994 | +121.2 |
| Czechoslovakia | 1,894 | 4,520 | +138.6 |
| Greece | 3,002 | 16,464 | +448.4 |
| Hungary | 1,574 | 1,770 | +12.5 |
| Italy | 10,821 | 24,973 | +130.8 |
| Poland | 8,465 | 3,585 | −57.7 |
| Portugal | 2,005 | 13,195 | +558.1 |
| Romania | 1,644 | 1,768 | +7.5 |
| Spain | 2,200 | 4,139 | +88.1 |
| Turkey | 905 | 2,067 | +128.4 |
| U.S.S.R. | 1,853 | 912 | −50.8 |
| Yugoslavia | 2,818 | 8,575 | +204.3 |
| Other Southern and Eastern Europe | 332 | 1,026 | +209.0 |
| Total, Asia | 19,778 | 92,816 | +369.3 |
| China [1] | 4,057 | 14,093 | +247.4 |
| Hong Kong | 712 | 3,863 | +442.6 |
| India | 582 | 10,114 | +1,637.8 |
| Iran | 804 | 1,825 | +127.0 |
| Israel | 882 | 1,980 | +124.5 |
| Japan | 3,180 | 4,485 | +41.0 |
| Jordan [2] | 702 | 2,842 | +304.8 |
| Korea | 2,165 | 9,314 | +330.2 |
| Philippines | 3,130 | 31,203 | +896.9 |
| Other Asia | 3,564 | 13,097 | +267.5 |
| Total, North America | 126,729 | 129,114 | +1.9 |
| West Indies | 37,583 | 61,403 | +63.4 |
| Cuba | 19,760 | 16,334 | −17.3 |
| Dominican Republic | 9,504 | 10,807 | +13.7 |
| Haiti | 3,609 | 6,932 | +92.1 |
| Jamaica | 1,837 | 15,033 | +718.3 |
| Trinidad and Tobago | 485 | 7,350 | +1,415.5 |
| Other West Indies | 2,388 | 4,947 | +107.2 |
| Other North America | 89,146 | 67,711 | −24.1 |
| Total, South America | 30,962 | 21,973 | −29.0 |
| Total, Africa | 3,383 | 8,115 | +139.9 |
| Total, Oceania | 1,512 | 3,198 | +111.5 |
| Other countries | 4 | 4 | 0 |

[1] Includes Taiwan.
[2] Includes Arab Palestine.

I do not doubt that many of the new immigrants will make good citizens. Good citizenship does not necessarily depend upon the color of a man's skin. But, there is no evidence to justify an optimistic conclusion that it will inevitably benefit this Nation for these people of alien cultures to come here. It is their "problems" and "concepts," which have kept their nations of origin from being great countries, with benefits of liberty and prosperity for their citizens. There is just no evidence upon which to assume that they will adopt America's ways. The largest increases in immigration are of those peoples in our national experience has shown to have the least disposition to assimilate. They are those who have been the exception to the rule, and thus disproved the "melting pot" theory, that immigrants will always adopt an Ameri-

can character. Specifically, I wonder just how this Nation benefits from a decline of 54.3 percent in immigration from Northern and Western Europe while we have an increase of 442.6 percent from Hong Kong, 247.4 percent from China, 1,637.8 percent from India, 896.9 percent from the Philippines, 718.3 percent from Jamaica, and 1,415.5 percent from Trinidad and Tobago? This is what the Kennedy-Johnson bill has done since it became law in 1965 and the trend is speeding up. These are the facts of record. I do not want anybody to say when the roof finally falls in, "Oh, if someone had only warned me."

A few additional random statistics from the 1970 annual report of the Immigration and Naturalization Service are pertinent. The number of immigrants in the fiscal year 1970 must be compared by areas in order to get the full impact of the change wrought by the 1965 Immigration Act. For instance, in the fiscal year 1970 only 35,112 immigrants were permitted from Northern and Western Europe, a 54.3-percent decline. Immigration from Southern and Eastern Europe shot up 121.2 percent to a total for 1970 of 82,994. Asia went up 369.3 percent to 92,816. The West Indies went up 63.4 percent to 61,403. Africa went up 139.9 percent to 8,115. In other words, the region of the world formerly furnishing most of our immigrants has declined rapidly, as the first-come, first-served concept of immigrant selection has given the edge to those areas of the world of greatest population pressures, poverty, and political instability. A good example of this is Germany. In the 1965 fiscal year she furnished 24,045 immigrants and in 1970 only 9,684, a decline of 59.7 percent. Ireland's immigration fell 71.4 percent from 5,463 to only 1,562. The United Kingdom fell 48.3 percent from 27,358 to 14,158. At the same time, Portugal's immigration increased 558.1 percent from 2,005 to 13,195. Communist Yugoslavia increased 204.3 percent from 2,818 to 8,575. China and Hong Kong now furnish more immigrants than the United Kingdom and about twice as many as Germany. India furnishes more immigrants to us than any nation in Northern and Western Europe except the United Kingdom, and India is rapidly approaching parity there and will soon exceed the English-speaking immigrants. The Philippines have already done so. In 5 years they have increased 869.9 percent from 3,130 to 31,203 for the 1965 and 1970 fiscal years, respectively.

The Dominican Republic, Haiti, Jamaica, Trinidad, Tobago and the other West Indies furnished 9,975 more immigrants to the United States in 1970 than all of Northern and Western Europe put together. By this I mean more than the combined totals of Austria, Denmark, France, Germany, Ireland, Netherlands, Norway, Sweden, Switzerland, and the United Kingdom.

Scarcely a day goes by that we do not read of the problems the new immigration policy is bringing to America. In the last few days I have read in the press of the crowded conditions and of the increase in crime in the Manhattan and San Francisco Chinatowns. We read of Paterson, N.J., where a third of the 143,000 population is Spanish-speaking and of the housing, social service, and educational costs this is creating for the taxpayers. Similar problems are developing in the District of Columbia, Florida, Texas, California, and elsewhere. And so the story goes. As in the past, New York remains the State in which most immigrants take up residency with 26.2 percent, but California is second with 19.9 percent and growing. However, all States are now building up large blocs of unassimilable aliens within their populations.

In January 1970, a total of 4,247,377 aliens reported their addresses as required by law. This is a 6.1 percent increase over 1969. Of the total reporting, 87.6 percent were listed as permanent residents in the United States. The largest single nationality group was Mexican with 734,119 reporting. Of these, 97.3 percent were permanent resident aliens, and 81.2 percent of these resident alien Mexicans were living in California and Texas. The West Indies made up the second largest group of aliens with 613,249 reporting. Registered Asian aliens numbered 491,150.

In addition to the aliens legally admitted into this country, there continues to be an increase in the number of illegal entrants. During fiscal 1970, 345,353 deportable aliens were apprehended, an increase of 22 percent over fiscal year 1969. Of this total, 277,377, or 80 percent, were deportable Mexicans. The Immigration Service is doing a fine job within the limits of its manpower to stem the tide of illegal aliens storming our gates and burrowing under them. Prosecutions and convictions for immigration violations have increased. It seems that all problems of immigration enforcement have turned for the worse under the liberal first-come, first-served Kennedy-Johnson law of 1965. The magnitude of the task of border inspection boggles the mind. During the 1970 fiscal year, 97,097,498 citizens and 134,500,887 aliens were inspected and admitted as immigrants or nonimmigrants. It is small wonder that there has been an ascertainable 59-percent increase in smuggled aliens who are deportable and that the alien subversives and criminal classes have sorely taxed the capacity of authorities to cope with them. Understandably then, our U.S. welfare roles increase.

The sobering fact is that in each year since the 1965 act became the law, immigration into this country has soared and has exceeded each year any prior year, back to 1924 and 1927. Many of the most severe problems facing mankind can be traced to overpopulation. The United States cannot solve the overpopulation problems of the world by continually opening more widely its doors to immigrants on this first-come, first-served basis. Our own problems are only being made worse. The 29-percent increase in immigration in the past 5 fiscal years, 1966–70, over the 5 years prior to that, can be attributed solely to the new Kennedy-Johnson immigration formula, relaxing immigration restrictions. However noble the professed intentions of the supporters of this legislation, it is not serving the national interest. It is time to lower the immigration ceiling. It is time to show that we are not intimidated by false cries of racism and bigotry, when all we seek to do is to preserve our freedom and way of life for our children and grandchildren. And when all we seek to do is to preserve our God-given natural resources for our own development as set forth in the words of Daniel Webster in the quotation over the dais of the Speaker.

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## HAWAII OCEAN COMMERCE PROTECTION ACT, H.R. 12362, URGENTLY NEEDED: THE WEST COAST SHIPPING STRIKE

The SPEAKER pro tempore (Mr. GALIFIANAKIS). Under a previous order of the House, the gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 15 minutes.

Mr. MATSUNAGA. Mr. Speaker, the west coast shipping strike has been resumed as of yesterday. In anticipation of this eventuality, just 2 days before the end of the first session of the 92d Congress, I introduced H.R. 12362, the proposed Hawaii Ocean Commerce Protection Act. I am taking this time today so that I might explain the provisions of my bill, offer my reasons for introducing it, and ask the support of my colleagues for the passage of this necessary legislation.

As my colleagues are aware, a longshoremen's strike shutdown west coast ports on July 1, 1971, and continued unabated until Federal court injunctions forced a return to work on October 9. During that 100-day strike period, neither shipping companies nor maritime labor unions gained anything, since profits and wages simply ceased to exist; but the real victims of the strike were the innocent bystanders who were not parties to the dispute. Farmers in the western United States, for example, found there was no way to export their products and suffered heavy economic losses; and by far the most severely affected by the tie-up were the people of the State of Hawaii, whose health, safety, and economic well-being became more precarious each day the strike continued. Separated by thousands of miles of ocean from the rest of the United States, Hawaii found that life's essentials could not be brought to the islands, that Hawaii's own agricultural products were cut off from their markets, that already high prices were forced even higher, and that unemployment by November of last year had reached 6.4 percent, the highest rate recorded in Hawaii since figures have been compiled.

When surface ships and barges cannot reach Hawaii from the west coast, the effect is as devastating as that of a total stoppage of all land transportation into a landlocked State on the mainland. When ocean commerce shuts down for any reason, it is as if a Midwestern State were suddenly deprived of truck,

train, and auto transit simultaneously. That is, in effect, what happened to Hawaii during the 1971 strike.

During those 100 days, I called on President Nixon time after time to use the powers at his disposal to alleviate the hardships being suffered by the people of Hawaii. He could have provided Government ships to carry needed goods between the mainland and Hawaii. That is what President Truman did in 1949, during the devastating Hawaii dock strike which stretched from May 1 to October 24, nearly 6 months. Mr. Nixon could also have invoked the provisions of the Taft-Hartley Act at a much earlier point, as President Kennedy did after 27 days of a Pacific coast-Hawaii walkout in 1962.

Last year, despite repeated urgings by me and scores of other interested parties, President Nixon chose to do neither of these things. In fact, it was not until the east and gulf coast longshoremen went on strike in October that Mr. Nixon finally saw fit to seek a Taft-Hartley injunction, under which the people of Hawaii were granted an 80-day respite from the crippling tieup.

The inconsistency in the exercise of the Presidential powers, even when it results from good faith judgments by the Federal officials involved, demonstrate the need for placing the authority to alleviate the hardship in Hawaii in a position closer to those responsible directly for the welfare of the State and its people.

To meet this most urgent need and to prevent a recurrence of the 1971 series of events, I have introduced H.R. 12362, the Hawaii Ocean Commerce Protection Act. At my urging, the House Education and Labor Committee has already requested reports on my bill from the appropriate executive agencies, and I am hopeful for early hearings and committee approval.

Mr. Speaker, H.R. 12362 would make a congressional finding that the welfare of the people of Hawaii could stand no more than a 30-day interruption in surface water transportation from the west coast because of any labor dispute. At that point, if requested to do so by the Governor of Hawaii, the President would be mandated to provide the necessary vessels to restore the normal flow of goods between the mainland and Hawaii. If necessary, the President could charter private ships and hire private workers to fulfill this obligation, but neither ships nor workers could be from management or labor involved in the dispute itself.

There are unique advantages offered by my proposal. First, Hawaii would be given automatic relief from any stoppage in surface water transportation which lasts for 30 or more days; and, second, the integrity of the collectvie bargaining system would not be compromised. The parties to the dispute would not be required to accept a settlement imposed upon them by a third party. They would, however, be encouraged to negotiate an early settlement, for so long as the strike continues, both sides would continue to suffer the same economic loss as if there was no resumption of shipping. As stated earlier, none of the ships and none of the workers involved in the strike would be put back into operation or be ordered back to work by the Presidential order.

I should point out, Mr. Speaker, that my bill is patterned closely after S. 2836, introduced by my good friend and colleague from Hawaii, Senator DANIEL K. INOUYE.

Hearings on S. 2836 by the Senate Commerce Subcommittee on Merchant Marine begin today in Honolulu.

Mr. Speaker, Hawaii's unique insularity, and its resultant nearly total dependence on shipping to carry ordinary consumer, commercial and industrial goods, demand that action be taken to prevent a recurrence of crippling tie-ups like the one Hawaii has just experienced. I believe that H.R. 12362 represents the appropriate action and urge its support.

I include at this point a section-by-section analysis of my bill:

SECTION-BY-SECTION ANALYSIS

HAWAII OCEAN COMMERCE PROTECTION ACT (H.R. 12362)

(Introduced December 15, 1971 by Congressman SPARK M. MATSUNAGA of Hawaii)

SECTION 1. Short title.

SEC. 2. Congressional Findings.

To maintain the health, safety, and welfare of the people of the State of Hawaii surface water transportation between the State and the United States mainland is required. The cessation of such transportation for more than 30 days would be inimical to the best interests of Hawaii. Previous cessations or reductions have resulted in irreparable harm to the people and economy of Hawaii, and new legislation is required.

SEC. 3. Congressional Purposes and Policies.

It is the purpose of this Act to regulate commerce so as to insure that no maritime or longshore dispute of more than 30 days will imperil the health, safety, or welfare of the people of Hawaii.

SEC. 4. Definitions of terms.

SEC. 5. Governor's Discretionary Powers.

The Governor of Hawaii may, 31 days after the major seaports of either Hawaii or of the west coast are obstructed or closed due to a strike or lockout or other form of labor strife or discord in either the maritime or longshore industry, request the President to furnish remedial assistance.

SEC. 6. President's Mandatory Powers.

The President *shall* comply with the request from the Governor of Hawaii by immediately making available for public use whatever vessels, either owned or chartered by the United States Government, and whatever supporting seaport facilities are necessary, for the earliest possible resumption of maritime commerce both to and from Hawaii. If the vessels which the President is empowered to provide are already engaged in national emergency relief or national defense, the President shall charter whatever vessels the Governor deems necessary.

But the President shall under no circumstances charter vessels which are owned by any of the parties involved in a labor dispute which is obstructing or closing the major seaports of either Hawaii or of the west coast, or hire any personnel who are members of a labor union which is engaged in such dispute.

SEC. 7. Separability clause.

SEC. 8. Effective date.

Effective immediately upon enactment.

## TRIBUTE TO WALTER TROHAN, EMERITUS WASHINGTON BUREAU CHIEF, CHICAGO TRIBUNE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 30 minutes.

Mr. DERWINSKI. Mr. Speaker, I have asked for this time under a special order to pay tribute to Walter Trohan, the emeritus Washington bureau chief of the Chicago Tribune's Washington office who retired on December 31, 1971, after 43 years of service with the Tribune.

In most of his long and illustrious career with the Tribune, Walter Trohan served in Washington and earned a very deserving reputation for his penetrating analysis of the Washington scene, his objectivity, and his unusual perceptiveness of political and governmental developments.

All of us who know Walter appreciate his journalistic talents and recognized him as one of the most penetrating observers on the Washington scene. I am pleased that so many of my colleagues from Illinois have joined me in this special tribute to a dear friend.

Mr. Speaker, at this point I wish to insert in the RECORD the farewell column by Walter Trohan, which appeared in the Friday, December 31, 1971, Tribune:

TROHAN BIDS HAIL AND FAREWELL

(By Walter Trohan)

WASHINGTON, Dec. 30.—Ave atque vale—hail and farewell—were the simple but moving words of the Roman poet, Gaius Valerius Catullus, at the tomb of his brother beside the pines of the Appian Way. They will serve fittingly to mark the last rites of this 12-year-old column and the end of almost 43 years of service on THE TRIBUNE, more than 37 of them in Washington and various world capitals.

In these columns the ever burning desire has been to light what Biblical apocrypha so illuminatively terms, "a candle of understanding." Perhaps if I had begun these writings earlier, I might have reached for Jove's lightning, a sky piercing searchlight, or even a book burning torch.

As it was, I was content to strive for a small flame, one that might throw some light into a dark corner or lengthen a shadow in history. I sought for a warm light, a friendly light: one that like a dinner candle would lend grace and beauty to the table and a fine reflected glow to the wine of knowledge.

Often I was far from the mark and frequently I lost sight of my purpose, being in sore need of light for my own way. I was not always mellow or friendly. In fact, in looking back over the years, I wonder whether I was not sometimes unconsciously seeking to rival the medieval scholar, who planned a book under the title: De Omni re Scibili et Quibusdam Allis—Of Everything Knowable and Several Other Things.

I tried to keep the faith—in God, country and my fellow man. I did maintain my loyalty, first to the man and then to the memory of the man who made my way and purpose possible, the late Robert R. McCormick, editor and publisher of THE TRIBUNE. Also, it was ever my aim to offer some knowledge with whatever I wrote, so that if I did not convince I did educate in history, literature and the arts, especially in music, the greatest and most moving.

How well I succeeded, if at all, I can never know. I have been cheered over the years by many glowing and encouraging letters and aided by many interesting and penetrating suggestions. I was helped as well by a share of criticism and even abuse, at times loud and even violent but always studied as representing an expression of a point of view I might not have taken into proper consideration.

Writing is not the easiest road for making one's way thru life. Not only is it hard work, but it is a road on which one is forever forced to measure himself against what he ought to be or ought to do. Even at best, one is constantly aware he could do much better if he were wiser, more gifted, more retentive and more responsive.

Of course, with all the agony there is much satisfaction. There is a solemn pride in serving a great man and in being part of a great institution. There is excitement in seeing the world and observing scenes of crises. There is fascination in attaining varying degrees of intimacy with men and women who are making the world we live in or influencing its thought. This is especially true because one is not isolated from the common people, but walks and talks and lives among them to win a balance the leaders do not know.

It has been a rare, if trying privilege, to serve as the eyes and ears of so many of you, both as a reporter and a commentator, a service that actually began a half century ago on graduation from high school and which was interrupted only by four years in college. In being able to render this service, I have been among the luckiest of men. If I had it all to do over again, I would go the same way, concerned only about doing it better and more effectively than before.

And so, in my farewell, may I thank each and every reader over the long corridor of years, because you have all helped to make this good life possible and may the good Lord bless you and make the light of His face shine upon you now and forever.

Walter and his wife, Carol, have been planning for their retirement and have built a home in the beautiful Irish countryside in Shannon. There Walter will work on his memoirs, but, knowing him as I do, I am sure he will keep a lively eye on developments in Europe and he will surely maintain his contacts with the thousands of friends he has made during his great career.

Mr. Speaker, I wish to conclude my remarks with the Tribune's December 31, 1971 editorial paying tribute to Mr. Trohan after a long and storied career:

A FRIEND WE WILL MISS

Readers of Walter Trohan's valedictory column on this page today will reach the same conclusion that we did: he can say it better than we can. His long service with the Tribune now ends, and looking back over a lifetime he has no occasion for regret that he ever failed to do his best as a reporter, Washington Bureau Chief, and commentator.

His writings have made him known to a host of Americans. He has known the great without ever betraying a confidence, and he has, as he says, been the eyes and ears of a multitude without ever failing his trust. He has a distinguished career but, typically, sums it up with modesty.

Walter and his wife, Carol, are retiring to Ireland where they have built a house. He should be at home among kindred spirits, whose pleasure in the association will grow with knowledge of him as ours has. We can think of no more fitting leave-taking than the old Galeic blessing:

"May the roads rise with you, and the wind be always at your back, and may the Lord hold you in the hollow of his hand."

We wish the Trohans many years of life. May they all be happy and serene.

Mr. ANNUNZIO. Mr. Speaker, I am delighted to join my esteemed colleague from Illinois, Hon. EDWARD J. DERWINSKI, who requested this special order, in paying tribute to a distinguished journalist—Walter Trohan.

Mr. Trohan's career with one of the outstanding newspapers in my city, the Chicago Tribune, has spanned 43 years. He served as chief of the Washington bureau of the Tribune for the historic period from 1949 to 1969. On January 1 of 1969, Mr. Trohan retired as chief of the Washington bureau, but continued to write his column until December 31, 1971, the date of the last column, written from his home. After a long career of unusual distinction, he and Mrs. Trohan are retiring to Ireland.

Walter Trohan, born in Mount Carmel, Pa., in 1903, received his A.B. from the University of Notre Dame in 1926; he was a recipient of the D. Litt. from Lincoln College in 1958.

Employed as a reporter as early as 1922—with the Chicago Daily Calumet—he moved to the city news bureau of the old Calumet in 1927. Two years later, in 1929, he began his long association with the Chicago Tribune, one of America's greatest newspapers. In that same year he married Carol Rowland.

In 1934 Walter Trohan came to the Nation's Capitol as assistant Washington correspondent of the Tribune. From 1947 to 1949 he was executive director of the Washington bureau, of which he later became chief. His career as a columnist began in 1960 and closed with his recent retirement—after 11 years—from the world of the press.

Special assignments and honors in his career were many and varied, providing a rich background of experience and insight for his interpretation of the news of the day.

In 1936 and 1941 he visited South America, and Europe in 1940. He attended the Summit Conference of 1955, 1960, and 1961; the Foreign Ministers Conference of 1957 and 1959, and the Paris Peace Talks in 1968. He served as news commentator for WGN and MBS from 1951 to 1969.

A member of the advisory council of the College of Arts and Letters at Notre Dame, he was also a trustee of Lincoln College. In Washington, he served as president of the White House Correspondents Association from 1937 to 1938, and was active in the Association for many years.

Author and editor, his "the Roosevelt Years" and "Jim Farley's Story" are representative of his reporting skill and understanding.

To him and to his wife, we wish every happiness and the opportunity for well-earned tranquillity. He takes with him the enduring satisfaction of a life-time of honorable service to the public press to the American people.

Mr. McCLORY. Mr. Speaker, the name Walter Trohan is virtually synonymous with that of the Chicago Tribune. As a distinguished editorial and feature writer as well as former Washington bureau chief of the Tribune, Walter Trohan has always reported the news in a style which was unmistakably clear and forthright.

Mr. Speaker, there is little question but that the political philosophy of the area known as Chicagoland, which the Chicago Tribune serves, has been influenced substantially by the late Col. Robert R. McCormick and by Tribune editorial writers and columnists.

One of those who was intimately associated with the late Colonel McCormick was Walter Trohan. His 43 years of service with the Tribune—including 37 years of service in our Nation's Capital, cover a dramatic era of American history and establish a record which has earned the respect and admiration of all Americans—particularly those from the great heartland of the Midwest. It has been my privilege to meet Walter Trohan personally on a number of occasions and to observe firsthand his thoughtful analysis of events as they occurred, as well as his prophecies of their consequences.

Without Colonel McCormick and now, without Walter Trohan, the Chicago Tribune certainly can never be the same. I read the Tribune quite thoroughly almost every day. I sense the changes that are occurring in Tribune Tower. However, the influence of Colonel McCormick will never entirely disappear, nor will the wisdom expressed by Walter Trohan be discarded—nor his sage advice ignored.

It is reported that Walter Trohan and Mrs. Trohan will soon be leaving Washington to take residence in Ireland. I am suspicious that Walter will find some things about which to report from Ireland, either in the columns of the Tribune, or some other publication. Thus, we will continue to benefit from Walter Trohan's talents for observing and reporting.

It is only fair to say that I already miss his Washington Reports, as well as the stories he composed when he visited many other parts of the world. In bidding him farewell from the Washington scene, I extend to him and Mrs. Trohan my best wishes for long, enjoyable, and productive lives in the Irish Republic.

Mr. RAILSBACK. Mr. Speaker, the Congressmen who are paying tribute to Walter Trohan today are but a few of the many people who miss his "Washington Report." We have lost an able, dedicated, and inspired journalist. I know I have personally benefitted from reading his fine works. However, Walter Trohan's retirement is well-deserved, and I wish him and Mrs. Trohan every happiness in Ireland. He should now look back on his career with pride, remembering that he has spent most of his life informing the American public.

In 1922, Walter Trohan began his career as a reporter for the Chicago Daily Calumet. Five years later he was working in the city news bureau of the old Calumet. Then, in 1929, his long and rewarding association of 43 years began with the Chicago Tribune, an outstanding newspaper. Walter Trohan served as chief of the Washington bureau for 20 years—1949–69—but continued writing his column, "Washington Report," until his retirement the end of December. At that time, he presented a moving and revealing editorial about himself. I think better than anything I could say Walter Trohan explains in this work what he was trying to accomplish in his profession. I include this particular article, "Trohan Bids Hail and Farewell," immediately following my remarks. I am certain all will agree with me that Walter Trohan was successful in his efforts and that he truly "kept the faith."

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[From the Chicago Tribune, Dec. 31, 1971]

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And so, in my farewell, may I thank each and every reader over the long corridor of years, because you have all helped to make this good life possible and may the good Lord bless you and make the light of His face shine upon you now and forever.

Mr. KLUCZYNSKI. Mr. Speaker, I would like at this time to express my deepest admiration for the work of an outstanding journalist, Walter Trohan, on the occasion of his retirement as chief of the Washington bureau of the Chicago Tribune Press Service.

Of all the members of the Washington press corps I have had the pleasure of knowing, during my service in the Congress, none has exceeded Walter Trohan in the grand experience of getting the truth to the American people. His performance has been truly remarkable.

In 25 years with the Washington bureau, he has covered the White House, the House of Representatives, the Senate, all of the principal and many of the lesser departments of the Federal Government. And in all his reporting, he has revealed the genius that has rendered him a giant in his field.

Walter Trohan began his newspaper career in 1927, as a member of the Chicago City News Bureau. He transferred to the Tribune staff in February 1929 and soon was on his way, establishing a reputation as a remarkable foreign correspondent, with stories relayed home from places far afield such as Buenos Aires, Madrid, Geneva, Rio de Janeiro, London, Paris, Rome, Berlin, Quebec, Mexico City, Lisbon, Athens, Ankara, New Delhi, Kabul, Karachi, Teheran, Tunis and Casablanca.

Walter Trohan was the first reporter to find out that the United States had broken the Japanese code in advance of the Pearl Harbor attack, and his report of the matter triggered a congressional investigation. He also was the first reporter to uncover the news of the impending removal of Gen. Douglas MacArthur as commander of U.N. forces in Korea. Two other scoops included his stories on the fall of France, in 1940, and President Truman's abortive plan to send Chief Justice Vinson to Moscow following World War II. He covered the Big Four Conference at Geneva, the United Nations, and the First International Food Conference.

On the domestic scene, Walter Trohan has reported on political conventions since 1932. He also has covered Governors' conferences and ghostwritten speeches for many famous people. As chief of the Washington Bureau, he has continued to excel as a journalist, also becoming known as a radio commentator for station WGN.

It is a great pleasure on this occasion to pay my respects to a man who has represented the cause of journalism with the greatest skill imaginable over the past 43 years, to the benefit of his employers, his profession, and the people of Chicago.

Mr. SPRINGER. Mr. Speaker, Walter Trohan already was one of the best known Washington correspondents when I took my seat in the 82d Congress just 21 years ago. We soon became good friends and, as the years went on, our friendship ripened and my respect for him as a newspaperman increased.

In 1958 Walter received a high honor from one of the leading institutions of higher learning in the congressional district which I represent when Lincoln College at Lincoln, Ill., gave him the honorary degree of doctor of literature. He later became a member of the college's board of trustees.

Most of his 43 years with the Chicago Tribune were in the Washington bureau. He came here during President Franklin D. Roosevelt's first term and was chief of the Tribune's Washington bureau for 20 years from 1949 to 1969.

Throughout these years Walter Trohan was known to his colleagues in the press corps as a hard digger for the real facts behind the headlines, as a forceful writer, and as a penetrating analyst of the major issues of his times.

I am sorry to see Walter Trohan leave the Washington scene but I imagine we will be hearing from him again before long. His mind is a storehouse of knowledge and I suspect that his fingers soon will itch for the typewriter keys. Whatever books he writes in coming years will be eagerly awaited. They will be well worth reading.

Elsie joins me in wishing Walter and his wife much happiness in their new home in Ireland.

Mr. CRANE. Mr. Speaker, several months ago, when I had the honor of having Walter Trohan as a guest on my weekly television program in Chicago, I introduced him as the "dean of the Washington press corps."

Walter then told me he did not like that title because "it is something you get only by age, not by merit or ability and I would prefer to earn whatever titles come my way rather than having them merely conferred upon me as I get older."

Well, Mr. Speaker, Walter Trohan's 37 years as a Washington reporter, spanning the terms of six Presidents and hundreds of Senators and Congressmen, have included a lot more than just time on the job.

He has, without a doubt, earned whatever titles may be conferred upon him and he has earned them in the manner he prefers, through merit and ability. Rarely has the news media claimed a member with the dedication and devotion to truth, to accuracy, and to good reporting.

As might be expected from a veteran of so many years, Walter Trohan has many thoughts on today's press and not all of them are favorable.

Walter told me:

> Today slanting the news has become a way of life for many reporters. They set out with preconceived ideas of what they want to prove and throw all the other ideas out. I'm not denying that all reporters have their own ideas and their own prejudices, but at least there was an attempt to tell both sides of the story in my earlier days in Washington.

He said many of today's reporters will interview only those public officials whose political persuasions are similar to their own and as a result, reporting is becoming more and more one-sided.

I, and more than 80 of my colleagues, had first-hand experience with this one-sidedness last summer when we participated in a series of special orders dealing with our Nation's defense posture.

Despite the fact that more than 80 Members of Congress, who represent about 40 million Americans, joined together in a single effort on August 4,

there was almost a total blackout of this event by the news media.

Walter Trohan was the only Chicago newspaperman to mention this event. I suppose that should not be surprising since Walter Trohan frequently was the only reporter to cover other significant events which for various reasons were ignored by other segments of the press.

Walter's retirement is a great loss to those of us who have read him faithfully and who believe and trusted him. Dozens of his readers in the Chicago Tribune have expressed their best wishes to him through letters to the editor and I think that expression of faith in him is very revealing at a time when public opinion polls show very little reliance in the news media.

Mr. Speaker, I join with my colleagues in thanking Walter for his service as a journalist and I wish him Godspeed as he and Mrs. Trohan begin their retirement in Ireland.

Mr. MICHEL. Mr. Speaker, I am happy to join my colleagues in paying tribute to a man who has done a difficult job and has done it exceedingly well. Walter Trohan is perhaps a model of the newsman's newsman. He has covered the most difficult beat in the world, and has gained the respect and friendship of thousands of public figures. He has been resourceful—yet fair, and has made the Chicago Tribune's Washington coverage among the most complete and interesting of all the major newspapers in the Nation.

Nothing that we can say here on the House floor will add anything to the lustre of a man who has covered the major events of the past quarter century, who has interviewed the top figures of the political world, and who has remained through it all a human, likeable, and enjoyable member of the fourth estate. Walter Trohan's retirement will leave a void in the Washington press corps. He will be missed, not only by those of us from Illinois, but by a host of people in politics. I know that Walter will retire only from active reporting, and devote his time and energies to his library and literary pursuits.

I will join many others in missing his distinctive byline pieces, and hope that he will still "keep his hand in" now and then with a discourse on some of the major events of the future. For now we hate to see him go, but wish him a long and productive retirement, well earned by his years of top-notch reporting on the Washington scene.

I include his last column which appeared in the December 31, 1971, edition of the Chicago Tribune in the RECORD at this point:

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And so, in any farewell, may I thank each and every reader over the long corridor of years, because you have all helped to make this good life possible and may the good Lord bless you and make the light of His face shine upon you now and forever.

Mr. ANDERSON of Illinois. Mr. Speaker, December 31, 1971, was a benchmark in the history of Washington journalism. On that day, Walter Trohan, the Chicago Tribune's bureau chief, stepped down after a distinguished career which spanned 43 years in the newspaper business and a full decade as chief Washington correspondent for "the world's greatest newspaper."

Everyone who reads the Tribune will miss the highly individualistic, trenchant reporting which could always be found in the Trohan column at the top of the editorial page. And the Washington press corps will be the poorer for his departure. A man of strong views who did not pull his punches even when powerful interests were involved, he will stand as an example of journalistic integrity and insight long after he goes. I take pleasure in joining my colleague Mr. DERWINSKI and other Members of the Illinois delegation who are saluting a great reporter at the close of his distinguished career.

## GENERAL LEAVE

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

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

There was no objection.

## KANSAS VERSUS ATOMIC ENERGY COMMISSION—ROUND 2

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SKUBITZ) is recognized for 10 minutes.

Mr. SKUBITZ. Mr. Speaker, I have, as many of my colleagues are by now acutely aware, a deep and abiding interest in the endeavor of the Atomic Energy Commission to install what is best described as an atomic waste garbage dump in my State of Kansas.

I have resisted this move because my earliest probing into the proposal convinced me that inadequate study and research had been devoted to this aspect of the problems of the atomic age. It was as if the Atomic Energy Commission had adopted a policy of promoting the peaceful uses of the atom without too much concern for the consequences; as if someone had said—let us get these atomic powerplants on the road and we will cross that waste disposal bridge later.

Unfortunately, the waste disposal problem is fully as big and as important as the building of the powerplants—unless and until we get into the nuclear breeder powerplant age. As investigation of waste disposal proceeds, by the Atomic Energy Commission and by other experts, it becomes increasingly obvious that the initial ideas proposed by the Atomic Energy Commission must undergo sharp revision. And particularly is this true with respect to the plan for burying wastes in salt beds in the Lyons, Kans., area.

The Commission no longer denies publicly that the site poses "problems," as it euphemistically phrases it. It continues to explore those "problems" and hopes that they may be solved. Meanwhile, it commissioned the Kansas Geological Survey to investigate, inspect, and report on other salt bearing areas in Kansas. For some reason I have not yet been able to fathom, the Atomic Energy Commission has an obsession with my State—

a sort of unnatural love that most of us in the State would prefer it abandon.

The director of the Kansas Geological Survey was invited last month to deliver a paper before the 138th meeting of the prestigious American Association for the Advancement of Science. In a symposium titled "The Energy Crisis: Some Implications and Perspectives," Dr. William W. Hambleton dealt with this issue in some detail. Fossil fuels, their scarcity, the increased threats of brownouts, the demand for nuclear energy, and the onrush of the atomic power age without adequate advance planning on all of the problems that flow from it, these were the *basis of* Dr. Hambleton's tremendously interesting paper.

It tends to prove that the concern against dumping dangerously lethal high level wastes is a real one, a scientific one, and not the bogeyman conjured up by an untutored, country boy Congressman from the Kansas prairies nor yet the motivated pleas of some schoolchildren from my hometown, as was once suggested in order to demean and make light of our concern.

Discussing bedrock storage of wastes, Dr. Hambleton notes that as long as 5 years ago a majority of the Committee of the Earth Sciences Division of the National Academy of Sciences expressed strong reservation about that method of storage. More recently, Dr. Hambleton said, a prominent member of that committee observed that the proposed storage plan at Savannah is a "disaster looking for a place to happen." But the AEC is going ahead with a study of this storage because of cost differences.

After discussing in intimate detail the selection of the Lyons site by the AEC, its geographic problems, and its geologic inadequacies, all of which might easily have been determined prior to the choice of Lyons, Dr. Hambleton observes that—

> The Lyons site is a bit like a piece of swiss cheese and the possibility for entrance and circulation of fluids is great.

Moreover, he adds:

> The jury is still out on the entire concept of burial of wastes in salt.

I call particular attention to the following statements made before his peers by an eminent scientist who must be chary of overstatement and careful in his choice of words:

Dr. Hambleton wrote:

> The AEC has not established an overall, well-coordinated plan for resolving its waste management problems and achieving its objectives at all installations. . . . Even where long-term storage has been of concern, the AEC has adopted the attitude that what is worth doing is worth doing wrong.

Mind you, Mr. Speaker, this is the man whose Kansas Geological Survey was commissioned by the AEC to study and report on alternative sites in Kansas ever since the AEC became aware of the geologic faults of the Lyons site. Dr. Hambleton's private report has now been completed and delivered to the AEC who will make it public shortly, I hope. It will show, I am sure, that not a single salt site in Kansas is free of gas and oil well holes that puncture ir to subsurface water areas, thus openin : the possibility of atomic pollution of water sources in the State.

Before asking, Mr. Speaker, that the full text of Dr. Hambleton's paper be inserted in the RECORD following my remarks, I would like to repeat Dr. Hambleton's invocation to his scientific colleges. It is particularly appropriate for the AEC's most prayerful consideration and it was obviously so intended:

> From ignorance, which shrinks from truth; from apathy, which is satisfied with half-truth; from arrogance, which knows all truth; oh God of truth deliver us!

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STORAGE OF HIGH-LEVEL RADIOACTIVE WASTE

(By William W. Hambleton, Ph. D.)

One of the most gainful occupations in Kansas is the production of large quantities of wheat. Kansas has experienced no brownouts. No nuclear power plants are sited within the borders of the State. Why, then, should Kansas be central to the problems of the nuclear power industry, and to the larger question of the energy requirements and resources of the United States?

To begin with, Kansas is illustrative of our domestic energy problems. Annually, we produce energy valued at approximately one-half billion dollars in the form of crude oil, gas, natural gas liquids, and coal, and have drilled more than 250,000 wells in the search for oil and gas. Nevertheless, during the past eight years average daily production in Kansas has declined to 5.4 barrels per well, the number of wells drilled has declined from 4,326 to 2,465. Exploration, production, and reserves have decreased by almost any measure one can use, a trend which is characteristic of the national energy industry. Secondly, in 1970 Kansas had the doubtful distinction of being chosen as the site for a national high-level radioactive waste repository. Perhaps it is poetic justice that we, who have extracted so much energy from our state, should now be asked to place in it the high-energy waste products of another part of our energy industry.

As for the Kansas Geological Survey, I judge that it has been highly regarded as a competent mineral resources research and development organization, quietly going about its business of reasonably innovative contribution to Kansas for nearly one hundred years. In 1970, things changed with a vengeance. We began testifying before legislative and congressional committees. Our advice was sought by governmental agencies, congressmen, and governors. We were praised or blamed by one or another conservation or citizens groups. In fact, the title of my paper this morning probably should be "Environment, Energy, Nuclear Power, and Politics." At least, I hope that we have gained some humility. Perhaps you will permit me to share our invocation with you: "From ignorance, which shrinks from truth; from apathy, which is satisfied with half-truth; from arrogance, which knows all truth; Oh God of truth deliver us!

The potential hazards from radioactive waste derive from the basic characteristics of the radioisotopic contaminants. Many radioisotopes decay rapidly; some decay at such a slow rate that they represent a potential hazard to mankind for centuries, and allowing these radioisotopes to decay naturally is the only practical means of reducing their radioactivity to non-hazardous levels. The isotopes that are of the greatest concern are those which are highly toxic and have long lives, including strontium 90 and cesium 137, which require hundreds of years to decay, and plutonium 239, which has a half life of 24,000 years and requires more than 250,000 years to decay to an innocuous level—five times the history of man on earth.

Radioactive wastes vary widely in the concentration of radioactive materials. High-level liquid wastes cannot be released into the environment because of their high radioactivity concentration, which may be as much as 10,000 curies per gallon. To confine and isolate high-level liquid wastes the AEC has stored them underground in large steel-lined, concrete tanks and in steel tanks within concrete vaults. These liquid wastes from AEC operations, which now amount to some 80 million gallons, require continual surveillance, and storage in this manner can be considered only as an interim solution.

Radioactive waste containing numerous radioisotopic products has been generated in processing irradiated nuclear fuels at the chemical-processing plants operated by AEC's Richland, Savannah River, and Idaho Operations Offices, as well as at the commercial plant of Nuclear Fuel Services Incorporated, at West Valley, New York. Oak Ridge National Laboratory has generated high-level liquid wastes at its radiochemical-processing pilot plant, and is currently generating such wastes at its transuranium-processing facilities. Additional commercial fuel reprocessing plants are being, or will be, constructed to meet the requirements for processing increasing amounts of irradiated fuels which will be generated in nuclear powered electric plants. The waste from these plants will amount to an estimated 60 million gallons by the year 2000.

At present, Richland is proceeding with removal of strontium 90 and cesium 137 from high-heat liquid wastes and in-tank solidification of the remaining liquid. Removal of cesium and strontium enables the remaining wastes to decay to low-heat liquid within about five years, and Richland is developing a process to construct a facility for solidifying and encapsulating liquid strontium and cesium concentrates. Solidification of low-heat liquid wastes into salt cakes in tanks is considered to be an interim storage process until the acceptability of the process can be determined. In 1968 Richland was faced with a potentially serious situation with respect to the condition of its existing tanks, for some leaks had been detected.

Idaho National Reactor Testing Station is converting liquid waste to a granular, calcined material, which is stored in stainless-steel bins in underground concrete vaults, as an interim storage process. At Idaho, the burial grounds have been inundated on occasion by water from melting snow.

At Savannah River, wastes are segregated on the basis of their heat generation rates, and are immobilized in tanks by evaporation to salt crystals and sludges. A tank leak at Savannah River would be more serious than at Richland because the leakage would be expected to migrate into ground water. According to the AEC, burial practices followed by Richland, Savannah River, Idaho, and Oak Ridge have not resulted in releases of radioactivity beyond the confines of the burial grounds.

STORAGE CONCEPTS

Dupont and Company, the operator of the Savannah River plant, has proposed that radioactive, separation-process waste be permanently stored in caverns to be excavated in bedrock at the plant site. The concept suggests that storage for 100 million gallons of waste can be excavated in bedrock, approximately 1,500 feet below grade, and consisting of six storage tunnels arranged in three pairs. After each storage tunnel is ready to receive waste, it is to be sealed from an access tunnel by impervious bulkheads, designed to withstand hydrostatic pressure at tunnel depth. The tunnels are to be constructed in predominantly Precambrian and Paleozoic metamorphic gneiss and schist, which are relatively impervious, but exhibit some fractures and fissures.

These fracture and fissure zones can be sealed by grouting, and it is predicted that the migration of radioactive constituents from the storage facility will be so slow that no harmful contamination of off-site water will occur because of the low hydraulic gradient of bedrock water, the low solubility of

plutonium, and the high density of the waste fluids as compared with groundwater. Geological, geochemical, hydrological, and economic aspects of the project have been investigated for almost eight years. A review panel of the National Academy of Sciences in May of 1969 concluded that the storage proposal has sufficient promise that construction of the shaft and several tunnels should be undertaken in order to determine the severity of the fracture problem. I note that in 1966 a majority of the Committee of the Earth Sciences Division of the National Academy of Sciences expressed strong reservation concerning the bedrock concept of waste storage, and recommended that the investigation be discontinued. More recently, a prominent member of that committee observed that the proposed storage at Savannah is a "disaster looking for a place to happen." The AEC has decided, however, to perform the additional studies because of the cost differential between bedrock storage and other alternatives.

Deep-cavern storage also has been proposed for Richland as an alternative to long-term storage of solidified waste in tanks. Studies were begun in 1969 to determine the feasibility of isolating wastes in caverns mined into basalt, 2,000 to 4,000 feet beneath the site. According to this concept, salt cake resulting from in-tank solidification of liquid waste would be removed from the tanks in the dry state, water would be added in the transfer system, and the slurry waste would be transported to the underground caverns. Richland is conducting a program of exploratory drilling into secure geological, hydrological, and other physical data to be used in evaluating the suitability of these subsurface rocks for waste storage.

Salt formations attracted the attention of a National Academy of Sciences Committee in 1955 because salt is abundant, can heal its own fractures by plastic flow, transmit heat readily, and exhibits compressive strength and radiation shielding properties similar to those of concrete. However, not until 1959 were studies relating to salt storage initiated at Oak Ridge, and not until 1963 were studies undertaken in Kansas. In that year, the AEC chose a mine of the Carey Salt Company at Hutchinson for study of salt properties, and subsequently extended this study to the abandoned Carey salt mine at Lyons. During Project Salt Vault studies at Lyons, engineering test-reactor fuel assemblies were utilized, along with heaters, to create an environment that would be similar to the expected environment of a real repository. The mine was instrumented with devices for recording heat, radiation, and physical properties. Subsequent selection of the Lyons site in 1970 as the actual storage location was based partly on research from the nearby Hutchinson mine and the Lyons mine. Other determining factors included the seismic stability of central Kansas, availability of a 300 foot section of salt overlain by 800 feet of rock containing impermeable shales, the generally flat-bedded character of the salt, the economic aspect of also using the abandoned Carey Salt mine for storage of low-level waste, and the hospitality of the people of Lyons.

Meanwhile, additional studies and design of storage facilities and methods to transport the radioactive waste were proceeding at Oak Ridge National Laboratory. According to plans, liquid wastes from commercial reprocessing plants would be converted into solid form and placed in stainless steel cylinders, which would be transported by rail in large shielded casks. Each cylinder would be lowered down a shaft into a newly excavated salt mine at Lyons. The cylinder would be placed in a hole in the floor of the mine with specially designed equipment. When an appropriate number of these cylinders had been placed in the mine, the entire room would be backfilled with crushed salt. Experimental evidence suggested that the crushed salt would recrystallize, and both crushed salt and bedded salt would flow plastically so as to completely seal-off the waste material. Other low-level radioactive materials consisting of contaminated clothing, lubricants, and laboratory ware were to be stored in the abandoned Carey Salt mine. There was some suggestion that granular, calcined waste from Idaho also eventually would be transferred to this repository.

The Kansas Geological Survey expressed serious concern about the proposal. One kind of concern related to the Lyons site itself; another related to the burial-in-salt concept. Initially, the geology of the area was inadequately known. On the basis of Survey recommendations, the AEC funded further geological studies. Numerous holes were drilled and logged at the site, water samples were taken in all the holes and analyzed, and a geological evaluation of the area has been conducted. These investigations revealed a probable major fault in the area and a pressure sink on the water surface of a major aquifer, suggesting vertical circulation. Furthermore, other conditions at Lyons were revealed that demonstrated the inadequacy of prior investigations.

The abandoned Carey Salt mine is located on the north border of this town of approximately 5,000 people at a depth of 800 feet. An entry in this mine extends southward beneath the City of Lyons. The only access to the mine is a vertical shaft, which penetrates 40 feet of saturated aquifer and was constructed through use of a caisson. The abandoned salt mine, plus an adjoining 1,000-acre site is the proposed repository for the radioactive waste. At the south border of the town is the mine of the American Salt Company. An entry in this mine extends northward under the town of Lyons. The Carey entry and the American Salt Company entry are within 1,800 feet of each other. The only access to the American Salt Company mine is a vertical shaft, which also penetrates about 40 feet of saturated aquifer.

The water is collected in a ring about 200 feet down the shaft, and pumped back to the surface. Just to the southwest of the underground mining operation, the American Salt Company also mines salt hydraulically by injecting fresh water, which dissolves the salt and creates caverns the full height of the salt. The resulting brine is returned to the surface for processing.

The area contains both abandoned and producing oil and gas wells, numbering into the hundreds. The locations of some of these old wells have never been determined, and surface subsidence has occurred in places where old casing has corroded and permitted surface and groundwater to excavate caverns in the salt. Some of the resulting surface depressions are as much as ¼ of a mile in diameter. Some of these wells penetrate deep Arbuckle rocks, which contain fluids under hydrostatic pressure sufficiently great that the static water level in the well stands higher than the level of salt mines. It is clear that intersection of an Arbuckle well by mining will cause flooding of the mine. At least 29 wells have been identified on the site to be acquired by the Atomic Energy Commission, and these must be completely cleaned out and replugged. We have reason to believe that other unidentified wells may be present. An abandoned shaft representing an earlier salt mining effort has been located just west of Lyons. This shaft is full of water.

During the past summer, the American Salt Company intersected an abandoned oil well with a rock bit, preparatory to shooting the salt face. Although some water entered the mine, the hole was plugged satisfactorily. Somewhat earlier, the American Salt Company lost all circulation during a hydraulic mining operation. Following successful injection of fresh water and production of brine for five days, approximately 180 thousand gallons of fresh water disappeared. The operation was terminated and no one can discover where the water went. In other words, the Lyons site is a bit like a piece of swiss cheese, and the possibility for entrance and circulation of fluids is great. Should fluids penetrate the American Salt Company mine, the possibility of salt solution and entrance into the Carey operation also is great.

Other investigations revealed approximately 400 feet of displacement in Arbuckle rocks, suggesting the presence of a major fault. All of these factors have led the Geological Survey to recommend that the Lyons site be abandoned. An independent analysis by a Committee of the Kansas Geological Society produced similar conclusions, as did an analysis of the Council of the Kansas Academy of Science. There is nothing more important than recognizing a dead horse early, and burying it with as little ceremony as possible.

As to the concept of burial in salt, the jury is still out. The axial temperature of the cylinders containing the radioactive waste is about 930° C. The cylinders will generate heat that must be dissipated through the salt and other overlying and underlying rocks. We claim that the two-layer, two-dimensional heat-flow model used by the Atomic Energy Commission is overly simplified. A multi-layered, three-dimensional heat flow model is necessary for resolution of the problem. This work is being undertaken at the present time. Another problem relates to possible mine subsidence. The crushed salt used to back-fill the mine will contain approximately 30 percent void space. Recrystallization and plastic flow of the salt could cause subsidence and shear in the overlying rocks, permitting surface or ground water to penetrate the mine, dissolve the salt, and set up a thermal transport system. This situation is even more dangerous because the stainless steel cylinders are expected to begin to break down within three months, releasing the waste. Likewise, the rock mechanical model used for studies of mine subsidence is overly simplified. Many rock properties are temperature dependent, and even dewatering of shales could create problems. Radiation damage and subsequent release of energy as a thermal excursion, both with respect to the salt and the radioactive waste itself, is an improperly investigated subject. Appropriate studies should reveal whether or not radioactive waste can be stored safely in salt.

Meanwhile, the Kansas Geological Survey has undertaken additional reconnaissance studies of other areas of Kansas for possible storage of radioactive waste. The study is concerned with eight large areas that seemingly are underlain by salt beds that are at least 200 feet thick, no deeper than 2,000 feet, and no shallower than 500 feet. Additionally, these areas contain a small number of oil and gas wells, salt mines, storage cavities, and pipelines, and a small population. A literature and file search has been undertaken for these areas to assemble information regarding salt and overburden thickness, quality of the salt, ground water conditions, and regional geological characteristics, as well as information about mineral resources, well locations, salt mines, liquid-petroleum-gas storage cavities, pipelines and population.

The report will present an evaluation of these factors for each area. On the basis of these evaluations, the Atomic Commission will determine if any of the areas justify further investigation. Because the areas contain few wells, information concerning the underlying rocks is sparse, and much additional investigation will be required before any of the areas can be judged to be suitable for storage of radioactive waste.

In July, 1971, Cohen, Lewis, and Braun of Lawrence Radiation Laboratory proposed

a method for disposing of nuclear reactor wastes by in-situ incorporation in molten silicate rock. The proposal suggests injection of liquid wastes into a chimney formed by a 5 kiloton nuclear explosion at approximately a 2,000 meter depth. The waste would be permitted to self-boil, and the resulting steam would be recycled and processed in a closed system. When waste addition is terminated, the chimney would be allowed to boil dry, thereby solidifying the wastes. The heat generated by the radioactive waste would then melt the surrounding rock, which would dissolve the waste. Finally the rock would refreeze, trapping the radioactive material underground in an insoluble rock matrix. The authors claim safe, permanent, and timely removal of radioactive material from the biosphere at relatively low cost, elimination of the need for waste transportation by siting in the immediate vicinity of the reprocessing plant, and waste injection with minimal or no treatment. Waste addition at a rate of 1,500 tons per year for a period of 25 years is contemplated. The concept has been described as interesting and worthy of further study by numerous reviewers. However, it has been criticized on the grounds of conflict with the concept of recoverability, and serious doubts about the insolubility of the rock matrix, differentiation permitting plutonium to concentrate in a near-critical mass, geochemical alteration of the drill hole and casing, and gaseous phase transport of such elements as ruthenium tetraoxide. Obviously, much research is necessary.

On September 16 and 17, 1971, Gisela Dreschhoff and Edward J. Zeller, Research Associates of the Geological Survey of Kansas, visited the Asse Nuclear Waste Repository in Germany where key staff members provided a complete review of the project. At present, low-level waste is stored in a cavity in the Asse salt stock. Containers are released from shipping shields and lowered by crane into a chamber. Remote control facilities and remote television cameras permit movement and observation of the waste containers. No attempt is made to achieve symmetrical stacking. At the present time, nearly 10,000 casks of low-level waste, each having a limit of five curies total activity, are stored in two rooms at the 750 meter level. High-level waste emplacement is planned for 1974 or 1975. The waste will be solidified in the form of glass cylinders approximately 20 centimeters in diameter and one meter in length. These will be stacked vertically in bore holes in the salt roughly 50 meters deep in tunnels at the 750 meter level. After filling the bore holes with 30 meters of high-level waste cylinders, a concrete plug will be poured and the upper part of the hole above the plug will be filled with crushed salt. The Asse anticline is structurally stable and a massive gypsum cap rock can support the load of overlying sediments and serve as a shield for the underlying salt. Two nearby mines are flooded as a result of improper mining techniques. The Germans do not seem to be concerned, because the system has reached an equilibrium, no collapse has been observed near the old shafts, and no significant leakage has been determined. Even if water entered the mine, the Germans feel the water would be nearly saturated and would cause no problems. However, the presence of sinkholes and salt springs does indicate that some solution is taking place.

Extensive studies are being conducted at the Hahn-Meitner-Institut for Nuclear Research in Berlin and at the Nuclear Research Center at Karlsruhe, which our colleagues also visited. These studies are concerned with radiation damage and the problems of processing and solidifying nuclear waste in form suitable for storage in the Asse mine. Competent scientists are in charge of the programs, which appear to be free of irrational political influence. Mention was made of the desirability of greater interchange of information between the United States and Germany regarding matters related to nuclear waste disposal. Seemingly, there has been little exchange in the past four years, and direct liaison between the U.S. and German research and development groups should be established as soon as possible.

As far as we can determine, high-level radioactive waste is being stored at or near the surface in other countries.

For the fiscal year 1970, AEC was authorized $2.3 billion for its various programs. Of this amount, only 28 million or roughly one percent represents operating and capital funds authorized for waste management programs. The Government Accounting Office believes that to expedite the development of methods for placing high-level waste in long-term isolation, AEC should place greater emphasis on evaluating the actions taken by its contractors, determining the adequacy of long-term storage proposals, and taking the steps needed to accomplish long-term storage. AEC has not established an overall, well-coordinated plan for resolving its waste management problems and achieving its objectives at all installations. In the past and currently, AEC management has emphasized and given priority to the development of technology and plans with respect to weapons production and reactor development which result in the generation of radioactive waste. Even where long-term storage has been of concern, the AEC has adopted the attitude that what is worth doing is worth doing wrong.

The chronicle of disarray in storage of high-level waste is characteristic of the disarray which we face with respect to the entire energy situation in this country. That we face an energy crisis can no longer be doubted. The September, 1971 issue of *Scientific American* is devoted entirely to the problem. At the recent Interstate Oil Compact Commission meeting in Biloxi, Pinckney C. Walker of the Federal Power Commission noted that from 1968 to 1970, consumption of natural gas nation-wide was almost twice the amount of new gas reserves found. Consumption of gas by interstate customers exceeded additions of new reserves by 17 trillion cubic feet in 1970. The National Petroleum Council estimates that unless public policies are modified, or economic conditions in the energy industry changed, the gap between the nation's requirement for gas and probable supply will be 17.4 trillion cubic feet in 1985. Crude oil and related product withdrawals exceeded new reserves discovered by about a billion barrels in 1969.

Consequently, total petroleum imports to the United States amounted to 23 percent of total supplies in 1970, and forecasts indicate that the percentage of total supply provided by foreign sources will increase to about 50 percent during the next 15 years. Mr. Walker concludes that if the nation is to have an adequate and reliable supply of energy in the future there must be a comprehensive reevaluation of current energy policies. That he should reach this conclusion is curious for the Federal Power Commission has been instrumental in pricing gas at such low prices that the incentive for exploration has nearly disappeared, and crude oil and coal have been undervalued.

At the same meeting in Biloxi, Gene P. Morrell, Director of the Office of Oil and Gas, noted that as the decade of the 70s began, we are consuming energy at a rate of 68.8 quadrillion B.T.U.s annually, and that requirements may reach 133 quadrillion B.T.U.s by 1985. He concludes that our national energy policies have not kept pace with the rapid and unprecedented changes in our consumptive patterns and social objectives. Superimposed upon this pattern, we find a developing nuclear power complex, with its waste storage problem largely unresolved, that probably will provide up to 15 percent of our energy needs by 1985.

As I mentioned at the beginning of this talk, the nuclear power industry is, indeed, of special interest to Kansas, not because we have vast resources of uranium or abundant sites for power plants, but because we have been chosen to be the location of all waste from the nuclear power industry and because our energy production is declining at an alarming rate. Chosen by the Atomic Energy Commission, an agency of the federal government having vast powers and a program largely unrelated to other energy agencies of the federal establishment.

In fact, other energy agencies of the federal establishment have little relationship to each other. Gas supply is regulated by the Federal Power Commission through an obsolete pricing structure. Petroleum supply is regulated by an outmoded system of state regulatory activity, Department of the Interior and Office of Oil and Gas regulations regarding public and off-shore lands, an Environmental Protection Agency determined to protect the environment, and an indecisive import policy. A similar situation exists with respect to coal, and some members of Congress even seem determined to prevent strip mining. In short, we have no articulated national goals with respect to energy, and we have no coherent and coordinated national energy policy. As Kenneth Boulding noted under other circumstances, "We keep coming to decision points where there are a number of possible futures and of which we select only one. Our decisions, however, depend on values and in man values are almost wholly learned. Instincts are quite literally for the birds. Decision theory states that everybody does what he thinks best at the time, which is hard to deny. The tricky problem is how do we learn not only what the real alternatives are but also what values we place on them." Unless we as scientists are willing to become involved in evaluation of real alternatives, we will have no complaint if others become involved for us and make incorrect decisions in the absence of adequate data. We must be willing to get out of our ivory towers and academic straightjackets and go to legislative and congressional hearings and propose alternatives. By taking such action we can accomplish much. By just talking to ourselves at meetings such as this, we do not accomplish much as far as the "real world" is concerned. We must speak with an to decision-makers, and most emphatically in a language that decision-makers understand. To not do so is to fail our disciplines, our young, and most importantly ourselves.

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## GRANTING A BASIC AMERICAN RIGHT TO THE PEOPLE OF GUAM AND THE VIRGIN ISLANDS: A STATEMENT IN SUPPORT OF H.R. 8787

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HALPERN) is recognized for 5 minutes.

Mr. HALPERN. Mr. Speaker, I rise to urge passage of H.R. 8787, a bill to provide that the unincorporated territories of Guam and the Virgin Islands shall each be represented in Congress by a Delegate to the House of Representatives. Enactment of such provision is long overdue.

The citizens both of Guam and the Virgin Islands are citizens of the United States, and as such are entitled to all basic rights under the Federal Constitution. Certainly one of the more fundamental rights is the right of citizens

to be heard in the Nation's premier council. Whereas the Constitution restricts the right to vote in national elections to citizens of the States and the District of Columbia, there is no proscription against the nonvoting participation of territorial citizens in the deliberations of either House of the Congress, and there is no legal distinction, in terms of nonvoting representation, between incorporated and unincorporated territories.

When Congress in 1794 first permitted a Delegate from a Territory to sit in the House—the Territory South of the River Ohio, which became the State of Tennessee in 1796—there was some question as to whether he should serve in the Senate rather than in the House. After a short debate, the House voted to seat him within its own Chamber, and without consulting the Senate; the latter, rather imperiously, chose to ignore the issue. Precedent thereby was set to seat Delegates only in the House, and only from incorporated territories; but there remains no constitutional bar to seating a Delegate from an unincorporated territory, or, even, to granting him a seat in the Senate.

And the precedent, in effect, was shattered many years ago in terms of seating Delegates only from incorporated territories. Puerto Rico has been represented in the House by a Resident Commissioner since shortly after the turn of this century; and the Philippine Islands had two Resident Commissioners sitting simultaneously in the House for decades. It should be noted that the only difference between a Delegate and a Resident Commissioner lies in the name: both can speak on the House floor and introduce resolutions, although neither can vote in the Chamber; both serve on committees and both can vote therein—since the Legislative Reorganization Act of 1970—both receive the same compensation that is accorded Representatives and Senators.

Like Puerto Rico and like the Philippine Islands before the latter territory was granted its independence, Guam and the Virgin Islands are unincorporated territories; and they deserve, at the very least, to have the same representation in the House as that enjoyed by the other unincorporated territories.

Whether their representatives, once seated, should be called "Delegates" or "Resident Commissioners" would seem of no import inasmuch as the terms are synonymous in legal connotation. A subtle distinction, however, originally separated the two concepts, and that distinction still exists in the minds of those opposed to the admission of additional States. A Delegate from the first represented an incorporated territory—the latter title is always capitalized when it refers to an incorporated area, which is considered to be an integral part of the United States, whereas an unincorporated territory merely belongs to the United States—and such territory, in the collective mind of the Congress, was expected to become a State sooner or later. Congress, on the other hand, never envisioned either the Philippines or Puerto Rico as a prospective State; consequently, while granting both unincorporated territories nonvoting representatives in the House, it named them "Resident Commissioners." Puerto Rico, even though a commonwealth since 1952, is still an unincorporated territory; and the title of its representative remains unchanged.

It may well be that Congress will insist that any representative from either Guam or the Virgin Islands be called Resident Commissioner rather than Delegate. Yet, Congress posed no objection to the designation of Delegate for the recently elected representative of the District of Columbia. And certainly the District was not considered, initially at least, a candidate for statehood. And, unlike Guam and the Virgin Islands, it could not become a State without an amendment to the Constitution.

Whatever the title of the representatives, I, along with most of my fellow American citizens in Guam and the Virgin Islands, could not care less. I am profoundly concerned that all Americans have a voice in this Nation's main legislative body. Another compelling reason for seating representatives from Guam and the Virgin Islands lies in the significant benefit that would accrue to all parties concerned. Congress would have immediately available advice and information on two of its more important strategic outposts, and the islanders would be immediately informed of the mechanics and politics of legislation involving their interests. Perhaps most importantly, the islanders' sense of isolation would be sublimated through the meaningful participation of their representatives in the proceedings of the National Congress.

For these reasons, Mr. Speaker, I wish to reiterate my full support for H.R. 8787.

## POLITICAL CLOUT AT WORK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. GERALD R. FORD) is recognized for 5 minutes.

Mr. GERALD R. FORD. Mr. Speaker, it goes without saying that one of the foremost duties of a Member of Congress is to serve the needs of his constituents. In this connection, a service performed by Senator ROBERT P. GRIFFIN of Michigan in handling a situation involving Detroit's poor is deserving of special attention. Senator GRIFFIN deftly used his political clout to bring about expansion of a supplemental feeding program for low-income infants, nursing and pregnant mothers in Detroit. The Detroit Free Press in an editorial dated December 28, 1971, explains how Senator GRIFFIN succeeded in getting the supplemental feeding program expanded and how he used his political influence for the good of the people of Detroit. The editorial follows:

POLITICAL CLOUT AT WORK

More of Detroit's poor are being fed—and fed better—as a result of Sen. Robert Griffin's use of "clout" with the Nixon administration. It makes an interesting story.

Griffin, Republican whip in the Senate, voted with the majority as controversial Earl L. Butz was confirmed as secretary of Agriculture by a vote of 51–44. From his position of leadership, if Sen. Griffin had gone against Butz he could conceivably have influenced three other senators to vote with him and defeat the nomination.

The senator has denied that he would have voted against confirmation, but added that "Butz's nomination came along at a very fortuitous time." Indeed it did.

Two days before the vote, Butz met with Griffin in an attempt to solicit support for his confirmation. The senator didn't commit himself and expressed concern about the food situation in Detroit. Dr. Butz got the message and the next morning, Philip C. Olsson, deputy assistant secretary of Agriculture, flew to Detroit to investigate.

The day following the vote, the Department of Agriculture approved expansion of the supplemental feeding program for low-income infants, nursing and pregnant mothers in Detroit from 3,400 to 15,000. In the short time since then, the USDA has restored high-nutrition foods such as peanut butter and scrambled egg mix to the program. And the fruit juice allotment, which had been cut by two-thirds, has been restored to its original level and more juices added.

Sen. Griffin, Sen. Philip Hart, Detroit area representatives and the Rev. Father William T. Cunningham, director of Focus: HOPE, which administers the supplemental food program, had been working with little success for a year to expand and restore the program.

Sen. Griffin has modestly shared credit with Sen. Hart, who is a member of the Senate Select Committee on Hunger and Nutrition, and Sen. Warren Magnuson of Washington, who wanted the program for the depressed Seattle area.

But Magnuson, a Democrat, was right in saying the Republican whip was the "key man who breaks logjams." Griffin has influence with Republican senators and with the Nixon administration. And he has used it to help his constituents in the Detroit area and 185,000 other infants and mothers around the country.

## ILLEGAL ALIEN HEARINGS TO BE HELD IN DETROIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, I wish to advise the House that Subcommittee No. I of the Committee on the Judiciary has scheduled 1 day of field hearings on illegal aliens in Detroit, Mich. These public hearings will be held on Friday, January 21, 1972, in room 802, U.S. Federal Building, Detroit, Mich.

The hearings are a continuation of hearings which began in the first session of the 92d Congress to investigate the numerous problems presented by illegal aliens and nonimmigrants who obtain unauthorized employment. During the last session of Congress, hearings were held in Washington, D.C.; Los Angeles, Calif.; Denver, Colo.; El Paso, Tex.; and Chicago, Ill.

Interested parties wishing to testify or prepare statements to be submitted for the hearing record should address their request to Subcommittee No. I, Committee on the Judiciary, U.S. House of Representatives, room 2139 Rayburn House Office Building, Washington, D.C. 20515.

## TRIBUTE TO LATE HON. L. MENDEL RIVERS

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from South Carolina (Mr. DAVIS) is recognized for 10 minutes.

Mr. DAVIS of South Carolina. Mr. Speaker, it has been a little over a year since the death of one of the outstanding sons of South Carolina. While the happy Christmas season was celebrated across the world, in Charleston and across South Carolina, another anniversary was observed. On December the 28th, in 1970, Congressman L. Mendel Rivers was called to his eternal task. There are many of his associates here in these halls. Numerous persons who can look back on their friendships with Mr. Rivers. While he was not a man to mince his words, he was respected by friend and foe alike.

I would, at this time of reflection, call upon the words of another illustrious citizen of our State, the Speaker of the South Carolina House of Representatives, the Honorable Solomon Blatt. To Speaker Blatt fell the task of accepting a portrait of the late Congressman to hang in the hall of the representative's chamber in the State House. I would, at this time, enter into the RECORD the remarks made by Speaker Blatt. I feel he has eloquently put down on the record, what all of us feel in our hearts:

SPEECH ACCEPTING THE PORTRAIT OF THE LATE HONORABLE L. MENDEL RIVERS ON BEHALF OF THE HOUSE OF REPRESENTATIVES BY SOLOMON BLATT, SPEAKER OF THE HOUSE

As night follows the day—death follows life. Life is divided into five areas. Hope—Faith—Charity—Love—and Service. Death is the sum total of all these as the key that opens the door to that home high in the heavens where there is happiness that flows as the result of the accomplishments of the individual during his lifetime.

While, for me, this is a sad moment as it is for you, as we recall the life and death of our departed friend, it is also the time when sadness fades away and the yesteryears of Mendel Rivers brings to us, his family and friends over the world the fond recollections of the dedicated services of a great man.

I am highly honored to be chosen as his friend to receive this portrait on behalf of all South Carolinians. Though Mendel Rivers is not here with us in body at this hour—he is with us in spirit and he sees every act, and hears every word as we dedicate this occasion to him for a life well lived, well spent and for his outstanding service to his God, his family and his fellowman.

Mendel Rivers was born in Berkeley County, September 28, 1905. He graduated from the high school of Charleston and from there he went to the College of Charleston and graduated from the University of South Carolina School of Law. He and his family moved from Berkeley County in 1916. He served in the South Carolina House of Representatives from 1933–36. From 1936–40 he served as special attorney for the United States Department of Justice. He was married to the former Margaret Middleton of Charleston, a dedicated help mate, and had two daughters, Mrs. Robert G. Eastman and Miss Lois Marion Rivers, and a son, Lucius Mendel Rivers, Jr.

He was elected to the 77th Congress on November 5, 1940, and he served on the Merchant Marine and Fisheries Committee and the Naval Affairs Committee, which became the House Committee on Armed Services. He became Chairman of the Committee on Armed Services in 1965.

He held honorary degrees from The Citadel, Clemson University, the College of Charleston, and Bob Jones University. He held honorary memberships in almost every military reserve and veterans' association in the United States. The Reserve Officers' Association presented him the Minuteman Award in 1965, and the Air Force Association presented him wtih the Distinguished American Award in 1970. On October 29, 1970, the L. Mendel Rivers Library was dedicated at the Baptist College at Charleston.

Congressman Rivers died on December 28, 1970, at the University of Alabama Medical Center in Birmingham, Alabama, and was buried on December 30, 1970, in the churchyard of the St. Stephen Episcopal Church, St. Stephen, South Carolina, in Berkeley County where he was born.

Mendel Rivers was a gentleman, an honest, sincere, dedicated statesman and in my judgment was one of the great Americans of our time. He was outspoken and fearless. The United States is a greater nation today and we are a free people because Mendel dared to tell the truth and kept us strong. He believed that our future as a free people was secure only if we had an army-navy-air corps second to none and this was a responsibility he assumed and he saw to it that sufficient funds were appropriated annually to provide the instruments of war if and when needed and to keep our shores free from any invaders. He loved and protected with all he had those who were in the armed forces of the United States.

Mendel Rivers was a man of sound judgment, strong and capable. He not only served his district with outstanding ability, he was Mr. Congressman At Large. He loved his state and nation. He loved people and he burned the midnight oil in his official capacity to better serve the people of his state and nation. He was responsible for many military installations found in many areas of South Carolina, giving employment to thousands of people in our state.

Mendel came to the South Carolina House of Representatives in 1933 the same year I began my service in this hall. He was kind and made friends without difficulty. He instantly became a leader in the House and was loved and respected by all of his colleagues. He was with us but a short while when I predicted he would travel a long way during the time he lived. I am so happy that the opportunity was mine to serve with him where we became fast friends and that friendship continued to the date of his death.

The Congress of the United States has lost its most outstanding member and the nation one of its most outstanding statesmen. This state is a better state because Mendel Rivers was a citizen of South Carolina and lived here and our nation is a better nation because he served in the halls of Congress.

Though Mendel Rivers be dead he will never die and he will always live in the hearts and minds of freedom loving people the world over and it is entirely proper and fitting that his portrait be painted and hung in this historic chamber where the generations yet unborn might have the opportunity to see this great man and to learn of his love for his family, his state and the people he fought to protect during all the years of his life. In honoring him we honor ourselves.

As one who loved him, it is with pride and a deep sense of gratitude that I have been designated to accept this portrait of my good and great friend, and I do so now for you, his family, South Carolina, and all mankind.

## REPLY TO ISTHMIAN DEMAGOGS AND THEIR COLLABORATORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 20 minutes.

Mr. FLOOD. Mr. Speaker, in the evolution of the Isthmian Canal policy of the United States, November 29, 1971, may be recorded in history as a pivotal date. On that day were started the first comprehensive congressional hearings on crucial canal policy questions since 1906 by the Subcommittee on the Panama Canal of the House Committee on Merchant Marine and Fisheries under the chairmanship of my able and distinguished colleague from New York (Mr. MURPHY).

Since the start of the indicated inquiry there have been a number of interesting developments and significant disclosures. As they have not been adequately covered by the major press of the United States, I shall mention some of them:

First. The attempts during the hearings by the executive branch of our Government, especially the Department of State, to avoid the spotlight of public scrutiny on canal policy questions by requesting executive sessions.

Second. The determination of certain State Department officials to surrender U.S. sovereignty over the Canal Zone to Panama.

Third. The biological dangers of constructing a canal of so-called sea level design, which include the infestation of the Atlantic with the poisonous Pacific sea snake and the voracious crown of thorns starfish that are not indigenous to the Atlantic.

Fourth. The inherent instability of Panama as evidenced by the fact that during the last 69 years it has had 59 presidents. One of them, who had been elected by an overwhelming majority, was deposed by the present revolutionary government of Panama in 1968 after serving only 11 days of his 4-year term and had to flee for his life into the Canal Zone.

In contrast to the general ignoring of these hearings by the mass news media in our country except the Chicago Tribune, Phildelphia Bulletin, and New York Daily News, the Spanish-language press in Panama has featured sensationally hostile propaganda against the United States and Members of the Congress. This has included statements by Gen. Omar Torrijos and Foreign Minister Juan Tack, who have not only maliciously criticized Chairman MURPHY of the subcommittee but also have threatened to prevent his committee from holding hearings on the Isthmus and reiterated false charges of colonialism and imperialism at Panama. One threat by General Torrijos is to invade the Canal Zone in the event Panama does not succeed in obtaining its aspirations in the current treaty negotiations, which includes full sovereignty over the zone territory.

In the early part of the 20th century, when the Isthmian Canal policy of the United States was being formulated, the highest officials in our Government personally studied the subject, and, when needed, made public statements. Today there is no evidence of such study by our highest officials, who have made no significant statements protective of the U.S. interests at Panama since Secretary Dulles, following the 1956 Suez Canal crisis.

In the absence of such statements by our high responsible officials in the ex-

ecutive branch, I shall reply to some of the Panamanian allegations as to the imperialism and colonialism.

In 1902, the United States selected the Panama route in preference to Nicaragua. Was that colonialism or imperialism? It was not but an action based upon specific recommendations of the Isthmian Canal Commission headed by Rear Adm. John G. Walker, after years of study of the complicated subject.

In 1903, the United States recognized the independence of Panama after its secession from Colombia, and guaranteed that independence. Were these colonialism or imperialism? They certainly were not, but actions necessary for the construction of an Isthmian Canal at Panama as desired by Panamanian leaders who feared its loss to Nicaragua. These facts are never mentioned by present revolutionary leaders of Panama.

During the construction of the canal, 1904–14, the United States was unable to get many Panamanians to work and had to employ West Indian nationals by the thousands. Was this colonialism or imperialism? Of course not.

When the United States started upon the task of sanitating the Canal Zone in 1904, it transformed the Isthmus from the worst pest hole in the world to a place of health and sanitation, supplying the people of Panama an example for emulation. Was that action colonialism or imperialism? Most certainly not, but these facts are never mentioned by Panamanian propagandists.

As of June 30, 1968, the total net investment of the United States in the Panama Canal, including its defense since 1904, was more than $5,000,000,000, much of which was expended in Panama. Were such expenditures colonialism or imperialism? They were not.

Since U.S. occupation of the Canal Zone that territory has been frequently used as a haven of refuge for Panamanian leaders seeking to escape assassination, one of the most recent examples having been that of Señora Torrijos who fled there from Panama during an abortive attempt to overthrow General Torrijos. Was such use of the Canal Zone colonialism or imperialism? Certainly not but humane action. For humanitarian reasons alone let us preserve the zone as an island of stability and security in a sea of endemic revolution and guerrilla control. If present Panamanian demagogues have their way it is likely that they themselves, when the time comes for their overthrow, will be the first victims of their own practices.

One of the defects of the 1903 treaty was its failure to provide for an adequate crossing of the canal for Panamanians. To correct that situation the United States constructed the Thatcher Ferry and Highway at the Pacific end of the canal and in 1962 replaced the ferry with a great bridge. Were these actions colonialism or imperialism? Obviously not but measures for the convenience of residents of Panama as well as the Canal Zone.

The Congress, in the Panama Canal Reorganization Act of 1950, placed the canal on a self-sustaining basis and has thus been able to keep tolls relatively low for the benefit of the ultimate consumer of the products transported through the canal. Was this colonialism or imperialism? Of course not, but a benefaction to the world at large, including Panama.

Since completion of the canal the United States has expended vast sums in defending it and maintains forces in the isthmus for its protection. Are these acts of colonialism or imperialism? Of course not, but measures essential for the defense of the entire Western Hemisphere, including Panama.

Since opening the canal to traffic in 1914, the United States has employed thousands of Panamanians in the maintenance and operation of the canal. Was this colonialism or imperialism? Certainly not, and about 16,000 Panamanians now have employment in the Canal Zone and do not wish to have it jeopardized.

In 1969, Canal Zone sources injected about $161 million into the Panamanian economy, giving this small country one of the highest per capita incomes in all of Latin America. Was this colonialism or imperialism? Certainly not, for zone activities were and still are a major source of income for that country.

In the face of the truly beneficent policy of the United States in the building, maintenance, operation, sanitation, and protection of the Panama Canal our country has written one of the most glorious chapters in its history. Yet the present revolutionary government of Panama, in temporary control of that country, in order to prolong its existence has attempted to misinform and mislead the people of Panama that everything done by the United States since 1904 has been imperialistic or colonial in character for the purpose of oppressing them. There could be no greater falsehood. The truth is that the present government of Panama has been communistic in character and practice, serving as a tool for Soviet power. Were the United States today to withdraw its recognition of the present revolutionary regime that government would wither and die.

During recent years our own Department of State has adopted and practiced weak and timid policies with respect to Panama; and this course has served to invite the intolerable conditions now plaguing our relations with that small country. Looking back, it is indeed fortunate that during the construction of the canal the State Department was not in the picture for if it had been, the canal could probably not have been built.

Never in the entire diplomatic history of the United States has our State Department been so weak, vapid, stupid, and submissive as it has been in recent years, and now is, at Panama. All of this plays directly into the hands of the U.S.S.R. policy which since 1917 has had for a main objective the wresting of control of the Panama Canal from the United States, which would be followed by a complete takeover of the canal and Panama as was done in Cuba and Chile.

In the face of the pro-Communist attitude of the present revolutionary government of Panama that threatens the security of our maritime jugular vein, the Department of State never offers a public denial of the false and malicious charges of that government which would not even be in existence except for our ill-advised recognition of it.

During recent months I have received many comunications from persons especially knowledgeable about our relations with Panama and the present situation there. The writers reside in Panama, the Canal Zone, and the United States and most of them for security reasons must not be named.

One of my informants from California, because of his family connections with former President Manuel Amador of Panama, has followed the Isthmian situation closely. Because of their relevance, I quote major excerpts from some of his letters, as follows:

NOVEMBER 7, 1971.

DEAR CONGRESSMAN FLOOD: I am enclosing a copy of a letter that I sent to Mr. Harold Lord Varney about his article that you kindly sent me.

Concerning Torrijos' flight to Cuba to meet with Kosygin and Castro, *this meeting is not to be ignored.* We know that Torrijos has been meeting with agents of Castro in David for the past two years. As we know that Torrijos is being steered by the Kremlin, that meeting with Castro and Kosygin in Cuba could only mean that Torrijos is working out a plan with the Kremlin concerning further violent attacks against the United States and *a possible financing of a new Canal in Panama.* This financing of a new Canal by the Soviets, has been strongly rumored during the past two months.

From what we can gather from very reliable sources in Panama, Torrijos will announce shortly opening diplomatic relations with Red China. Panama has enjoyed the vocal support of the Red Chinese in its demand for more equitable arrangement concerning the Canal Zone.

Actually, what has kept Torrijos in power for the past 3 years has been the U.S. economic aid and financial assistance both publicly and privately. This is a paradox as Panama *has no safeguards* being a non-constitutional government. You probably are aware of the financial crisis in Panama today.

As close to 100% of the Panameños want their constitutional government of President Arias back, they are making a very concise, unified effort to restore their legal government. As Torrijos has a highly paid network of spies in all aspects of society, this still will not stop the people of Panama from restoring their elected government of 1968 and this could happen at anytime.

Again, with my warmest regards.

Sincerely,

PHILLIP HARMAN.

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NOVEMBER 6, 1971.

Mr. HAROLD LORD VARNEY,
*President, Committee on Pan American Policy of New York, New York, N.Y.:*

Congressman Flood so kindly sent me a copy of your article "Why is Mr. Nixon giving away the Canal Zone?"

Mrs. Harman, whose grandfather was the founder of the Republic of Panama, and I enjoyed very much your article.

There are two (2) factors that I would like to mention concerning this article. The first factor concerns the present treaty discussions in Washington. You mentioned on page 28 "But so certain are the Nixon negotiators that they will prevail that they have already adopted a tentative timetable calling for the completion and signing of the new treaty this year, and its submission to the Senate for ratification in the present session. Anderson and his associates are confident that the new surrender treaty will be operative, with Mr. Nixon's signature, by the beginning of 1972."

As I am so close to Panama and also followed the 1964–67 proposed treaties, I personally do not believe that President Nixon will submit a treaty or treaties to the Senate for Advice and Consent for the following reasons:

1. The House of Representatives are again against any new treaty.

2. The present government in Panama is leftist.

3. The present government in Panama is non-constitutional.

The constitution of Panama clearly states that any treaty has to be signed by a constitutional elected president and ratified by the National Assembly of Panama. As there are no procedures for ratification being a non-constitutional government, the United States could not validly sign a treaty with the present government in Panama.

The second factor concerns the constitutional President of Panama, Dr. Arnulfo Arias, whom you mentioned on page 23. As I have explained to Congressman Flood and also to Senator Thurmond, *President Arias has been the target of the Red conspiracy since the 1940's* when he openly declared that the Soviets plan of conquest was first the Republic of Panama and after that would come the "cold war" battle for control of the Panama Canal. Of all of the Panamanian presidents, Dr. Arias was the one the people listened to and that is what the Reds feared. As he was the only Panamanian President that fought the Reds and exposed them, *they falsely accused him and slandered his name both in the United States and abroad.*

In President Arias' presidency of 1949–51, he endeavored to pass a bill through the National Assembly to ban Communists from public office. On April 11th, 1951 this bill was defeated. One month later on May 10th, the Reds who hide behind other people in Panama, were able to overthrow his government and take away his civil rights for 10 years.

President Arias has devoted his whole life both as a physician and as a president endeavoring to improve the lot of the poorer Panamanians. And because of that he has been shot and wounded, imprisoned, citizenship taken away for 10 years, 3 governments overthrown, robbed of an election, his home burned to the ground with all of his personal effects and documents, and then had to leave his presidency on October 11th, 1968 otherwise he would have been shot and killed.

The Panamanian politicians have always used the Canal as a political football. The only Panamanian that never used the Canal as an issue is President Arias. He always maintained that the country should be developed and not depend so much on the economy of the Canal. However, he has always been very much aware that Panama receives in fringe benefits $166 million dollars paid for in salaries, pensions, and products bought from Panama. You will be interested in reading the enclosed 1963 newspaper clipping concerning the viewpoints of Dr. Octavio Fabrega and President Arias. Dr. Fabrega said there should be a full revision of the 1903 treaty whereas President Arias in reply said the Canal issue is fallacious. He warned that *"anti-Yankee campaigns opens the door to subversive agents of Castro communism and Soviet imperialism."* Today, we know that Torrijos is meeting with agents of Castro in Panama City and David and Soviet advisors have been in Panama for the past 2 years. That statement of President Arias was made 8 years ago.

Of the four (4) elections that President Arias won and always with an overwhelming majority of votes by the people of Panama (one of which the Reds did not allow him to assume in 1964) the Reds were always able to keep him out of office after a short period of time in the presidency. However, they were unable to stop him from iniating the Social Security and making it possible for the women of Panama to vote.

Last Wednesday I talked to President Arias in Miami where he is in exile. He is very much concerned over the rumored flight of Torrijos to Cuba where he met with Kosygin and Castro. As I am in constant touch with Panama, the Panamanians who are captives in their own country by the leftist military regime, are also very worried over this Communist meeting. I am enclosing the Miami article about this secret flight. The article also mentioned about the pressure being brought upon Torrijos to adopt a more violent position against the United States.

We must remember that the Soviet's "Panama Canal prize" is much greater than their Naval bases in Cuba. They do not want to lose this once in a lifetime opportunity with the leftist military regime now in power in Panama.

For your information, a very recent "secret poll" was taken in David, Panama City, and Colon to determine the thinking of the Panamanians relative to restoring their 1968 constitutional government. Close to 100% were in favor of bringing back their elected government of President Arias. It is with this strength of the people that will restore their constitutional government and this could happen at anytime.

Cordially,

PHILLIP HARMAN.

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NOVEMBER 13, 1971.

Hon. DAVID M. ABSHIRE,
*Assistant Secretary of State for Congressional Relations, Department of State, Washington, D.C.*

DEAR SECRETARY ABSHIRE: Mrs. Harman, whose grandfather was the founder of the Republic of Panama, and I read with interest the November 10th issue of the Miami Herald newspaper concerning your apprehension over Congressman John M. Murphy's Subcommittee on Panama Canal hearings that will start on November 29th.

In my letter to you of November 4th, I had enclosed the Miami article about the secret rumored flight of Omar Torrijos to Cuba where he met with Kosygin and Castro. It is said that Torrijos asked Kosygin for $27 million dollars in cash and $44 million dollars worth of arms. His need for these arms would be for his threat of invading the Canal Zone if he doesn't get jurisdiction over the Canal Zone. Congressman Durward G. Hall in his address before the House of Representatives on November 11th, also mentioned about Torrijos' invasion of the Canal Zone with 6,000 rifles if he failed to get a new treaty.

As the Panamanian treaty negotiators only represent the non-constitutional military government, the Panameños, who are captives in their own country, know that the discussions do not have any validity. Your statement of "The presence of your committee in Panama and the Canal Zone in order to take testimony from Panamanian officials or residents of the Canal Zone could certainly affect the course of these negotiations to the detriment of U.S. interests as well as adversely affect our over-all relations with Panama" should take into consideration two (2) factors of your statement:

I. Concerning "detriment of U.S. interests" the military of Panama, who are steered by Communist Agents, already have plans for the nationalization of three (3) American interests; namely,

A. *Utilities.* They already have harassed the Fuerza y Luz (The Panama Power and Light Company) who also supply gas and operate the telephone company. As the military does not pay their government bills, it it very difficult for the Fuerza y Luz to stay in business. Then the military takes over.

B. *Banks.* The plan of the military is to follow the procedure that Allende is now doing in Chile in taking over the banks.

C. *Bananas.* As this is the principal product of Panama (more than $60 million dollars worth were exported in 1970) this is the number one objective of the military.

2. Concerning "over-all relations with Panama" the recent "secret poll" taken in Panama to determine the thinking of the Panameños relative to restoring their constitutional government President Arnulfo Arias, showed that close to 100% of the people wanted their 1968 elected government back. The Panameños are now making a very concise unified effort to restore their constitutional government and this could happen at anytime.

Because the "over-all relations with Panama" could change at anytime when the Panameños restore their constitutional government, it should be taken into consideration by the United States, that President Arnulfo Arias, a good friend of the United States and now in exile in Miami, would be confronted with these present de facto treaty discussions. If these discussions are to be resumed upon President Arias return, I do know they would be conducted in a very friendly atmosphere and on a very open basis with responsible and knowledgeable Panamanians representing the constitutional government of President Arias.

With my warmest regards.

Most sincerely,

PHILLIP HARMAN.

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DECEMBER 11, 1971.

DEAR CONGRESSMAN FLOOD: It was so kind of you to send me a copy of the Hearings of the Subcommittee on Inter-American Affairs and also your letter of Dec. 6th thanking me for the birthday greetings.

In the Evening Star clipping that you graciously sent me, I noticed where it said "The State Department is concerned largely because the issue so explosive with the Panamanian public." Nothing could be further from the truth. In answer to this, I sent a letter to Secretary Abshire. The number 2 point explains how the propaganda of the military operates. I am enclosing a copy of my letter as I know that you would be interested in seeing it. Nine individuals are running the Republic of Panama and I have listed their names. Omar Torrijos is the figurehead.

At the present time in San Jose, Costa Rica are two Soviet diplomats whose names are Arnold Ivanovich Mosolov and Stanislav Vesselovsky. They are endeavoring to persuade the Costra Rican people to open relations with the Soviets. However, these two Russian diplomats have made several trips to David and Panama City where they met with the military. The strategy between the two countries is that Costa Rica would be the first to open relations and then Panama would follow. Foreign Minister Facio of Costa Rica has been an admirer of the leftist military in Panama and has publicly supported the military's demand for sovereignty over the Zone. Because of his support, the military recently decorated him.

With my warmest regards and admiration.

Sincerely,

PHILLIP HARMAN.

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DECEMBER 11, 1971.

Hon. DAVID M. ABSHIRE,
*Assistant Secretary of State for Congressional Relations, Department of State, Washington, D.C.*

DEAR SECRETARY ABSHIRE: Thank you for writing to Senator Case concerning a letter that I wrote to him about the military dictatorship in Panama that is threatening the security of the Panama Canal. Because of this do keep five (5) factors in mind:

1. The Panamanian negotiators only represent 9 individuals and not the people of Panama who deplore this dictatorship. The

9 individuals are: Omar Torrijos, Rodrigo Garcia, Florencio Florez, Armando Contreras, Manuel Noriega, Ruben Paredes, and Manuel Arauz all of the military; Bolivar Vallarino, former head of the military and Ruben Dario Souza, General Secretary of the People's Party, the Communist Party of Panama.

2. The military control all news media. Their propaganda given out to the world that the Canal Zone sovereignty is an explosive situation with the Panamanian public. This is not true. The large silent majority of Panamanians are aware of the $160 million they receive from the U.S. for salaries, pensions, and products bought from them. They do not want to lose this income and livelihood.

3. The head of the military is a Communist like Castro. In a press interview on Sept. 30th, 1970 in Moscow, Ruben Dario Souza of the Communist Party of Panama, informed the press that Omar Torrijos is a Communist.

4. The Panamanians are gravely worried over the Justice Department report that Panama is one of the world's key centers of the illegal narcotics traffic.

5. The recent "secret poll" taken in Panama showed that close to 100% of the people want to restore their constitutional government of President Arnulfo Arias, a good friend of the U.S. and this could happen at anytime.

Cordially,

PHILLIP HARMAN.

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DECEMBER 18, 1971.

Mr. JEREMIAH O' LEARY,
*The Evening Star,*
*Washington, D.C.*

DEAR MR. O'LEARY: Mrs. Harman, whose grandfather was the founder of the Republic of Panama, and I have been following the hearings of the Subcommittee on Panama Canal. As I understand it, the hearings were concluded on December 10th.

Congressman Flood so kindly sent me your article of December 1st concerning the hearings. May I bring up two (2) parts of your article that may be of interest to you? Ambassador Mundt had requested to conduct the questioning in executive session and the State Department is concerned largely because the issue is so explosive with the Panamanian public:

1. Perhaps the reason why Ambassador Mundt requested the secret hearings pertains to a secret report that I am enclosing for you to read. This was a meeting held at the Presidential Palace in Panama on September 21st concerning the Panamanian treaty negotiators. This report states that the United States and Panama have agreed *that Panama would ratify the treaty first and this must be done before December 31st of this year.*

Perhaps that explains Ambassador Mundt's request and also why Omar Torrijos had asked Congressman Murphy not to come to the Canal Zone to continue his hearings. Congressman Murphy's presence in the Isthmus would alert the Panamanians and may disturb the strategy that Torrijos has planned for a de facto ratification before the year is out.

2. The issue of the sovereignty over the Canal Zone *is not an explosive issue with the Panamanian public.* As the military control all news media and as there is no freedom of speech in Panama, the propaganda machine of the military in conjunction with the Communist party of Panama, have given out this false publicity in order to stir up world sympathy.

The large silent majority of Panamanians are very much aware of the fact that they receive over $160 million dollars yearly from the United States in the form of salaries, pensions, and products bought from them. They do not want to lose this income and livelihood.

I am also enclosing a copy of a letter that I sent to Mr. Mark B. Feldman, legal adviser for Inter-American Affairs and a letter to Secretary Abshire of the State Department who also had requested Congressman Murphy not to continue his hearings in the Zone.

You will be interested to know that the Panameños are making a very concentrated and unified effort to restore their 1968 constitutional government *and this could happen at anytime.* The return of President Arnulfo Arias, a good friend of the United States and now in exile in Miami, *would certainly change the status of the treaty talks now going on in Washington.* As to President Arias' viewpoints concerning the Canal issue, you will be interested in reading the enclosed article of October, 1963 where he says "anti-Yankee" campaigns opens the door to subversive agents of Castro communism and Soviet imperialism." That statement was made over 8 years ago. Today in Panama, the military have been meeting with agents of Castro for over 2 years and Soviet advisers are now there.

As I am in constant touch with factual happenings in Panama, do let me know if there is any information that I can send to you. The planned nationalization of American interests in Panama such as utilities, banks, and the banana industry by the leftist military is another story.

With my warmest regards and best wishes for the holidays.

Cordially,

PHILLIP HARMAN.

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DECEMBER 13, 1971.

Mr. MARK B. FELDMAN,
*Assistant Legal Adviser for Inter-American Affairs, Department of State, Washington, D.C.*

DEAR MR. FELDMAN: Mrs. Harman, whose grandfather was the founder of the Republic of Panama, and I have been following Congressman Murphy's hearings with a great deal of interest.

As you probably know, as a private individual I have been informing the members of Congress and others about the leftist military dictatorship in Panama and their ties with the Soviets and Cuba. Just the other day, the two Soviet diplomats that are in San Jose, Costa Rica endeavoring to get that government to open relations with the Soviets, have made several trips to David and Panama City where they met with the military. Their names are Arnold Ivanovich Mosolov and Stanislav Vesselovsky. At the present time in Panama are several Russian professors who are holding conferences on various subjects at the University of Panama. I am enclosing a picture of some of the Russian advisers that have been coming into the country.

In the December 1st issue of the Washington Evening Star, the article mentioned that "The State Department is concerned largely because the issue is so explosive with the Panamanian public." *Nothing could be further from the truth.* As the military control all news media, this is the false propaganda to stir up world sympathy. The Panamanian public deplore this leftist dictatorship and also they are very aware of the $160 million dollars a year that the U.S. pays to them in the form of salaries, pensions, and products bought from them. They do not want to lose this income and livelihood.

I am enclosing a 5 page letter that I sent recently to Senator Spong of the Foreign Relations Committee concerning the military in Panama and also a letter that I have sent to Secretary Abshire. As you are a member of the Bar, you will be interested in the enclosed statement of the National Bar Association of Panama that was made on Oct. 14th, 1968 just 3 days after the military took the country over by gunpoint. Their statement to the world should be read by the other Latin American countries who do not already have a military government.

You will be interested to know that in the recent *"secret poll"* that was taken in Colon, David, and Panama City that close to 100% of the Panameños were in favor of restoring their 1968 constitutional government of President Arnulfo Arias, a good friend of the United States and now in exile in Miami, Florida. It is with this thought in mind that the Panameños are making a very concentrated and unified effort to bring back their elected government so that civil liberties and democracy will be restored to them *and this could happen at anytime.*

I do know that upon the return of President Arias, if the United States wishes to resume the treaty talks, that President Arias would be pleased to do so. They would be resumed in an open and friendly atmosphere with responsible and knowledgeable Panamanians representing the people of Panama. As it is now, the Panamanian treaty negotiators are only representing 9 individuals which I listed in my letter to Secretary Abshire and not the one million Panameños who deplore what the leftist military did to their country.

With my warmest regards.

Cordially,

PHILLIP HARMAN.

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JANUARY 10, 1972.

DEAR CONGRESSMAN FLOOD: For the first time in the Canal Zone history, the canal is now surrounded by Communist countries and countries that have full diplomatic relations with the USSR. What with Cuba in the Atlantic, Chile in the Pacific, Colombia in the South and now with Costa Rica in the North, the USSR is getting closer to their primary objective of gaining control over the Panama Canal.

As I previously mentioned in one of my letters, the new Soviet Ambassador to Costa Rica, Stanislav Vesenovsky, and his Russian diplomatic adviser for Latin America, Arnold Ivanovich Mosolov, have made several trips to Panama where they met with Torrijos and other officers as well as Ruben Dario Souza, General Secretary of the Communist Party in Panama.

I am enclosing a copy of the Copley News Service article that was released yesterday concerning the leftist military of Panama and their threats to divert the Chagres River and control the waters that supply the canal.

Because of the military's threats to divert and control the water that supply the canal; the threats to takeover the Canal Zone by force; and to stop the military from trafficing in narcotics of which 12% of the drugs in the U.S. stem from Panama, *the people of Panama are making a very concentrated effort to restore the constitutional government of President Arnulfo Arias and this could happen at anytime.*

With my warmest regards and best wishes for the New Year.

Cordially,

PHILLIP HARMAN.

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[From the San Diego (Calif.) Union, Jan. 9, 1972]

GIVE UP CANAL, PANAMA TELLS UNITED STATES

(By William Giandoni)

Panama, not Communist Cuba or Marxist Chile, could well be the United States' biggest problem in Latin America in 1972.

Panamanians, from strong man Gen. Omar Torrijos on down, are publicly threatening the United States with violence if demands for "Panamanian sovereignty and effective jurisdiction" over the Panama Canal are not met.

Clearly, the government of Panama is trying to force the United States to give up the "direct, unilateral and effective control over canal operations and defense" that it has long exercised and wants included in any new treaty between the two countries.

Panamanian student spokesman Conrado

Gutierrez, for example, told the National Student and Popular Assembly for the Unity of Anti-imperialist forces in Panama City that the U.S. military presence must be eliminated in the Isthmian republic.

"Not a single U.S. soldier to remain in our country," he told the meeting at the University of Panama. "The aggressive U.S. nature and the military bases must be liquidated, and the canal area must be returned to the Panamanian government."

Gen. Torrijos, the head of Panama's National Guard, himself declared that the masses would rise up in rebellion if they were not satisfied by outcome of the treaty talks, and that he would not move to put down the uprising.

The National Guard serves as both police force and army in Panama. It has long enjoyed a reputation for expertise in handling volatile crowds and preventing riots, but it acts only on command from higher authority, currently Gen. Torrijos.

What apparently worries the Panamanian government is contradiction between the stands of the United States and Panama on the matter of sovereignty over the Panama Canal.

Under terms of the Hay-Bunau Varilla treaty, Panama granted the United States, in perpetuity, the use, occupation and control of a zone of land and land under water for the construction, maintenance, operation, sanitation and protection of a canal, with all the rights, powers and authority within the zone which the United States would possess and exercise if it were the sovereign of the territory.

Although that document, signed in Washington Nov. 15, 1903, 15 days after Panamanian independence was proclaimed, aroused objections in Panama as soon as its terms became known there, it has served to permit the United States to construct and operate the Panama Canal.

* * * * *

Attempts to draft new treaties reflecting the realities of this day and age started years ago. Panamanian and U.S. negotiators did manage to work out a set of three proposed agreements in 1967.

As one former U.S. treaty negotiator, John C. Mundt, told the House subcommittee on the Panama Canal, the 1967 drafts contained the following provisions:

The first treaty, relating to the present canal, would have abrogated the Treaty of 1903 and provided for recognition of Panamanian sovereignty and sharing of jurisdiction in the canal area, operation of the canal by a joint U.S.-Panamanian authority with U.S. majority membership, and ultimate possession of the existing canal by Panama.

The second treaty would have granted the United States an option for 20 years to start constructing a sea-level canal in Panama and U.S. majority membership in the controlling authority for 60 years after its opening.

The third treaty would have provided for continued U.S. defense of the existing canal and, subsequently, U.S. defense of the sea-level canal, if built.

While Mundt did not mention the fact, the draft treaties were concluded about the time that a presidential election campaign started in Panama and quickly became a political football. President Marco A. Robles, who now lives in exile in the United States, did not bother to submit them to the National Assembly for ratification.

President Arnulfo Arias, inaugurated to succeed Robles Oct. 1, 1968, was ousted on Oct. 11, and also went into exile in the United States.

The provisional junta government that emerged in Panama under the leadership of Gen. Torrijos, studied the drafts, rejected them and asked for renewal of negotiations.

Serious talks got under way again in mid-1971 in Washington.

But, as is obvious from the tone of comment in Panama's tightly controlled newspapers, "emotional issues" cloud the discussions.

There is ample evidence that Marxist agitators are doing their utmost to excerbate Panamanian sentiments against the United States. Students at the University of Panama are being harangued with inflammatory speeches.

One such was the talk by law professor Camilo O. Perez, who spoke of Panama's struggle for sovereignty and peace. He went so far as to suggest that Panama could divert the Chagres River and control the waters that supply the canal, to strengthen its position in the treaty negotiations.

Efforts are being made in other Latin American countries to mobilize students to support Panama's fight against "imperialism."

Among the countries egging Panama into a confrontation with the United States are China, Communist China and Marxist Chile.

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## A CONSTITUTIONAL LIMIT ON DEFICIT SPENDING, BY HON. HAROLD RUNNELS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico (Mr. RUNNELS) is recognized for 20 minutes.

Mr. RUNNELS. Mr. Speaker, today I am introducing a bill to amend our constitution to limit deficit spending by the Federal Government.

Our public debt now exceeds $423 billion. This fiscal year it is estimated that we will go $28 billion further into debt. Our debt last year was over $23 billion and our debt next year apparently will be over $32 billion.

The reasons for the present economic condition of this Nation can and probably will be debated and discussed for decades; however, I think almost all economists will agree that continued large-scale deficit spending by the Federal Government has become the greatest single factor acting to the detriment of our Nation's overall economic health.

Last fiscal year, President Nixon presented Congress with a budget which he said would create a $1.3 billion surplus. At the end of that fiscal year we learned that this $1.3 billion surplus had changed into a staggering deficit of over $23 billion. Initial explanations of next year's recommended budget deficit are somewhat confusing in that unemployment statistics have somehow been integrated into administration calculations. The total figures stand out quite clearly, however. In 4 years this administration will have incurred a debt somewhere in the neighborhood of $86 billion, a feat surpassed only by Franklin Delano Roosevelt during the Second World War.

Of course, Congress must also be held accountable for deficit spending. But it must be pointed out that Congress is given a budget by the administration to be followed each fiscal year. Congress uses that budget as a general guideline together with revenue estimates also provided by the administration. I have already introduced legislation, House Joint Resolution 907, which would have Congress draft its own budget using its own revenue estimates in hopes that a different approach might lead to more success. I don't see how a new approach could be much worse than our present system.

The legislation I am introducing today complements House Joint Resolution 907. This bill would, through an amendment to our constitution, impose a ceiling on deficit spending. Any appropriation made by Congress in excess of that ceiling would be without constitutionally granted powers and this would be null and void. I have set the deficit spending ceiling for any fiscal accounting period at 5 percent of the total revenues received by the Federal Government during the preceding fiscal accounting period. This would allow a relatively small amount of deficit spending when necessary. At the same time the ceiling would not be set at an arbitrary monetary figure which could become insignificant as the Federal budget grows with our economy.

In fiscal year 1971, Federal receipts amounted to $188.4 billion. If the deficit spending ceiling I am proposing today were in effect for the current fiscal year, our budget for fiscal year 1972 would be $197.82 billion. Any legislation passed subsequent to appropriations in that amount would be null and void.

Perhaps the most important effect the deficit ceiling would have would be to force Congress to keep a close account of its appropriations each year. The fact that those appropriations, enacted into law after the spending limit ceiling has been reached, would be null and void would necessitate that Congress set up spending priorities, an event which I think a vast majority of Americans feel is long overdue. The establishment of spending priorities would perhaps be difficult and painful but the resultant savings to the American taxpayer would be a blessing. In my opinion the American economy would have an opportunity to revitalize and rejuvenate itself.

Aother important effect of setting a deficit spending ceiling would be to provide a clear and distinct guideline to be used as a basis for our Federal budget each fiscal year. The revenues of one fiscal year would control the budget for the subsequent fiscal year. Congress would no longer have to rely on vague and fluctuating revenue estimates which somehow almost always end up producing an unbalanced budget.

As our revenues grow each year our budgets would also be able to grow. Congress would be forced to provide a means of raising revenues if it determined that a significant increase in Federal spending had become necessary the following fiscal year.

I have included an emergency provision in this bill. It would allow Congress, by a two-thirds vote of both houses, to declare a national emergency necessitating the temporary suspension of the deficit spending ceiling limit in any given fiscal year.

The end result of this bill would be to curb the almost geometrical expansion of our Nation's public debt. Since 1930 our national debt has grown by leaps and bounds from $16 billion to well over $400 billion. During the last two decades our national debt has increased by an amount greater than the entire national debt which accumulated from the

birth of this Nation until the Second World War. We are now paying over $40,000 per minute on interest on this debt. This interest amounted to over $20 billion in fiscal year 1971.

The state of our economy has become the primary topic of concern in our Nation. Americans are now working from day to day under Federal regulations which control our financial affairs to the extent of even limiting how much we can receive in salary increases. Some of the most fundamental concepts of the free enterprise system have been suspended. Whether or not these controls will restore a healthy economy to our land is a matter of speculation at this point. The one thing which is certain is that the Federal Government must straighten out its financial affairs. We can begin by eliminating once and for all such deficit spending as last year's $23 billion debt and the $28 billion debt anticipated for the current fiscal year.

The following is the text of my bill:

H.J. RES. 907

Joint resolution proposing an amendment to the Constitution of the United States limiting deficit spending by the Federal Government

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following article is hereby 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:

"ARTICLE —

"SECTION 1. The Congress shall have power for any fiscal accounting period to draw money from the Treasury in consequence of appropriations made by law in excess of no more than 5 per centum of those receipts received by the United States during the previous fiscal accounting period, except where Congress by two-thirds vote of both Houses during any fiscal accounting period shall determine that a national emergency requires that additional money be drawn from the Treasury during that fiscal accounting period."

"SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress."

## RESOLUTION TO CENSURE THE CONDUCT OF THE PRESIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. ABZUG) is recognized for 5 minutes.

Mrs. ABZUG. Mr. Speaker, I am introducing today a resolution of censure of the conduct of the President in deliberately and explicitly violating section 601 of Public Law 92–156, duly enacted by the Congress and signed into law on November 17, 1971.

Section 601 of the Military Procurement Act of 1971 declares it to be "the policy of the United States to terminate at the earliest practicable date all military operations of the United States in Indochina" and to provide for the withdrawal of all U.S. military forces "at a date certain" subject to the release of all American prisoners of war. Section 601 then directed the President to take the following steps to implement this policy:

First. Establish a final date for the withdrawal of all our military forces contingent upon the release of the prisoners.

Second. Negotiate with the government of North Vietnam for an immediate cease fire by all parties to the hostilities in Indochina.

Third. Negotiate for an agreement which would provide for a series of phased and rapid withdrawals of our forces from Indochina in exchange for a corresponding series of phased releases of American prisoners of war, to be completed by a date certain.

This modified version of the Mansfield amendment did not itself set a specific date for withdrawal, as so many of us have urged and will continue to urge. It does, however, declare it to be not just the sense of Congress, but rather the "policy of the United States" that a date certain for total withdrawal of our forces from Indochina be established, subject only to the release of American prisoners.

In enacting this language, the Congress did not act lightly or without deliberation. The question of our involvement in Indochina has been the all-consuming issue before the Congress and before the American people for at least half a decade. The debate has been held, and the consensus is in. A majority of the American people, now that they know the horrible truth about this war which has been wrong from its inception, have repudiated it. They want it to end, the sooner the better, and they want our prisoners returned.

In response to this overwhelming demand, the Congress has formally declared it to be the policy of our Nation to terminate all military operations in Indochina at the earliest practicable date and to set a specific date for total withdrawal. It would remind you that this language was overwhelmingly approved by the Congress, including the minority leadership of both houses.

Yet in signing into law the Military Procurement Act, the President flatly and publicly stated that he had no intention of abiding by section 601. He has indeed proceed to flout both the intent and the language of the law. He has refused to set a date for withdrawal. He has escalated the mass bombing of North Vietnam, choosing to do so while Congress was in recess, and he is continuing the massive bombing of Laos and Cambodia. He has not negotiated in good faith in Paris. He has bitterly disappointed and abused the faith in Paris. He has bitterly disappointed and abused the faith of the families of our prisoners of war by pretending that he must maintain a military presence in Indochina in order to obtain the release of the prisoners when, in fact, the reverse is true.

If the President truly wants to secure their release, he has only to name the date when all our troops will have departed from Indochina. If he considers this a risk, it is a risk well worth taking. If the President should set a withdrawal date and the North Vietnamese were to renege on their public statement that they would agree to a simultaneous phased release of the prisoners, then the whole world know where the fault lies and the President would have the support of the Congress and the public in reconsidering the withdrawal date.

But, in fact, the real stumbling block is that the President has imposed another condition for a settlement, and that is the maintenance in power of the Thieu government in South Vietnam, a government that is in office by virtue of a sham election. It is to this goal that he continues to commit American lives and resources in violation of the law.

I believe that what is at issue for us is a clear constitutional confrontation. Does the President have the authority under the Constitution to pick and choose which sections of the law he will obey and which he will disobey? Is the President to decide by himself, with perhaps the advice of one man elected by nobody, whether this Nation is to be at peace or war?

Under the Constitution the President is charged with the duty to "take care that the laws be faithfully executed." Under our constitution it is the Congress that has the authority to determine when and where we go to war and, as Commander in Chief, the President's role is to implement the decision of the Congress.

In this body, we know only too well how our authority has eroded and the power of the Executive has grown to such enormous dimensions that the President has been described as the most powerful elected dictator in the world.

Unfortunately, this process has occurred with the tacit consent of the Congress which has ceded its powers to the President. If we are now at the point where the President feels free to declare openly that he will ignore the law, then the Congress shares in the responsibility for this shocking state of affairs.

Our forefathers in framing our Constitution did not construct a monarchy. They did not construct a government in which one branch would have inordinate power while the legislature would be subservient. They constructed a democratic system of checks and balances in which the legislature represents the most direct link with the will of the electorate.

It is the responsibility of the Congress to correct the imbalance that we have allowed to develop. By its overwhelming vote to repeal the Gulf of Tonkin resolution on December 31, 1970, the Congress attempted to reassert its authority by removing from the President a statement of policy which the Executive had improperly interpreted as a blank check for war.

The House can now take another step to restore its independence and dignity. In adopting this resolution which "disapproves and censures" the conduct of the President and directs him immediately to implement the provisions of section 601, the House will be assuring the American people that the Constitution is still alive in our land and that we will not allow the law to be violated, even if it be by the President of the United States.

The text of the resolution of censure, and the names of the Members cosponsoring it, follow:

H. CON. RES. 500

Concurrent Resolution disapproving and censuring the conduct of the President of the United States in failing and refusing to comply with the provisions of section 601 of Public Law 92–156, known as the Mansfield Amendment, and his conduct in resuming the bombing of North Vietnam, and directing him to comply with the said section 601.

Whereas, section 601 of Public Law 92–156, approved November 17, 1971, provides as follows:

"SEC. 601. (a) It is hereby declared to be the policy of the United States to terminate at the earliest practicable date all military operations of the United States in Indochina, and to provide for the prompt and orderly withdrawal of all United States military forces at a date certain, subject to the release of all American prisoners of war held by the Government of North Vietnam and forces allied with such Government and an accounting for all Americans missing in action who have been held by or known to such Government or such forces. The Congress hereby urges and requests the President to implement the above-expressed policy by initiating immediately the following actions:

"(1) Establishing a final date for the withdrawal from Indochina of all military forces of the United States contingent upon the release of all American prisoners of war held by the Government of North Vietnam and forces allied with such Government and an accounting for all Americans missing in action who have been held by or known to such Government or such forces.

"(2) Negotiate with the Government of North Vietnam for an immediate cease-fire by all parties to the hostilities in Indochina.

"(3) Negotiate with the Government of North Vietnam for an agreement which would provide for a series of phased and rapid withdrawals of United States military forces from Indochina in exchange for a corresponding series of phased releases of American prisoners of war, and for the release of any remaining American prisoners of war concurrently with the withdrawal of all remaining military forces of the United States by not later than the date established by the President pursuant to paragraph (1) hereof or by such earlier date as may be agreed upon by the negotiating parties;" and;

Whereas, the President of the United States, at the time he approved the said law, stated that he did not intend to observe, follow, or abide by the provisions of the said section; and,

Whereas, the President of the United States, in the time since the said law was approved, has not observed, followed, or abided by the provisions of the said section; and,

Whereas, the President of the United States, in clear violation of the law, the will of Congress, and the will of the American people, resumed the mass bombing of North Vietnam while Congress was in recess; and,

Whereas, the said resumption of bombing has exposed more American military personnel to the risk of imprisonment by the Government of North Vietnam and forces allied with such Government; and,

Whereas, in violation of the requirement of section 601 of Public Law 92–156 that the withdrawal of the military forces of the United States from Indochina be conditioned only upon the release of American prisoners of war, the President has imposed an additional condition upon such withdrawal, namely, that the present Government of South Vietnam, headed by President Thieu, be preserved;

Resolved by the House of Representatives (the Senate concurring), that the aforementioned conduct of the President of the United States should be, and hereby is disapproved and censured; and further,

Resolved by the House of Representatives (the Senate concurring), that the President of the United States is directed to observe immediately the explicit policy of the United States that he establish "a final date for the withdrawal from Indochina of all military forces of the United States contingent upon the release of all American prisoners of war held by the Government of North Vietnam and forces allied with such Government and an accounting for all Americans missing in action who have been held by or known to such Government or such forces," and otherwise comply with the provisions of section 601 of Public Law 92–156.

LIST OF SPONSORS

H. CON. RES. 500

Bella S. Abzug, Herman Badillo, John Conyers, Ronald V. Dellums, Bob Eckhardt, Don Edwards, Joshua Eilberg, Henry Helstoski.

Edward Koch, Abner Mikva, Patsy Mink, Parren Mitchell, Thomas Rees, Benjamin Rosenthal, William F. Ryan.

## SOFT DRINK FRANCHISE AGREEMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Michigan (Mrs. GRIFFITHS) is recognized for 10 minutes.

Mrs. GRIFFITHS. Mr. Speaker, today I am introducing legislation which will enable soft drink bottlers to continue marketing their products in accordance with the principles of the franchise system as it has existed in this industry for more than 70 years.

This past year has seen the Federal Trade Commission file numerous complaints against soft drink companies, stating that there must be full intrabrand competition within the soft drink industry. Although in its recent complaints the FTC charges that the geographical limitation of franchise agreements between soft drink manufacturers and retail bottlers-distributors is in violation of antitrust laws, I believe in this instance that the letter of the antitrust laws is without just consideration for the intent of this legislation.

Undoubtedly, the FTC is genuinely seeking to promote the public interest; and, on a superficial view, the elimination of territorial restrictions would appear to promote competition with a corresponding benefit to the public and the unrestricted distributor.

This theoretical analysis, however, ignores many hard facts and realities of the marketplace. The marketing method traditionally used by the soft-drink industry has been sales and service by route delivery. This method requires and in fact has produced intensive competition between the bottlers of the different national brands for the trade of virtually every restaurant, filling station, and other outlet in the territory and competition for shelf space within the supermarkets. Low prices and good service to the public at all retail outlets have been the results of this method. Some of the large grocery chains, however, find this method inconvenient with their practice of mass purchasing from suppliers and redistribution through warehouses to their retail outlets. This is particularly true of those chains which offer their own private brand beverages in competition with the national brands. Generally, the chains which want central warehouse delivery are interested only in cans and nonreturnable bottles, since they are unwilling to assume the cost of dual handling and local storage space at the retail outlets which are inherent in returnable bottle use.

If this territorial system is destroyed as a result of the FTC action, warehouse delivery to the large grocery chains and other volume buyers will become the rule rather than the exception. It would permit supermarkets and large distributors to maintain monopolistic control of the market. A step further is that it would permit a grocery chain store to purchase one small franchise and distribute to its chain all over the country. Those bottlers fortunate enough to be located in close proximity to the chain's warehouses or who are in financial position to restructure their methods of operation to specialize in only large volume customers over a wide geographic area will be able to increase their sales. The majority of bottlers, however, who are neither fortunately situated nor financially able to quickly adapt will inevitably be placed in a precarious economic and competitive position. The cost of distribution to small volume outlets—such as "mom and pop" grocery stores, drugstores, office buildings, and vending machine outlets, and so forth—is considerably higher than to large volume outlets—such as grocery chain retail stores. Therefore, bottlers left with only smaller volume outlets will immediately suffer sharp reductions in sales and be forced to raise prices to their remaining customers. Without some sort of territorial protection for their trademark rights or the large customer base of a metropolitan area, bottlers will become credit risks unlikely to obtain the financing necessary to compete under the changed circumstances. Only large metropolitan bottlers now have the consumer base and financing necessary for the $1 million-plus investment required for the production of nonreturnable containers demanded by the chains. It is an exercise in fantasy to expect many of the smaller bottlers to be able to make an investment of this kind on the mere hope that they will in some way be able to compete successfully in the restructured market.

The success of the Federal Trade Commission's complaints will inevitably lead to the demise of the majority of small local bottlers. An increased trend to mergers may be the only alternative to a rash of bankruptcies. Should that happen, any immediate, short-term gain in intrabrand competition which might result from the commission's action would surely be far out-weighed by a long-term loss to competition in general. Once the large grocery chains and the surviving regional bottlers are dictating the terms of the competitive struggle, the smaller retail outlets and the consuming public will be the losers. The chains' present emphasis on nonreturnable containers despite their high retail prices is

illustrative of their lack of desire to save the consumer any money. Soft drink bottlers are skeptical of the thought that any savings the chains might realize in lower wholesale prices would in fact be passed on to the consumer.

If, as I would predict, the FTC's action results in the restructuring of what is now a competitive industry of about 3,000 local manufacturing concerns into a highly concentrated one with the loss of years of financial investment by the unlucky bottlers might still be justified if in some way the public is benefited. But monopolistic rather than competitive pricing, reduced or no competition and service to smaller retail outlets, loss of easily identifiable manufacturer responsibility for pure quality beverages are the more likely results which will flow from this action; and these results are not in the public interest. Ironically, the purpose of the Federal Trade Commission Act will have been used to achieve the opposite of congressional intent.

DESCRIPTION OF LEGISLATION

The legislation which I am introducing has the objective of assuring that, where the licensee of a trademarked food product, whether he is the bottler or the licensee of another food product, is engaged in the manufacture, distribution, and sale of such product, he and the trademark owner may legally include provisions in the trademark licensing agreement which give the licensee the sole right to manufacture, distribute, and sell the trademarked product in a defined geographic area or which limit the licensee, directly or indirectly, to the manufacture, distribution, and sale of such product only for ultimate resale to consumers within that geographic area, subject to the conditions that: First, there is adequate competition between the trademarked product and products of the same general class manufactured, distributed, and sold by others, second, the licensee is in free and open competition with vendors of products of the same general class, and third, the licensor retains control over the nature and quality of such product in accordance with the Trademark Act of 1946—Lanham Act.

Thus, if the legislation is enacted, each territorial agreement would be viewed in the economic context in which it operates and the existence of competition in the market would be taken into account, subject to the further requirement that the nature and quality of the licensee's goods or services in connection in which the mark is used are legitimately controlled by the licensor in accordance with the Trademark Act of 1946. These are traditional, legal concepts. The legislation seeks no more than to continue the climate created almost a century ago and which has been part and parcel of our national economy unencumbered until the recent FTC action. It establishes nothing new and asks no more than to continue in the same atmosphere where vigorous interbrand competition has produced quality, quantity, low price, nationwide availability, and a healthy, small business complex which has proven beneficial to the consumer.

## LEST WE FORGET—THE NATIONAL DEBT REACHED $423,771,319,347.55 ON JANUARY 3

(Mr. SAYLOR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SAYLOR. Mr. Speaker, on January 3, 1972, the gross public debt of the United States of America reached the grand total of $423,771,319,347.55. That amount represented a modest decrease since December 1, 1971, but compared to the January figure of 1 year ago, the gross public debt increased over $34.8 billion.

I bring these staggering figures to your attention because there is an all too unfortunate tendency on the part of Members of both Houses of Congress to forget that the American taxpayer is forced to shoulder the financial burden resulting from our deliberations.

Day after day, month after month, and year after year, Federal programs for this, that, and everything are added to the lawbooks and the money used to pay for the schemes thus created comes from the citizen's wallet. In this regard, I hope each Member has read the important staff study released on January 11 by the Joint Economic Committee. Even a quick perusal of that document, "The Economics of Federal Subsidy Programs," will convince the skeptics that "something" must be done to control the Federal Government's involvement in our free-market economy. A quote from the introduction to the study illuminates the problem:

> Federal programs aimed at supporting or improving the economic position of particular groups or industries should be constantly reevaluated in the light of changing circumstances. Whatever their initial justification, subsidy programs should be so contrived as to eliminate the necessity for their continuation.
>
> New subsidies are constantly being proposed, often enacted, and the total subsidy system grows in size and cost to the general public. The system of Federal subsidies seems to be somewhat out of control in the sense that it continues to grow despite the fact that we know so little about it.
>
> As these comments imply, difficulty in controlling the subsidy system stems from public ignorance about this form of government activity. Neither the facts nor a framework for identifying, understanding, and evaluating the facts have been brought to the public arena. Subsidies have been allowed to exist in the shadows of public policy.

When, and usually, money is not readily available to pay for the programs voted by Congress and approved by the President, the size of the national debt is increased. The resulting debt is financed through the issuance of Government securities. In order to pay the interest cost alone on this whopping debt, the Federal Government budgeted the tidy sum of $21,150 million for fiscal year 1972. For fiscal year 1973—beginning July 1, 1972—you and I and the long-suffering productive members of the American society can expect the administration's budget to contain a sizable increase in the amount requested for debt repayment.

I attempted to learn the exact amount of this new figure for inclusion in these remarks but the Division of Budget Preparation of the Office of Management and Budget refused to shed any light on the subject prior to the formal submission of the new budget to the Congress. In fact, the Division's spokesman said the figure was "extremely sensitive" to the administration. I am not surprised.

To pay the interest due on the public debt during the month of December 1971, the Federal Government made withdrawals in the amount of $94,382.82 from the accounts of the Treasurer of the United States. That amount was the fifth largest withdrawal for the month following withdrawals for, first, the Department of Defense—civil and military; second, the Veterans' Administration: third, the Department of Health, Education, and Welfare; and fourth, the Federal old-age, disability, and health insurance trust funds.

One tends to ignore figures of the magnitude thus far mentioned—therefore, a more meaningful and personal comparison is made: the current gross national debt on January 3, 1972, is a financial burden to the tune of $2,031.80 for each of the 208,569,344 men, women, and children in the United States. For the average family of four, its national debt bill on the third day of the new year stood at $8,127.20. And that on top of the Christmas bills.

In times past, when the people demanded that the Federal Government give to the public without first taking from the public, the "solution" was the printing of worthless paper money, commonly referred to as "greenbacks." When used by the Central Government to pay its bills, such paper money acquired value at the expense of the value of all the other money. The printing of greenbacks—to permit "giving" without seeming to be taking—was, in effect, an invisible tax on anybody who had any money.

Today, under a more sophisticated banking system, Government no longer prints greenbacks when it is called upon to spend more money than it takes in from taxes or through the sale of bonds to the public. In order to raise additional funds necessitated by congressional and executive action, the Government sells interest-bearing securities in the financial marketplace. Many of the Government I O U's become a part of the commercial banks' reserves, thus permitting the creation of "checkbook" money. The effect of this checkbook money on the value of the public's money is the same as if greenbacks had been printed in the first place. But it also has an effect that greenbacks did not have: The public must be taxed to pay the bank interest on the I O U's and then taxed again to pay back the banks.

The custom of governments everywhere, and particularly the Federal Government of the United States—the creation and spending of new, unearned money—is the root cause of inflation. The simple lesson to be learned from this admittedly abbreviated discourse on economics is that, in order to control inflation, the Federal Government must be controlled. And that is our primary responsibility as Members of Congress.

During the first session of the 92d Congress, I introduced, along with Congressman JOHN H. DENT, of Pennsylvania, a proposed amendment to the Constitution of the United States which would require the submission of balanced Federal funds budgets each year by the President and action by the Congress to provide revenues to offset the Federal debt. Our proposal was referred to the House Committee on the Judiciary; it reads as follows:

H.J. RES. 1004

Joint resolution proposing an amendment to the Constitution of the United States requiring the submission of balanced Federal funds budgets by the President and action by the Congress to provide revenues to offset Federal funds deficits

*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 hereby 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:

"ARTICLE —

"SECTION 1. (a) On or before the fifteenth day after the beginning of each regular session of the Congress, the President shall transmit to the Congress a budget which shall set forth separately—

"(1) his estimate of the receipts of the Government, other than receipts of trust funds, during the ensuing fiscal year under the laws then existing, and his recommendations with respect to expenditures to be made by the Government, other than expenditures to be made by the Government, other than from trust funds, during such ensuing fiscal year, which shall not exceed his estimate of such receipts; and

"(2) his estimate of the receipts of Government trust funds during such ensuing fiscal year under the laws then existing, and his estimate and recommendations with respect to expenditures from such trust funds during such ensuing fiscal year.

The President may, from time to time, transmit revisions of his estimates of the receipts referred to in paragraphs (1) and (2) and revisions of his estimates and recommendations with respect to expenditures referred to in paragraphs (1) and (2), and shall include any necessary revision with respect to expenditures referred to in paragraph (1) so that his recommendations with respect to such expenditures do not exceed his estimate of the receipts referred to in paragraph (1).

"(b) In transmitting the budget for any fiscal year, the President may recommend measures for raising additional revenues and measures for the expenditure of all or part of such additional revenues.

"SEC. 2. On or before the last day of the second month following the close of each fiscal year, the President shall report to the Congress the actual amount of receipts and expenditures of the Government during such fiscal year, other than receipts and expenditures of trust funds.

"SEC. 3. (a) If, for the period of two consecutive fiscal years, beginning with the first fiscal year for which the report required by section 2 is made to the Congress, or for any period of two consecutive fiscal years thereafter following the close of the preceding two-fiscal-year period, the aggregate expenditures by the Government, other than expenditures from trust funds, exceed the aggregate receipts of the Government, other than receipts of trust funds, neither the House of Representatives nor the Senate shall, after receiving the report under section 2 for the second of such fiscal years, have power to pass any bill or other measure appropriating any moneys out of the general funds of the Treasury until such time as provisions of law have come into effect which will provide additional revenue, within a period of not more than twelve months thereafter, in an amount not less than the amount by which such expenditures exceeded such receipts.

"(b) During a war or other national emergency the provisions of subsection (a), and of so much of section 1 as requires the President to submit a budget in which recommended expenditures do not exceed estimated receipts, shall not apply with respect to any period if—

"(1) the President recommends to the Congress the suspension of such provisions with respect to such period, and

"(2) the Congress by a two-thirds vote of each House agrees to a resolution suspending such provisions with respect to such period.

"SEC. 4. Section 1 of this article shall take effect on the first day of the first calendar year which begins after the ratification of this article. Sections 2 and 3 of this article shall apply with respect to fiscal years commencing after such first day.

"SEC. 5. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress."

Congressman DENT and I are by no means the only Members of Congress knowing the public debt situation is out of control, nor are we the only two Members searching for ways and means of re-establishing monetary and fiscal sanity to the affairs of the Federal Government. The "honor roll" of congressional sponsors of bills or resolutions similar to our House Joint Resolution 1004, though not large, is growing. To conclude my remarks, I want to cite and commend that distinguished group and call upon other Members of both Houses to join in the struggle to put America back on a sound financial basis. After all, is there a higher national priority?

The bipartisan list of sponsors includes:

Representative Bill Archer of Texas;
Representative Leslie C. Arends of Illinois;
Representative Mark Andrews of North Dakota;
Senator Henry Bellmon of Oklahoma;
Representative Ben B. Blackburn of Georgia;
Representative Frank T. Bow of Ohio;
Representative John N. Happy Camp of Oklahoma;
Representative Elford A. Cederberg of Michigan;
Senator Lawton Chiles of Florida;
Representative Del Clawson of California;
Representative James M. Collins of Texas;
Representative Barber B. Conable, Jr., of New York;
Senator Marlow W. Cook of Kentucky;
Senator Carl T. Curtis of Nebraska;
Representative John H. Dent of Pennsylvania;
Senator Robert Dole of Kansas;
Representative Jack Edwards of Alabama;
Senator Sam J. Ervin, Jr. of North Carolina;
Senator Paul J. Fannin of Arizona;
Representative Dante B. Fascell of Florida;
Representative Gerald R. Ford of Michigan;
Senator Barry M. Goldwater of Arizona;
Representative H. R. Gross of Iowa;
Representative James A. Haley of Florida;
Senator Mark O. Hatfield of Oregon;
Representative Louise Day Hicks of Massachusetts;
Senator Roman L. Hruska of Nebraska;
Representative W. R. Hull, Jr. of Missouri;
Representative Charles Raper Jonas of North Carolina;
Senator Len B. Jordan of Idaho;
Representative Jack F. Kemp of New York;
Representative Manuel Lujan, Jr. of New Mexico;
Representative Robert C. McEwen of New York;
Representative James R. Mann of South Carolina;
Representative Robert H. Michel of Illinois;
Representative John T. Myers of Indiana;
Representative N. C. Nix of Pennsylvania;
Representative Otis G. Pike of New York;
Representative John R. Rarick of Louisiana;
Representative John J. Rhodes of Arizona;
Representative Donald W. Riegle, Jr. of Michigan;
Representative Howard W. Robinson of New York;
Representative William R. Roy of Kansas;
Representative Charles W. Sandman, Jr. of New Jersey;
Representative John P. Saylor of Pennsylvania;
Representative William J. Scherle of Iowa;
Representative John G. Schmitz of California;
Representative William Lloyd Scott of Virginia;
Representative Keith G. Sebelius of Kansas;
Representative Garner E. Shriver of Kansas;
Representative H. Allen Smith of California;
Representative M. G. Snyder of Kentucky;
Representative Burt L. Talcott of California;
Representative Olin E. Teague of Texas;
Representative Fletcher Thompson of Georgia;
Senator Strom Thurmond of South Carolina;
Senator John G. Tower of Texas;
Representative Joe D. Waggonner, Jr. of Louisiana;
Representative Lawrence G. Williams of Pennsylvania;
Representative Lester L. Wolff of New York;
Representative Wendell Wyatt of Oregon;
Representative Louis C. Wyman of New Hampshire; and
Representative Gus Yatron of Pennsylvania.

## THE RETROACTIVE PAY AMENDMENT

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, last Thursday—a full month after the Congress had passed the amendments to the Economic Stabilization Act—the Pay Board finally got around to issuing the necessary orders to make certain that teachers, public employees and workers entitled to retroactive pay receive the payments.

The requirement that the contracts and agreements entered into prior to the August 15 freeze be honored was included in the amendments which the Congress passed on December 14, 1971. As a result of the action of the Congress, millions of teachers, public employees and other workers will be receiving their checks.

It was mandatory that the Pay Board take action to implement the congressional mandate, but the Board kept drag-

ging its feet before finally issuing the orders. This created great confusion for school boards, local and State governments and other employers all around the Nation.

Because of the slowness in implementing the pay sections as well as other amendments to the Economic Stabilization Act, I have written both the Pay Board and the Price Commission asking for a full report on what steps have been taken to issue the necessary regulations and interpretations. Mr. Speaker, I place in the RECORD a copy of these letters to the Chairman of the Pay Board and the Price Commission.

HOUSE OF REPRESENTATIVES, COMMITTEE ON BANKING AND CURRENCY,
*Washington, D.C., January 10, 1972.*

Hon. GEORGE H. BOLDT,
*Chairman, Pay Board, Economic Stabilization Program, Washington, D.C.*

DEAR JUDGE BOLDT: As I am sure you realize, the Banking and Currency Committee is receiving numerous inquiries concerning the Economic Stabilization program and the manner in which it is being administered. These inquiries are coming from Members of the Committee, other Members of the Congress, and the general public. So that these questions may be answered promptly and accurately, I would appreciate a complete and detailed statement from you concerning what steps the Pay Board has taken to comply with the amendments to the Economic Stabilization Act which were signed into law on December 22, 1971.

In this regard, I would like to receive copies of any regulations, interpretations, or other documents which have been prepared or issued in connection with these amendments. As you know, this Committee originated the Economic Stabilization Act in 1970 and all Members of the Committee are vitally concerned with the manner in which the law is being carried out.

While I would appreciate a complete rundown of all the steps that have been taken to comply with the Act as amended, I would particularly want the details of the regulations which have been issued to comply with Section 207 dealing with administrative procedures and public hearings.

Subsection (b) of Section 207 requires:

"Any agency authorized by the President to issue rules, regulations, or orders under this title shall, in regulations prescribed by it, establish procedures which are available to any person for the purpose of seeking an interpretation, modification, or rescission of, or seeking an exception or exemption from, such rules, regulations, and orders. If such person is aggrieved by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the agency. The agency shall, in regulations prescribed by it, establish appropriate procedures, including hearings where deemed advisable, for considering such requests for action under this section."

Subsection (c) of Section 207 states:

"To the maximum extent possible, the President or his delegate shall conduct formal hearings for the purpose of hearing arguments or acquiring information bearing on a change or a proposed change in wages, salaries, prices, rents, interest rates, or corporate dividends or similar transfers, which have or may have a significantly large impact upon the national economy, and such hearings shall be open to the public except that a private formal hearing may be conducted to receive information considered confidential under section 205 of this title."

When the amendments were going through the Congress, there was much controversy surrounding the provisions dealing with pay contracts entered into prior to August 15, 1971. I would particularly like the details of what steps have been taken to comply with these provisions and the dates on which the actions were implemented. These are mandatory requirements and there is no legal justification for delay in triggering these Sections.

Throughout the years, this Committee has carefully monitored the administration of the various laws which it has originated. We regard this as a prime legislative responsibility and, in the past, the Committee has not hesitated to convene oversight hearings where necessary to see that the laws over which it has jurisdiction are being carried out in accordance with the intent of the Congress. Such hearings are time-consuming and the public interest is better-served when the agencies involved take the appropriate steps to comply with the letter and the spirit of the law.

This Committee—over the past eighteen months—has carried out its functions concerning the Economic Stabilization Act against much opposition and amidst a great deal of controversy. With this background, I am sure that you can understand that the Committee does not take its oversight functions lightly and that it is not willing to see its legislative work overturned by arbitrary administrative decisions which do not meet the intent of the Congress.

With best regards, I am

Sincerely,

WRIGHT PATMAN, *Chairman.*

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HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND CURRENCY,
*Washington, D.C., January 10, 1972.*

Hon. C. JACKSON GRAYSON,
*Chairman, Price Commission, Economic Stabilization Program, Washington, D.C.*

DEAR MR. CHAIRMAN: You are undoubtedly aware that the Banking and Currency Committee is receiving a great number of inquiries concerning the Economic Stabilization program and the manner in which the amendments to the Economic Stabilization Act, signed into law on December 22, 1971, are being carried out. So that we may answer these questions quickly and accurately, I would appreciate a detailed statement from you concerning the steps which your Commission has taken to meet the specific requirements of these amendments.

As you know, the Congress included a provision which allows the consumer and others to help police prices through civil damage suits. Obviously, this provision is meaningful only if the Price Commission requires that sufficient information be made available to the consumer concerning prices. Otherwise, they have little basis on which to avail themselves of the legal rights which the Congress accorded them in this amendment. Therefore, I would like for your statement to include a detailed rundown of what is being done to assure that these rights, as provided by the Congress, are being protected.

My office has received numerous inquiries from Members of Congress and the public concerning rents. When the amendments to the Economic Stabilization Act were before the House of Representatives, there was widespread agreement that rent increases should be controlled by the Price Commission and not left to local rent authorities. An amendment was adopted requiring the continued jurisdiction of the Price Commission over such matters and I would like to know what you have done to make certain that this clear intent of the Congress has been carried out.

While I would appreciate a complete rundown of all the steps that have been taken to comply with the Act as amended, I would particularly want the details of the regulations which have been issued to comply with Section 207 dealing with administrative procedures and public hearings.

Subsection (b) of Section 207 requires:

"Any agency authorized by the President to issue rules, regulations, or orders under this title shall, in regulations prescribed by it, establish procedures which are available to any person for the purpose of seeking an interpretation, modification, or rescission of, or seeking an exception or exemption from, such rules, regulations, and orders. If such person is aggrieved by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the agency. The agency shall, in regulations prescribed by it, establish appropriate procedures, including hearings where deemed advisable, for considering such requests for action under this section."

Subsection (c) of Section 207 states:

"To the maximum extent possible, the President or his delegate shall conduct formal hearings for the purpose of hearing arguments or acquiring information bearing on a change or a proposed change in wages, salaries, prices, rents, interest rates, or corporate dividends or similar transfers, which have or may have a significantly large impact upon the national economy, and such hearings shall be open to the public except that a private formal hearing may be conducted to receive information considered confidential under Section 205 of this title."

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This Committee—over the past eighteen months—has carried out its function concerning the Economic Stabilization Act against much opposition and amidst a great deal of controversy. With this background, I am sure that you can understand that the Committee does not take its oversight functions lightly and that it is not willing to see its legislative work overturned by arbitrary administrative decisions which do not meet the intent of Congress.

With best regards, I am

Sincerely,

WRIGHT PATMAN, *Chairman.*

Mr. Speaker, the Nixon administration opposed—by every means possible—the congressional action on any amendments to the Economic Stabilization Act, particularly those dealing with the retroactive pay for teachers and working people. Some have attempted to cloud the issue and there have been some distorted claims about who did and who did not support the legitimate claims of such groups as the teachers on this issue.

Mr. Speaker, it is not my purpose to question the motives of the Nixon administration and its supporters in opposing these key amendments to the Economic Stabilization Act and their attempts to block retroactive pay for teachers. But I do think it is important that the record be clear so that each Member may be able to have the vote reported accurately in the news media.

So that the record will be straight and so that distortions will not be possible, Mr. Speaker, I want to place in the RECORD a letter dated January 14, 1972, from Mr. Stanley J. McFarland, assistant executive secretary for Government Relations and Citizenship of the National

Education Association which represents 1.1 million teachers. Mr. McFarland explains fully the vote and the position which the teachers took on the retroactive pay issues on the floor of the House of Representatives last December. The letter follows:

NATIONAL EDUCATION ASSOCIATION,
*Washington, D.C., January 14, 1972.*

Hon. WRIGHT PATMAN,
*House of Representatives,*
*Washington, D.C.*

DEAR REPRESENTATIVE PATMAN: I'd like to take this opportunity to thank you for your interest in securing equitable treatment and retroactive pay for teachers whose salary increases were unjustly withheld due to the wage-price freeze.

You are probably aware that the National Education Association, on behalf of our 1.1 million members, supported H.R. 11309 as reported by the House Banking and Currency Committee. We hoped that it would be accepted by the House of Representatives without change. However, we are fully aware that a "No" vote on the Stephens amendment—because of the parliamentary situation—was not a vote against retroactive pay for teachers. We realize that, in effect, a "No" vote was actually a "Yes" vote for the language of the Minish amendment which had been added at our request to the bill during the Committee's deliberations. The NEA fully endorsed the Minish amendment and opposed the Stephens amendment in the form in which it was initially offered.

Since a substantial majority of the Members of the House of Representatives decided to accept the Stephens amendment, we wish to further express our appreciation for the successful efforts to modify the language of that amendment in a way that made final passage of the bill totally acceptable to the NEA.

We look forward to working with you as you consider important legislation to combat the problems facing American education.

Sincerely,

STANLEY J. MCFARLAND,
*Assistant Executive Secretary, Government Relations and Citizenship.*

## IS BIGNESS AN EXEMPTION FROM THE LAW?

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, during the recess, the Federal Communications Commission issued a far-reaching decision which, in effect, said that size would be an exemption from regulation.

This decision came in the case of the American Telephone & Telegraph Corp. and the FCC announced that the investigation of this mammoth company was being stopped simply because the Commission did not have the staff or resources to carry on the project. As a result, the FCC will now accept the figures submitted by A.T. & T. itself in determining the rates which the American people will pay for long-distance calls.

Mr. Speaker, this is a tragic mistake. Not only will this mean higher telephone rates for millions of families, but it also raises a major question about this administration's approach to big corporations operating both in the United States and overseas. To many, it may appear that bigness is an exemption from regulation and law.

Certainly, I do not have the information at hand to know whether the FCC has the staff and the resources to carry out its functions, but I feel sure that this Congress would move immediately to provide whatever staff and funds were necessary to protect the American public on the matters which come under the Commission's jurisdiction. It seems strange that the FCC has issued such a decision without asking for an emergency appropriation from the Congress and without requesting the assignment of personnel from other agencies of the Federal Government.

The A.T. & T. case brings to mind how little the regulatory agencies, the Congress, and the public really know about the corporate giants which control the economy of the Nation. According to the FCC, these corporations are so big that no one will ever know what is going on inside the board rooms and what is being entered on the ledger sheets. They are bigger than the Federal Government and the American people—the FCC tells us in an official decision.

Mr. Speaker, the Washington Post carried an excellent article on this problem by D. J. R. Bruckner in last Friday's edition, January 14, 1972. Mr. Speaker, I place a copy of this article in the RECORD:

IS HOWARD HUGHES SUCH A SPECIAL CASE OF SECRECY?: TOWARD A SEPARATE SOVEREIGNTY FOR BIG BUSINESS

(By D. J. R. Bruckner)

NEW YORK.—So, there is a Howard Hughes. More precisely, there is a voice of Howard Hughes which has convinced people who talked with him long ago when he could be seen as well as heard that it is the true voice. This confirmation must be of special interest to multitudes whose lives have been directly affected by the power and money of this discreet gentleman—people in the securities business, banking, aircraft and airlines, casino and hotel businesses, and in the government of the State of Nevada.

The hidden Hughes may be thought personally eccentric, but he is not as unusual as he ought to be. How many of the 800,000 employes or 100 million customers of American Telephone and Telegraph know who the directors of the company are, who makes policies, what are the company's finances?

WOULD IT MAKE ANY DIFFERENCE WHATEVER TO THE NORMAL CONDUCT OF BIG BUSINESS IF ALL THE PEOPLE RUNNING THEM WERE CLOSETED IN HOTELS IN THE BAHAMAS?

The Federal Communications Commission confesses it is not big enough to investigate the telephone company's long-distance rate structure. Who is big enough?

How many drivers of cars in America know anything about the process of decision making in the auto companies or in the oil companies? That is if the directors are not in hiding, of course; if you are curious, you can catch sight of them. So what? Would it make any difference whatever to the normal conduct of big business if all the people running them were closeted in hotels in the Bahamas? Would it make any difference to the governments of the states, or to the government of the United States? Probably, it would not.

The directors of the Penn Central railroad, for instance, might have run that railroad into bankruptcy from the Caribbean just as efficiently as they did it from Philadelphia, and they would not have been any more distant from the attention of government, which seems to have paid no attention to what they were up to until it was too late.

Now, three directors of the Penn Central face a trial in Philadelphia. Would they have been tried if the company had not collapsed? I doubt it. Hughes, whose record certainly has not been soiled by inconvenient bankruptcies, said in his telephone interview last week that among other reasons for his remaining unseen for so long is a reluctance to spend the rest of his life in courtrooms testifying in various civil actions which other individuals have brought against him. That is a cogent reason. And Hughes, after all, is not in trouble with the government. But his reason must be appealing to a few businessmen who have fallen afoul of the government.

Perhaps the ultimate solution lies in a separate sovereignty for big business. The people running the largest companies in the world could conspire to purchase an island, establish their headquarters there and set up their own government. This would give them total immunity.

Perhaps they could persuade the leaders of the major labor unions to join them. An incidental benefit of this scheme would be restoration of the faith of the American people in their own government, since government would then have a legitimate excuse for paying no attention to what the powerful of the earth are doing, and it would have an excuse for resisting their insolence.

You will think, perhaps, this is an exaggeration of the problem. But you need not look far for disturbing evidence. If that big customer, the U.S. Government, had kept a sharp eye on Lockheed, would Congress have had to put up collateral (tax money) to prevent a bankruptcy in that company?

Again, until recently, the government was unable to extract enough financial information from some major international oil companies to make a judgment about their tax liabilities. Even now, the government—and the governments of other nations—have to deal with a handful of these companies as with worldwide independent powers. Well, oil was only early in that game. There are now hundreds of businesses, and banks, which have simply extended themselves beyond the sovereignties of nations and thus, in effective ways, beyond the reach of national laws and controls.

In the case of conglomerates, not even their investors, creditors and bankers can be sure they know very much about them. The methods used by many of these firms for drawing up balance sheets have badly damaged the credibility of the accounting profession in the United States.

THE METHODS USED BY MANY OF THESE FIRMS FOR DRAWING UP BALANCE SHEETS HAVE BADLY DAMAGED THE CREDIBILITY OF THE ACCOUNTING PROFESSION IN THE UNITED STATES

The customers of some conglomerates are even further removed from any knowledge of the people they are dealing with. It is practically impossible for the average man to know who is deciding price, quality, variety, availability of the things he buys and uses every day, and there is no effective way for him to find out why these decisions are made. It would be a lot easier to get Howard Hughes on the telephone, than to get behind normal, everyday business decisions in America.

The Hughes' case is not really very complicated, you see, nor he very hidden. His wealth and power, his operations, sales and purchases are fairly widely known. The only thing really illusory about him is his appearance. In the case of much of the big business of the world, the appearance of the men of power is real; it is everything else that seems an illusion.

As this article plainly points out, the problem of corporate secrecy has increased in recent years through the growth of the multinational firms which operate all over the world. These multinational operations go hand in hand with

major money center banks which finance their activities in these foreign countries. Little is known about the operation of these companies and even less about the financing arrangements which are conducted through U.S. commercial banks. The export of U.S. capital, without control, is massive through these banks.

Let me quote from the article by Mr. Bruckner:

> Again, until recently, the government was unable to extract enough financial information from some major oil companies to make a judgment about their tax liabilities. Even now, the government—and the governments of other nations—have to deal with a handful of these companies as with worldwide independent powers. Well, oil was only early in that game. There are now hundreds of businesses, and banks, which have simply extended themselves beyond the sovereignties of nations and thus, in effective ways, beyond the reach of national laws and controls.

The Congress has done little about these multinational banking and corporate expansions despite the fact that today the operations of these international high fliers can drastically affect the domestic economy. There seems to be little inclination within the Nixon administration for any firm action.

Mr. Speaker, if we are going to continue to have regulatory agencies announce that the corporations which they regulate are too big to be regulated the Congress will be required to step in and provide some restrictions of its own on the operations of these giant concerns. Apparently no action is contemplated by the Nixon administration, which has remained silent about the FCC's strange decision. Judging from this silence, we can only assume that it has approval at the highest levels.

We are in the midst of a wage-price control program and this is an excellent time for the regulatory agencies, the Congress, and the entire administration to take a hard look at the role that the large banking and business corporations play in controlling the economy. Now is the time to peel back some of the secrecy to which Mr. Bruckner refers in his article. Now is the time to discover to what degree prices are actually administered by a handful of corporate giants. Now is the time to find out how the multinational corporations and the commercial banks which operate branches all over the world are contributing to some of our economic problems.

The Economic Stabilization Act has given the President and the Cost of Living Council, the Pay Board, and the Price Commission vast powers to investigate these situations. They have the power of subpena and the full authority to investigate the books of these corporations and banking institutions. The Antitrust Division of the Justice Department and the various regulatory agencies should work closely with the agencies involved in the economic stabilization program and take the steps necessary to assure that high prices are not being administered and that the economy is not being distorted by the arbitrary decisions of a handful of corporate managers.

Immediate steps should be taken to determine what is wrong at the Federal Communications Commission. If the FCC—or any of its members—have decided that they cannot do their job—as the A.T. & T. decision seems to indicate—then steps should be taken to see that replacements are appointed. The public is entitled to an active FCC and to the protections written into the Federal Communications Act. It is not the role of the Commission to issue decisions announcing that it does not intend to carry out the functions which have been assigned it by law.

Mr. Speaker, I would suggest that the President, who appoints the members of this Commission, investigate this most serious problem immediately.

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## THE NEED FOR REFORM ON REAL ESTATE TRANSACTIONS

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, the Washington Post has been running an excellent series of articles on a long-standing problem for homeowners—the high costs of closing a real estate transaction.

This is an area that has gotten little attention despite the fact that millions of consumers all over the Nation are required to shell out hundreds—and even thousands—of dollars to pay the various legal fees, title insurance, unnecessarily large escrow accounts and other charges which are thrown into a closing of any home purchase. As the article plainly establishes, these charges vary greatly from jurisdiction to jurisdiction while the services performed are virtually identical.

Mr. Speaker, this is a particularly important area since these fees must be paid in cash out of the pocket of the home buyer. At times, the massive nature of these closing costs actually prevents families from obtaining decent housing.

Unfortunately, the Department of Housing and Urban Development has taken an apathetic approach to these problems. The National Housing Act gives the Secretary the power necessary to control fees which are charged in connection with any mortgage insured by the Federal Government. Instead, it appears that the Federal Housing Administration has simply endorsed whatever the charges were in the local jurisdiction.

Many of us in the Congress have been dissatisfied with the lack of attention given this area by HUD and in the Emergency Home Finance Act of 1970, the Department was ordered to make a detailed study of mortgage settlement costs around the Nation. More importantly, HUD was to develop recommendations for legislative and administrative actions which could be taken to reduce closing costs and standardize them for all geographical areas. The Secretary of Housing and Urban Development was required to submit the report by July 24, 1971, but was able to come up only with a "Preliminary Report." The full report, with recommendations, is expected to reach the Congress sometime this month.

Mr. Speaker, the Housing Subcommittee of the Banking and Currency Committee is working on a new housing bill and this legislation is scheduled to be reported to the full committee very soon. In light of this, I have urged the subcommittee chairman, the Honorable WILLIAM BARRETT of Pennsylvania, to consider the problem outlined in the Washington Post articles and to consider including amendments which would remedy this situation. In addition to this work at the subcommittee level, it is anticipated that the full committee will hold hearings on the housing bill and I would like to see this subject dealt with in these sessions. At that time, we should have available the final report of the Department of Housing and Urban Development and there would be no excuse for failing to legislate in this area.

A number of remedies might be considered. For example, it would be possible to prohibit federally-insured financial institutions from participating either directly or indirectly in any transactions in which extortionate and unreasonable fees are being charged in connection with real estate closings. In addition, it would be possible to prohibit the charging of unnecessary or unreasonable fees on any mortgage which is insured by any entity of the Federal Government.

Also, it would be possible to broaden and strengthen the truth in lending law to provide control over all costs connected with a real estate loan. All of the closing costs are tied either directly or indirectly to the loan on the real estate, and it would be a simple matter to extend the truth in lending authority to this area. Undoubtedly, there are other routes which could be used to solve these problems.

Last year, I introduced H.R. 5700—the so-called Bank Reform Act—which sought to eliminate the various conflicts of interest which I am convinced contribute greatly to the inflated charges tacked on to the closing of real estate transactions. H.R. 5700 prohibited any insured institution, officers or directors of such an institution, or a member of the immediate family of any officer or director or an insured institution from directly or indirectly controlling any title company; company engaged in the business of appraising property; or company which provides services in connection with the closing of real estate transactions. H.R. 5700 also prohibited any person who is a trustee, director, officer or employee of an insured financial institution from performing legal services—in connection with a loan or other business transaction—with such insured institution for, or on behalf of, any person.

In short, H.R. 5700 would separate the lending functions from the other aspects of the real estate transaction and eliminate the conflicts of interest which contribute to the inflation of the fees, and which deny the homebuyer access to independent judgments. The committee conducted lengthy hearings on this measure but we have not been successful in gaining a broad consensus for the passage of this set of reforms. In light of the revelations of the Washington Post articles, I hope that the committee and the Congress will take another look at H.R 5700.

Mr. Speaker, the current articles in

the Washington Post are part of a series of investigative stories which that newspaper had published on questionable housing practices over the past several years. These series have been invaluable in focusing attention on some of the dark corners of the real estate and mortgage lending industries. These are areas which have been too long ignored and I am hopeful that the Washington Post series will make it impossible for this apathy to continue. The writer—Ron Kessler—and his editors have performed a tremendous public service. This series may encourage other newsmen around the Nation to look at their local situations and bring a broader public understanding of the need for reforms in these industries. Legislation—such as H.R. 5700—simply cannot pass against the tremendous lobbying pressures unless the spotlight is thrown on these practices. This is a simple fact of legislative life and I welcome the public exposure which the Washington Post is providing in this area.

Mr. Speaker, I place in the RECORD copies of the articles which have appeared in the Washington Post:

[From the Washington Post, Jan. 9, 1972]

THE SETTLEMENT SQUEEZE: KICKBACKS VICTIMIZE HOME BUYERS

(By Ronald Kessler)

Charges paid by virtually all Washington area home buyers at settlements include a variety of kickbacks and payoffs, many of them in apparent violation of criminal laws, a Washington Post investigation has found.

These hidden arrangements account for large chunks of settlement charges paid by Washington area home buyers, amount by one estimate to millions of dollars each year, and in most instances constitute clear-cut evidence that home buyers are being overcharged.

Indeed, government comparisons show that settlement costs in the Washington area are among the highest in the nation.

Settlement costs, a mystery to most home buyers, are an array of legal fees, title insurance premiums, taxes and other services that lending institutions require as a condition to giving a mortgage on a house. The costs vary with purchase price, but on a $40,000 home they amount to $1,248 in D.C., $1,418 in northern Virginia, $2,514 in Montgomery County, and $2,562 in Prince George's County.

These charges are double to triple the settlement fees levied for the purchase of the same house in Boston, which was visited by a Post reporter as part of a two-month investigation of settlement practices. During the course of the study, more than a hundred lawyers, title insurance officials, lenders, real estate brokers, developers, and other academic, legal, and government experts were interviewed.

The most common arrangements in the Washington area were found to be kickbacks and other hidden payments given by lawyers and by title insurance companies. They are paid to developers, lenders, real estate brokers, and buildings in cash or in free or cut-rate services. The one who pays for all the arrangements is the home buyer.

Although some lawyers, title insurance companies, lenders, developers, builders, and brokers will have no part of the deals, many of the practices are so pervasive that it is difficult to find exceptions.

What such kickbacks amount to, says Seymour Glanzer, chief of the U.S. attorney's fraud unit, is "commercial bribery" that directly inflates settlement costs paid by home buyers.

The purpose of giving kickbacks and hidden payments is to gain referral of home buyers' settlement business, and the referral methods are not always subtle.

Some developers refuse to sell houses unless settlement is held with the attorney or title company that gives them kickbacks. Some lenders refuse to give agreed-upon mortgage loans, or charge up to $150 extra, unless borrowers deal with the chosen attorney. Some real estate brokers include clauses in their contracts with home buyers giving them the right to select the title attorney.

Almost without exception, Maryland lawyers pocket a quarter to a third of the title insurance premium that home buyers with mortgages are required to pay. This is their commission for choosing a particular insuring company and accounts for 27 per cent of premiums paid by home buyers to Washington's four major title insurance companies.

Although they are legal, the commissions, according to bar association officials, would violate bar ethics unless lawyers obtain buyers' permission to take them. However, buyers are seldom consulted.

Some lawyers inflate their charges by adding on to surveyors' charges. Through an inflated bill arrangement, one Maryland title attorney receives $8,000 a year in this way.

There are geographical variations. Virginia lawyers do not take a part of the title insurance premium, while most Maryland lawyers do. D.C. lenders do not require that customers settle with designated attorneys, while this is common practice in Virginia and Maryland.

Kickback-type payments to developers are more common than to brokers, and D.C. lawyers rarely get involved, because they generally leave settlement work to the title insurance companies.

But most of the practices are so pervasive that some of the participants admit to them openly.

They are "the rule rather than the exception," says F. Shield McCandlish, who headed a special Virginia State Bar investigation into the practices in northern Virginia earlier this year.

The investigation, conducted by a committee appointed by past and present presidents of state and local bar associations, compiled a 16-page "confidential" report that found a number of the arrangements to be widespread, illegal, and a factor in unreasonably high settlement costs imposed on Virginia home buyers.

Spokesmen for the Virginia and Maryland attorneys general and for the U.S. attorney in D.C. say that many of the arrangements violate state criminal and insurance laws, bar association ethics, and could violate federal fraud laws.

The lawyer who initiated the bar investigation while he headed the state bar's grievance committee in Northern Virginia, Walter L. Stephens Jr., a Fairfax attorney, attributes the pervasiveness of the practices to a feeling by established lawyers that prosecutors are "afraid" to touch members of the bar.

Although a copy of the report was submitted by the bar last April to Virginia Attorney General Andrew P. Miller in a request for a ruling on whether certain of the practices were illegal, and he determined that they were, nothing has come of it.

NO PROSECUTION SCHEDULED

Virginia Assistant Attorney General T. J. Markow explains, "We would not take any action to prosecute until the bar asks us to."

The president of the bar, C. Wynne Tolbert, an Arlington lawyer, says the report is still being studied. He calls the report and its findings "confidential" and refuses to discuss any part of them.

Since the report was submitted, "nothing has changed," says McCandlish, the chairman of the bar committee and a partner with Boothe, Prichard & Dudley, one of Virginia's largest law firms.

"Lawyers are not willing to finger one another; that's why all these arrangements have remained invisible for so long," says James E. Starrs, a George Washington University professor specializing in real estate law.

The dollar value of the kickbacks and other hidden arrangements is impossible to determine without an audit of the companies and individuals involved. Even the number of houses bought and sold in the Washington area is not known, realty agents and government officials say.

But Starrs, citing the quick turnover of real estate in the Washington area, estimates the total to be "staggering" and easily in the millions of dollars each year.

The profits to be made are illustrated by a typical kickback-type arrangement on a 200-house development. Several Virginia lawyers and bar officials estimate that by referring buyers to the "proper" lawyer, the developer with 200 houses to build brings the lawyer $100,000 of business, of which nearly $80,000 is for work already done. In return, the lawyer rebates some $16,000 in free legal services to the developer.

Although the home buyer pays the bill, his interests often come last, says Stephens of the Virginia bar. He says those persons funneling business to a lawyer sometimes bring pressure to bear to have him overlook defects in the title or ownership of houses or to give clients less than straightforward advice.

Most home buyers have no idea why they must pay settlement fees, what the mystifying array of charges means, or where the money goes. Indeed, nearly all settlement sheets that list the charges are arranged in such a way that it is impossible to tell who gets some of the fees.

"I REALLY GOT STUNG"

But although they do not understand, home buyers generally have a feeling that the charges are too high. "I really got stung," says a White House aide of the charges he paid when he bought his Bethesda home.

The charges are required by lenders before they will give mortgages. How many of the services would be purchased by home buyers if they weren't mandatory is open to question.

"People who buy one or maybe two homes in their lifetimes just do not have the economic clout to bargain with the real estate establishment," says Sen. William Proxmire (D-Wis.), who has introduced a bill to require lenders to pay for title insurance charges.

Why the charges are at particular levels is also open to question. In many respects, settlement costs imposed on Washington area residents are a microscosm of a national pattern, which is crazy-quilt.

Although living costs are approximately the same among the various Washington jurisdictions, settlement costs are not. The purchase of a $40,000 home, as indicated earlier, brings with it settlement costs that vary by more than 100 per cent in D.C., Virginia, Prince George's, and Montgomery.

Many of the variations are due to differing levels of transfer taxes, which are paid, like sales taxes, on house purchase prices. The charges also include property tax escrows which vary in level with different local collection requirements and tax levels.

But comparison of legal fees, the largest and most flexible nongovernment expense, shows variations from locality to locality of up to 76 per cent for the same service.

Searching title, preparing papers, and holding settlement on a $40,000 house costs $314 in D.C. but $555 in Virginia.

The same service in Maryland costs $385 in Montgomery County but $525 in Prince

George's County (including title insurance commissions taken by Maryland lawyers).

This roller-coaster pattern produces the spectacle of a law firm with offices in both Maryland counties charging 36 per cent more in their Prince George's office than in their Montgomery office for the same work.

"Custom rather than reason underlies many of the title costs the home buyer must bear," says Sen. Proxmire.

Locally, more than custom is involved. In Maryland and Virginia, lawyers' fees for title work are set by the local bar associations through minimum fee schedules, and the variations in the schedules account for the disparities among the suburban jurisdictions.

The fee schedules are often used to justify lawyers' charges when skeptical home buyers question the fees. Lawyers say they can be disbarred for not following the minimums.

But minimum fee schedules are little more than price-fixing, according to Richard W. McLaren, who recently left his post as chief of the Justice Department's antitrust division to become a federal judge.

Asked if the schedules violate antitrust laws, McLaren said before he left Justice, "I don't think there is too much question . . . that there is a *per se* violation there," and for the bar to say it is exempt because it is not engaged in interstate commerce "would be to place its faith in a rather slender reed." A Justice Department spokesman declined to say whether the bar is being investigated on antitrust grounds.

"It is rather astonishing that the bar has failed to recognize that such minimum fee schedules constitute price fixing and are in direct violation of federal antitrust laws," says an article last May in Case & Comment, a lawyers' magazine.

Last July's American Bar Association Journal, concluding that fee schedules should be abolished, said they "may well violate the antitrust laws."

LOWER FEE TO INDIGENTS

Some local bar association presidents say they are not violating the law because a lawyer sometimes charges less than the fee schedule requirement (to an indigent for example), and because the latest American Bar Association ruling says charging less is only one factor to be considered when determining if a member is to be disbarred.

"The fee schedule is a guide, it's not a hard-and-fast rule," says Charles W. Woodward Jr., a Rockville attorney who is president of the Montgomery County Bar Association.

Asked what would happen if a lawyer charged half the prescribed minimum fee, Woodward said, "It might be a question presented to the ethics committee . . . You'd have to go into the reason for doing it and find out why."

"I guess the members would be concerned," Albert T. Blackwell Jr., chairman of the Prince George's County Bar Association's minimum fee schedule committee, said in response to the same question.

DISBARMENT POSSIBLE

Others are more explicit. "If a lawyer consistently charges low, it's considered unethical, and he could be disbarred," says Betty A. Thompson, president of the Arlington County Bar Association.

Whatever the interpretations, practicing lawyers interviewed in Maryland and Virginia said they clearly understood that they could be disbarred for undercharging. As a matter of fact lawyers in Virginia and Maryland agree that the schedule is hardly ever violated.

Differing explanations are given by ABA officials for the existence of a minimum fee schedule. They are to "inform the lawyers what it costs to deliver legal services," says Philadelphia lawyer William J. Fuchs, chairman of the ABA's economics committee. Others say it is a public service to show what reasonable fees might be, or to discourage kickbacks and ambulance-chasing.

However, three of the five bar associations around D.C., refused to show this reporter copies of their fee schedules. (Copies were obtained anyway.)

Asked why the schedules were not public, Woodward of the Montgomery bar confessed he knew of no reason but said bar rules prohibit it.

"If the ultimate purpose of the schedule is the protection of the public," says Prof. Starrs of George Washington, "they should be disclosed. Of course, the purpose is to protect the well-entrenched lawyers by stamping out competition and keeping rates high," says Starrs, who is a member of the D.C. Bar Association.

The lawyers' charges are far higher than charges for the same work by title insurance companies, which traditionally handle settlements in D.C. These companies perform two functions: they sell title insurance, which protects lenders and home owners against defects in the title to their houses and any other claims, such as attachments or tax liens, that might have been outstanding against a house prior to its purchase.

If a house turns out to be owned not by the seller but by some previous occupant, for example, title insurance will reimburse the purchaser of the house for any losses he incurs.

The title companies also perform in the District the jobs that lawyers perform in Virginia and Maryland: searching title, preparing papers, and holding settlements.

The companies, as indicated by the legal fees incurred at settlements in D.C., simply charge less than do the lawyers in the suburbs. The lawyers, in turn, have warded off competition by keeping the title companies out of the suburbs.

SUIT IN MONTGOMERY

Some 12 years ago, the Montgomery County Bar Association filed suit against a title company, contending it was practicing law illegally. In Virginia, legislation was readied to bar title companies from the state.

The net effect, says E. Spencer Fitzgerald, president of District-Realty Title Insurance Corp., is that title companies' searching of titles is "taboo" in Virginia. In Maryland, lawyers permit the companies to search titles (the "menial work," says Fitzgerald), but the companies cannot hold settlements without alienating the bar.

This produces an anomalous situation. While the lawyers contend the title companies illegally practice law by searching titles to houses, many of the companies are engaged to do just that by Maryland lawyers, who charge clients the bar rate, rather than the lower title company rate.

Home buyers in Maryland can hire title companies to handle settlements at a substantial saving, but the closing must be held in D.C. This requirement keeps title companies' Maryland business to a minimum.

Many bar associations contend that preparation of legal documents and rendering opinions on title is a lawyer's job. The lawyers acknowledge that it is lawyers employed by title companies who do this work for the companies. But they say that unless the lawyers are practicing independently, they cannot adequately represent the interests of home buyers.

Courts in many jurisdictions have upheld this argument.

Nevertheless, no bar official interviewed contended the title companies do an inferior job. Frank D. Swart, president of the Fairfax Bar Association, says, "In my opinion, if the title companies can do the job for less, they should be permitted to do so."

LAWYER'S DEFENSE OF PRACTICE

In defending their charges, lawyers say they and their secretaries spend far more time than is apparent to the home buyer in searching title, preparing documents, adjusting utility charges, arranging the date of the settlement and sending out checks.

Lawyers also point out that they assume liability for the work done, because a title insurance company, faced with a loss, may try to collect it from the lawyer who searched title.

Because of archaic record-keeping by city and county agencies, a research of title records on a property may take a day to a week if it is done from scratch.

But often lawyers have searched the title to a home or the subdivision where it is located for a previous client, and the additional searching required is minimal.

Although lawyers certify they have searched title for 60 years back, it is not uncommon, according to the Virginia bar report and Virginia and Maryland lawyers interviewed, for lawyers to stop after a year or two.

It is also not uncommon for Virginia and Maryland lawyers, rather than searching the title themselves or hiring employees to do it, to buy a title certificate from free-lance title searchers who can be found in the courthouses.

Such a certificate costs $30 to $50 per house, but the lawyer charges the client up to $400 for the same service, the Virginia bar report says.

Lawyers say the markup covers their liability in event of error. Sen. Proxmire calls this an example of protection piled upon protection: the home buyer is forced to pay for title insurance that fully protects the lender, then is forced to pay a form of insurance to the attorney to cover his own errors, which in turn are generally covered by lawyers' malpractice insurance.

"It's a matter of how much can you improve on 100 per cent protection?" says Martin Lobel, an aide to Proxmire.

Lenders say they need the services and insurance to protect their interests when giving a mortgage loan on a property. For example, they want to be sure that the house is owned by the owner; for this they require both a title search and insurance. To be sure the house does not encroach on other properties, they require a survey.

While such services are required by Washington lenders, they are not required by Boston lenders. Greater Boston is about the same size as metropolitan Washington; it has about the same living costs; it is an eastern, urban city; and it is older than Washington.

SETTLEMENT COSTS LOWER

Yet settlement costs there are a half to a quarter what they are here. Besides lower lawyer fees, Boston's costs are lower because lenders either do not require or absorb the expense of title insurance, surveys, credit reports, appraisals, and notary fees.

Referring to Washington lenders' requirements, Norman McIntosh, vice president of Boston's Provident Institution for Savings, Boston's largest source of mortgage money, says, "You know why they require them?"

"Because," he says, "they can get away with it."

Thornton W. Owen, president of Perpetual Building Association, the Washington's area's largest source of mortgage funds, says banks are more competitive in New England, forcing them to absorb costs to get more business.

"We feel we should be reimbursed for costs we put out," he says.

L. A. Jennings, chairman of Riggs National Bank, the Washington area's largest bank, acknowledges that the charges could be "foregone." "But, Jennings says, "We're in business to make a profit, and we're not making a large profit on it."

The chart above [not printed in the RECORD] includes all charges that buyers with conventional mortgages must pay above the

price of the house. Several small lawyer charges are paid by sellers in some jurisdictions and buyers in others; for purposes of consistency, and since seller charges are theoretically passed along to buyers in the price of the house, they are all shown under buyer costs.

The figures are prevailing rates and taxes according to Commonwealth Land Title Insurance Co. in D.C. and lawyers B. George Ballman in Montgomery County, Robert K. Williams Jr. in Prince George's County, and F. Shield McCandlish in Northern Virginia.

A breakdown of the charges:

Fees to lawyers include examination or search of title, drawing of papers, preliminary report or binder, and settlement fee. In D.C., these fees go to title insurance companies rather than lawyers because the companies handle settlements. In Maryland, lawyers also take about 25 per cent of the title insurance premium as their commission, and this is included in the chart under fees to lawyers. The title insurance premium is shown as being reduced proportionately. For purposes of consistency, the 25 per cent cut is shown in D.C. under fees to title companies rather than under title insurance premium.

Title insurance includes lenders', insurance, which is required, and owners' insurance which is optimal but usually taken. The owners' policy is about a third more than the lenders' premium. The money goes to title insurance companies.

Services required by lender (misc.) include appraisal, credit report, survey, fire insurance and notary. The fees go to those providing the services.

Taxes to government include transfer taxes or stamps, clerks' fees for recording and giving tax statements, and property tax escrow required by lenders, based on typical property taxes for sale prices shown.

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[From the Washington Post, Jan. 10, 1972]

THE SETTLEMENT SQUEEZE—II: HIDDEN FEES BOOST HOME'S COST

(By Ronald Kessler)

Anyone who has bought a house has had the experience. You sit rather tensely before a lawyer or settlement clerk. Papers are passed, documents signed.

You are handed a sheet of mystifying charges. There is not much sense in questioning them. You will only be told they are "set" or "required."

You want your house, and with some relief, you pay.

What you pay are settlement costs, an array of legal fees, title insurance premiums, taxes, and service charges required by lenders. There is often more to the charges than meets the eye.

Consider the settlement sheets of Elmer F. Blanchard, a suburban Maryland title attorney with four offices in Prince George's and Montgomery counties. Settlement sheets list all the charges that must be paid at settlement.

Blanchard's sheets show that home buyers are charged $55 for a survey, one of the services lenders generally require. But, unknown to Blanchard's clients, the actual charge for most of his surveys is $45. Blanchard retains the extra $10.

Blanchard acknowledges that he has what he calls a "deal" with Maryland surveyor Roger M. Vales. He refers nearly all of his survey business to Vales. Vales charges Blanchard only $45, less than the going rate of $60. Vales says that he sends Blanchard a bill for $55. The higher figure appears on settlement sheets, and Blanchard makes $10 per settlement.

Blanchard says he handles some 700 to 800 settlements in this way each year. That comes to $7,000 to $8,000 a year.

However, he says, "We're not going to be sitting here with any $8,000 at the end (of the year)."

Blanchard figures part of the money is returned to Vales when Blanchard has to pay him for surveys for which Blanchard doesn't get reimbursed. This happens when home buyers cancel settlements after the survey has been done. Other lawyers and surveyors say lawyers nearly always pay surveyors in these cases anyway.

Blanchard maintains that the "arrangement" helps everyone, since home buyers pay $5 less than the going survey rate. He says his other charges are in line with or below the usual fees.

Blanchard later said that because of the prospect of reporting of his arrangement in The Washington Post, he plans to give all the money to Vales.

Henry R. Lord, deputy attorney general of Maryland, says such a practice would appear to violate the Maryland criminal law dealing with rebates at real estate settlements.

The law cited by Lord provides that "no person . . . having any connection whatsoever with the settlement of real estate transactions . . . shall, for the purpose of soliciting, obtaining, retaining, or arranging any real estate settlement or real estate settlement business, pay to or receive from, any other person, firm, or corporation any fee, compensation, gift . . . thing of value, rebate, or other consideration . . ."

An arrangement like that described by Blanchard also would appear to violate American Bar Association ethics, according to Rockville attorney David E. Betts, the president-elect of the Maryland Bar Association.

Blanchard's arrangement is only one example of the types of hidden payments and kickback practices larding settlement costs in the Washington area. The most prevalent payments are by lawyers and title insurance companies (those who handle settlements) to developers, builders, real estate brokers, and lenders (those who bring in settlement business).

In D.C., settlements are generally handled by title insurance companies, while in the suburbs they are handled by lawyers. Central to the pervasiveness of kickback-type arrangements by lawyers is the fact that no one, including the lawyers, knows whom the lawyers represent at settlements.

Lawyers are normally hired by one person, paid by him, and given orders by him. At settlements, however, although lawyers are supposed to represent home buyers, who pay their fees, they are given instructions by lenders, and many lawyers interviewed conceded that their first loyalty is to those who hire them—usually developers, brokers, or lenders.

"How can you represent people who are on opposite sides of the table?" asks Lawrence A. Widmayer Jr. of Bethesda's Jones, O'Brien & Widmayer, a law firm that does a large settlement business. Conflict-of-interest is inherent in the work, he says.

Many home buyers have never heard of settlements, much less settlement attorneys, who specialize in title work. They are likely to hear the terms first from brokers, lenders, or developers when they have decided upon a house or applied for a mortgage. Brokers often tell buyers they don't need their own attorney, who would only add to expenses. One way or another, the buyer is steered to where the payments are.

The most lucrative arrangement is with developers. This is how it works:

Before new houses are built, developers hire lawyers to check the title to the raw land and to perform other legal work, such as zoning appeals.

Lawyers say a typical charge for such work on a 200-house development is $16,000. If a buyer of a finished house in the development hires the same lawyer to check title to the property, the lawyer's charge is almost pure profit, since he has already checked the title and does not reduce his fee.

Richard B. Chess Jr., a Fairfax lawyer, estimates that the additional work involved to bring a title up to date for all the purchasers of 200 homes of $40,000 would be a total of $1,600.

If the lawyer gets the business on all 200 homes, however, he gets a total title search fee of $80,000 under bar association minimum requirements. He gets another $20,000 for drawing up papers and holding settlements.

What happens is that the lawyer makes a deal with the developer: You refer buyers to me, and I'll do the initial title work for you free or at cost. The seller's settlement fee of $25 to $50 per house is also waived.

"It's an open secret that any builder that has a subdivision usually gets the entire work done free provided he refers purchasers to the lawyer," says C. Edwin Kline, president of Citizens Building and Loan Association Inc., Silver Spring, one of Montgomery County's largest savings and loan associations.

F. Sheild McCandlish, who headed a special Virginia State Bar investigation of the practices earlier this year, estimates that 90 per cent of closings on new houses in Virginia developments involve such arrangements.

One developer figures he saved $14,000 in legal costs on 20 houses he built in Virginia this year. The developer said only one out of five Virginia law firms he approached did not offer a reduced rate in return for an agreement to refer business.

"Referring cases is understood if you want to reduce fees," says Carl Bernstein, president of Berlage-Bernstein Builders, Inc., of Alexandria, one of the largest builders in Virginia and Maryland.

Bernstein's method of following through on his side of the agreement is simple: he refuses to sell a house to anyone who won't settle with the agreed-upon firm, he says.

"We'll do them (title searchers for developers) at cost," acknowledges Victor A. De Leon of Conroy & Williams, a Bethesda and Prince George's County title law firm. "The general idea behind it is that they (the developers) will refer the finished business." New developers, he added, may not get a break until they are more established.

"In 21 years in Montgomery County," says Widmayer, of Jones, O'Brien & Widmayer, another established title law firm in Bethesda, "I've never heard of a law firm that doesn't' give a special rate to a developer with the hope and anticipation that they will get return business." Widmayer says his firm knocks off up to two-thirds of title search charges and waives other fees for developers.

The American Bar Association's code of ethics says: ". . . a lawyer shall not compensate or give anything of value to a person or organization to recommend or secure his employment."

Whether the "thing of value" is legal services or money is irrelevant, says N. Samuel Clifton, executive director of the Virginia State Bar in Richmond. "What it amounts to is a kickback," he says, and is "illegal."

The Virginia law cited by Clifton, by the Virginia bar report on the practices in northern Virginia, and by the Virginia attorney general's office prohibits anyone from acting as an agent for an attorney by soliciting business for him. An agent is defined as "one who acts with or without compensation at the request, or with the knowledge and acquiescence of the other in dealing with a third person or persons."

Both agent and attorney are subject to fines of up to $1,000 or jail terms of up to a year or both.

As indicated previously, the Maryland criminal code cited by Deputy Attorney General Lord prohibits those connected with real estate settlements from giving any "fee, compensation, gift . . . thing of value, rebate, or other consideration . . ." for the purpose of "soliciting, obtaining, retaining, or arranging any real estate settlement or real estate settlement business. . . ."

Many of the lawyers interviewed contended their arrangements do not violate the law or professional ethics because, so far as they know, developers do not insist that buyers settle with the lawyers. As a result, they say, perhaps 10 per cent of buyers of new houses settle elsewhere.

One of the lawyers, De Leon, added in a subsequent interview that the reduced rates his firm gives to developers are still within bar association minimums, because the bar's fee schedules permit negotiated rates on properties with values in excess of a certain level.

Referring to lawyers' arguments that developers don't insist that all buyers settle at the agreed-on law firm, Betts, the president-elect of the Maryland State Bar Association says, "It doesn't make a hell of a lot of difference whether the developer says he'll give you all or part of it (the business)." Betts, a partner in the Rockville law firm of Betts, Clogg & Murdock, which does a large title business, says such arrangements with developers "in all probability violate the (ABA) ethics."

Kickback arrangements between attorneys and real estate brokers are harder to pin down. "I wouldn't tell you if they did (offer me kickbacks)," says Ted R. Lingo, president of Ted Lingo, Inc., a Maryland and D.C. real estate broker. However, he says that while some brokers insist on settlements with one lawyer, he gives buyers free reign.

The Virginia state bar report says that "many attorneys do legal work and/or title work for brokers at no charge in consideration of the broker directing settlements to those law firms."

Walter L. Stephens Jr., the Fairfax lawyer who initiated the investigation as head of the state bar's grievance committee for northern Virginia, says that it is common practice for realtors to designate settlement attorneys on purchases of existing houses by getting buyers to sign contracts delegating this right to the realtor.

Gilbert A. Schlesinger, a Silver Spring realtor, says brokers have told him as recently as several months ago, "Why don't you deal with so-and-so (lawyer). He gives a kickback." The usual payment quoted, says Schlesinger, is $25 to $35 per house.

John H. Beers, another Silver Spring broker, says, "It (kickbacks to brokers) is something that is going on. People in the trade say it's cash; $25 a case."

"A lot of brokers get a lot of kickbacks" says Kline, the president of Citizens Building and Loan Association.

"When a real estate broker is steering everyone to the same lawyer, it isn't because of a great fondness for him," notes Clifton, the Virginia bar director.

Schlesinger and others say it is not uncommon for the payment to take the form of free legal services, which an average broker's office may require once a month. In addition, says Widmayer of Jones, O'Brien & Widmayer, brokers will get a third of the legal charges knocked off when buying their own houses.

"We figure, what the hell, it's out of our pockets," says Widmayer.

Earlier this year, Robert E. Bullard, a Rockville lawyer active in bar association affairs, filed suit against Citizens Building and Loan Association, charging that since 1969 it has required that all settlements on its mortgages be held by two lawyers.

The lawyers, Herbert W. Jorgensen and Joe M. Kyle of Heise, Kyle & Jorgensen also are the attorneys for the Citizens S&L. They have their offices in the same building in Silver Spring. And Jorgensen is a member of the S&L's advisory board.

Bullard charges in his suit that he was told by Kline, the president of Citizens, that the institution was paying "approximately $17,000 a year to their attorney and had to compensate them in some other way. The feeding of all settlements to their attorneys was their solution."

Since the suit was filed, Citizens has changed its practice, according to Kline. The S&L now permits borrowers to settle elsewhere but requires that they pay Kyle and Jorgensen $70.

Kline says the fee is partly to cover the lawyers' charges for looking over the papers prepared by other lawyers and partly to prepare the required deed of trust and note, which the borrower's own lawyer should not therefore have to do.

Jorgensen said this practice protects home owners, since the lender has the greatest stake in the soundness of the title to a house on which it lends money. "When our attorney does it we know it's right," says Kline.

However, he said that in return for the funneling of business to Kyle and Jorgensen, they "give us some free services. They won't charge if it's an opinion or advice." Jorgensen did not comment on Kline's statement.

A similar arrangement exists at Metropolitan Federal Savings and Loan Association, whose Bethesda office is adjacent to the firm that gets the business—Jones, O'Brien & Widmayer. Ellis M. Jones of the law firm is also senior vice president and a director of the S&L.

Jessie Hilderbrand, president of Metropolitan Federal, said the purpose of the arrangement is to "insure safety" because the S&L's law firm can be trusted to do a good job.

The extra charge for borrowers who use their own lawyers is $150. Of this, $35 is for preparation of papers.

Some lawyers make their own charge for preparation of the same papers, doubling this cost to the home buyer.

While many S&L's say they don't require their own lawyer at settlement, Schlesinger says some lenders will "look a little glazey-eyed at you and give the hint to the broker not to come back again" with customers who insist on their lawyers.

In Virginia, the bar report says, many banks and S&Ls require that their loans be settled with specific firms. "Usually, there is a relationship between a member of the law firm, i.e., a directorship," the report says. Other lenders charge an extra fee instead of requiring closing with their attorneys, it adds.

A Federal Home Loan Bank Board regulation that became effective last January permits S&Ls to engage in these practices. The Federal Reserve Board, which regulates banks, has no regulation either way.

The Virginia bar report, too, concluded there was nothing wrong with the practice.

One Montgomery County S&L president, called the Federal Home Loan Bank Board regulation a "farce."

"It's absurd; all you have to do is read them (the mortgage documents)," he says. "What the arrangement does is force everyone into the arms of the lawyers, when the title companies from D.C. could do the job for far less, and in my opinion, they do a far more professional job."

D.C. banks and S&L's permit borrowers to settle with any lawyer or title company. Thornton W. Owens, president of Perpetual Building Association, Washington's largest S&L, says the mortgage documents are read over by clerks when they come in from the buyer's lawyers, and the cost is considered an ordinary business expense.

The problem with all these arrangements, says Stephens of the Virginia bar, is that lawyers wind up representing the interests of those who hire them—the lenders, brokers, and developers—rather than those of the buyers. If the lawyer gets a substantial portion of his business from a few lenders or developers, he may become dependent upon them and succumb to pressure to overlook defects in title or to give bad advice to clients, he says.

The danger is not hypothetical. Stephens says a number of lawyers have told him of attempts at such pressure.

To insure that lawyers represent only their clients, ABA ethics provide that a lawyer "should not accept compensation or any thing of value incident to his employment or services from one other than his client without the knowledge and consent of his client after full disclosure."

The idea behind the rule is that one giving compensation to a lawyer may exert influence over him, and the influence may not coincide with the client's best interests.

Despite the rule, nearly all Maryland title lawyers accept a "commission" from title insurance companies in return for choosing a particular company. (Virginia lawyers, by custom, do not.) And although the ABA rule requires that permission of home buyers be obtained before taking such payments, few home buyers are aware of the arrangements, and Maryland brokers say they have never heard a lawyer ask such permission.

Many Maryland lawyers believe they comply with the ethic by disclosing the arrangement in a printed line on their settlement sheets. The line, in small type, generally says the law firm acts as the agent for a title insurance company and may take a commission on the insurance premium.

I. John Ritterpusch of Ritterpusch and Gingell, a Silver Spring law firm with a large title business, says that as a rule he doesn't expressly tell clients about the commission. Instead, the charge for title insurance is described on his settlement sheets as "Premium & Commission," with no indication that the commission goes to Ritterpusch.

Ritterpusch who is chairman of the Montgomery County Bar Association's real estate committee, says he believes the description satisfies ethical requirements. He says if the commissions were eliminated, legal fees would have to go up.

The commission varies from 20 per cent to about 35 per cent of the total premium. Some lawyers who help write the policies are paid commissions of up to 50 per cent of the premium.

Although title companies acknowledge that lawyers who get the lower commissions do no work in return, they say that any single company that dropped the payments would immediately lose substantial business.

Whether home buyers always get what they are paying for at settlement is an open question. The Virginia bar report says that while lawyers certify they have searched title to a house back at least 60 years, "many attorneys," the report says, "do far less than a 60-year examination."

"There are some shortcutters in the business who will stop (searching) with a mortgage—maybe a year back," says T. Hammond Welsh Jr., president of Maryland State Savings and Loan Association in Hyattsville.

Welsh, a former Prince George's lawyer, says the practice has been common in Maryland for years.

Another common practice, the Virginia bar report says, is for "an attorney to pay $75 for a certificate of title to a $40,000 house and charge the purchaser from $350 to $400." Such certificates, which are purchased from free-lance searchers who can be found in county court houses, go for $35 in Montgomery County.

Lawyers justify this practice by saying their charges are to cover their liability. But the bar report notes that when the same lawyer handles settlement on the same house several times, his "exposure (liability) has not been increased one iota. so how can the additional . . . fee be justified?"

Even the survey, a service generally required by lenders to make sure the mortgaged house is within property lines and isn't encumbered by other adjoining properties, is not always what it appears to be. Charles B. DeLashmutt, a partner of DeLushmutt Associates, Arlington surveyors,

acknowledges that nearly half the surveys he supplies on existing properties are ones he has done for previous purchasers.

He takes a picture of the old survey, he says, places a new date on it, and goes out to the property to make sure there have been no changes.

DeLashmutt says he charges as if he had to do a new survey because his liability is increased when a new owner buys the house.

Rodney L. Hanson, president of the Maryland Society of Surveyors, says lawyers sometimes add on to survey charges at settlement. Often the evidence turns up years later, when a home owner calls Hanson's firm, Hanson & den Outer in Rockville, to ask a question about the survey.

The owner mentions what he was charged, and it turns out he paid as much as $120 for a $60 survey, Hanson says.

*Typical settlement on a $36,500 home in Maryland suburbs*

| | |
|---|---|
| Price | $36,500.00 |
| Deposit with broker | 1,500.00 |
| Appraisal fee lender | 35.00 |
| First deed of trust lender | 29,200.00 |
| Insurance paid policy at settlement, 1 mo. ins. escrow to lender | $10.00 |
| Taxes 12-22-71 to 6-30 @ $692.91 yr. | 363.72 |
| Front foot benefit charges @ $52.50 yr. | 1.26 |
| Taxes for 4 mo. escrow—lender | 248.56 |
| Survey | 60.00 |
| Title insurance & interim binder-owners-mortgagees | 149.50 |
| Examination of title | 165.00 |
| Preliminary report | 2.50 |
| Tax certificate and report | 2.50 |
| Conveyancing deed | 15.00 |
| Recording deed, trust | 23.00 |
| Notary fee | 1.50 |
| Settlement fee | 56.00 |
| Most Constr. Co | 365.00 |
| Revenue stamps, State | 160.00 |
| Maryland transfer tax | 182.50 |
| Balance | 7,641.64 |
| Total | 38,341.64 |

[From the Washington Post, Jan. 11, 1972]

THE SETTLEMENT SQUEEZE, III: HOME BUYING A GRAB BAG FOR ALL

(By Ronald Kessler)

The charges look legitimate enough. Sen. William Proxmire paid $205 when he bought his $60,000 home in D.C. Sen. John E. Moss paid $161 on his $40,000 Washington home. Rep. James E. Hanley paid $180 when he bought his $48,000 Bethesda home.

What they paid for was title insurance, one of the most visible and controversial charges imposed on home buyers at real estate settlements. Lenders in the Washington area require that buyers pay for title insurance as a condition to getting a mortgage. The insurance protects the lender if any defects later arise on the title, or legal ownership, of the house. For a small additional charge, home buyers can get protection for themselves as well.

Unknown to home buyers, whether members of Congress or ordinary citizens, the title insurance premiums they must pay frequently contain sizable hidden fees, as well as kickbacks that appear to be in violation of criminal laws.

"Everybody and his brother is making money off the title insurance companies—the bankers, the brokers, the lawyers, and the developers," says William J. Kuntz, director of the Pennsylvania Insurance Department's licenses bureau, which has taken a tough stand on insurance rate regulation. "This is a grab bag for everybody," he says.

Title insurance companies sell title insurance to home buyers throughout the Washington area, and in D.C. they perform the additional function—handled by lawyers in the suburbs—of checking title to houses, preparing legal documents, and holding settlements.

Since business is referred to the companies by lawyers, developers, lenders, and brokers, the companies do not attempt to compete by lowering rates to home owners, they concede. Rather, they offer free or cut-rate services and other monetary favors to the real estate men who bring in the business.

Consumers get no benefit from the kickbacks, and have to settle with particular companies without knowledge of the arrangements, says Seymour Glanzer, chief of the U.S. attorney's fraud unit. Glanzer calls the kickbacks "commercial bribery."

Anthony J. Horak, manager of the Washington branch of Lawyers Title Insurance Corp., the largest of Washington's four major title insurance companies, says that giving discounts on title examination and settlements work to brokers, lenders, developers, and lawyers in return for business referred is common practice throughout the title insurance industry.

Developers, he says, generally get a 75 per cent reduction on title examination charges in return for an agreement to refer buyers of finished houses to the companies for purchase of title insurance and handling of the settlement. The idea, he says, is that the developer gets work done at cost.

Sometimes the agreement is put in writing, he says. The contract provides that if a substantial amount of business isn't referred, the developer gets charged at the regular rate.

"It's the way we do business," Horak says.

Brokers, lenders, and lawyers also generally get a third or more of title charges knocked off when they buy their own houses, Horak says.

"It's conceivable that he might get most of it (the title charge) off if he's a real good customer," Horak says. Title company charges on a $60,000 house purchase are $220 for the title search and $111 for drawing up papers and conducting settlement. The charges vary with house price.

Horak estimates that besides these discounts, Lawyers Title this year spent at least $15,000 entertaining local lawyers, developers, lenders, and brokers, including providing them with tickets to the Redskins' games.

Ralph C. Smith, president of the Washington division of Commonwealth Land Title Insurance Co., another of Washington's four largest title companies, says most title companies, including Commonwealth, give some form of discount to developers.

"To the title company it means getting business it might otherwise not get. To the home buyer it means reduced rates" because savings to builders theoretically should be passed along to home buyers, Smith says.

"Everybody cooperates with these builders," says E. Spencer Fitzgerald, president of District-Realty Title Insurance Corp., another of the four major companies. "When you give a builder a break on these things, it should bring down the cost of the house—whether it works that way or not I don't know," he says.

Smith of Commonwealth Land Title maintained that his company doesn't give kickbacks to brokers. But Allyn J. Rickman, a partner of Schick & Pepe Inc., one of suburban Maryland's largest realtors, says that for every settlement case he refers to Commonwealth, Schick & Pepe gets a cash "rebate" from Commonwealth.

Rickman contends the arrangement is legal because the money—the amount of which he declines to disclose—is funneled through a company set up for the purpose of receiving the money from Commonwealth and giving it to the owners of Schick & Pepe.

Rickman says his salesmen, who are not aware of the arrangement, only suggest that settlement be held with Commonwealth when asked by buyers for a recommendation. Only 150 of 450 existing houses sold by Schick & Pepe this year were settled at Commonwealth, Rickman says.

Rickman says the arrangement benefits home buyers because Commonwealth's charges are lower than those of Maryland settlement attorneys. "It's not wrong; I'm using the cheapest place in town," he says. Although he concedes the arrangement "doesn't sound good," Rickman says, "As long as it's not illegal or immoral, what's wrong with it?"

Smith said he doesn't believe the arrangement is illegal, and he said Schick & Pepe gives some services in return for the payments.

Smith declined to say what the services are.

Samuel R. Gillman, president of Columbia Real Estate Title Insurance Co., the fourth major D.C. title company, says any payment or discount by a title company to a broker, lender, or developer is illegal, and he says his firm never does it.

"You cannot give kickbacks. Anybody who is willing to take that risk is crazy," Gillman says. When told several companies had admitted to the practices, Gillman was incredulous.

Henry R. Lord, deputy attorney general of Maryland, agrees that such arrangements are illegal if they involve purchase or sale of Maryland property. Funneling the payments through a company, as Schick & Pepe says it does, doesn't alter the violation, he says.

Under the provisions of the Maryland criminal law cited by Lord, those having any connection with settlements on Maryland real estate are prohibited from giving or receiving any "fee, compensation, gift . . . thing of value, rebate, or other consideration . . ." for the purpose of "soliciting, obtaining, retaining, or arranging any real estate settlement or real estate settlement business . . ."

The Maryland insurance code, also cited by the attorney general's office, bars title insurance companies from giving—directly or indirectly—as an inducement to insurance, any "valuable consideration or inducement whatever . . ."

The insurance law provides a fine of up to $50,000 and possible revocation of the right to do business for violations. The criminal law provides a penalty of up to six months in jail or up to a $1,000 fine or both for each offense.

Such arrangements could also violate federal fraud laws, Glanzer of the U.S. attorney's office says. In government contract work, any kickback is legally presumed to constitute over-pricing and must be given to the government, he says.

Horak of Lawyers Title and Smith of Commonwealth said they don't believe they are violating the law. They offered no elaboration.

Fitzgerald of District-Realty said he believes the practices are legal because title examination charges are not set by the Maryland insurance department. A special assistant attorney general assigned to the department, Murray K. Josephson, said this is not relevant.

Analysis of title insurance company financial statements on file with the D.C. insurance department shows that $8.8 million, or 27 per cent, of the title insurance premiums paid by home buyers to the four major local companies was paid out by the companies in 1970 as commissions.

The commissions are paid to induce lawyers who handle settlements to buy title insurance for home buyers from a particular insurer. Maryland lawyers accept them, while Virginia lawyers do not or are not offered them. (Lawyers Title says it pays commissions only to agents who write policies.)

The commissions are specifically exempted from the Maryland law prohibiting real estate settlement rebates, and they are legal in D.C. and Virginia. In California they are against the law. A bill to outlaw them in New York State recently died in the legislature.

"The commission is of absolutely no benefit to the home buyer," says Fairfax Leary Jr., counsel to Ralph Nader's Public Interest Research Group and former counsel and a director of Title Insurance Corp. of Pennsylvania.

Fitzgerald of District-Realty concedes the commissions are of no value to consumers and outlawing them could bring title insurance rates down substantially.

James E. Starrs, a George Washington University law professor, calls commissions in the title insurance business "only kickbacks that have been legalized by the state legislatures controlled by the lawyers." He says they bear no relation to commissions paid to life insurance agents, for example, because the life insurance agents work to get more business, while lawyers are simply performing their duties by securing various services for their clients.

Further, Starrs, says, the title insurance market cannot be expanded, since the insurance is required by lenders, while agents can work to induce more people to buy life insurance. Every dollar spent on commissions is wasted money, he says.

Here lies the key to the title insurance problem. The title insurance companies do not make exorbitant profits. Analysis of their insurance department statements shows average annual profit last year after taxes of 9 per cent for the four major companies. By most business standards, this is not excessive. Nor are the companies falling down on the job.

"The system, with all of its irritations, costs, and delays, is a very effective consumer protection," says Allison Dunham, a University of Chicago law professor, one of many professors throughout the country who has studied settlement costs and laws.

But congressional and consumer critics say the cost of this protection is inflated by millions of dollars a year because the companies have no incentive to cut costs.

Indeed, says Sen. Proxmire, who has introduced a bill to require lenders to pay for title insurance, the structure of the title business puts a premium on raising costs to the consumer.

"The only way title companies can get more business," says Martin Lobel, an aide to Proxmire, "is by throwing away money to the real establishment."

"The companies don't show high profits because they give all the money away to brokers, lenders, developers, and lawyers," adds Kuntz of the Pennsylvania insurance department.

(The companies do not pay employees well, either. At Lawyers Title, clerks make $4,800 a year, title searchers up to $6,000 a year, examiners up to $10,000 a year, and lawyers between $10,000 and $17,500 a year.)

Besides getting their business from those in the real estate business, title companies generally are controlled by real estate men on their boards of directors, a study by Proxmire's office found.

In Washington, for example, 20 of the 24 directors of Columbia Real Estate Title Co. are either lenders or real estate brokers.

The reason, says Charles E. Mitchell, vice president of Guaranty Land Title Agency Inc., which represents an out-of-town insurer, is that the companies hope these directors will refer business to them.

Critics such as Proxmire say title insurance premiums are far too high, and they point out that losses on title insurance policies are almost nonexistent. Last year, insurance department statements show, the four major Washington companies paid as losses 5 per cent of the premiums they took in from D.C., Maryland, and Virginia home buyers.

Two of the companies—Columbia and District-Realty—reported losses of 0.1 per cent. Columbia had no losses in D.C. and Maryland, and only a $1,000 loss in Virginia.

Title companies counter that their losses cannot be compared with those of other insurance companies because they try to prevent risks, rather than assuming them. Fire insurance companies, they say, have no control over the outbreak of fires, but title insurance companies, if they search title properly, should have minimal losses.

Since most losses are the fault of the title company that overlooked an outstanding claim when it searched title, many home buyers question why they should pay for a title search and pay again to insure that it was done properly.

The companies counter that they could make a lump charge for the search and insurance, and no one would question it.

Title insurance rates have remained unchanged in the Washington area for years, but since they are based on house prices, the rates bring in more money per house as real estate values go up. The Maryland insurance commissioner has authority to reject rate filings but never has, while the D.C. and Virginia insurance departments say they have no authority over rates.

Proxmire reasons that since lenders are the ones who require title insurance, they should pay for it, and he believes they would then use their economic clout to force rates down.

Although the title insurance charge would still be passed along to consumers as part of the interest rate on mortgages, Proxmire says, lenders would try to reduce the charge as a competitive measure.

Rep. William L. Hungate (D-Mo.) has introduced a bill to regulate D.C. title insurance companies. Benny L. Kass, a consumer advocate lawyer, says it reads "like an industry attempt to keep out competition; it has no provision for reducing excessive rates."

The bill, concedes a spokesman from Rep. Hungate, was prepared by the executive vice president of the Columbia title company.

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PURPOSE OF TITLE SEARCH EXPLAINED

The purpose of a title search and title insurance is to make sure that the seller of a property is the true owner and that no one else has an interest in the property.

Examination of a typical file at District-Realty Title Insurance Corp. shows how this is done. Title records generally are searched back 60 years, but District previously had checked title on the particular property, a Northwest Washington home, in 1963.

Since that date, 13 mortgages and deeds had been placed on the home. Each of the documents was examined, and those who were parties to the transactions checked out legally. If one of the signers of a deed had been declared at the time to be legally insane, for example, the deed could be void.

The title check turned up a condemnation proceeding involving the property, four declarations of insanity proceedings against four persons with the same name as the signer of one of the deeds, a domestic relations claim, a guardianship proceeding, and a prior tax lien against the house.

Besides these claims and legal vagaries, ownership of a house may not be free and clear because of a legal judgment outstanding against the property or an undisclosed mortgage on it.

The ultimate title defect—a wrong owner—is a rare occurrence, and when it happens the new occupants of the house are almost never evicted. Rather, title insurance companies reach some form of cash settlement with the rightful owner.

Although most title insurance losses are the fault of a title searcher who overlooked an outstanding claim, some are beyond the control of the company—a forged deed, for example, or an error by a recorder of deeds. Most title policies cover these unforeseen losses.

[From the Washington Post, Jan. 12, 1972]

THIS SETTLEMENT SQUEEZE, IV: BOSTON AND WASHINGTON: COST DIFFERENCE SHOCKING

(By Ronald Kessler)

"Great Scott!" "You're nuts!" "I'm quaking in my shoes!"

These are the reactions of Boston bankers and title lawyers when told how much settlement charges are in Washington. Their shock is well-founded.

Purchasing a $40,000 house in the Washington metropolitan area requires double to triple the settlement cost outlay required in the Boston area. Nor is Boston out of line with the rest of the country.

A soon-to-be released Department of Housing and Urban Development study shows that it is Washington that is out of line. The highest settlement costs in the nation—exclusive of government transfer taxes and fees—are in Maryland, the study found. The fifth and sixth highest costs, respectively, are in Washington and Virginia.

Transfer taxes and government fees required at settlement also are higher in Maryland than in any state in the nation. Virginia and D.C. are seventh and eighth highest, respectively.

Those who make the charges—the lenders, lawyers and title insurance companies—generally agree that costs here are too high. "When I came down here from Ohio, I was shocked too," says Anthony J. Horak, branch manager of Lawyers Title Insurance Corp., Washington's largest title insurance company. "The buyer down here really gets clobbered," he says.

One effect of the high closing costs, a 1967 Montgomery County housing report concluded, is that fewer people can afford to buy their own homes.

Although they agree charges are too high, each of the parties to settlement blames the other. "No one has come out and said who is gouging whom and how," says Gary L. Garrity, director of public affairs of the American Land Title Association, a trade group.

As detailed in previous stories, a Washington Post investigation has found that Washington area title insurance companies and developers involved in real estate settlements are engaged in widespread kickback-type practices.

Such hidden arrangements, says Seymour Glanzer, chief of the U.S. attorney's fraud unit, constitute clear-cut evidence of overcharging. "It's obvious that money used for kickbacks is money that consumers are being cheated of," he says.

From an economic standpoint, says Paul A. Samuelson, the Nobel Prize winner in economics, kickbacks mean that charges are being forced up by "monopoly pricing."

"If you can insist through cartel that fees are too high, the result is swag and it has to go to somebody—frequently in the form of kickbacks," says the Massachusetts Institute of Technology professor.

James E. Starrs, a George Washington University law professor specializing in real estate, says the first measure that should be taken is "stringent disciplinary action" against lawyers violating bar association ethics, and enforcement of the insurance laws dealing with rebates.

However, Starrs says, "The same lawyers who do the investigating of ethical violations are often the ones who should be investigated."

Starrs proposes creation of a special commission with subpoena power and a mandate to hold public hearings on Washington area settlement practices.

Although hidden payments and kickbacks represent a sizeable chunk of charges paid at settlements in Washington, home buyers in part are being gouged not by individuals but by the system.

Many experts compare the present system of transferring title to homes by searching title, drawing legal papers surveying, adjusting and insuring to auto liability insurance. The costs of fixing blame for accidents under the liability system far exceed the benefits, critics say.

In Massachusetts, where liability insurance has been replaced by no-fault insurance, bodily injury premiums have been reduced by 55 per cent over two years.

Boston still has a long way to go before its methods of transferring title are as simple as the state no-fault insurance plan. But Boston, which is about the same size as the Washington area, has about the same living costs and is older than Washington, has settlement costs that are enviably low.

Settlement on a $40,000 house in the Boston area costs $753 to $843. This compares with $2,562 in Prince George's County, $2,514 in Montgomery County, $1,418 in Virginia and $1,248 in the District.

An observer of Boston settlements is immediately struck by their low-key atmosphere. Passing of papers, as the process is called there, often is held in musty recorder of deeds' offices rather than in plush lawyers' offices.

Unlike Washington lawyers, Boston attorneys do not keep escrow accounts for the funds transferred at settlement. They simply endorse the checks to the proper parties, never touching the money. In Maryland and Washington, escrow accounts have led in some instances to embezzlements of home buyer's funds. (Three Maryland lawyers were jailed when it was found in 1967 that they had pocketed the new mortgage loans of 70 home buyers, who were left with old unpaid mortgages still outstanding against their properties.)

Escrow accounts kept by attorneys with large settlement practices here typically amount to $1 million and more. The accounts don't bear interest, making them lucrative arrangements for banks. As an inducement to getting the accounts, some lending institutions say they give loans at reduced interest rates to attorneys with the accounts.

By delaying dispersal of funds after a settlement, an attorney can increase the "float" or average daily balance in these accounts. While many attorneys disperse funds within four or five days—the time it takes for checks to clear—a common complaint by home buyers is that their settlement attorney took three weeks and more to complete the transaction and send them their deed.

Although title insurance rarely is bought in Massachusetts, in those instances when it is purchased for large commercial properties lawyers say they decline to accept a commission when it is offered by the title companies.

"It's a violation of bar ethics to accept money in connection with your client's business unless you get his permission," says Albert B. Wolfe, a Boston lawyer. "So most lawyers I know either give the money to the client or don't accept it."

Nearly every Washington area title lawyer and broker acknowledges hearing reports or rumors of kickbacks here. In Boston, says John S. Bottomly, a Boston lawyer who formerly was an assistant attorney general of Massachusetts, "You never hear of kickbacks."

"The lawyers have the Protestant ethic up there, and the banks don't like to see screwing around," contends Martin Lobel, an aid to Sen. William Proxmire (D-Wis.). Proxmire has introduced a bill to place the burden of paying for title insurance and other title charges on lenders. Lobel's father is a Boston lawyer.

Why Boston has this different atmosphere is hard to pin down. Periodically rocked by political scandal, Massachusetts usually looks outside its borders for models of reform.

But two differences are clear: Boston's lending institutions are highly competitive and work to keep closing costs down to get an edge; Boston's records system, even to the untrained eye, is far superior to Washington's.

The key to a good records system is the index, which is supposed to pinpoint the material wanted in one listing. Washington area indexes are more like chapters in books than indexes.

In Washington, property sales are indexed by both location of the property and by names of buyers and sellers. The location index consists of index cards placed loosely in file drawers. Since any card can be misplaced or stolen, title searchers say they cannot rely on the index because they may overlook a mortgage outstanding against a property.

The buyer-seller index, while it is reliable, is cumbersome and this leads to errors. For one thing, it is not strictly alphabetical. To find a buyer by the name of Freeman, one has to search some 10 to 20 handwritten pages listing everyone from Frederick to Fritz.

In Montgomery County, matters are worse. The seller-buyer index neglects to note the location of the property involved, and one developer or speculator may have bought and sold hundreds of properties each year. The deed to each of the transactions must be extracted from weighty record books and examined in order to find the right one.

John W. Byrnes, a deputy recording clerk in Montgomery, says that originally, locations were left out because "almost all property was acreage. Like Topsy, it's just grown that way," he says.

Defending the D.C. records system, Eleanore D. W. Shoop, first deputy recorder of deeds, says that strict alphabetization of the indexes would be "impossible."

What is impossible here has been done for years in Boston, where the Suffolk County and Middlesex County recorders' offices, covering most of Greater Boston keep alphabetical indexes both by first and last names, listing property locations as well.

Each index goes back 5 to 10 years, eliminating the need to pull an index book for each year to be searched.

And each of the Boston indexes lists mortgages, deeds, attachments, liens and bankruptcies, all of which are needed to search titles. In Washington, these records are scattered all over the city in various court buildings and city agencies.

Because of these defects, Washington title insurance companies keep their own set of land records. "Anybody who thinks he can do a title by going to the D.C. recorder of deeds is a jackass," says Samuel R. Gillman, president of Columbia Real Estate Title Insurance Co., one of the four major D.C. title companies that keeps its own records.

Peter S. Ridley, D.C. recorder of deeds, says he has never heard this criticism. He says he understood the companies keep their own records because it is more convenient to search titles at their own offices. He notes that the companies get the data for their records from his office, and he says, "We don't arrange our records for the convenience of any special group."

The time it took this reporter to look up the last deed to Sen. Birch Bayh's house on Garfield Street NW, ranged from 5 minutes at Lawyers Title Insurance Corp. to more than a half hour at District-Realty Title Insurance Corp. Bayh bought the house in 1966.

Such duplicate records, says Nicholas N. Kittrie, an American University law professor who recently completed a study of closing costs for HUD, massively inflate costs to consumers.

"If the government is paying for a system of recording, why shouldn't the citizen be able to go in and count on its accuracy?" asks Kittrie.

It is the lenders who dictate settlement practices. A house purchased for cash could be transferred without any expense other than taxes and recording fees. But what lenders in Washington dictate is quite different from what Boston lenders want.

Boston lenders do not require title insurance; Washington lenders do. And Boston lenders either don't require or else pay themselves for surveys, appraisals, credit reports, notaries and extended property tax escrows. Washington lenders require all these services and place the burden of paying for them on the buyer.

Bankers say Boston banks, which charge lower interest on mortgage loans than do Washington banks, are competitive for mortgage customers. This is because New England, with its manufacturing and insurance companies, has a surplus of money. Washington, without an industrial base, has a deficit of money, meaning the banks here compete to get money rather than to lend it.

As one competitive measure, Boston savings banks offer lower closing costs. "People here shop for closing costs," say Robert T. Lawrence, senior vice president of Boston Five Cents Savings Bank, Boston's second largest mortgage loan source.

Referring to protection required by Washington lenders, Norman McIntosh, vice president for real estate of Provident Institution for Savings, the Boston area's largest mortgage loan source, says, "There's such a thing as going overboard."

Instead of requiring title insurance, Boston lenders rely upon the word of lawyers that title is sound. If the lawyer is wrong, he pays.

"We have a strong tradition of lawyers making good on their titles," says Paul G. Counihan, a Boston lawyer.

Title insurance is a relatively recent development related to quicker turnover of property in urban areas, says Ted J. Fiflis, a University of Colorado law professor who has studied settlement costs. Ralph C. Smith of Commonwealth Land Title Insurance Co. says fewer than 25 per cent of property transfers in the U.S. are covered by title insurance.

Another major difference between Washington and Boston practices is that it is unclear whether Washington area settlement attorneys represent buyers, developers, lenders or real estate brokers, while in Boston it is made clear that the lawyer represents the lender.

Massachusetts law requires banks to tell borrowers in their letters committing mortgages that the lawyer will represent the bank. The law also requires that the bank bill buyers for the lawyer's fees. And to comply with bar ethics, says Boston lawyer Wolfe, lawyers tell buyers orally at settlement that they represent the lender. Buyers are told they can hire their own lawyer if they wish.

Through this direct tie between lawyers and banks, banks keep costs down by exerting pressure on their lawyers. As a result, a buyer can call five banks in Boston and get five different quotes on closing costs.

Lawyers' charges on a $40,000 house closing range from $270 to $360 in Boston. This compares with $555 in Virginia, $525 in Prince Georges County, $385 in Montgomery County and $314 in the District. (The Maryland fees include title insurance commissions pocketed by lawyers there.) The title insurance premium, that practically rules out the possibility that lawyers will have to pay for claims, is an extra $160 in the Washington area.

Boston lenders require an average of 2½ months of property taxes in escrow, compared with up to a year in the Washington area. Transfer taxes also are far lower in Boston, and many experts believe Washington levies should be brought into line.

Transfer taxes, says Henry J. Aaron, a

Brookings Institution economist, are a poor and arbitrary way to get revenue.

"Transfer taxes are not related in any logical way either to ability to pay or benefits received," Dr. Aaron says. "Lots of people who are wealthy don't buy houses, and the fact that these people aren't taxed and others are is inequitable."

Traditionally, property taxes are the most politically sensitive taxes on a local level, and experts say transfer taxes are a less visible way to increase revenues.

A report prepared this year by the Virginia bar on kickback arrangements of Virginia title lawyers and the inefficiency of present title-searching methods concludes that "unless the bar itself makes a serious effort to rectify the injustices to the public set out above, the day will soon come when outside forces will do just that."

The report continues: "It would seem that the committee is recommending a change which would adversely affect the lawyer's pocketbook. This may be so, but we are living in times of change, and this would not be the only change that might adversely affect the income of lawyers. The no-fault rule in personal injury cases is another example of such a change which is currently being proposed."

The comparison with no-fault insurance is apt. Prof. Starrs, for one, contends that as in no-fault insurance plans, lawyers could "for almost all purposes be taken out of the title picture."

Others say that the principle behind no-fault—that changes in the law can reduce costs by eliminating needless work—can be applied to title transfers.

Charles S. Bresler, head of Bresler & Reiner Inc., one of Metropolitan Washington's largest and most diversified developers of residential housing, office buildings, and shopping centers, says he sees no reason why sale of a house should not be as simple and inexpensive as the sale of a car.

Bresler, who studied the problem in an attempt to cut costs on his own developments, says regional computer centers should keep records on property transfers the way state auto registration bureaus keep track of car ownership.

"The cost of this would be infinitesimal," he says, and would considerably cut down on title defects.

In addition, Bresler proposes a federal title insurance program, as mortgages are insured by the Federal Housing Administration and Veterans Administration, to cover any claims that arise. The insurance, like FHA insurance, would be paid for by a premium representing less than a half of a per cent of the mortgage taken on a house, Bresler says. The premium would be paid only once for each house rather than being collected each time the house is sold, as is the practice of private title insurance companies.

"This could cut out the duplication of effort by title insurance companies and title searchers and bring costs down to almost nothing," Bresler claims.

Others are not so sure. Quintin Johnstone, a Yale University law professor, believes that the method would make property ownership "too uncertain" that the cost of computerizing might exceed the efficiencies produced, and that federal title insurance wouldn't represent any savings over private title insurance.

Garrity, of the American Land Title Association, says computerization "probably would be a great expense, and whether it would work might be questionable." Government title insurance would only create "a new federal bureaucracy" which would add to taxpayer expense to benefit those who buy houses, he says.

Prof. Kittrie of American University says it is the function of government to "tell you that title to property is valid and clear." If it did, there would be no need for insurance, he says.

"The present system," says developer Bresler, "puts a burden on every home buyer without giving him anything in return. In a day when you can put a man on the moon," he says, "the transfer of property is still back in the horse-and-buggy era."

## CREDIT UNION SAVES HOME PURCHASER $12,000

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, the enclosed article from Intercom, the publication for members of the Government Employees Credit Union, El Paso, Tex., is another example of how credit unions work in the interest of their members.

The article tells of a woman who saved $12,000 on a home purchase transaction after receiving advice from the credit union. The lady wanted to refinance the house for an additional 25-year mortgage at 7½ percent interest. But after visiting the credit union, she found that she could assume a 5-percent mortgage loan which had only 12 years to run. Thus, the short visit to the credit union provided a $12,000 saving.

Perhaps the moral in this situation is that while not everyone who is a credit union member can expect such a windfall, every member can be assured that the credit union works only in the interest of the member, and if there is any advantage to be gained, it will be gained by the member.

The article follows:

WORK MIRACLES? NOT ALWAYS! BUT CREDIT UNIONS CAN AND DO SAVE MEMBERS MONEY

The other day a lady came to see us saying she "just wanted some advice." The lady, a widow and long-time good credit union member, wanted to buy a home. She showed us a proposed Contract calling for a small down payment on a house she liked and financing the balance due under an FHA 25-year mortgage loan at 7½% per annum, including the FHA insurance.

It looked like a good deal. Everyone knows an FHA mortgage loan is usually the most reasonable home financing arrangement around. The lady had saved enough money to cover the small down payment. She had also carefully figured her personal budget and knew she could meet the monthly payments.

But was it really a good deal.

It turned out the owner of the house had a 5% mortgage loan which had only 12 years to run. A little figuring, and the use of some real estate loan amortization tables, showed the lady could borrow a few thousand dollars on a personal loan from the credit union, purchase the former owner's equity, assume the existing 5% mortgage and save $12,000 in interest charges.

The result: the lady will own her home free and clear in 12 years instead of 25 years, will save the $12,000 and her total monthly loan payments (on the house and to the credit union) will be only a few dollars more for the 12 years than they would have been for 25 years under the FHA mortgage loans arrangement.

Please do not misunderstand us . . . FHA mortgage loans are fine and it is all right to take 25 years, if need be, to pay for a home. And please do not think we are offering to save $12,000 for every member who comes to us for "advice" about buying a home. But we did save one member $12,000!

(The above editorial appeared in Intercom, publication for members of Government Employes Credit Union, El Paso, Texas.)

## COST-OF-LIVING COUNCIL SHOULD OBEY CONGRESSIONAL INTENT WITH RESPECT TO DEFINING LOW-WAGE WORKER EXEMPTION

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, when the Congress enacted the Economic Stabilization Act Amendments of 1971, it included a section, title II, section 203(d), which provides that—

[W]age increases to an individual whose earnings are substandard or who is amongst the working poor shall not be limited in any manner, until such time as his earnings are no longer substandard or he is no longer a member of the working poor.

Instead of implementing this section as intended by the Congress, the Cost-of-Living Council is on the verge of applying an administrative interpretation which would perpetuate the inequity this provision was designed to cure. The Cost-of-Living Council has submitted a memorandum to the Pay Board suggesting that the wage level for defining substandard earnings be $1.90 an hour, less than $4,000 per year.

The legislative history of this section makes it quite clear that the intent of Congress was to define "substandard earnings," and "working poor," to mean a level of income of about $6,960 annually.

This language exempting low-paid workers originated in the House (my bill H.R. 11406). The House Banking and Currency Committee Report states with respect to this language:

It is the intention of the Committee that this exemption from control apply to all persons whose earnings are at or below levels established by the Bureau of Labor Statistics in determining an income necessary to afford adequate food, clothing and shelter and similar necessities. (Report No. 92–14, p. 5)

The BLS in its 1970 report sets forth a minimum budget for a family of four in an urban area as $6,960 per year. Therefore, it is clear that this is the figure which the Congress had in mind in enacting this provision.

It is also important to note that this BLS report contemplates only one wage earner in the family, and it is on that basis that the figure $6,960 annually was determined.

Furthermore, it is critical to note that the most recent BLS report giving the $6,960 figure was based on 1969 data. Therefore, the $6,960 figure is subject to a cost of living increase to account for inflation of about 15 percent through 1972.

I have urged the Cost-of-Living Council and the Pay Board to implement the low-wage exemption in accordance with our congressional intent. The Cost-of Living Council and the Pay Board should carry out our mandate and not attempt to undermine it by administrative interpretation.

## ESCALATION OF THE AIR WAR IN SOUTHEAST ASIA

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, the escalation of U.S. air strikes against North Vietnam shattered once and for all the illusion that under the President's vaunted Vietnamization policy the war in Southeast Asia is dwindling to an end.

All that now remains is the stark horror of a brutal war by proxy—sustained by American bombs and aircraft.

Time and time again the President has told the Nation that Vietnamization would lead us to peace. But now this policy must be seen for what it is: A device designed to screen from the American people the bankruptcy of our military intervention in Southeast Asia. It is nothing more than a public relations effort to tranquilize the people of this Nation, while our Government feeds the fires of death and destruction in Indochina.

In an effort to keep his Vietnamization policy from coming apart at the seams, President Nixon ordered massive air strikes against North Vietnam while the Congress was in recess. A tragic and totally unacceptable reversion to the discredited bombing policy of the past, this is not the path to peace but the road to more bloodshed and lives lost. The failure of the bombing strategy has been apparent throughout the past 7 years. It has not broken the will of the North Vietnamese to resist, but it has yielded untold death, vast devastation, and millions of refugees.

Under President Nixon, the air war has continued, more bomb tonnage being dropped during 1969, 1970, and 1971 than in the previous years of the war.

And at the end of December the bombing raids over North Vietnam were renewed and intensified. This escalation was ordered by the President in violation of the declared policy of the Congress that all U.S. military operations in Indochina be terminated at the earliest practicable date and that all U.S. military forces be withdrawn at a date certain subject to the release of prisoners of war, as set forth in section 601 of the Military Procurement Act of 1971, Public Law 92–156.

Therefore, on December 28, 39 Members of Congress joined with me and Representatives ROBERT KASTENMEIER and BENJAMIN ROSENTHAL in a bipartisan appeal calling upon the President to order an immediate halt to all American bombing missions in North Vietnam.

The text of our December 28, 1971, telegram to President Nixon follows:

DECEMBER 28, 1971.

The PRESIDENT,
*The White House,*
*Washington, D.C.*

We are deeply distressed by the escalation of United States air strikes in North Vietnam. Such a reversion to the discredited bombing policy of the Johnson administration will not bring the war to the speedy end all Americans desire. Rather, it will serve only to continue the death and destruction in Southeast Asia. What America needs is stepped-up initiatives in the Paris negotiations, not a stepped-up air war. We urge you to order an immediate halt to all American bombing missions on North Vietnam.

William F. Ryan, Robert Kastenmeier, Benjamin Rosenthal, Bella Abzug, Les Aspin, Herman Badillo, Jonathan Bingham, Phillip Burton.

Shirley Chisholm, John Conyers, Ronald Dellums, Robert Drinan, John Dow, Bob Eckhardt, Don Edwards, Donald Fraser.

Ella Grasso, Michael Harrington, Augustus Hawkins, Ken Hechler, Henry Helstoski, Edward Koch, Robert Leggett, Paul McCloskey, Abner Mikva.

Parren Mitchell, F. Bradford Morse, Lucien Nedzi, David Obey, Charles Rangel, Thomas Rees, Ogden Reid.

Henry Reuss, Donald Riegle, Peter Rodino, James Scheuer, John Seiberling, Louis Stokes, Charles Vanik, Members of Congress.

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## HARRIS-RYAN BILL AUTHORIZING FUNDS FOR THE FEDERAL COMMUNICATIONS COMMISSION TO CONDUCT STUDY OF AMERICAN TELEPHONE & TELEGRAPH

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, the Federal Communications Commission's announcement on December 23 that it has abandoned its investigation of American Telephone and Telegraph constitutes a default of the Commission's fundamental responsibility to regulate A.T. & T. and the Bell System in the public interest. This decision can only be viewed as a victory for special interests at the expense of the public. Once again a regulatory agency has failed to carry out its mandate to regulate a substantial business interest to prevent exploitation of the public.

The Commission gave as its reason for abandoning this investigation a lack of funds. But the Commission never made a specific request to Congress for funds to carry out a study of the factors which make up the rate base of A.T. & T.

So that a lack of funds can no longer be used as an excuse, Senator FRED HARRIS and I today are proposing legislation to provide the Commission with funding to carry out this long deferred study of A.T. & T.

This legislation authorizes $2 million for the purpose of carrying out a full and complete investigation of A.T. & T. and the Bell System. This investigation will include, but is not limited to: the revenue requirements of the A.T. & T. and the Bell System, the reasonableness of prices and profits, the amounts claimed for investment and operating expenses, and the internal rate structure of the interstate and foreign message toll telephone service. The Commission is required within 1 year of the enactment of this act to report to Congress the results of its study together with its recommendations, including any necessary legislation.

I believe it is particularly necessary for the Congress specifically to direct the FCC to carry forth its long-deferred study of A.T. & T. As Commissioner Nicholas Johnson pointed out in his very lucid dissent to the FCC's decision to abandon this investigation, the FCC knows very little about the major factors that go into setting the rate base for A.T. & T. and the Commission is uninformed about many other critical factors such as the phone company pricing structure and the relationship of A.T. & T. to its subsidiaries like Western Electric and New York Telephone. It is unconscionable that the FCC should be uninformed about these matters.

In my own State of New York, consumers lose millions of dollars every year because of the accounting and financial practices employed by A.T. & T. and its wholly owned subsidiary New York Telephone. Despite what New York Telephone describes as a 21-year low in its earnings, the company paid its normal full dividend of $1.60 on all of its stock in 1970. The lucky sole stockholder was A.T. & T. This is money that should stay in New York to help improve service and make rate increases unnecessary. If this money had stayed in New York, the enormous 9-percent rate increase for the New York Telephone Co. which was approved yesterday by the New York State Public Service Commission, might not have been granted. This 9-percent increase, in addition to a "temporary" rate increase granted last July 9 and made permanent yesterday, means that most New York City telephone users will now be paying rates 29 percent above what they were before last July 9. It is essential that the FCC probe the nature of the relationship between A.T. & T. and New York Telephone.

Today, Senator HARRIS, Federal Communications Commissioner Nicholas Johnson, and I held a press conference to announce the introduction of this legislation. I believe Senator Harris's and Commissioner Johnson's remarks were very cogent. Therefore, I will include their statements in the RECORD. I am also including other essential background documents relating to this issue as follows:

First. The text of the December 23, 1971, opinion of the Federal Communications Commission announcing its decision to abandon this investigation, together with concurring opinion of Commissioner Bartley and dissenting opinions of Commissioners Johnson and H. Rex Lee.

Second. Correspondence of January 1, 1972, January 14, 1972, and January 16, 1972, between U.S. Senator FRED R. HARRIS and FCC Chairman Dean Burch concerning this matter.

Third. A letter from FCC Chairman Burch of January 13, 1972, to several Members of Congress defending the Commission's decision in this matter.

Fourth. A letter from Commissioner Johnson of January 13, 1972, to several Members of Congress criticizing the FCC's decision in this matter.

Fifth. An article by Antony Prisendorf from the New York Post of January 12, 1972.

The item follows:

STATEMENT OF SENATOR FRED R. HARRIS (D.-OKLA.) PRESS CONFERENCE, JANUARY 18, 1972

We are here today to talk about the average person's telephone bill—whether it will go up, whether it will go down, whether or not it will buy a decent service.

There are public questions—questions

which Congressman Ryan, Commissioner Johnson and I have some responsibility to address—because the telephone company is a government-regulated monopoly. The American Telephone and Telegraph Company and its local subsidiaries all over the country are not competing firms in a free market.

If you think you're paying too much for telephone service—and many people today think they are—or you are tired of not being able to get a dial tone or get home repair service—and many people today are tired of shoddy telephone service—there is not very much you can do about it. You can't take your business elsewhere; AT & T is the only telephone company in town.

To find protection from telephone company overcharges and shoddy service, the average person must look to the State and Federal agencies that are supposed to regulate AT & T and its local companies. In the States that means the local public service or public utility commission. Nationally it means the Federal Communications Commission.

In the thirty-eight years since the Congress set out the FCC's power and duty to regulate AT & T in the interests of the public, the Commission has never conducted a full and open investigation of the fairness of AT & T's long distance rates. During that same period of time, through prosperity and depression, AT & T never missed paying a dividend to its stockholders.

On December 23, 1971, the FCC announced it had decided over the opposition of Commissioners Johnson and Lee, to call off the only such investigation it had ever planned. Right now the only information the Commission has to go on in setting AT & T's rates is what is submitted by the telephone company itself. And the company obviously has an incentive to overestimate costs and underestimate profits.

Because the law provides that AT & T may earn a "fair" profit on the money it invests in plants and equipment, the company has an incentive to classify everything it can get away with as plant facilities or equipment. For example, as Commissioner Johnson pointed out in his dissent to the FCC's December 23 decision, AT & T counts the cost of turning on a telephone when a new tenatnt moves into an apartment as part of its equipment expenses. Thus, the telephone company earns a profit, first, on the cost of manufacturing the telephone and, then, again every time it turns on the telephone for a customer.

The story is the same on figuring out what is a "fair" profit for AT & T. The Antitrust Subcommittee in the House of Representatives has estimated that between 1955 and 1961, AT & T overcharged consumers by almost $1 billion, simply because the company had overestimated what rates it would have to charge to make a "fair" profit as set by the FCC and the Commission had never bothered to check up on it.

The simple fact is that when the FCC decided to drop its investigation of how AT & T sets long distance rates, it was telling the average person in this country that he is going to pay more for telephone service. When you read in the papers about the Federal Communications Commission and the American Telephone and Telegraph Company, when you read about rates of return and rate bases, when the smallest figures discussed are in the millions of dollars and the biggest are in the billions—you may think it doesn't make any difference to you or your family.

But, in fact, every decision that the FCC makes about AT & T can cost you and me money. Because the telephone company is so big, a one per cent change in its rate of profit will cost the average consumer $13 a year in higher telephone bills. Likewise, if AT & T is allowed to include one-fifth too many expenses as part of its investment in plants and equipment, then the average American will have to pay an extra $17 a year in telephone bills.

Thus, it is clear that the kind of effort the FCC puts into regulating the telephone company has direct impact in dollars and cents on the pocket books of the average person in this country. You'd expect that keeping an eye on AT & T would be one of the FCC's highest priorities. In fact, when the Congress set up the Federal Communications Commission in 1934, it said specifically that "the Commission shall give to the hearing and decision of such questions (telephone rate increases) preference over all other questions pending before it and decide the same as speedily as possible."

And yet now we see the FCC majority abandoning its hearing on AT & T's rates. Explaining the Commission's actions, Chairman Dean Burch has told me that "as a parent, I have made it my practice never to choose among my children, and this same posture carries over to my official responsibilities." In addition, Chairman Burch has suggested that the FCC does not have the resources in money or manpower to adequately investigate AT & T.

These explanations would be acceptable if they did not ignore the simple facts of the situation. Chairman Burch cannot vote legally to drop the investigation "as a low priority," when the Federal Communications Act of 1934 commands the FCC to make telephone rate cases the highest priority. By dropping its hearings, these four FCC commissioners are breaking the law. Likewise it is hypocritical for Chairman Burch to argue that the FCC doesn't have the resources to continue its investigation when it has never come to the Congress to ask for those resources.

In any case that is all past. What we need to do now is get the FCC back into the business of protecting the consumer. First, that means that the Commission must start obeying the law, just like everyone else, by making rate regulation of AT & T the Number One priority the Congress said it must be. If the Commission revises its position of its own accord, fine.

If not, I am prepared to take them to court to make them do it.

Second, Congressman Ryan and I are introducing a bill this week to give the FCC the resources they say they need to keep an eye on the telephone company. It will provide $1 million immediately and an extra million, if necessary, for the FCC to hire the economists, lawyers and accountants it needs to reopen and continue its investigation of AT & T's rates. That sounds like a lot of the taxpayer's money to spend just to keep an eye on the telephone company. But when you realize that if that $1 million investment may lead to even a one-tenth of one per cent cut in AT & T's rate of profit, the public will be saved sixty times as much in lower telephone bills. That's quite a bargain.

Saving the ordinary consumer a few dollars, while protecting his right to good telephone service, is the job the FCC is supposed to do. We hope this legislation will help make sure that's the job it does.

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JANUARY 18, 1972, PRESS CONFERENCE OF SENATOR FRED HARRIS AND CONGRESSMAN WILLIAM F. RYAN REGARDING FCC CANCELLATION OF A.T. & T. RATE HEARING

(Statement of FCC Commissioner Nicholas Johnson)

The Federal Communications Commission's cancellation of its hearing into the expenses and investment of the Bell System is the third example in recent weeks of the dominance of big business in communication's policy.

The Report on Televised Violence came out yesterday. To no one's surprise, it is little more than a whitewash. The Administration let the networks pick their "jurors." Given this sell-out to network power, it's a wonder the panel didn't recommend parents force their kids to watch more violence because it's good for them.

This morning I came from FCC deliberations on cable television policy. On August 5, 1971, the Commission advised the Senate and House of its new policy—the product of months of deliberations and compromise. Subsequently, the largest broadcasters, cable operators and program owners—not satisfied with a little bit of greed—got together in private sessions with FCC Chairman Burch and White House staff and wrote their own policy. They—and the Chairman—now expect the other Commissioners to swallow it and tell the Congress it serves "the public interest."

The issue that Senator Harris and Congressman Ryan have highlighted is the Commission's December 21 cancellation of the only hearing the FCC has ever held since 1934 into the expenses and investments of AT&T. Although the Communications Act provides that we should give rate hearings "preference over all other questions" Chairman Burch has decided that the matter is not of sufficient "priority" to warrant use of the Commission's resources. When pressed by Senator Harris to state what his priorities were he would not do so.

No wonder the Commission has been called a leaning tower of jello.

I did not call this press conference. The FCC is now confronted with petitions for rehearing in the rate case, and I would therefore not address the merits of the issues before the Commission. However, Senator Harris and Congressman Ryan requested my attendance here, and I was pleased to be able to come at this time.

The American people are reaching the end of their patience as they sit by and watch this Administration auction off their land, and lives—and tax dollars—to the highest corporate bidder. In my judgment, anything the Congress can do to reverse that trend—at my Commission or other agencies of government—should be given all the support we can muster.

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[Before the Federal Communications Commission, Washington, D.C., Docket No. 19129]

IN THE MATTER OF AMERICAN TELEPHONE & TELEGRAPH CO.—CHARGES FOR DOMESTIC TELEPHONE SERVICE, A.T. & T. TRANSMITTAL NOS. 10989, 11027

Adopted: December 21, 1971; Released: December 23, 1971.

By the Commission: Commissioner Bartley concurring and issuing a statement; Commissioners Johnson and H. Rex Lee dissenting and issuing statements.

1. By our Order herein of January 21, 1971, 25 F.C.C. 2d 151, we directed that the issues involved in these proceedings be heard and determined in two phases. In Phase I, we were to address the issue of the fair rate of return that should be allowed the Bell System companies on their interstate and foreign communications services. The issues involved in Phase II call for an examination of those matters that could affect the revenue requirements of the Bell System, including the reasonableness of Western Electric's prices and profits, and the amounts claimed by the carriers for investment and operating expenses. The Phase II issues also contemplated examination of the internal rate structure of the interstate and foreign message toll telephone service. In addition, the Commission announced that it would retain jurisdiction of the proceedings herein until it has reached a determination in Docket No. 19143. In the Matter of the Petitions Filed by the Equal Employment Opportunity Commission, concerning the effect, if any, of alleged discriminatory practices of the Bell System companies on their revenue requirements.

2. Related to the rate of return issue in Phase I herein are the proceedings in Docket No. 18128, in which consideration is being given to the principles that should govern the assignment of the Bell System's revenue requirements among its principal classes of interstate and foreign services. Thus our Order of January 21, 1971, provided that the implementation of our findings in Phase I with respect to rate of return will be subject to the determinations to be made in Docket No. 18128 insofar as they relate to the assignment of any revenue requirements to interstate and foreign message toll telephone service. The accounting and refund requirements of our Order of January 20, 1971, herein, will of course continue to operate until such implementing actions have been taken.

3. Pursuant to our Order of January 21, 1971, the Hearing Examiner has submitted his Initial Decision on the over-all rate of return issue (Phase I). Our Order stated that:

"After the parties have concluded their participation in the rate of return phase, they may address themselves to the remaining issues and every effort should be made to expedite that phase of this proceeding, although we do not, at this time, impose any time limitations on the conduct of that aspect of the matter." (paragraph 13a)

4. With the submission of the Initial Decision, the immediate question is presented with respect to the further proceedings required to treat the issues involved in Phase II. The question arises because we do not have sufficient resources to permit adequate staffing of the hearings that would be involved or to complete the preparatory staff work required for developing a meaningful evidentiary record on these issues. This is the result of the continuing growth in the volume and complexity of regulatory problems within the common carrier field. We need only mention as examples in this connection such matters as the many pending applications which have been filed with us for authorization for the establishment of competitive services and facilities in the field of intercity specialized common carrier communications; our pending proceeding looking toward the formulation of policy to guide our development of domestic satellite systems; further implementation of the *Carterfone* policy by expanding the interconnection options to communications users in the beneficial use of the existing common carrier networks; the initial determination of policies to govern rate-making applicable to international services of the Communications Satellite Corporation; and the determination of rate making principles applicable to the rate levels and structures for the various classifications of domestic communications (Docket No. 18128). This increased workload is, of course, aggravated by budgetary and staffing limitations and turnover over which we have no control.

5. Under these circumstances, we find it necessary to revise our program priorities and to defer action on the Phase II issues until we are in a position to go forward with the proceedings in a meaningful manner. Without minimizing the importance to the consumers of communications services of the issues involved in Phase II and the recognized need to seek their resolution as soon as we are able to do so, we believe it will make for a more orderly procedure to dismiss the proceedings with respect to Phase II issues, rather than simply deferring. We will reinstitute further proceedings on the issues involved as and when we are in a position to treat them with the required effectiveness.

6. It is ordered, That the proceedings are dismissed herein insofar as the issues in Phase II are concerned and jurisdiction is retained with respect to the aforementioned matters involved in and related to the issues involved in Phase I as discussed above.

Federal Communications Commission—See attached statements of Commissioners Bartley, Johnson and H. Rex Lee.

BEN F. WAPLE,
*Secretary.*

CONCURRING STATEMENT OF COMMISSIONER ROBERT T. BARTLEY

I have joined in the action taken by the majority in this case although I deeply regret the underlying reasons that make this action necessary.

The Commission's action is a frank admission that we do not have the minimum capabilities to carry out our most fundamental statutory responsibilities to protect the interests of the public in fair and reasonable interstate rates. It is also a forceful dramatization of the unrealistic and penurious budget and fiscal policies that have shackled the Commission's regulatory efforts in the past decade in the common carrier field.

The issues involved in Phase 2, which we are dismissing, are addressed to the reasonableness of the billions of dollars of costs upon which the rates of the Bell System are based. They also address the soundness of the rate structure for interstate telephone services. In other words, these issues are dealing with the most basic matters of regulatory concern.

The common carrier industry has been growing at a faster pace than any other sector of our economy. Public expenditures for common carrier services subject to Federal regulation exceed $6.5 billion a year and have been growing by more than 10% annually in the past decade. In 1961 the plant of the telephone system in the United States represented an investment of some $32 billion. Today that plant investment has more than doubled where it now exceeds some $76 billion and it, too, is growing at about an annual rate of 10%.

Advances in communications and related technologies, such as the electronic computer and communications satellites, have not only revolutionized the methods by which conventional communications services are supplied, but they have also generated consumer demands for new, expanded and improved services of all kinds. This dynamic growth and change translate into increasingly complex regulatory problems faced by the country such as those examples cited in the Commission's majority opinion.

I think it is clear that there must be a change in the fundamental approach of Congress to the funding of the Commission's regulatory responsibilities.[1] First, it is imperative that the Commission's resources be sufficiently and systematically augmented to a level which permits an on-going regulatory program to deal with issues, such as those involved in Phase 2, on a continuing basis. Second, with respect to a matter as complex and far-reaching as Western Electric's relationship to the Bell System and the effects of that relationship on the cost of telephone service, it is my opinion that an investigation of this matter should be undertaken by the Congress itself or by a special task force functioning under the aegis of the Commission and financed through a separate appropriation. Any such investigation should also examine the effects of vertical integration of telephone operations and manufacturing. This industry structure no longer applies solely to the Bell System. In recent years, it has also become a basic characteristic of the independent segment of the telephone industry as a result of mergers and consolidations of independent telephone operations within corporate systems which include manufacturing and marketing affiliates.

*Bell Non-Regulation*

DISSENTING OPINION OF COMMISSIONER NICHOLAS JOHNSON

I dissent to these two actions by the majority but I admire my colleagues' candor.

The FCC has concluded that examination of the appropriateness of Bell's costs, the role of Western Electric, vertical integration in the telephone industry, and the internal rate structure of the long distance telephone schedule are matters of low priority given the Commission's present resources and activities. The promises made in 1965, and reaffirmed in 1971, that these were matters that should be investigated are not to be fulfilled. Rather than continuing the six-year-old charade of "deferring" proceedings the Commission does not plan to activate anyway, however, the majority now simply dismisses them.

I dissent on both management and substantive grounds.

On substantive grounds I believe these matters are of a higher priority than do my colleagues. We have spent significant resources on determining the appropriate rate of return for the Bell System. We have spent very little time in examining the appropriateness of the costs which the Bell System incurs and deducts from revenues before the Commission ever gets to the question of rate of return. (See my opinion concurring to the designation for hearing of the present rate increase, Docket 19129, *AT&T* 27 F.C.C. 2d 151, 165 (1971).) Questions concerning the level of maintenance expenses, levels of managerial expenses, the appropriate treatment of accelerated depreciation and many others—issues raised in prior proceedings—will now not be examined.

The American people paid the Bell System companies over $17 billion last year. The prices they paid were not determined by forces of free private enterprise operating in a competitive market—in part because Bell has fought the possibility of marketplace competition at every turn. Telephone rates are initially set by a monopolistic company at whatever level it wishes. The reason the Federal Communications Commission and the state regulatory commissions are responsible for reviewing and approving those prices is because the public is otherwise left with no protection whatsoever. For the FCC to say it does not have the "resources" to do this job—a job which, of course, the Bell System hopes it won't do—is like your bank telling you it doesn't have the resources to prevent other people withdrawing money from your checking account.

If an unemployed inner city resident breaks into a coin phone box and takes $3.20 to feed his family he is considered an outcast, his earning potential is cut off entirely, and he is sent to the jailhouse. But if a wealthy telephone company executive succeeds in "breaking into" 100 million private telephones, taking $3.20 from each subscriber by manipulating the law, he is hailed as a pillar of the business community, his stock goes up, and he's invited to the White House. I think it's about time that "law and order"—not to mention wage-price control—be applied to rich and poor alike.

There is considerable question whether a handful of professionals in an agency like the FCC can ever "regulate" the rates of a company with $40 billion in assets and a $17 billion gross. But putting aside for a moment that well-founded skepticism, let's take a look at how those rates are set.

"Rate of return"—the part of the proceeding to which the FCC *is* willing to turn its at-

[1] From my address, "Let's Abolish the FCC," (page 6), Illinois Broadcasters Association, May 23, 1968: "I believe there would be a more responsible administration of the differing functions now administered by the FCC if they were the responsibilities of separate agencies. I think they would each fare better in their appeals for manpower and money; they would each be able to concentrate more and become more expert in their more specialized field; the members could give greater guidance to their staffs on policy planning and in supervision."

tention—involves perhaps the least significant aspect of the public's monthly telephone bill.

There are at least four factors that go into fixing a phone bill.

(1) Expenses. All the bills together will have to generate at least enough income to pay for the phone company's expenses of operation.

(2) Capital investment. The company is entitled to some return on its "investment"—the value of the lines, and poles, and telephones, and other equipment that goes into running a telephone company. That investment, known as "rate base," has to be computed.

(3) Rate of return. Once the amount of the rate base has been ascertained, the regulatory agency in question then has to address the question of "rate of return"—what percentage return is the company entitled to have on that investment. This is the aspect of utility rate hearings that often attracts the most public and media attention.

(4) Pricing. Decisions must be made about rates for individual services within the guidelines determined for expenses, rate base, and rate of return. How is the revenue to be generated? Will the homeowner pay more for his service while the businessman pays the same—in the way that postal increases tend to be lowest for junk mail and highest for first class? It's little consolation to know the phone company's rate of return went from 8% to 9% (a 12½% increase), if your own bill went up 20%.

Obviously, however high the phone company's profits may be, they do not represent a very large percentage of the average subscriber's telephone bill. Most of that bill goes to pay expenses. Are the expenses reasonable and fair? The FCC doesn't know. And, as of today, it makes clear it has no intention of finding out. It's as if an employee would say to his boss, "I'll negotiate with you about my salary—but of course I won't let you look at my unlimited expense account."

As for the portion of the bill that *is* profit, it is obviously as much affected by the size of the "rate base" as it is by the "rate of return." Let's look at an example.

Suppose the company's capital investment is considerable to be $50 billion. A 10% rate of return means $5 billion profit a year. An 8% rate of return means a $4 billion profit a year—$1 billion difference.

But consider for a moment that the capital investment may be inflated—or represent arbitrary decisions. Suppose what would cost $50 billion to replace today only cost $30 billion when it was built and could only be sold for $20 billion if it had to be sold in its present condition. What's the rate base? Keeping the rate of return the same—at the higher 10% figure—the profit fluctuates from $5 billion to $2 billion, a $3 billion difference.

One example. During the rate of return hearing it came out that Bell regularly puts in its *rate base* at cost—which, of course, it computes internally within the company—for turning on the telephone in an apartment when a new occupant moves in. The value of the telephone (which Bell has bought from itself at whatever price it chooses) is, of course, also placed in the rate base. There is no telling how many new telephones are turned on each year. It is, obviously, far more than there are new telephone instruments manufactured and installed. Whatever may be the most appropriate way of determining the cost to the company of turning on those telephones, it seems to me there is considerable question as to the propriety of treating *that cost* as a "capital" item on which the company will be permitted to earn a "rate of return" for years and years until entirely depreciated. I could go on with the examples, but I trust this makes the point: to regulate telephone rates responsibly one simply must know the contents, and formulae used, in the rate base. To "regulate" a rate of return without examining what's in the rate base is like agreeing to pay a merchant an 18% carrying charge on your unpaid balance, while leaving to him the discretion of "defining" unpaid balance to be the maximum amount you are ever permitted to charge, or any other level he chooses.

These issues need not be made sophisticated and obtuse. They are simple and fundamental.

The FCC has *not* been regulating the Bell System as the law and common sense requires it to do. It has been granting Bell's requested rate increases while procrastinating on the job of examining its costs and rate base. I am as tired of the hypocrisy as my colleagues. I commend them for their candor in abandoning publicly a task that has not, in fact, been tended to anyway. Our difference lies in the fact that I would establish a management system to permit us to evaluate priorities, and then—probably—accord this crucial, first responsibility of the FCC more resources than they have.

Vertical integration also presents several important questions. If the Bell System is correct, and Western Electric is the cheapest supplier of communications equipment, why shouldn't non-Bell companies buy from the lowest cost source? The 1956 Consent Decree prohibiting such sales by Western Electric should be examined in light of developments in the past 15 years. Alternatively, how does vertical integration affect the pace of technological innovation, and also the emergence of non-telephone common carriers who want to sell communications equipment? Our Trial Staff urged in the rate of return proceeding that the rate of return for Western Electric is relevant to any determination of a rate of return for the Bell System overall. The counter-argument is that this is a question for a subsequent phase—which is now dismissed.

In short, it borders on the irresponsible for the regulatory agency concerned with interstate telephone communications to ignore these questions. The 1965 AT&T Investigation was thought important because no such investigation had been held in 30 years on the Bell System. I do not see that six years have made the issues any less urgent.

I must admit that it is difficult to be confident about what the priorities of the FCC should be. I am a little surprised that my colleagues can be so sure. This agency has never attempted to determine what the totality of agency programs and projects are, what resources—personnel, contractual studies, and consultant help—are required to meet the program needs, what the outputs and goals of the various programs and projects are, what alternatives there are to doing the present programs and projects, and finally, what difference it makes to assign alter-agency.

We do not now have this information for the agency as a whole, nor for the common carrier activity in particular. No one questions that this agency cannot do all it would like with every project it might undertake. My objection is that the decisions on what to do are not made rationally and systematically. It has not been done in the budgetary process, it has not been done in managerial control of agency activity, and it is not being done here.

Continuation of Phase II—whether in Docket No. 16258 or Docket No. 19129—has always been a stepchild here. Whenever the question of initiation of proceedings has been raised, it has met with significant resistance. The Commissioners have not made a sophisticated presentation to the Office of Management and Budget or the Congress on this issue, describing with any particularity the resources required to do the job adequately, and the possible multi-billion-dollar benefits that could flow in terms of this Commission's responsibilities to the consuming public, the American business community in general, and the communications industry in particular. We have not attempted to push vigorously a supplemental appropriation request that would focus on these matters. It is wrong to blame, by implication, the Office of Management and Budget or the Congress by saying we don't have the resources, and they should have been provided to us. Neither Congress nor OMB has ever been given the choice of giving us the resources we think we need, or watching these crucial proceedings be terminated. We have no one to blame but ourselves.

I dissent.

Attachment.

*Appendix*

Excerpt From Concurring Opinion to Initial Commission Action Setting the AT & T Rate Increase for Hearing.

[In the Matter of American Telephone and Telegraph . . . Docket No. 19129, 27 F.C.C. 2d 151, 165, January 21, 1971]

Now that the Commission has decided to designate this case for hearing, I want to indicate the issues I believe must be explored before the Commission can make a determination on this massive rate increases for the Bell System. It is clear what the Bell System wants the Commission to do. It would prefer a quick rate of return hearing where rate of return is the only issue. It wants questions of costs, rate base questions, and questions of pricing allocation to be deferred to the hopefully distant future. I believe we simply must not fall into this trap again. In 1965 the Commission promised to explore costs, pricing policies, and rate base-Western Electric relationships in a full rate investigation. On those particular issues the passage of six years has shown no real results. When questions of quick rate decreases are at stake for the consumer, an argument can be made that ignoring time-consuming issues may delay deserved rate decreases, and the Commission should move ahead quickly. But now that there are price *increases* to be paid by consumers, at a time when the highest national priority should be directed to reducing inflationary price increases, the Commission can no longer ignore important rate issues. I yield to no one in my encouragement of expedition in Commission proceedings, but I will not worship expedition at the expense of thoroughness when hundreds of millions of dollars of the public's money are at stake.

The Commission has expressed a hoped-for time schedule. I would expect that our staff would immediately tell us if its resources are inadequate to do a thorough job, and that it would then be up to the Commission to secure those resources if our staff lacks them. The Commission has indicated in its January 12 letter to Bell the issues it particularly wishes to explore in the upcoming hearing—issues on allocations of revenue requirements among Bell's services, and a speedy resolution of the issues in Dkt. No. 18128 where those questions are already being litigated. Other issues the Commission pointed to in its letter include Bell's estimate of the elasticity of the MTT service (message toll telephone, the "long distance" per-call pricing system), and its predictions on the increases in costs, particularly in maintenance expenses. Naturally these are all issues the Commission must explore in the forthcoming hearing.

But there are other Bell costs which the Commission should evaluate before deciding that Bell can tax its subscribers an additional half billion dollars every year. These should include Bell's advertising expenses, particularly expenses for institutional advertising and for service stimulation at times when Bell was already having problems meeting service demands. Another category which sould be examined is that of managerial expenses, and the possibility that the cost-plus contract of regulation has induced padding

in this area. And fundamental to any determinations about cost of capital, rate of return, and financing policies are evaluations of growth policies—particularly in areas which might be considered peripheral to the provision of a basic telephone service. The spector of other utilities, such as railroads like the Penn-Central, concentrating on expansion in exotic areas to the detriment of basic consumer services, should be explored in any expansion program as massive as that of the Bell System.

In my judgment, public utility regulation generally tends to be perceived by public, companies and commissions alike in a way that over-emphasizes profit ("rate of return") and under-emphasizes costs (and capital investment, or "rate base").

Bell earns a rate of return on its "rate base" (depreciated capital investment). Subscribers' monthly bills are computed at levels sufficient to guarantee the company the recovery of all of its costs of operation plus a profit ("rate of return"). Of the total amount paid by the subscribers, something on the order of 80% represents costs rather than profits.

Assume the following ballpark figures for purposes of ease of illustration:

Rate base: $40 billion.

Rate of return: 7%.

Annual costs of operation: $10 billion.

Subscribers would have to pay telephone bills sufficient to raise $10 billion costs plus $2.8 billion profit (7% of a $40 million rate base as a rate of return) or $12.8 billion.

Now assume the rate of return is increased 10%, from $2.8 billion to about $3 billion, and costs remain constant. The total subscriber burden increases from $12.8 billion to $13 billion.

If, on the other hand, *costs* increase by 10%, from $10 billion to $11 billion (while the rate of return remains constant), the subscribers' burden goes from $12.8 billion to $13.8 billion.

Moreover, even the amount of profit is affected as much by the amount of the rate base as by the "rate" of return.

A 7% rate of return on $40 billion is $2.8 billion of annual profit. A 6% rate of return on $40 billion is $2.4 billion. But a 7% rate of return on $30 billion is only $2.1 billion.

The only point of this discussion is that it is dangerously shortsighted for this Commission to be willing to accept the company's suggestion that it pass upon a half-billion-dollar annual increase by examining *only* the issue of *rate* of return while ignoring (or continuing to postpone for subsequent consideration—which is the same thing) the 80% of the subscribers' burden represented by the company's unexamined multi-billion-dollar levels of costs, and the tens-of-billions-of-dollars of rate base to which the simple rate-of-return percentage would be applied.

The Equal Employment Opportunity Commission petition charging that Bell discriminates in its hiring practices is an issue the Commission cannot duck, no matter how strongly Bell cries "foul." EEOC's position is that no rate increases may be found by the Commission to be in the public interest while Bell discriminates in employment. There is some concern by the Commission on the relevance of this issue to what is construed as the narrow issue of rate levels. I do not now reach that question because I do not need to. I would establish a separate proceeding, to be resolved concurrently with this one, to examine EEOC's charge. EEOC should be permitted to file a brief subsequently, after the evidentiary proceeding, showing how its complaint is relevant to the Commission determination on the proposed rate increase.

It should also be noted that half of Bell's direct case in this proceeding, Bell statements 10 through 16, are directed toward justifying the present vertically integrated relationship with Western Electric. This is another terribly important issue that the Commission promised it would explore in its 1965 rate investigation, but which it has never considered. I do not believe the Commission can any longer shirk its duty in this area. Vertical integration has increased in the domestic common carrier industry since 1965. I believe the Commission must now open a new proceeding and undertake a full market study of vertical integration, particularly in this era of changing rates of technological innovation. The Department of Justice has commented in another proceeding before the FCC:

"The Bell System has traditionally relied on a captive equipment supplier, Western Electric, and has continued to rely extremely heavily on that supplier, thereby insuring that virtual nationwide monopoly in public message telephone service be repeated in the field of telephonic equipment, *whether or not there was any economic justification for such concentration at the manufacturing level.*"

DOJ Reply Comments in Dkt. No. 18920, p. 3 (emphasis supplied). Under these circumstances, the question of vertical integration in the domestic common carrier industry is one the Commission simply must examine fully, particularly when the issues are related to the Bell half-billion-dollar rate increase. Even Bell acknowledges the crucial importance of this relationship by devoting so much of its direct case to it. A full market study of vertical integration should again proceed concurrently with the other proceedings related to the rate increases—Dkt. No. 18128 on pricing; the EEOC proceeding; and the rate of return/cost justification proceeding.

For this Commission to do otherwise seems to me to leave it open to the charge that it acquiesces in Bell's setting the rules for Commission action, rather than the Commission setting the rules to protect the public. In short, I believe the least the Commission can do on a rate increase of this magnitude is to conduct a proceeding no less thorough than some of those conducted by the state commissions—for example, the California investigation in 1964 of Pacific Telephone. *Pacific Telephone & Telegraph Co.*, 55 P.U.R. 3d 513 (1964), *aff'd in major respects* 62 Cal. 2d 634, 58 P.U.R. 3d 229 (1965). I do not see how the Commission can maintain that it has done an adequate job of protecting the public without such an effort. This is particularly so when it is apparently this Commission's destiny to preside over perhaps the largest proposed public utility rate increase in history.

Perhaps the Commission does not have the resources to undertake the job it should. If true, then an estimate of the resources required should be made and a candid request for those resources made. (And, of course, any "public interest" intervenors ought to be specially welcomed, rather than discouraged as has so often been the case in the past.) But I cannot believe that with a half-billion dollars at stake, the representatives of the public—who must pay these prices—will not give serious consideration to the Commission's needs. And if statutory authority is thought to be lacking to protect the public and its own regulatory processes, I would expect the Commission to seek that authority with vigor.

It might be argued that pursuing these issues would risk "delays." I have heard these arguments, and I am not persuaded. If an adequate hearing takes a little longer, the Commission has ample power to protect the interests of all parties, including Bell. I would welcome a reasoned presentation as to why the Commission should not move in the manner I have suggested. And I would especially like to hear any reason why an intervening six years have decreased the urgency of the issues the Commission should explore.

DISSENTING STATEMENT OF COMMISSIONER H. REX LEE

I must dissent to the majority's action in dismissing further proceedings in Docket No. 16258 and in Phase II of Docket No. 19129. While I am most sympathetic with the majority's position, especially in light of the current budgetary and staffing limitations (including restrictions imposed by the Office of Management and Budget), I cannot agree with the timing of the action taken.

The Commission intended these proceedings to serve as the vehicle for a thorough examination of the revenue requirements of the Bell System, including the reasonableness of Western Electric's prices and profits, and of the basis upon which such revenue requirements are to be determined. The Phase II inquiry also contemplated an examination of the internal rate structure of the interstate and foreign message toll telephone service. The majority's action in dismissing these highly important inquiries is based on the painful fact that the Commission does not now possess sufficient resources to ensure the development of meaningful records in these proceedings or even to staff the hearings that must be held.

The inquiries previously ordered by the Commission into the rate structure of the Bell System, including the amounts claimed by the carriers for investment and operating expenses and the relationship between the associated telephone companies and their equipment supplier, are much too important to the consumers of interstate and foreign communications services to permit a termination of these proceedings. Moreover, our decision in the Phase I inquiry as to the appropriate rate of return for AT&T is closely interwoven with an existing rate structure that must be examined if we are to fulfill our regulatory responsibilities.

With the given restraints imposed upon this agency in the form of budgetary and average grade reductions and the current staff turnover in the Common Carrier Bureau, it seems unlikely that these proceedings will be reactivated in the near future. Rather than be faced with such a prospect, I would have preferred to keep the proceedings alive by seeking from the OMB a specific exemption from the existing budgetary and average grade restrictions to the extent necessary to accomplish this task. I believe it pertinent to point out that the Congress in the last session appropriated all the monies requested by the FCC that were cleared by the OMB. This appropriation included funds for additional staff for the Common Carrier Bureau. While this additional personnel may not have been adequate for the total tasks contemplated in this proceeding, it would have been enough to keep this proceeding alive until the next fiscal year. I would then have presented to the OMB an adequate program for the 1973 fiscal year budget.

Quite simply, before taking such a drastic step as the majority is doing today, I believe that the Commission should have notified the Congress that without additional resources the Bell System, as well as other important utilities, will be entering into a period of effective deregulation in significant areas. If after presentation to the OMB and the Congress, it is decided to follow this line of deregulation, I would certainly consider the majority's action to be appropriate. But not until that time.

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U.S. SENATE,
*Washington, D.C., January 1, 1972.*

MR. DEAN BURCH,
*Chairman, Federal Communications Commission, Washington, D.C.*

DEAR CHAIRMAN BURCH: I was disturbed to read of the December 23 decision by the FCC to abandon plans to investigate the rate base of the Bell Telephone System because of inadequate staff. The effect of this de-

cision on the public and on American industry could be disastrous. They will conclude, and justifiably I believe, that in choosing not to proceed with this examination, the FCC has surrendered to bigness. They will think that while the FCC will tackle the little guys, the giants will be left alone.

In exploring the history of this case, it was especially distressing to realize that this is not an isolated instance of the regulated ruling the regulators. Who knows how many quiet surrenders are made by federal regulatory bodies each year?

Because this case thus carries implications far beyond its immediate boundaries, I am preparing legislation to provide the necessary funds to continue the investigation of mammoth AT&T—with its 800,000 employees and billions in assets. I will propose an initial appropriation of $1 million to the FCC for fiscal 1972 to add 50 economists and office personnel to the FCC staff. If this addition proves inadequate, the bill will earmark another $1 million in supplementary funds for still more staff later.

I ask you to join me in seeking from the Congress the necessary funds to rescue this crucial project. In defending this appropriation, however, it will be helpful to have from you a list of the priorities the FCC will pursue during your tenure as Chairman. In announcing its decision, the FCC majority declared that an exploration of the AT&T rate base is not high on the Commission's list of priorities.

Since the FCC has never made public a detailed agenda of priorities, this declaration invites serious mistrust and cynicism among AT&T consumers—who will conclude that such major decisions are made on an ad hoc basis.

It therefore would be useful to have answers to the following questions: What is a higher priority than regulating the biggest monopoly in America? Exactly how will Commission resources be allocated during the next several years? What additional funding will the FCC require to perform what you consider its duties? What price will the American public pay in overcharges and deteriorating services if the FCC is forced to back away from encounters with the corporate giants because of inadequate funding or staff?

Since I will be submitting this bill to the Congress when it reconvenes January 18, I would appreciate having your answers before that date. I ask you to speak out on behalf of the tens of millions of Americans who will pay excessive telephone charges for years if the FCC does not undertake this vital investigation of AT&T.

Thank you for your cooperation.

Sincerely,

FRED R. HARRIS,
*U. S. Senate.*

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FEDERAL COMMUNICATIONS COMMISSION,
*Washington, D.C., January 14, 1972.*

Hon. FRED R. HARRIS,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HARRIS: Your letter of January 1st raises questions of the utmost importance, and I welcome the opportunity to address them.

But, first, I feel I must demur from your characterization of the Commission's decision of December 23, 1971. It did not constitute an "abandonment" of our intention "to investigate the rate base" of the Bell System. And, although I can only speak for myself and from my own perspective, I know of no "surrenders" (quiet or otherwise) that this Commission has made during my tenure as Chairman. This is not to say that every one of our judgment calls has been greeted with universal approbation—but "surrenders to the regulated," no.

Rather than restating here the thinking that entered into the December 23rd decision, I have attached a copy of my recent letter to several of your colleagues that sets forth the rationale for that decision. I reiterate and underscore its conclusion: that it does define an effective regulatory program and one that has worked to the public benefit.

You ask for my personal "list of priorities" and, again, I must demur. As a parent, I've made it my practice never to choose among my children, and this same posture carries over to my official responsibilities. I have no facetious intent in saying this, for the fact is that the Commission is confronted with literally dozens of "priority" issues at any given time—all of them of high importance, all of them with far-reaching public interest implications.

Let me cite just as examples, the AT&T rate case now awaiting decision as to permissible "range of return" (the critical Phase One of Docket 19129); the proceeding on allocation of overall revenue requirements among the various categories of Bell's interstate services; the formulation of policy governing domestic satellite systems; rate determinations involving COMSAT; the drafting and implementation of new rules for the near-term evolution of cable television; pending proceedings with respect to children 's programing and its commercial content; completion of new policies and procedures as to broadcast license renewals; revision of the Commission's fairness doctrine; revision of our broadcast and cable multiple ownership policies—and I could go on for several additional pages before running low on "priorities" and beginning to note the "normal" business that constantly confronts us.

I am neither making excuses nor looking for sympathy. The further fact is, very candidly, that we can never have staff resources wholly adequate to these responsibilities. Nor can such staff be recruited and trained on a one-year one-shot "crash" basis. During my tenure as Chairman, we have asked each year for steady incremental build-ups in staff resources—which, as a general rule, the Congress has granted. We will continue to do so in Fiscal '73, and for as long as I hold this office. We will, more particularly, continue to apply the lion's share of our Common Carrier Bureau resources to an ongoing program of in-depth surveillance of the Bell System and other carriers, always retaining the option of moving to the hearing process when this course of action promises a substantial pay off. Let me repeat this: the action of December 23rd did *not* foreclose the hearing option with respect to rate-base determinations.

Again, Senator, I want to thank you for your inquiry. Whether or not we agree about the impact of this or any other Commission decision is relatively unimportant. What does matter is that the reasons for them be made part of the public record.

Finally, petitions for reconsideration of our December 23rd action have been filed by parties to the proceeding. I have not yet examined these petitions and have thus reached no judgment on their merits. You will appreciate that the sole purpose of this letter is to set forth the basic holding of the December 23rd action and to indicate the range of important matters facing the Commission. In view of the pending petitions, I cannot engage in any continuing exchange on the merits of these matters; but I hope that this general background and clarification is helpful to you.

Sincerely,

DEAN BURCH,
*Chairman.*

U.S. SENATE,
*Washington, D.C., January 16, 1972.*

Mr. DEAN BURCH
*Chairman, Federal Communications Commission, Washington, D.C.*

DEAR MR. CHAIRMAN: I am afraid your letter of January 14 on the FCC decision to abandon its examination of the AT&T rate base raises more questions than it answers.

You object to my description of that decision as a surrender to bigness. But you fail to provide any evidence to lead me to think otherwise.

I still believe that setting a rate of return for the Bell System without examining its rate base could cost the American public hundreds of millions of dollars in telephone overcharges for years to come. No one will ever know, because so-called "continuous surveillance" is a feeble substitute for hard-nosed investigation of the AT&T rate base by FCC specialists. This program you defend consists of private meetings with AT&T executives, from which representatives of the consumer are excluded. The public is entitled to better protection than this.

I am also disturbed by your refusal to set forth the priorities the FCC is following. In my letter of January 1, I asked you to make public how Commission resources will be allocated during your tenure as Chairman.

You reply that you "never choose among my children, and . . . this same posture carries over to my official responsibilities." This strikes me as a clear abdication of your responsibility as Chairman to set goals for the FCC and to give it direction.

You also tell me "we never have staff resources wholly adequate to these responsibilities." Doesn't this mean you must decide how to spend these resources, make choices, set an agenda? Some projects must suffer, I take it, while others are served. Is this not to set priorities?

So again I ask you, as Chairman of the FCC, to make public your list of priorities for the Commission in the years ahead.

And I repeat my questions of January 1: What is a higher priority than regulating the biggest monopoly in America? And what price will the public pay in overcharges and deteriorating service if the FCC is forced to back away from encounters with this corporate giant because of inadequate staff or funding?

These difficult questions remain, Mr. Chairman.

I again urge you to join me in seeking from the Congress emergency funding to revive this important investigation. I intend to proceed with legislation to appropriate $1 million to add the necessary economists and aides to the FCC staff to carry out this vital task.

I still believe the ordinary people in this country have a right to expect the FCC to conduct a full, fair, and open investigation of the AT&T rate base, as the law requires.

Sincerely,

FRED R. HARRIS,
*U.S. Senate.*

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NEWS FROM FEDERAL COMMUNICATIONS COMMISSION

For information on releases and texts call 632-0002—January 13, 1972—C.

In a letter to a group of key Congressional leaders, FCC Chairman Dean Burch has reaffirmed Commission policies in common carrier regulation, stating that, "The Commission always has, does now, and will continue to regulate the Bell System—vigorously, effectively, and with all the resources we can muster."

The letter was being submitted, Chairman Burch said, to record his personal views on the reasoning behind a Commission announcement December 23, 1971, terminating

certain aspects of the AT&T rate case (Phase II, Docket 19129).

The following is the text of the letter:

On December 23, 1971, the Commission announced that it would not go forward as originally planned with formal hearings in Phase II of the AT&T rate case (Docket 19129). It seemed to me then that the decision spoke for itself. But in view of the reaction—extending even to the suggestion that it represented some sort of devious "end run" around the Congressional appropriations and oversight processes—I can see that I was mistaken, and I believe it is essential to go on record with my personal views as to the rationale underlying the decision.

That decision does not mean that the FCC has abdicated its regulatory responsibilities. And it is impossible to put this point too emphatically. We have not "caved in" to the AT&T "giant". The Commission always has, does now, and will continue to regulate the Bell System—vigorously, effectively, and with all the resources we can muster.

What the decision *does* mean is that the Commission will not now conduct a formal hearing on the Phase II issues. They remain before us. And all our future options, including ultimate recourse to the hearing process, remain open.

It may be that the December 23rd action was impolitic. Clearly, it could have been more lucidly explained. But it was made with the public interest uppermost, and for reasons that I believe are sound. Before turning to those reasons, let me review the salient background.

The roots of the decision go back at least to 1965 and Docket 16258. That landmark proceeding resulted in an interim decision of July 1967, introducing the "range of return" concept as the benchmark for AT&T tariff determinations. (The permissible rate of return was fixed then in the range of 7.0 to 7.5 percent.) Equally important, the Commission for the first time formulated basic principles and guidelines governing rate-base determinations and identified the principal components of investment that could be included in the rate base. Other issues in that proceeding—deferred in 1967 and still unresolved as of last month—were the prices and profits of Western Electric (the Bell System's manufacturing arm) and their impact on the cost of telephone service, and amounts claimed for investment and operating expenses. You will note, Mr. Chairman, that these are much the same issues as are involved in Phase II of Docket 19129 and were to repeat, still unresolved fully six years after Docket 16258 was originally instituted.

In November, 1970, AT&T filed with the Commission proposed interstate rate increases that would have produced $545 million in net income before taxes. Because of the obvious public interest considerations of so major an increase, the Commission requested the Company to set aside its original proposal and file instead for a substantially lesser amount—about $250 million in net income before taxes. AT&T acceded to this request. (Even this proposed increase was suspended by our order of January 20 1971, and made subject to accounting and possible refund; it will not become final pending the outcome of this and related proceedings.) And, as section 204 of the Act requires, we determined to hold an expedited hearing on the justification for the proposed rate of return (Phase I); this was to be followed immediately by a hearing on all the other issues (Phase II).

The hearing process was divided in this way for sound reasons. The burden of proof is on the carrier seeking rate increases. Thus, as part of its direct case filed in support of tariff changes, AT&T submitted voluminous testimony and data on the operations, prices, and profits of Western Electric—to demonstrate that the payments by the operating companies of the Bell System for the equipment and service they purchase from their Western Electric affiliate are fair and reasonable, and constitute no undue burden on the users of telephone services.

This relationship involves unique complexities. Further, the Commission could not be certain about the amounts of time and staff preparation that would be required for an in-depth examination of AT&T's case in this regard, and so we reserved treatment of this issue for Phase II of the hearings. It was contemplated that Phase II would consider this and other matters, including operating expenses and maintenance costs, that could affect rate levels and revenue requirements. All these matters call for highly specialized investigation and analysis of the carrier's operations, to identify any problems and then to establish the nature and extent of rate adjustments that might be called for.

The rate of return issues of Phase I were designed to examine AT&T's principal justification for an immediate rate increase. And the hearing on these issues was among the most exhaustive in recent Commission history. It consumed 33 days; involved 12 AT&T witnesses plus eight others, including two independent experts on the cost of capital presented by the trial staff; and produced more than 5,000 pages of testimony. And the hearing *was* expedited. It began in March, 1971, and the Hearing Examiner's initial decision (recommending an 8.25 percent rate of return) was issued in August. Following that, the Commission *en banc* held oral arguments covering two days—and Phase I is now ripe for final decision.

An unpredictable element of delay has skewed the normal course of events. Since early November, we have been waiting for the Price Commission to publish guidelines that will have an impact on pricing policies and thus on rate determinations involving regulated industries under the President's economic stabilization program. A decision on Phase I will soon be issued, however. And that decision will determine the most critical questions that are involved in passing on the merits of AT&T's case for rate increases.

This brings us again to mid-December and the issues we had originally deferred to the Phase II hearings. When the Hearing Examiner indicated that he was ready to proceed, we had to face the reality that we simply were not prepared for a meaningful examination of TA&T's case on Western Electric or the other Phase II issues. There had been no in-depth investigation of these complex, highly-specialized issues. Our staff resources had proved to be too thin. And some sort of "crash" effort seemed to promise mere "appearances", considering the substance of the issues involved. With all the advantages of hindsight, I can now see that a whole series of factors had come together:

(i) Phase I had not only required a great deal of staff effort, because of its complexity and expedited timetable, but also had involved a new "staff consuming" procedure recommended by the Administrative Conference. We separated the trial staff totally from all decisionary aspects of both Phase I and II. And this has had the practical effect—requiring very nearly two staffs—of drastically diminishing the Common Carrier Bureau's available staff expertise.

(ii) That staff was already thinned by several key losses and, since August, by stringent hiring cutbacks required to implement the President's economic stabilization program.

(iii) Finally, there are many other complex common carrier proceedings competing for priority, all of them calling for substantial staff commitments. In bare outline, there are hundreds of applications for competitive services in the field of specialized common carrier communications; implementation of the *Carterfone* policy to expand interconnection options for users of existing common carrier networks; proceedings toward development of a policy governing domestic satellite systems; and initial determination of policies to govern Comsat rates in international services. Of particular pertinence to regulation of Bell System rates, there is also Docket 18128—in which the Commission will establish principles to prevent cross-subsidy and to facilitate equitable allocation of overall revenue requirements among the various classes of Bell's interstate services. Action on this docket is moving forward on schedule.

Confronting all these considerations at once, the Commission essentially had three choices. We could have proceeded to Phase II as planned. But while this course of action might have kept up appearances, it would in fact have been mostly window dressing in view of the lack of necessary staff preparation.

Second, we could simply have deferred the hearing in Phase II. But this again would have meant evading the hard choice we confronted. The staff that was not available on December 23rd for specialized preparatory work would not miraculously become available on the 24th. It takes time to recruit and train such expert staff, and then more time for them to do the digging and preparation that the Phase II issues call for. Then, too, effective government—and effective regulation in particular—means acting as rapidly is possible consistent with available resources and competing priorities. Postponement *per se* might simply have been a re-enactment of the history of Docket 16258.

We turned instead to a third choice: principal reliance on a continuing program of surveillance to develop the in-depth understanding we need concerning the fundamental aspects of Bell System operations, and a steady build-up of this program. We will in this way recruit and train the needed staff. And we will be dealing informally but effectively with most of the Phase II issues. Surveillance in my view is the most useful instrument for developing the data that enables us to sharpen the issues that may or, indeed, should ultimately be referred to formal hearings. The hearing option, I repeat, remains open. Our choice has been to position ourselves for maximum effectiveness—by surveillance and hearings. Far from sloughing off our obligation to deal with the issues of Phase II, we assessed the pragmatics of the situation and opted for the one course of action that promises real and immediate returns.

This means, of course, that our continuing surveillance efforts must be bolstered. We have constantly been attempting to augment our professional staff resources by steady annual increments for several years—and will continue to do so in Fiscal '73. This means more Common Carrier staff overall and, even beyond that, the most effective possible utilization of whatever staff we do have. We are also updating our methods of gathering and analyzing both operating and financial data by use of computerized processing techniques.

Clearly, Mr. Chairman, some accounting is in order with respect to the Commission's ongoing surveillance program. I do not claim that the program is perfect, nor that a better job could not have been done with more resources and longer range planning. But that will always be true—particularly because there always are unpredictable factors that enter into the equation. I do maintain, however, that continuing surveillance has been and will continue to be a critically important component of the total regulatory program. And it has worked to benefit the public.

This can be spelled out in dollars and cents. In the period since 1953, the last general long-distance interstate rate increase, there have been several major rate reductions and assumption of expenses by interstate operations that, together, substan-

tially amount to more than a billion dollars at current levels of business. During the same period, it is relevant to note, Bell's wage index went up by 123 percent and its cost of debt capital by 102 percent. Even with the interim increase of 1971 (now subject to our decision in Phase I), rate levels are about 9 percent lower than those prevailing in 1953—and, by contrast, the Consumer Price Index has risen by 52 percent and the Wholesale Price Index by 30 percent.

The continuing surveillance program encompasses many of the issues that were involved in Phase II. First: the Commission establishes the rules and regulations that govern the Bell System's accounting practices, and this Uniform System of Accounts (first prescribed in 1935) is under continuous staff review with an eye to revision and improvement. Second: our staff makes studies and continual spot-checks of Bell's compliance with these prescribed practices. Third: fifty State regulatory agencies also have continuing access to the books and records of Bell System companies, and we work closely with NARUC to make sure that our efforts are complementary. Fourth: the Commission prescribes and every three years revises the depreciation rates that the Bell System companies may use for their depreciation entries. And fifth: we receive regular reports (upwards of 2600 a year) containing extensive financial and operating data pertaining to the Bell System, including Western Electric, and these are the subject of staff scrutiny of any significant deviations from normal trends. Indeed, Commission rules require that tariff changes, new service offerings, and facility applications must always be accompanied by relevant economic data—and all this is part of the continuing surveillance process.

It is difficult to quantify all the savings that accrue to the public from such efforts—as, for example, in the depreciation area. But such savings do result and they are substantial. With heightened surveillance efforts, year by year, I am convinced that significantly greater public benefits can reasonably be expected.

In the last analysis, we are left with two principal questions. In view of all the circumstances, was the December 23rd decision a sound one? I believe it was. And, even more important, do we have a program of effective regulation that promises results commensurate with the Commission's high statutory responsibilities? Mr. Chairman, I believe we do.

Copies of the letter were sent to: Senator Warren G. Magnuson; Senator John O. Pastore; Senator Norris Cotton; Senator Howard H. Baker, Jr.; Senator Gordon Allott; Congressman Harley O. Staggers; Congressman Torbert Macdonald, Congressman William Springer; Congressman Hastings Keith; and Congressman Edward P. Boland.

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FEDERAL COMMUNICATIONS COMMISSION,
*Washington, D.C., January 13, 1972.*

Senators PASTORE, MAGNUSON, COTTON, BAKER and ALLOTT,
Congressmen STAGGERS, MACDONALD, BOLAND, KEITH and SPRINGER,
*U.S. Congress,*
*Washington, D.C.*

GENTLEMEN: In 1934 the United States Congress instructed the Federal Communications Commission to prevent AT&T from making "unreasonable discrimination in charges," or charges that are "unjust or unreasonable," and to "make a valuation" of AT&T's property. Sections 201(b), 202(a), 203(a).

In 1965 the FCC undertook a hearing that *could* have been a step towards carrying out these instructions.

During the seven years since, little or nothing has been done to execute the most important aspects of this hearing: whether Bell is discriminating against the small consumer in its pricing; whether its charges are based upon costs of doing business that are unjust and unreasonable (including prices paid its wholly-owned subsidiary Western Electric); and the effort to make a valuation of its property (the "rate base"—which Bell asserts is worth about $40 billion—upon which the "rate of return" must be paid by consumers). Note that each of these features are the very ones that Congress identified as essential 38 years ago.

On December 21, 1971, the FCC majority finally admitted—with commendable candor—that not only had nothing been done in the past, but that very little was likely to be done in the future. Accordingly, it was simply cutting out the hypocrisy and calling off the hearing.

The majority concluded (Commissioner Bartley concurring with "deep regret," Commissioner H. Rex Lee and I dissenting) that this hearing was being called off because, "we find it necessary to revise our program priorities. . . ." But it is Congress that establishes our "program priorities" in common carrier regulation, not an FCC majority's whim. And the Congress has expressly and precisely provided that the FCC should give "the hearing and decision of such questions [telephone rate increases] preference over all other questions pending before it and decide the same as speedily as possible." Section 204.

The Commission, comfortable with the years of cozy privacy of its so-called "continuous surveillance" procedures (closed door sessions with company officials), was taken aback to find the Congress and public did not take quite so lightly its abdication of responsibility for regulating the Bell system in public hearings.

Now today, January 13, the Chairman feels compelled to reply to the understandable public outrage that has accompanied our cancellation of the hearing. So he has written you that "The Commission always has, does now, and will continue to regulate the Bell System—vigorously, effectively, and with all the resources we can muster." (One of the most disturbing sentiments in his letter is his seeming willingness—even desire—to return to the "continuous surveillance" of the good old days.)

After all the verbiage in Chairman Burch's six page letter is scraped away, what remains—with the stark prominence of the Washington Monument on our city's skyline—is the overpowering fact that the Federal Communications Commission has never, and I emphasize never, carried out the rather straightforward Congressional mandate of 1934. Nor, I would note, has it today asked you for the additional funds to do the job.

I would be the first to acknowledge our lack of resources to regulate AT&T. (Although there have been unfilled positions in the Common Carrier Bureau for months.) But our failure even to *ask* for those resources raises questions as to whether the FCC has the will, as well as the way, to regulate Bell.

My dissenting opinion of December 21, 1971, further spelling out my concerns, is attached.

Respectfully,

NICHOLAS JOHNSON,
*Commissioner.*

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[From the New York Post, Jan. 12, 1972]

CONGRESS TO PUSH ON ATT RATES

(By Anthony Prisendorf)

WASHINGTON.—Consumer-conscious Congressmen are planning to pressure the Federal Communications Commission to reverse itself and reopen its cancelled investigation of the rate base used by the American Telephone & Telegraph Co. for its interstate telephone service.

When Congress reconvenes next week, companion bills will be submitted to the House and Senate appropriating $1 million in emergency funds to cover the extraordinary costs involved in such a massive accounting probe of AT&T.

The sponsors of the Congressional pressure tactic—Sen Harris (D-Okla.) and Rep. Ryan (D-Man.) are predicting that the gesture will receive broad, bipartisan support in both houses.

"It'll be pretty tough for any Senator or Congressman to get on the consumer-protection band-wagon in this election year and not support such an investment," one Senator's aide remarked.

The basic thinking behind this "investment" approach in Congress is essentially this: AT&T's current rate base is about $50 billion, with an annual return—based on the recent request for a 10 per cent return—of roughly $5 billion a year.

HUGE POTENTIAL SAVINGS

Harris and Ryan are prepared to argue that even if that rate base is only slightly inflated—and no regulatory agency in the federal government has studied it for accuracy within the past six years—a change could result in a tremendous savings for the average telephone user.

For example, one of Harris' key legislative aides theorized, if the rate base were $2 billion too high, the adjusted rate of return would mean a savings to telephone users of $200 million a year.

Thus, Harris and Ryan reason, investing $1 million of public funds to conduct a thorough study of the rate base is a small price to pay in view of the potential savings it could lead to.

The FCC, by a 4 to 2 vote last month, announced it was abandoning the AT&T investigation which the commission initially scheduled six years ago.

The reasons given: the commission's Common Carrier Bureau, the FCC's investigative arm in this case, has neither the financial nor manpower resources to do the proper job.

AT&T, with subsidiaries that include the Bell System, has $50 billion in assets, revenues last year totalling $17 billion, and 800,000 employes around the world.

The FCC's Common Carrier Bureau has a $3 million annual budget and 162 staff workers.

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## CONDITIONAL AMNESTY FOR DRAFT RESISTERS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, there are an estimated 50,000 to 70,000 Americans in exile who have left this country over the past half a decade to avoid service in the Armed Forces. Many have left because they could not in good conscience fight in Vietnam; others perhaps had less good reasons.

With the "winding down" of the war and the return of our troops from Vietnam, I think it is appropriate and necessary that we consider how we can bring home these young Americans. This country has already suffered a tragic loss through the deaths of 55,000 young Americans in Vietnam. We cannot bring these men back, but we can bring back those who are in exile. To effectively bar their return would be to compound the tragedy of Vietnam.

Mr. Speaker, I am introducing a bill today to offer conditional amnesty to draft resisters. This bill, H.R. 12417 would allow young men who have left the United States since August 4, 1964, to avoid the draft to return, without fear of prosecution, if they agreed to provide

2 years of civilian service to the United States in such programs as VISTA, in Veterans' Administration and Public Health Service hospitals, and in other services approved by the Attorney General. This bill would also apply to those men imprisoned for draft violations, giving them the option to leave prison and perform such alternative service with up to 1 year's credit being given for the time spent in jail.

Mr. Speaker, the bill I am introducing is like the amnesty bill introduced by our distinguished colleague in the Senate (Mr. TAFT), the only significant difference being that the Senator's bill would require 3 years of civilian service while my bill requires 2 years of such service. I believe that a 2-year requirement is appropriate because this is the length of alternative service presently required of conscientious objectors.

H.R. 12417 would become effective immediately upon enactment and allow a man a year in which to exercise his option to return.

In April of 1969, I introduced legislation that would assist the return of those who left for reasons of conscience by allowing them to apply for selective conscientious objector status. In December 1969, I went to Canada and visited with some of the draft resisters.

I believe that enabling the young men now in exile to rejoin American society is of paramount importance and that is why I have joined with Senator TAFT in sponsoring this bi-partisan measure offering conditional amnesty. The war has left great divisions in our society. The subject of amnesty is a highly emotional one. But, it is time that our country put aside its differences and lay to rest the acrimony that has consumed us. Instituting this conditional amnesty that demands some compromise from everyone would be a step in this direction. I believe that civilian service in return for repatriation is a reasonable and necessary response which takes into consideration the legitimate feelings of those who served in Vietnam—many of whom opposed the war—and of the families of those who lost their lives there.

Amnesty is not a new concept to the United States. George Washington granted amnesty to several hundred Whiskey Insurrectionists in 1795. In a move to reunite the country, President Lincoln instituted a program of amnesty, and most recently President Harry Truman in 1945 granted pardons to draft evaders. Surely, the United States at this point in her economic and social history should have the magnanimity to grant an amnesty to those who left the country in order to avoid fighting in a war they believed to be unconstitutional and immoral.

In a recent survey conducted by the Gallup Organization for Newsweek considerable support was found for conditional amnesty; 64 percent of the respondents said they favored amnesty with a national service requirement. A number of religious leaders have advanced the idea of an amnesty for the Vietnam draft evaders, including the late Cardinal Cushing who urged the Government as an Easter gesture to drop charges against these men for, in his words, "wherever our young people, even for reasons we do not know, stand in need of mercy, let us reach out to them."

The text of H.R. 12417 follows:

H.R. 12417

A bill to amend title 18, United States Code, to conditionally suspend the application of certain penal provisions of law

*Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,* That title 18, United States Code, is amended by inserting at the end of chapter 119 a new chapter, as follows:

"CHAPTER 122.—CONDITIONAL SUSPENSION OF THE APPLICATION OF CERTAIN PENAL PROVISIONS OF LAW

"Sec.
"2610. Amnesty; conditions.
"2611. Release of persons convicted; dismissal of proceedings.
"2612. Pardons.
"2613. Exception.
"2614. Administration.

"§ 2610. Amnesty; conditions.

"(a) No law providing for the punishment of persons evading or refusing registration for the military service of the United States, or of persons evading or refusing induction in the Armed Forces of the United States shall apply to any person who has evaded or refused such registration or induction since August 4, 1964, if not later than one year after the date of the enactment of this chapter, such person—

"(1) presents himself to the Attorney General of the United States or such other official or officials as may be designated by the President,

"(2) agrees in accordance with regulations established by the Attorney General of the United States to enlist and serve for a period of two years in the Armed Forces of the United States or agrees to serve for a period of two years in Volunteers in Service to America (VISTA), a Veterans' Administration hospital, a Public Health Service hospital, or other service eligible pursuant to regulations issued under section 2614 of this title, and

"(3) agrees to serve for such period in the lowest pay grade at which persons serve in the Armed Forces of the United States, Volunteers in Service to America (VISTA), Veterans' Administration hospitals, Public Health Service hospitals, or other service eligible pursuant to regulations issued under section 2614 of this title.

"(b) The willful failure or refusal of any person to comply with the terms of his agreement under this section shall void any grant of immunity made to such person under this section.

"§ 2611. Release of persons convicted; dismissal of proceedings.

"(a) Any person who has been convicted and is serving a prison sentence for evading or failing to register for the military service of the United States after August 4, 1964, or for evading or refusing induction in the Armed Forces of the United States after such date shall be released from prison, and the remaining portion of any punishment shall be waived if such person complies with the provisions of section 2610(a) of this title, except that the two-year period of military or public service required thereunder shall be reduced by any period equal to the period served by such person in prison for his conviction, but such period shall not be reduced by more than one year. Any such person shall be afforded an opportunity to present himself to the Attorney General pursuant to section 2610(a) of this title.

"(b) Any pending legal proceedings brought against any person as a result of his evading or failing to register for the military service of the United States after August 4, 1964, or for evading or refusing induction in the Armed Forces of the United States after such date shall be dismissed by the United States if such person enters into an agreement described in section 2610(a) of this title and completes the period of military or public service prescribed in such agreement.

"§ 2612. Pardons.

"(a) It is the sense of the Congress that the President grant a pardon to any person convicted of any offense described in section 2611(a) of this title if such person enters into an agreement described in section 2610 (a) of this title and completes the period of military or public service prescribed in such agreement.

"(b) In any case in which a person has been convicted of an offense described in section 2611(a) of this title and has been released from prison, or given a suspended sentence, it is the sense of the Congress that the President grant a pardon to such person for such offense if such person performs military or public service prescribed in section 2610(a) of this title, reduced by a period equal to the period served by such person in prison for his conviction (such period of service not to be reduced by more than one year), provided such person undertook to perform such service prior to the expiration of one year following the date of enactment of this chapter.

"§ 2613. Exception.

"The provisions of sections 2611 and 2612 of this title shall not apply in the case of any person otherwise eligible for the benefits of such provisions if such person (1) is serving a prison sentence for an offense not described in section 2611 of this title or is scheduled to serve, immediately after completion of his sentence for an offense described in section 2611 of this title a prison term for any other offense for which he has been convicted or (2) is wanted for trial for any other alleged offense, unless the President determines that the public interest would be better served by affording such person the benefits of this chapter.

"§ 2614. Administration.

"The Attorney General is authorized to issue such rules and regulations as may be necessary to carry out effectively the provisions of this chapter."

SEC. 2 (a) The table of chapters of title 18, United States Code is amended by inserting at the end of the table of chapters for Part I—Crimes, the following:

"122. Registration and induction for military service."

(b) The table of chapters of Part I of title 18, United States Code, is amended by inserting at the end thereof the following:

"122. Registration and induction for military service."

"SEC. 3. Section 12(a) of the Military Selective Service Act of 1967 is amended by striking out "Any" at the beginning of such section and inserting in lieu thereof "Except as provided in chapter 122 of title 18, United States Code, any".

## FEDERAL OPERATING SUBSIDIES FOR MASS TRANSIT

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, on January 5 of this year the New York City transit fare was raised 16⅔ percent to 35 cents. During this time of supposed economic stabilization, this increase will have a devastating effect on many New Yorkers: those who live in two fare zones, 18 percent of all riders, must now pay $350 annually, to ride a dilapidated and sometimes dangerous subway system to and from work.

This fare increase, however, will cover only a small portion of the New York City Transit Authority's estimated deficit of $440 million over the next 2 years, part of which is caused by a costly New Year's Eve labor settlement totaling $151 million.

In an attempt to pay for this enormous deficit the Transit Authority's financing for the next 2 years will be a jerrybuilt operation depending heavily on moneys borrowed from both the city and the State. This is a poor way to cover operating expenses. It is a stop-gap approach that bodes an even more costly fare increase 2 years hence when the Transit Authority must find the revenue to cover the repayment of interest and principal on the loans, not to mention the expense of new labor negotiations.

The fare box can no longer pay for transit service, and localities cannot continue their makeshift, desperate efforts to finance these systems endlessly from local taxes, or borrowing schemes. More than ever before, this fare package in New York City points out the urgent need for Federal assistance to mass transit systems. And the New York transit situation is not unique: Saint Louis, Boston, Minneapolis-St. Paul, Miami are only some of the other cities whose transit systems face operating deficits.

I have introduced a bill, H.R. 10400, as amended, which would create a 5 year, $1 billion emergency relief program for rapid transit and commuter railroad systems. This Federal money would offset transit deficits by paying for the maintenance and repair of rights-of-way.

Mr. Speaker, the emergency nature of transit operations can no longer be ignored by this Congress, which has approved subsidy programs similar in concept to that contained in H.R. 10400 as amended, for air and automobile transportation. The time for action is now. The failure of this Congress to enact subsidies for transit operations will only spur the demise of those systems and encourages the growing dependence on the automobile that is already congesting and befouling our cities.

## THE PRICE OF LIBERTY IS ETERNAL VIGILANCE

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

Mr. ICHORD. Mr. Speaker, acknowledging the verity of the axiom that "the price of liberty is eternal vigilance," I feel it incumbent upon me as chairman of the House Committee on Internal Security to inform my colleagues of yet another example of what I call "issue exploitation" by those out to undermine our society, government, and institutions.

This subversive activity often takes place under the guise of the most worthy appearing causes and, with increasing frequency, it is done in the most subtle way imaginable.

The most recent example was a full-page advertisement in the New York Times of Sunday, December 19, 1971—just 6 days before Christmas—when much of the non-Communist world is most vulnerable to emotional appeals regarding children and humanitarianism.

The ad—entitled "A Letter to Four Children—and to all the children of the world"—was directed by a so-called Ad Hoc Committee of Concerned Citizens at a regrettable act of violence on the night of October 20, 1971—2 months earlier it should be noted—in New York City when four shots were fired by snipers into a room of the Soviet Union's United Nations Mission which, at that moment, was occupied by four children. No one was injured and an arrest has been made of the suspected sniper, who has been identified as a member of the extremist Jewish Defense League.

After some 60 days of presumably deep reflection upon the nature of this criminal act, the Ad Hoc Committee of Concerned Citizens published its message deploring what it called a series of—previous bombings, harassment, threats of murder, and other attacks on Soviet personnel and installations in New York and Washington.

The advertisement was illustrated by a charming sketch of two children—one garbed in Arab attire and the other presumably Jewish—jointly feeding pigeons symbolizing the doves of peace and amity.

In the text of "A Letter to Four Children," the ad's sponsors said the sniper shots "struck terror in our hearts—and shame, dismay, and anger." Continuing, the ad declared:

> We know you are citizens of the Soviet Union, and guests in our country, even as so many of our children are guests in yours. We don't know if any of you are Jewish. It does not matter. Some of us are, some are not. We write you simply as Americans who detest mindless violence and discrimination in any form—racial, religious or political.

Up to this point, the message cannot be faulted. Then the ad's backers picked up a broader brush, clearly suggesting that those who would snipe at the Soviet Mission to the U.N. are simply an extension of what the ad implies is an American conspiracy to "murder" thousands in Vietnam, slay Negro children in a Birmingham Sunday School in 1963 and gun down black Americans leading the struggle for an end to "racism."

Furthermore, the advertisement warns that such an attack on the Soviet Mission endangers efforts by the Soviet Union and the United States to prevent nuclear war. The text continues:

> Our two peoples, dear children, have much in common. Together your people and ours fought against fascism, in a wartime alliance that was dismantled by men of bad will.

It was at this point, Mr. Speaker, that I had my first real misgivings about this advertisement. The alliance that defeated fascism in World War II, as every Member of this House well knows, Mr. Speaker, was torn asunder by only one man of bad will—Josef Stalin—who then threatened his Western allies with world war III while he trampled down the flickering hopes for freedom in Eastern Europe from the Baltic to the Balkans.

The balance of "A Letter to Four Children" amounted to an appeal for "human rights" and an end to hatred and violence in any form—something to which we all subscribe.

Curious as I was about the language and emphasis of the first part of the advertisement, I then looked at the list of 162 published signers who so decried "mindless violence and discrimination in any form—racial, religious or political."

I discovered, interestingly enough, that of the sponsors 50 were, in fact, members of the Communist Party, U.S.A.

Now, Mr. Speaker, when it comes to "mindless violence," these are the people who have consistently condoned the Kremlin's starvation and execution of the Kulaks in the Ukraine, the massacre of the Poles while Poland fought alone against the Nazi armies, the massive purges of Jews and intellectuals, the cruel slaughter of the Hungarians, the invasion of Czechoslovakia, and the concentration camp torture of thousands upon thousands of innocent Russians.

When it comes to "discrimination in any form—racial, religious, or political" these Communist Party, U.S.A. signers for the Ad Hoc Committee of Concerned Citizens are the very same people who support Soviet persecution of Jews, the physical destruction of churches, and religious activity throughout the Communist world, the mass execution of Cubans unwilling or unable to endorse Fidel Castro—Mr. Speaker, I could go on and on with the infamies of Red facism, but it would serve no further purpose.

And these same people—at least the 50 who are members of the Communist Party, U.S.A.—are trying to link up extremist sniping with the U.S. Government's efforts to halt Communist aggression in Southeast Asia while suggesting that such men as Franklin Roosevelt, Harry S. Truman, Dwight David Eisenhower, and Winston Churchill "dismantled" the World War II alliance against fascism, because of "bad will."

This advertisement, hiding behind our natural disgust for a sniping attack which endangered children's lives and playing upon the desire for an end to "mindless violence and discrimination in any form," very cleverly seeks to shift all blame and responsibility for crimes against humanity to the people and the Government of these United States. This is an intellectual atrocity I do not want to go unchallenged or unexposed.

## LET'S LOOK BEFORE WE DRILL

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MONAGAN. Mr. Speaker, residents of the east coast have voiced alarm over the announcement by the Secretary of the Interior that exploratory oil drilling might be started in the Atlantic Ocean. On December 9, I introduced H.R. 12146, establishing a moratorium on all oceanic drilling until the Secretary of the Interior determined, in conjunction with the Council on Environmental Quality, the requirements of our nation's resources. The bill also provides for the establishment of marine sanctuaries in the Atlantic, permanently free of the threat of drilling.

This month, two Connecticut newspapers have editorialized on this problem calling for action similar to that proposed in my bill. An editorial in the January 8 edition of the Meriden Morning Record notes,

To rush into projects without full research, is to battle without the weapons modern technology has made available.

And an editorial in the Hartford Courant on January 12 states,

One current proposal that seems to make sense would ban Atlantic oil drilling for at least some time to come. The restriction would stay in effect until it could be demonstrated that the new supplies are definitely needed.

I am sure that editorials such as these, and the legislative action proposed by myself and my colleagues have had a bearing on the recent decision by the Secretary of the Interior to halt all drilling for 4 years. Although the Secretary's action is proper, I feel that we should pass legislation giving this action the status of law.

[From the Meriden Record, Jan. 8, 1972]

LET'S LOOK BEFORE WE DRILL

Congressman John S. Monagan, whose district includes Meriden, believes residents of the Atlantic seacoast have cause to be concerned over announcement by the Secretary of the Interior of plans to lease areas off the New Jersey-Maryland shore and Cape Cod for offshore oil drilling.

He has submitted a bill establishing a moratorium on all oceanic drilling until the Secretary of the Interior determines, in conjunction with the Council on Environmental Quality, the precise requirements of the nation's natural resources.

"If an oil spill similar to that which occurred off Santa Barbara, Calif., should happen in the Atlantic, a devastating environmental and economic blow would be dealt the eastern half of our nation," he says.

The bill also provides for the establishment of marine sanctuaries in the Atlantic, permanently free from the threat of drilling.

Monagan has made clear that he is aware of the Secretary of the Interior's responsibility to insure that the nation's demands for energy are met, but he notes that he also has "a responsibility to consider the environmental impact of production."

The dickens of it is that projects such as the Secretary's proposal increasingly seem to require a vast amount of exact study. Do we have adequately documented evaluations of our need for new sources of energy? Just what is the total environmental impact of drilling? The Congressman thinks we do not, and that to embark upon such an activity as Atlantic oceanic drilling until we know more about what is involved could be tragic.

It is not only the bearer of the "Excelsior" blazoned banner of ecology who will see the sense of Representative Monagan's bill. This is an age in which decisions can increasingly rest more and more upon precise knowledge. To rush into projects without full research, is to battle without the weapons modern technology has made available.

[From the Hartford Courant, Jan. 12, 1972]

SEARCH FOR MORE OIL MOVES TO ATLANTIC

Both the riches and the problems of drilling for oil have for the most part been found in places far away from Connecticut. Texas, the Gulf Coast, Alaska, South America and Arabia have had them. We haven't.

Oil exploration and production could soon come closer to home. Geologists say they have uncovered a new and promising source of oil under the costal shelf of the Atlantic Seaboard.

Canadians have already tapped an oil supply off Novia Scotia, and oil companies say there are 27 billion gallons to be found off the coasts of Canada and the United States.

The new "find," however, may lie untapped for many years to come. The announcement of the Canadian discovery sent environmentalists into action, and one anti-drilling bill was almost immediately introduced in Congress. Interior Secretary Rogers C. B. Morton has also been finding a cool reception to drilling proposals in talks with Eastern congressmen and governors.

Offshore oil wells have been the source of a string of ecological disasters in recent years, including the Santa Barbara leak of 1960 and two oil well "blowouts" in 1970 off the Louisiana coast.

With Long Island standing offshore as a buffer, Connecticut would be relatively well-protected from a similar incident in the Atlantic. We would not be immune, though, from the dangers posed by a possible increase in oil shipping and handling in and around Long Island Sound.

Connecticut has a history of jealously protecting its Sound. We have launched or backed dozens of anti-pollution measures and have helped short-circuit such projects as the 1970 plan for an oil processing plan on Long Island's northern shore and the test drilling last year for a possible man-made island to serve as a gas shipment terminal.

Secretary Morton has promised to proceed with caution and look closely at possible environmental effects before his department issues any permits for offshore drilling in the Atlantic. The work may not even be permitted at all.

The drilling debate is not a one-sided one. While the present available supply of oil will hardly run dry tomorrow, it does have its limits, and new sources will eventually be needed.

One current proposal that seems to make sense would ban Atlantic oil drilling for at least some time to come. The restriction would stay in effect until it could be demonstrated that the new supplies are definitely needed.

## PRESIDENT NIXON APPROVES DEVELOPMENT OF SPACE SHUTTLE

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

Mr. MILLER of California. Mr. Speaker, on January 5, 1972, President Nixon approved the development by NASA of the Space Shuttle, something engineers and scientists have been looking forward to for several years.

I commend the President upon his farsightedness in this instance, for I am confident the shuttle will be the very keystone of our space program. This reusable launch system will make space travel easy on the passenger and easy on the taxpayer. It will convert space travel into a low-cost airline mode of operation and bring it closer home, just as the DC–3 airplane revolutionized commercial aviation.

The shuttle will be an important new system, one that will result in major advances in aerospace technology. With it, we will have a simpler, safer, and less costly way to place men and machines in earth orbit, support them while they are there, and then bring them back to earth It will serve science, the national economy, and the national defense. In itself, it will be an orbital laboratory manned by scientists and engineers.

In my view, the President's action has come at the right time. We have spent the first decade or so of our space program learning techniques and feeling our way as we advanced. We can now move confidently into the second generation of launch systems—reusable launch systems—to serve us in the decades ahead.

There are those who would have us turn away from this challenge and this opportunity, to abandon the promise of space to other nations. In my view, to halt shuttle development would be comparable to what might have happened in the last century if the railroads had been prevented from pushing into the West. Space is the new frontier, just as the West was after the early settlers had established a firm foundation in the East.

Space officials have predicated a great increase in worldwide demand for applications satellites in the years to come. But this demand can be met only if we can make the satellites less costly to build and easier to design, launch and maintain. To do this, we must have the shuttle—to deploy spacecraft in orbit, repair them, resupply them with film or fuel or whatever else they need, or bring them back to earth for refurbishment or reuse.

It will open the way for us to develop new technology for space use. It will bridge the gap between aeronautics and astronautics providing valuable new technology for aviation as well as space flight.

The technology which will come as a result of shuttle development will help us maintain a strong economy with continually increasing productivity, something that is dependent primarily upon technological advance. We have already seen that a strong, continuing space program contributes significantly to the economy.

We have shown the world that we are the leaders on the new frontier—space. We must not turn back. We must remain active with a productive, forward-looking, cost-conscious program. That is the basis on which NASA has planned the shuttle program.

Mr. Speaker, the Committee on Science and Astronautics, which I am privileged to chair, has held extensive hearings on the space shuttle concept. During these hearings, I became convinced that this Nation needs a more flexible and less costly way of getting to space, and that the shuttle will meet that need.

I am very pleased with the President's decision to proceed with shuttle development. Our committee plans to hold hearings on NASA's specific plans for the shuttle. And I am confident that, when the fiscal year 1973 NASA Authorization Act comes to the Floor for the consideration of the House of Representatives, we will endorse the President's historic step.

## PERSONAL ANNOUNCEMENT

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

Mr. MIKVA. Mr. Speaker, I regret that I was unavoidably absent December 16 when the House voted to table the Mansfield amendment. Had I been present I would have voted "no" on roll 472. It is past time for Congress to accept its responsibility in ending the war.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to the following Members (at the request of Mr. BOGGS):

Mr. GRIFFIN, for today, on account of official business.

Mr. RANGEL, for today and the balance of the week, on account of official business.

Mr. ROYBAL, for today and the balance of the week, on account of official business.

Mrs. GREEN of Oregon, for the week of January 18, on account of illness.

By unanimous consent, leave of absence was granted to the following Members (at the request of Mr. GERALD R. FORD):

Mr. MINSHALL, for Wednesday, January 19, on account of official business.

Mr. SAYLOR, for Wednesday, January 19, on account of official business.

Mr. LENT, for today, on account of illness.

Mr. MCKEVITT, for January 18 and 19, on account of official business.

Mr. ANNUNZIO (at the request of Mr. PRICE of Illinois), for the week of January 18, on account of official business.

Mr. BYRNE of Pennsylvania (at the request of Mr. NIX), for the week of January 18, on account of official business .

Mr. WOLFF (at the request of Mr. RYAN), for from January 18 to February 1, on account of official business.

Mr. MURPHY of Illinois (at the request of Mr. O'NEILL), for the week of January 18, 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. RYAN for 30 minutes, tomorrow, January 19, 1972, and to revise and extend his remarks and include extraneous matter.

Mr. HALL, for 20 minutes, today, and to revise and extend his remarks and include pertinent tables.

Mr. JONES of Alabama, for 1 hour, Tuesday, January 25, in tribute to the memory of the late Honorable GEORGE W. ANDREWS of Alabama, to revise and extend his remarks and include extraneous material.

Mr. MATSUNAGA, for 15 minutes, today, to revise and extend his remarks and include extraneous material.

(The following Members (at the request of Mr. SPENCE) to address the House and to revise and extend their remarks and include extraneous matter:)

Mr. DERWINSKI, for 30 minutes, today.

Mr. SKUBITZ, for 10 minutes, today.

Mr. HALPERN, for 5 minutes, today.

Mr. GERALD R. FORD, for 5 minutes, today.

Mr. MILLER of Ohio, for 5 minutes, today.

(The following Members (at the request of Mr. DENHOLM) to revise and extend his remarks and include extraneous material:)

Mr. GONZALEZ, for 10 minutes, today.

Mr. RODINO, for 5 minutes, today.

Mr. DAVIS of South Carolina, for 10 minutes, today.

Mr. FLOOD, for 20 minutes, today.

Mr. RUNNELS, for 20 minutes, today.

Mrs. ABZUG, for 5 minutes, today.

Mrs. GRIFFITHS, for 10 minutes, today.

Mr. FLOOD, for 60 minutes, January 26.

## EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SIKES in five instances and to include extraneous material.

Mr. BOLLING and to include extraneous matter.

Mr. DULSKI and to include extraneous matter.

Mrs. MINK to extend her remarks in the RECORD following those of Mr. KOCH.

Mr. SIKES in five instances.

Mr. GROSS and to include pertinent material.

Mr. ASPINALL to revise and extend remarks made in Committee of the Whole on H.R. 8787 and include certain pertinent matters and include tables.

Mr. MATSUNAGA immediately preceding the conclusion of the Private Calendar.

(The following Members (at the request of Mr. SPENCE) and to include extraneous matter:)

Mr. HANSEN of Idaho.

Mr. SMITH of New York in two instances.

Mr. SPRINGER in two instances.

Mr. YOUNG of Florida in five instances.

Mr. DERWINSKI in three instances.

Mr. MCCLORY in three instances.

Mr. SCHWENGEL in 12 instances.

Mr. CEDERBERG.

Mr. CARTER in five instances.

Mr. HOSMER in four instances.

Mr. GOODLING.

Mr. SCHMITZ in four instances.

Mr. WYMAN in two instances.

Mr. ANDERSON of Illinois in two instances.

Mr. CHAMBERLAIN in two instances.

Mr. STEIGER of Wisconsin in two instances.

Mr. VEYSEY in five instances.

Mr. SNYDER in two instances.

Mr. SCOTT.

Mr. FINDLEY.

Mr. HALPERN in three instances.

Mr. COLLINS of Texas in five instances.

Mr. BROYHILL of Virginia in two instances.

Mr. WHITEHURST.

Mr. WIGGINS.

Mr. COLLIER in five instances.

Mr. MICHEL.

Mr. BAKER.

Mr. O'KONSKI in 10 instances.

(The following Members (at the request of Mr. DENHOLM) and to include extraneous matter:)

Mr. BROOKS.

Mr. MOORHEAD in 10 instances.

Mrs. ABZUG in 10 instances.

Mr. ASPIN in 10 instances.

Mr. GAYDOS in five instances.

Mr. DINGELL in three instances.

Mr. ROSTENKOWSKI.

Mr. DIGGS.

Mr. PUCINSKI in 10 instances.

Mr. DRINAN.

Mr. FLYNT in two instances.

Mr. SEIBERLING in 10 instances.

Mr. RARICK in five instances.

Mr. EDWARDS of California.

Mr. METCALFE.

Mr. WALDIE in 10 instances.

Mr. KARTH.

Mr. HAMILTON in four instances.

Mr. BRINKLEY.

Mr. BEGICH in five instances.

Mr. JONES of Tennessee.

Mr. HAGAN in three instances.

Mr. STEED in two instances.

Mr. STOKES in two instances.

Mr. MIKVA in 12 instances.

Mr. NIX.

Mr. CONYERS in 10 instances.

Mr. SYMINGTON in three instances.

Mr. GALLAGHER.

Mr. BINGHAM in three instances.

Mr. FRASER in three instances.

Mr. BLATNIK.

Mr. KYROS.

Mr. MURPHY of New York in eight instances.

Mr. PATTEN.

Mrs. GRIFFITHS.

Mr. GONZALEZ in three instances.

Mr. JACOBS in two instances.

Mr. BYRON in 10 instances.

Mr. MATSUNAGA.

Mr. HÉBERT.

Mr. FAUNTROY in five instances.

## SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 54. Concurrent resolution to print additional copies of hearings on "War Powers Legislation"; to the Committee on House Administration.

## SPECIAL ORDER TO PAY RESPECT TO THE MEMORY OF THE LATE HONORABLE GEORGE W. ANDREWS

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that on Tuesday next after the disposition of all other special orders heretofore entered into that I may address the House for 1 hour and, may I add, Mr. Speaker, that the subject of my special order on that day will be to pay tribute to the memory of our beloved colleague, the Honorable GEORGE WILLIAM ANDREWS.

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

There was no objection.

## THE LATE HONORABLE GEORGE W. ANDREWS

Mr. JONES of Alabama. Mr. Speaker, I offer a resolution.

The Clerk read the resolution as follows:

H. RES. 766

*Resolved,* That the House has heard with profound sorrow of the death of the Honorable George W. Andrews, a Representative from the State of Alabama.

*Resolved,* That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

*Resolved,* That as a further mark of respect the House do now adjourn.

The resolutions were agreed to.

## ADJOURNMENT

Accordingly (at 4 o'clock and 26 minutes p.m.) the House adjourned until tomorrow, Wednesday, January 19, 1972, 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:

1372. A letter from the Secretary of Defense, transmitting a report on the transportation of certain unserviceable material, pursuant to Public Law 91–121; to the Committee on Armed Services.

1373. A letter from the Assistant Secretary of State for Congressional Relations, transmitting copies of Presidential Determination 72–8, pursuant to section 504(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1374. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting a report of sales to less-developed countries during fiscal year 1971, pursuant to section 35(b) of the Foreign Military Sales Act of 1968; to the Committee on Foreign Affairs.

1375. A letter from the Clerk, U.S. House of Representatives, transmitting a list of reports which it is the duty of any officer or department to make to Congress, pursuant to rule III, clause 2, of the Rules of the House of Representatives (H. Doc. No. 92–221); to the Committee on House Administration and ordered to be printed.

1376. A letter from the Chairman, Securities and Exchange Commission, transmitting the Commission's study of unsafe and unsound practices in the securities industry, prepared pursuant to section 11(h) of the Securities Investor Protection Act of 1970 (H. Doc. No. 92–231); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

1377. A letter from the national adjutant, Veterans of World War I of the U.S.A., Inc., transmitting the proceedings of the 19th annual national convention of the organization including a report of its receipts and expenditures for the year ended September 30, 1971, pursuant to Public Laws 88–105 and 85–530 (H. Doc. No. 92–223); to the Committee on the Judiciary and ordered to be printed with illustrations.

1378. A letter from the General Sales Manager, Export Marketing Service, U.S. Department of Agriculture, transmitting a report of agreements signed during November and December 1971, providing for use of foreign currencies, pursuant to Public Law 85–128; to the Committee on Agriculture.

1379. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the "Limitation on salaries and expenses," Railroad Retirement Board for fiscal year 1972, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to 31 U.S.C. 665; to the Committee on Appropriations.

1380. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report on a violation of section 3679, Revised Statutes, involving the "Acquisition of Property Revolving Fund, AID," pursuant to said section; to the Committee on Appropriations.

1381. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize the Secretary of the Navy to establish the amount of compensation paid to members of the Naval Research Advisory Committee; to the Committee on Armed Services.

1382. A letter from the Assistant Secretary of the Air Force, transmitting a draft of proposed legislation to simplify the administrative procedures for promoting an Air Force Reserve, or Air National Guard, official to the next higher reserve grade when he is serving, or has served, on extended active duty in a temporary grade which is higher than his reserve grade; to the Committee on Armed Services.

1383. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various facilities projects proposed to be undertaken for the Naval and Marine Corps Reserve, and notice of the cancellation of certain previously proposed projects, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1384. A letter from the Deputy Assistant Secretary of Defense (Military Personnel Policy), transmitting a list of persons formerly affiliated with the Department of Defense who have filed reports for fiscal year 1971 indicating employment by a defense contractor, together with copies of their reports, pursuant to 83 Stat. 212; to the Committee on Armed Services.

1385. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting a report of Department of Defense procurement from small and other business firms for July–September 1971, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

1386. A letter from the Comptroller of the Currency, transmitting his 1970 annual report, pursuant to section 333 of the Revised Statutes; to the Committee on Banking and Currency.

1387. A letter from the Vice Chairman, Board of Governors of the Federal Reserve System, transmitting the third annual report of the Board on truth in lending, covering the year 1971, pursuant to section 114 of the Truth in Lending Act; to the Committee on Banking and Currency.

1388. A letter from the Executive Secretary, Public Service Commission of the District of Columbia, transmitting the 58th annual report of the Commission, covering calendar year 1970, pursuant to section 8 of the act of March 4, 1913; to the Committee on the District of Columbia.

1389. A letter from the vice president and general manager, Chesapeake & Potomac Telephone Co., transmitting the annual report of the company for 1971; to the Committee on the District of Columbia.

1390. Secretary of the Treasury, transmitting the semiannual consolidated report of balances of foreign currencies acquired without payment of dollars, as of June 30, 1971, pursuant to 75 Stat. 443; to the Committee on Foreign Affairs.

1391. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination 72–9 concerning the grant of defense articles and services, pursuant to section 614(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1392. A letter from the Administrator, Agency for International Development, Department of State, transmitting a report on the implementation of section 620(s) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1393. A letter from the Secretary of the Treasury, transmitting the combined statement of receipts, expenditures, and balances of the U.S. Government for fiscal year 1971, pursuant to 31 U.S.C. 1029 and 66b; to the Committee on Government Operations.

1394. A letter from the Secretary of Health, Education, and Welfare, transmitting a negative report covering the disposal of excess property in foreign countries for the calendar year 1971, pursuant to the Federal Property and Administrative Services Act of 1949; to the Committee on Government Operations.

1395. A letter from the Administrator of General Services, transmitting the 1971 annual report of the General Services Administration; to the Committee on Government Operations.

1396. A letter from the General Manager, U.S. Atomic Energy Commission, transmitting a report on disposal of foreign excess property by the AEC during fiscal year 1971, pursuant to 40 U.S.C. 514; to the Committee on Government Operations.

1397. A letter from the Sergeant at Arms, U.S. House of Representatives, transmitting a report for 1971 showing the sums drawn by him pursuant to 2 U.S.C. 78 and 80, the application and disbursement of the sums, and balances remaining in his hands, pursuant to 2 U.S.C. 84; to the Committee on House Administration.

1398. A letter from the Acting Administrator of General Services, transmitting the annual report concerning the disposal of records, pursuant to 44 U.S.C. 3303a(f); to the Committee on House Administration.

1399. A letter from the Assistant Secretary of the Interior, transmitting the 15th annual report on the status of the Colorado River storage project and participating projects, pursuant to 70 Stat. 105; to the Committee on Interior and Insular Affairs.

1400. A letter from the Assistant Secretary of the Interior, transmitting the annual report of the Bureau of Reclamation on 1971 operation of the Colorado River Basin and 1972 projected operations, pursuant to 82 Stat. 885; to the Committee on Interior and Insular Affairs.

1401. A letter from the Assistant Secretary of the Interior, transmitting a report of the reclassification of certain lands in the Huntley Project Irrigation District, Huntley project, Montana; to the Committee on Interior and Insular Affairs.

1402. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed amendment to the concession contract for the operation of a motion picture, lecture, and photographic studio on the South Rim of Grand Canyon National Park, Ariz., for an additional year, through December 31, 1972, pursuant to 67 Stat. 271 and 70 Stat. 543; to the Committee on Interior and Insular Affairs.

1403. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed amendment to a concession contract for the operation of Lake Mead Marina and related facilities and services within the Lake Mead National Recreation Area, Nevada, for an additional year, through December 31, 1972, pursuant to 67 Stat. 271 and 70 Stat. 543; to the Committee on Interior and Insular Affairs.

1404. A letter from the Chairman, Indian Claims Commission, transmitting the report of the final determination of the Commission in docket No. 230, *The Cayuga Nation of Indians of Oklahoma, Plaintiff,* v. *The United States of America, Defendant,* pursuant, to 25 U.S.C. 70t; to the Committee on Interior and Insular Affairs.

1405. A letter from the Attorney General, transmitting a report on proceedings instituted before the Subversive Activities Control Board during calendar year 1971, pursuant to the Subversive Activities Control

Act of 1950, as amended; to the Committee on Internal Security.

1406. A letter from the Chairman, Subversive Activities Control Board, transmitting the 21st annual report of the Board; to the Committee on Internal Security.

1407. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the need for emergency financial assistance to medical and dental schools, including recommendations for appropriate administrative and legislative action, pursuant to section 102(b) of the Health Training Improvement Act of 1970; to the Committee on Interstate and Foreign Commerce.

1408. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the administration of the Fair Packaging and Labeling Act by the Food and Drug Administration during fiscal year 1971, pursuant to section 8 of Public Law 89–755; to the Committee on Interstate and Foreign Commerce.

1409. A letter from the Director, Office of Legislative Services, Food and Drug Administration, Public Health Service, Department of Health, Education, and Welfare, transmitting a copy of a proposed regulation to set up procedures and standards for evaluating the safety and effectiveness of over-the-counter drugs; to the Committee on Interstate and Foreign Commerce.

1410. A letter from the Assistant Administrator of General Services, transmitting a draft of proposed legislation to amend the Transportation Act of 1940, as amended, to facilitate the payment of transportation charges; to the Committee on Interstate and Foreign Commerce.

1411. 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 November 30, 1971, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

1412. A letter from the Chairman, Federal Power Commission, transmitting a report on permits and licenses for hydroelectric projects issued by the Commission during fiscal year 1971, financial statements of proceeds derived from licenses issued by authority of the Federal Power Act, and the names and compensation of persons employed by the Commission during that year, all pursuant to section 4(d) of the Federal Power Act; to the Committee on Interstate and Foreign Commerce.

1413. A letter from the Chairman, Interstate Commerce Commission, transmitting the Commission's 85th annual report, covering fiscal year 1971; to the Committee on Interstate and Foreign Commerce.

1414. A letter from the President, National Academy of Sciences, transmitting a semiannual progress report by the Academy's Committee on Motor Vehicle Emissions, pursuant to section 6 of the Clean Air Amendments of 1970; to the Committee on Interstate and Foreign Commerce.

1415. A letter from the Chairman, National Mediation Board, transmitting the 37th annual report of the National Mediation Board, including the report of the National Railroad Adjustment Board; to the Committee on Interstate and Foreign Commerce.

1416. A letter from the clerk, U.S. Court of Claims transmitting a list of all the judgments rendered by the court for the year ended September 30, 1971, the amounts thereof, the parties in whose favor rendered, and a synopsis of the nature of the claims, pursuant to 28 U.S.C. 791(c); to the Committee on the Judiciary.

1417. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1418. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1419. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of an order entered in the case of an alien found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

1420. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, together with a list of the persons involved, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

1421. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered under the authority contained in section 13(b) of the act of September 11, 1957, pursuant to section 13(c) of the act; to the Committee on the Judiciary.

1422. A letter from the Director, Community Relations Service, Department of Justice, transmitting a draft report of the activities of the Service for fiscal year 1971, pursuant to section 1004 of the Civil Rights Act of 1964; to the Committee on the Judiciary.

1423. A letter from the National Quartermaster, Veterans of World War I of the U.S.A., Inc., transmitting the financial report of the organization as of September 30, 1971, pursuant to Public Law 85–530; to the Committee on the Judiciary.

1424. A letter from the National Shipswriter/Secretary, Navy Club of the U.S.A., transmitting copies of the annual audit and of the minutes of the annual convention of the organization for 1971; to the Committee on the Judiciary.

1425. A letter from the Chairman, Board of Directors, Future Farmers of America, transmitting a report on the audit of the accounts of the Future Farmers of America for the fiscal year ended June 30, 1971; to the Committee on the Judiciary.

1426. A letter from the Commandant, U.S. Coast Guard, transmitting a report on the number of Coast Guard officers above the grade of lieutenant commander entitled to receive incentive pay for flight duty, and the average monthly incentive pay authorized by law paid to such officers during the 6 months ended December 15, 1971, to the Committee on Merchant Marine and Fisheries.

1427. A letter from the Assistant Secretary of Agriculture for Administration, transmitting a report for calendar year 1971 on scientific and professional positions in the Department of Agriculture, pursuant to 5 U.S.C. 3104; to the Committee on Post Office and Civil Service.

1428. A letter from the Director of Personnel, Department of Commerce, transmitting a report for calendar year 1971 on scientific and professional positions in the Department of Commerce, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

1429. A letter from the Deputy Assistant Secretary of the Interior (Management and Budget), transmitting a report for calendar year 1971 on scientific and professional positions in the Department of the Interior, pursuant 5 U.S.C. 3104; to the Committee on Post Office and Civil Service.

1430. A letter from the Director, U.S. Arms Control and Disarmament Agency; transmitting a report for calendar year 1971 on scientific and professional positions in the Agency, pursuant to 5 U.S.C. 3104(c); to the Committee on Post Office and Civil Service.

1431. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a report on positions in grades GS–16, 17, and 18 in the Administrative Office of the U.S. Courts during 1971, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

1432. A letter from the Chairman, Railroad Retirement Board, transmitting a report on positions in grades GS–16, 17, and 18 in the Railroad Retirement Board during 1971, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

1433. A letter from the Secretary of Transportation, transmitting a revised estimate of the cost of completing the National System of Interstate and Defense Highways, pursuant to 23 U.S.C. 104(b)(5); to the Committee on Public Works.

1434. A letter from the Secretary of Transportation, transmitting the 1972 Annual Report on the urban area traffic operations improvement (TOPICS) program, pursuant to 23 U.S.C. 135; to the Committee on Public Works.

1435. A letter from the Secretary of Transportation, transmitting his report and recommendations regarding completion of certain segments of the Interstate Highway System in the District of Columbia, pursuant to section 129 of the Federal-Aid Highway Act of 1970; to the Committee on Public Works.

1436. A letter from the Commissioner of the District of Columbia, transmitting the report and recommendations of the D.C. City Council on the Interstate Highway System in the District of Columbia, pursuant to section 129 of the Federal-Aid Highway Act of 1970; to the Committee on Public Works.

1437. A letter from the acting Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated November 11, 1971, submitting a report, together with accompanying papers and illustrations, on Holly Beach and vicinity, La., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted August 4 and September 3, 1964; to the Committee on Public Works.

1438. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated November 2, 1971, submitting a report, together with accompanying papers and an illustration, on Great South Bay and Patchogue River, N.Y., requested by a resolution of the Committee on Public Works, House of Representatives, adopted May 10, 1962. No authorization by Congress is recommended as the desired improvements have been approved by the Chief of Engineers for accomplishment under the provisions of section 107 of the River and Harbor Act of 1960; to the Committee on Public Works.

1439. A letter from the Assistant Secretary of Commerce for Economic Development, transmitting an explanation for the delay in presentation of the Report of the Economic Development Administration for fiscal year 1971; to the Committee on Public Works.

1440. A letter from the Board of Directors, Tennessee Valley Authority, transmitting the Annual Report of TVA for fiscal year 1971; to the Committee on Public Works.

1441. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a list of the present and former NASA employees who have filed reports with NASA pertaining to their NASA and aerospace related industry employment for fiscal year 1971, pursuant to section 6 of Public Law 91–119, as amended; to the Committee on Science and Astronautics.

1442. A letter from the Secretary of the

Treasury, transmitting the statement of liabilities and other financial commitments of the U.S. Government as of June 30, 1971, pursuant to 80 Stat. 1590; to the Committee on Ways and Means.

1443. A letter from the Chairman of the Renegotiation Board, transmitting the 16th Annual Report of the Board, covering fiscal year 1971, as required by section 114 of the Renegotiation Act of 1951, as amended; to the Committee on Ways and Means.

RECEIVED FROM THE COMPTROLLER GENERAL

1444. A letter from the Comptroller General of the United States, transmitting a report on examination of financial statements of the Student Loan Insurance Fund, administered by the Office of Education, Department of Health, Education, and Welfare, for fiscal year 1970 (H. Doc. No. 92–232); to the Committee on Government Operations and ordered to be printed.

1445. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Commodity Credit Corporation, Department of Agriculture, for fiscal year 1971 (H. Doc. No. 92–233); to the Committee on Government Operations and ordered to be printed.

1446. A letter from the Comptroller General of the United States, transmitting a report on improvements needed in the administration of contracts for evaluations and studies of antipoverty programs of the Office of Economic Opportunity; to the Committee on Government Operations.

1447. A letter from the Comptroller General of the United States, transmitting a report on the need for long-range planning for avionics development programs of the Department of the Army; to the Committee on Government Operations.

1448. A letter from the Comptroller General of the United States, transmitting a report on improving procedures to recover defaulted loans under the guaranteed student loan program, Office of Education, Department of Health, Education, and Welfare; to the Committee on Government Operations.

1449. A letter from the Comptroller General of the United States, transmitting a report on the costly replacement of faulty potting compounds—a protective material—in major weapon systems by the Department of Defense; to the Committee on Government Operations.

1450. A letter from the Comptroller General of the United States, transmitting a report on the increased use of financial data and an improved tariff system needed by the Military Airlift Command, Department of the Air Force; to the Committee on Government Operations.

1451. A letter from the Comptroller General of the United States, transmitting a report on the need for the Forest Service to insure that the best possible use is made of its research program findings; to the Committee on Government Operations.

1452. A letter from the Comptroller General of the United States, transmitting a report on alternatives to secondary sewage treatment which offer greater improvements in Missouri River water quality (Environmental Protection Agency); to the Committee on Government Operations.

1453. A letter from the Comptroller General of the United States, transmitting a report on progress being made to strengthen the U.S. Government foreign tax relief program on defense expenditure overseas, Department of Defense and Department of State; to the Committee on Government Operations.

1454. A letter from the Comptroller General of the United States, transmitting a report on opportunities for improving federally assisted manpower programs identified as a result of our review in the Atlanta, Ga., area; to the Committee on Government Operations.

1455. A letter from the Comptroller General of the United States, transmitting a list of reports of the General Accounting Office issued or released during December 1971, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 765. A resolution waiving points of order against the conference report on the bill of S. 2819 to provide foreign military and related assistance authorizations for the fiscal year 1972, and for other purposes; (Rept. No. 92–763). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXI, public bills and resolutions were introduced and severally referred as follows:

By Mr. DULSKI:

H.R. 12383. A bill to amend chapter 30 of title 39, United States Code, to permit a person, in complete anonymity, to send substances in the mails which they suspect are drugs to Government officials for analysis, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ABERNETHY:

H.R. 12384. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California:

H.R. 12385. A bill to amend chapter 55 of title 10, United States Code, to provide additional dental care for dependents of active duty members of the uniformed services; to the Committee on Armed Services.

By Mr. ASPINALL:

H.R. 12386. A bill to amend the Alaska Native Claims Settlement Act by correcting minor errors and by correcting an internal inconsistency in the language of subsection 17(d); to the Committee on Interior and Insular Affairs.

By Mr. BARING:

H.R. 12387. A bill to convey the Ely Indian Colony the beneficial interest in certain Federal land; to the Committee on Interior and Insular Affairs.

By Mr. BEVILL:

H.R. 12388. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. BINGHAM (for himself, Mr. ABOUREZK, Mr. BURTON, Mr. BADILLO, Mr. COTTER, Mr. FISH, Mr. HEINZ, Mr. HELSTOSKI, Mr. KOCH, Mr. MATSUNAGA, Mr. MITCHELL, Mr. MIKVA, Mr. MORSE, Mr. PRYOR of Arkansas, Mr. ROSENTHAL, Mr. SCHEUER, Mr. SEIBERLING, Mr. TIERNAN):

H.R. 12389. A bill directing the Federal Communications Commission to investigate the rate base and structure of the American Telephone & Telegraph Co., and its subsidiaries; to the Committee on Interstate and Foreign Commerce.

By Mr. WYLIE:

H.R. 12390. A bill to amend section 404 of the National Housing Act; to the Committee on Banking and Currency.

By Mr. BRINKLEY:

H.R. 12391. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER:

H.R. 12392. A bill to amend title 28, United States Code, section 1491, to authorize the Court of Claims to implement its judgments for compensation; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.R. 12393. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLIER (for himself and Mr. ROSTENKOWSKI):

H.R. 12394. A bill to amend the Internal Revenue Code of 1954 to provide certain rules with respect to the manufacturers excise tax in the case of installment accounts and leased articles sold by one member of an affiliated group to another member of the affiliated group; to the Committee on Ways and Means.

By Mr. COLLIER:

H.R. 12395. A bill to strengthen and improve the private retirement system by establishing minimum standards for participation in and for vesting of benefits under pension and profit-sharing retirement plans, by allowing deductions to individuals for personal savings for retirement, and by increasing contribution limitations for self-employed individuals and shareholder-employees of electing small business corporations; to the Committee on Ways and Means.

By Mr. CULVER:

H.R. 12396. A bill to provide for the disposition of funds appropriated to pay judgments in favor of the Sac and Fox Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DANIELSON:

H.R. 12397. A bill to provide for the establishment of a national cemetery in Los Angeles County in the State of California; to the Committee on Veterans' Affairs.

By Mr. DAVIS of South Carolina:

H.R. 12398. A bill to amend the Federal Trade Commission Act to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. FORSYTHE:

H.R. 12399. A bill to amend the Federal Aviation Act of 1958 to authorize reduced-rate transportation for individuals aged 65 and older during nonpeak periods of travel; to the Committee on Interstate and Foreign Commerce.

By Mr. FUQUA:

H.R. 12400. A bill to amend title 28, United States Code, to provide that Madison County, Fla., shall be included in the northern judicial district of Florida; to the Committee on the Judiciary.

By Mr. GARMATZ:

H.R. 12401. A bill to provide for the application of the prohibitions contained in the Sherman Act to the business of organized professional team sports; to the Committee on the Judiciary.

By Mr. GRAY:

H.R. 12402. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

H.R. 12403. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. HALEY:

H.R. 12404. A bill to amend section 5 of the act of September 21, 1968 (82 Stat. 860), re-

lating to preparation of a roll of persons of California Indian descent and the distribution of certain funds; to the Committee on Interior and Insular Affairs.

H.R. 12405. A bill to declare that certain federally owned lands are held by the United States in trust for the Covelo Indian Community of the Round Valley Indian Reservation, Calif.; to the Committee on Interior and Insular Affairs.

By Mr. HAMILTON (for himself, Mr. ESHLEMAN, Mr. MYERS, Mr. RARICK, and Mr. ZION):

H.R. 12406. A bill to amend certain provisions of Federal law relating to explosives; to the Committee on the Judiciary.

By Mr. HAMILTON:

H.R. 12407. A bill to provide for a study of the feasibility and desirability of establishing a proposed Ohio River National Parkway in the State of Indiana, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOWARD:

H.R. 12408. A bill to authorize the Federal Communications Commission to investigate the American Telephone & Telegraph Co., and its subsidiaries; to the Committee on Interstate and Foreign Commerce.

H.R. 12409. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. JACOBS:

H.R. 12410. A bill to provide for the evidentiary use of prior inconsistent statements by witnesses in trials in the District of Columbia; to the Committee on District of Columbia.

H.R. 12411. A bill to amend the Internal Revenue Code of 1954 to provide for payment under section 6421 or credit under section 39 for gasoline used to operate concrete mixers and to provide for exemption under section 4041 for diesel fuel and special motor fuels used to operate concrete mixers; to the Committee on Ways and Means.

By Mr. JONES of Tennessee:

H.R. 12412. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 12413. A bill to amend section 112 of the Internal Revenue Code of 1954 to exclude from gross income the entire amount of the compensation of members of the Armed Forces of the United States and of civilian employees who are prisoners of war, missing in action, or in a detained status during the Vietnam conflict; to the Committee on Ways and Means.

By Mr. KASTENMEIER:

H.R. 12414. A bill making an appropriation to the Federal Communications Commission to carry out an investigation of the American Telephone & Telegram Co.; to the Committee on Appropriations.

By Mr. KING:

H.R. 12415. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH:

H.R. 12416. A bill to amend the Public Health Service Act to direct the Secretary of Health, Education and Welfare to prescribe radiation standards for, and conduct regular inspections of, diagnostic and other X-ray systems; to the Committee on Interstate and Foreign Commerce.

H.R. 12417. A bill to amend title 18, United States Code, to conditionally suspend the application of certain penal provisions of law; to the Committee on the Judiciary.

By Mr. LANDRUM:

H.R. 12418. A bill to amend the Tennessee Valley Authority Act of 1933, to require payment of certain county taxes, and for other purposes; to the Committee on Public Works.

By Mr. LINK:

H.R. 12419. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. PRYOR of Arkansas:

H.R. 12420. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. RARICK:

H.R. 12421. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

H.R. 12422. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. RYAN:

H.R. 12423. A bill to authorize the Federal Communications Commission to investigate the American Telephone & Telegraph Co., and its subsidiaries; to the Committee on Interstate and Foreign Commerce.

H.R. 12424. A bill to provide supplemental appropriations to fully fund bilingual education programs under title VII of the Elementary and Secondary Education Act of 1965 for the fiscal year 1972; to the Committee on Appropriations.

H.R. 12425. A bill to provide supplemental appropriations and increased contract authority to fully fund the urban renewal model cities, and rent supplement programs, and the low-income homeownership and rental housing programs, for the fiscal year 1972; to the Committee on Appropriations.

By Mr. SCHEUER:

H.R. 12426. A bill to amend Community Mental Health Centers Amendments Act of 1970; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHWENGEL:

H.R. 12427. A bill to provide more effective means for protecting the public interest in national emergency disputes involving the transportation industry, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 12428. A bill to amend the Federal Trade Commission Act (14 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

H.R. 12429. A bill to provide additional revenues for the highway trust fund, and for other purposes; to the Committee on Ways and Means.

By Mr. SCOTT:

H.R. 12430. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMSON of Wisconsin:

H.R. 12431. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 12432. A bill to amend the Community Mental Health Centers Act to reorganize certain grant programs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. VANIK (for himself and Mrs. ABZUG, Mr. BADILLO, Mr. COTTER, Mr. DANIELSON, Mr. DENT, Mr. DINGELL, Mr. ECKHARDT, Mr. EILBERG, Mrs. GRASSO, Mr. GUDE, Mr. HALPERN, Mr. LEGGETT, Mr. MCCLORY, Mr. MITCHELL, Mr. PEPPER, Mr. ROSENTHAL, Mr. SCHEUER, and Mr. VIGORITO):

H.R. 12433. A bill to amend the Internal Revenue Code of 1954 to encourage the use of recycled oil; to the Committee on Ways and Means.

By Mr. VEYSEY (for himself, Mr. BEGICH, Mr. BELL, Mr. HARSHA, Mr. HELSTOSKI, Mr. HILLIS, Mr. LENT, Mr. MIKVA, Mr. MURPHY of Illinois, Mr. SCHEUER, Mr. WHITEHURST, Mr. BOB WILSON, Mr. WRIGHT, Mr. ZION):

H.R. 12434. A bill to establish a Federal program to encourage the voluntary donation of pure and safe blood, to require licensing and inspection of all blood banks, and to establish a national registry of blood donors; to the Committee on Interstate and Foreign Commerce.

By Mr. WRIGHT:

H.R. 12435. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

H.R. 12436. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. YOUNG of Florida:

H.R. 12437. A bill to amend the Communications Act of 1934 to direct the Federal Communications Commission to require the establishment of an emergency telephone call referral system using a single, nationwide telephone number for such calls; to the Committee on Interstate and Foreign Commerce.

By Mr. ALEXANDER:

H.R. 12438. A bill to amend title 39, United States Code, as enacted by the Postal Reorganization Act, to facilitate direct communication between the officers and employees of the U.S. Postal Service and Members of Congress, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BURTON:

H.R. 12439. A bill to establish the Cabinet Committee for Asian American Affairs, and for other purposes; to the Committee on Government Operations.

By Mr. CELLER:

H.R. 12440. A bill to permit suits to adjudicate disputed titles to lands in which the United States claims an interest; to the Committee on the Judiciary.

By Mr. CHAPPELL:

H.R. 12441. A bill to amend title II of the Social Security Act to increase from $1,680 to $3,600 the amount of outside earnings permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. DICKINSON:

H.R. 12442. A bill to provide that the Columbia lock and dam located at Columbia, Ala., shall hereafter be known as the George W. Andrews lock and dam; to the Committee on Public Works.

By Mr. DINGELL:

H.R. 12443. A bill to provide for the restoration of all lands located in the United States upon which strip mining operations are being or have been carried out, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 12444. A bill to authorize Federal standards for the prevention of siltation and the control of erosion on certain Federal and federally assisted construction projects; to the Committee on Public Works.

H.R. 12445. A bill to prohibit Federal financial assistance for shore protection and beach

erosion control projects for privately owned shores which are not open for public use; to the Committee on Public Works.

By Mr. DONOHUE:

H.R. 12446. A bill to amend the tariff and trade laws of the United States to promote full employment and restore a diversified production base; to amend the Internal Revenue Code of 1954 to stem the outflow of U.S. capital, jobs, technology, and production, and for other purposes; to the Committee on Ways and Means.

By Mr. FISHER:

H.R. 12447. A bill to amend the Federal Meat Inspection Act to provide that State-inspected facilities after meeting the inspection requirements shall be eligible for distribution in establishments on the same basis as plants inspected under title I; to the Committee on Agriculture.

By Mrs. GRIFFITHS:

H.R. 12448. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. GALIFIANAKIS:

H.R. 12449. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. HALPERN:

H.R. 12450. A bill to provide for the establishment of the Gateway National Recreation Area in the States of New York and New Jersey, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 12451. A bill to amend the Public Health Service Act to provide for the establishment of a National Institute of Gerontology; to the Committee on Interstate and Foreign Commerce.

By Mr. HALPERN (for himself, Mr. MAYNE, and Mr. BEGICH):

H.R. 12452. 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. HANSEN of Idaho (for himself and Mr. MCCLURE):

H.R. 12453. A bill to permit suits to adjudicate certain real property quiet title actions; to the Committee on the Judiciary.

By Mr. HEINZ:

H.R. 12454. A bill to improve the financial management of Federal assistance programs, to facilitate the consolidation of such programs, to strengthen further congressional review of Federal grants-in-aid, to provide a catalog of Federal assistance programs, and to extend and amend the law relating to intergovernmental cooperation; to the Committee on Government Operations.

H.R. 12455. 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 Mrs. HICKS of Massachusetts:

H.R. 12456. A bill to provide increased Federal funds for public education to States; to the Committee on Education and Labor.

H.R. 12457. A bill to provide the Secretary of Health, Education, and Welfare with the authority to make grants to States and local communities to pay for the cost of eye examination programs to detect glaucoma for the elderly; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD:

H.R. 12458. A bill to provide for the compensation of innocent victims of violent crime in need; to make grants to States for the payment of such compensation; to authorize an insurance program and death and disability benefits for public safety officers; to provide civil remedies for victims of racketeering activity; and for other purposes; to the Committee on Ways and Means.

By Mr. MURPHY of New York:

H.R. 12459. A bill to amend the Postal Reorganization Act of 1970, title 39, U.S.C., to eliminate certain restrictions on the rights of officers and employees of the Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PEPPER:

H.R. 12460. A bill to amend the Public Health Service Act to strengthen the National Heart and Lung Institute and the National Institutes of Health in order more effectively to carry out the national effort against heart and lung diseases; to the Committee on Interstate and Foreign Commerce.

H.R. 12461. A bill to prohibit local television blackouts of professional football, baseball, basketball, and hockey games which are substantially sold out; to the Committee on the Judiciary.

By Mr. RANDALL:

H.R. 12462. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

H.R. 12463. A bill to amend title 5, United States Code, to require the heads of the respective executive agencies to provide the Congress with advance notice of certain planned organizational and other changes or actions which would affect Federal civilian employment, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ROE:

H.R. 12464. A bill to amend the Youth Conservation Corps Act of 1970 (Public Law 91-738, 85 Stat. 794) to expand the Youth Conservation Corps pilot program, and for other purposes; to the Committee on Education and Labor.

H.R. 12465. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. RYAN (for himself, Mr. BINGHAM, Mr. BURKE of Massachusetts, Mr. BURTON, Mr. CONTE, Mr. DANIELSON, Mr. EILBERG, Mrs. GRASSO, Mr. HELSTOSKI, Mr. JACOBS, Mr. MIKVA, Mr. ST GERMAIN, Mr. SARBANES, Mr. SCHEUER, and Mr. SYMINGTON):

H.R. 12466. A bill to amend the Lead-Based Paint Poisoning Prevention Act; to the Committee on Banking and Currency.

By Mr. RYAN (for himself, Mrs. ABZUG, Mr. BADILLO, Mr. BRADEMAS, Mr. DENT, Mr. EDWARDS of California, Mr. HALPERN, Mr. HARRINGTON, Mrs. HICKS of Massachusetts, Mr. KOCH, Mr. MITCHELL, Mr. PEPPER, Mr. RANGEL, Mr. ROSENTHAL, and Mr. RODINO):

H.R. 12467. A bill to amend the Lead-Based Paint Poisoning Prevention Act; to the Committee on Banking and Currency.

By Mr. BEVILL:

H.J. Res. 1017. Joint resolution proposing an amendment to the Constitution of the United States requiring the submission of balanced Federal funds budgets by the President and action by the Congress to provide revenues to offset Federal funds deficits; to the Committee on the Judiciary.

By Mrs. MINK:

H.J. Res. 1018. Joint resolution to suspend for 80 days the continuation of any strike or lockout arising out of the labor dispute between the Pacific Maritime Association and the International Longshoreman's and Warehousemen's Union; to the Committee on Education and Labor.

By Mr. RUNNELS:

H.J. Res. 1019. Joint resolution proposing an amendment to the Constitution of the United States limiting deficit spending by the Federal Government; to the Committee on the Judiciary.

By Mrs. ABZUG (for herself, Mr. BADILLO, Mr. CONYERS, Mr. DELLUMS, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. EILBERG, Mr. HELSTOSKI, Mr. KOCH, Mr. MIKVA, Mrs. MINK, Mr. MITCHELL, Mr. REES, Mr. ROSENTHAL, and Mr. RYAN):

H. Con. Res. 500. Concurrent resolution disapproving and censuring the conduct of the President of the United States in failing and refusing to comply with the provisions of section 601 of Public Law 92-156, known as the Mansfield amendment, and his conduct in resuming the bombing of North Vietnam, and directing him to comply with the said section 601; to the Committee on Foreign Affairs.

By Mr. COLLIER:

H. Con. Res. 501. Concurrent resolution expressing the sense of Congress with respect to the wtihdrawal of American troops from South Vietnam, and for other purposes; to the Committee on Foreign Affairs.

By Mr. PEPPER:

H. Con. Res. 502. Concurrent resolution expressing the sense of Congress that the first amendment to the Constitution applies to radio and television broadcasting; to the Committee on the Judiciary.

By Mr. BOGGS (for himself, Mr. GERALD R. FORD, Mr. PICKLE, Mr. SCHWENGEL, Mr. ANDERSON of Illinois, and Mr. STEPHENS):

H. Res. 761. Resolution authorizing the U.S. Capitol Historical Society to take pictures of the House while in session; to the Committee on Rules.

By Mr. CELLER:

H. Res. 762. Resolution to provide funds for the Committee on the Judiciary; to the Committee on House Administration.

By Mr. GONZALEZ:

H. Res. 763. Resolution creating a special committee to conduct an investigation and study into the legal, political, and diplomatic status of lands which were the subject of grants from the King of Spain and from the Government of Mexico prior to the acquisition of the American Southwest as a result of the Treaty of Guadalupe-Hidalgo concluding the Mexican-American War in 1848; to the Committee on Rules.

By Mr. MIKVA:

H. Res. 764. Resolution expressing the sense of the House of Representatives relative to the crisis in South Asia; to the Committee on Foreign Affairs.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

292. By the SPEAKER: Memorial of the Legislature of the territory of Guam, relative to public hearings on Guam on the proposed Sella Bay project; to the Committee on Armed Services.

293. Also memorial of the Legislature of the State of Alabama, relative to American prisoners of war in Vietnam; to the Committee on Foreign Affairs.

294. Also memorial of the Legislature of the State of California, relative to Federal grants; to the Committee on Government Operations.

295. Also, memorial of the Legislature of the State of California, relative to economic conversion; to the Committee on the Judiciary.

296. Also, memorial of the Legislature of the State of Nebraska, relative to a postage stamp commemorating veterans of the Spanish-American War; to the Committee on Post Office and Civil Service.

297. Also, memorial of the House of Representatives of the State of Ohio, relative to a postage stamp commemorating Joseph W. Briggs, originator of free city mail delivery; to the Committee on Post Office and Civil Service.

298. Also, Legislature of the territory of Guam, relative to inclusion of certain employees of the government of Guam under the Social Security Act; to the Committee on Ways and Means.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGICH:

H.R. 12468. A bill for the relief of Sara Oberti Zumaran; to the Committee on the Judiciary.

By Mr. BENNETT:

H.R. 12469. A bill for the relief of Dr. Vivencio P. Baltan; to the Committee on the Judiciary.

H.R. 12470. A bill for the relief of Froilan Abellera; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H.R. 12471. A bill for the relief of Ignacio A. Mateo; to the Committee on the Judiciary.

By Mr. FISHER:

H.R. 12472. A bill for the relief of Edvard DeNeergaard; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 12473. A bill for the relief of Trinidad Trevino-Perez; to the Committee on the Judiciary.

By Mr. KOCH:

H.R. 12474. A bill for the relief of Anil Khosla; to the Committee on the Judiciary.

H.R. 12475. A bill for the relief of Sonja M. Gozum; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 12476. A bill for the relief of certain members of the civilian guard force of the 6487th Air Base Squadron, Wheeler Air Force Base, Hawaii; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

173. By the SPEAKER: Petition of the Board of Supervisors, City and County of San Francisco, Calif., relative to the imposition of national building codes as a condition for approval of funding by the Department of Housing and Urban Development; to the Committee on Banking and Currency.

174. Also petition of Chief Spencer Beckman, et al., Beaver Clan of the Onondagas, Iroquois Confederacy, Nedrow, NY., relative to an allegedly illegal contract; to the Committee on Interior and Insular Affairs.

175. Also, petition of Mrs. Pearlie Sharp, Dallas, Tex., relative to candy containing alcohol; to the Committee on Interstate and Foreign Commerce.

176. Also, petition of Robert Alexander, Lexington, Va., relative to redress of grievances; to the Committee on the Judiciary.

177. Also, petition of the Board of Commissioners, Asotin County, Wash., relative to Federal-State revenue sharing; to the Committee on Ways and Means.

178. Also, petition of the Board of Commissioners, Pierce County, Wash., relative to Federal-State revenue sharing; to the Committee on Ways and Means.

179. Also, petition of the City Council, Stanwood, Wash., relative to Federal-State revenue sharing; to the Committee on Ways and Means.

# EXTENSIONS OF REMARKS

## PUBLIC EDUCATION FINANCIAL CRISIS

### HON. ORVAL HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 18, 1972*

Mr. HANSEN of Idaho. Mr. Speaker, the present financial crisis of the Nation's public schools is one of the most serious problems confronting us today. The nationwide taxpayers' rebellion against increases in the property tax, which is the mainstay for financing our schools, and recent State court and Federal court decisions which have held that existing school financing systems violate the equal protection clause of the 14th amendment, compel us to acquaint ourselves with the full dimensions of this crisis.

The House Republican Task Force on Education and Training has recently focused its attention on this complex dilemma and during the coming months we plan to continue our examination of the school finance situation and various proposals for Federal action. Today, I would like to insert some of the materials we have compiled, which I believe may be of interest to my colleagues.

Members of the House Republican Task Force on Education and Training are: ORVAL HANSEN, of Idaho, chairman; CLARENCE BROWN, of Ohio; JOHN DELLENBACK, of Oregon; BILL FRENZEL, of Minnesota; JAMES HASTINGS, of New York; MARGARET HECKLER, of Massachusetts; JACK KEMP, of New York; ROBERT MICHEL, of Illinois; JOHN MYERS, of Indiana; WALTER POWELL, of Ohio; ALBERT QUIE, of Minnesota; EARL RUTH, of North Carolina; WILLIAM STEIGER, of Wisconsin; and WILLIAM WHITEHURST, of Virginia.

The materials follow:

PROPERTY TAX: A STRAINED BASE OF SUPPORT

Although charged with providing education, the States down through the years have delegated much of their responsibility to local governments and have authorized them to levy property taxes to support education. In many places, particularly central cities, that tax base now is overburdened and cannot adequately support education in addition to providing sufficient funds for other local services. And the differences in educational quality are so flagrant they are under attack.[1]

The major advantages of the property tax, namely, that (1) it is fairly stable, (2) property is not easily moved to avoid taxation, and (3) benefits are most directly received by residents of the taxing district are far outweighed by its disadvantages: (1) it is, by and large, a tax on housing, (2) it tends to discourage rehabilitation of deteriorating housing, (3) it affects decisions by businesses and industry to locations and plant sites, (4) it favors businesses with a low ratio of property to sales, (5) varying assessment practices tend to make it unequal for taxpayers, (6) property ownership is not closely correlated with either income or net wealth, (7) the amount extracted by a property tax often depends upon the aggressiveness of the local assessor and treasurer and (8) in regards to revenue, property tax is not highly elastic, (9) revenues from property tax often have little correlation to school finance needs.

Local governments presently raise most of their own revenues—seven of every eight dollars—from the property tax, and school districts receive about 98 percent of their local tax revenue from taxes on property. During the past fifteen years the amount of general revenue derived from State and local sources has nearly quadrupled, the amount of revenue from property taxes tripled, but property taxes as a share of State and local revenues has decreased by eight percent. And the share of every local property tax dollar claimed by education has grown from about one-third in 1942 to more than one-half in 1969, leaving cities and counties an ever smaller share to use for other local services.[2]

[1] "Who Should Pay For Public Schools?" Report of The Conference On State Financing of Public Schools, Advisory Commission On Intergovernmental Relations, October, 1971, 16.

[2] *Ibid.*, 2.

PROPERTY TAXES: SHARE OF STATE AND LOCAL REVENUES

[In billions]

| State and local | 1956 | 1965 | 1971 |
|---|---|---|---|
| Total general revenue | $34.7 | $74.0 | $141.0 |
| Revenues from property tax | 11.7 | 22.6 | 36.5 |
| Percent tax/revenues | 34.0 | 31.0 | 26.0 |

Irrespective of the source of funds, current trends indicate that responsibility for operating schools will continue to reside at the local level. But public reaction to the property tax and the general resistance to locally levied income and sales taxes suggest that the relative amount of financial support provided by the local school district will not increase significantly.

The extent of taxpayers' rebellion to bond issue renewals and approvals—the mainstay for financing schools' capital needs—has been increasing steadily over the past five years. And bigger bond issues have fared worst of all. Only 1 of 4 bond issues was rejected in 1965, but in 1970 the number had climbed to nearly 1 of 2.

BOND ISSUES

| | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 |
|---|---|---|---|---|---|---|
| Total submitted | 2,041 | 1,745 | 1,625 | 1,750 | 1,341 | 1,216 |
| Total rejected | 516 | 480 | 543 | 567 | 579 | 569 |
| Percent rejected | 25 | 28 | 33 | 32 | 43 | 47 |

DISPARITIES IN TAX DISTRIBUTION

Disparities in tax assessments and distributions occur virtually everywhere in the United States. Only in Hawaii where the State directly administers education are school funds raised through State-wide taxes.

The table below shows the wide disparity in the amounts spent per pupil by school districts in each state and the percent of difference between the highest and lowest amounts spent per pupil within the state, The difference in the amount spent by the highest spending school district in the highest and lowest ranked states (Wyoming and Alabama) is $13,973; between the second highest and lowest ranked states (Texas and Alabama) the difference is much smaller, but still a sizeable $4,724.[3]

[3] U.S. News & World Report, November 8, 1971, 49.