

tion is made, and so it has been added. It is not the place for it, and I feel perfectly justified in resorting to such parliamentary expedients as I can resort to, to prevent the bill from passing with that particular amendment.

Mr. ROBERT C. BYRD. Mr. President, I have reason to believe that the attendance on Friday will be reasonably good, because, as I have indicated, there will be rollcall votes. There may be one or more rollcall votes on amendments to the Foreign Assistance Act. There may be no rollcall votes thereon; I cannot say now. There will undoubtedly be rollcall votes on the bill S. 1991, to which a time limitation agreement has been attached, and I am sure that the distinguished Senator from Michigan, the assistant Republican leader (Mr. GRIFFIN) will want a vote on his amendment to that bill. I feel reasonably sure that he will. There may be other amendments. There will definitely be a vote on passage of that bill.

So I can foresee at least two rollcall votes on Friday, and that, in itself, will assure the Senator of a good attendance on Friday. As time goes on into Friday afternoon, that attendance may begin to fall off.

I am glad that the Senator from New Hampshire has made his position clear. The leadership will see what the situation looks like between now and Friday, and will have to make its decisions accordingly; but I thank the distinguished Senator for his time, his patience, and his clear statement, and I respect him for the forthright position he has taken.

Mr. COTTON. I thank the distinguished acting majority leader.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9 a.m. tomorrow.

The motion was agreed to; and at 5:53 p.m. the Senate adjourned until tomorrow, Thursday, July 20, 1972, at 9 a.m.

HOUSE OF REPRESENTATIVES—Wednesday, July 19, 1972

The House met at 12 o'clock noon.

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

My Father worketh hitherto and I work.—John 5: 17.

O God of life and love we lift our thoughts to Thee in prayer as we begin this new day fresh from Thy hand. As leaders of our country, and as workers for humanity, do Thou support us in every noble effort and in all genuine endeavors for the good of our land.

Give to us an enthusiasm for the mood of good will and a passion for the spirit of unity so essential to the life of our Nation. Call us to a firmness for the right and a determination for the rights of men. Prepare our hands for heavy tasks, our spirits for willing sacrifices, and our minds for duties demanded by daily life.

During these critical days we pray that our country may be one Nation, under Thee, with liberty and justice for all.

In the spirit of Him, whose way is life, we pray. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the amendment of the House to a concurrent resolution of the Senate 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 the Senate insists upon its amendment to the bill (H.R. 12350) entitled "An act to provide for the continuation of programs authorized under the Economic Opportunity Act of 1964, and for other

purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. NELSON, Mr. KENNEDY, Mr. MONDALE, Mr. CRANSTON, Mr. HUGHES, Mr. STEVENSON, Mr. RANDOLPH, Mr. TAFT, Mr. JAVITS, Mr. SCHWEIKER, Mr. DOMINICK, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 14108) entitled "An act to authorize appropriations for activities of the National Science Foundation, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. PELL, Mr. EAGLETON, Mr. CRANSTON, Mr. DOMINICK, Mr. PACKWOOD, and Mr. STAFFORD to be the conferees on the part of the Senate.

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

S. 387. An act for the relief of Uhel D. Polly;

S. 1076. An act to provide for the striking of medals in commemoration of Jim Thorpe;

S. 2441. An act to authorize the Secretary of the Interior to conduct a study to determine the feasibility and desirability of protecting and preserving the Great Dismal Swamp and the Dismal Swamp Canal.

S. 2475. An act for the relief of Robert J. Ebbert and Design Products Corp., Troy, Mich.;

S. 2750. An act for the relief of the estate of Albert W. Small; and

S. 3545. An act to amend section 7 of the Fishermen's Protective Act of 1967.

PERMISSION FOR COMMITTEE ON BANKING AND CURRENCY TO CALL UP H.R. 15935 ON FRIDAY NEXT OR THEREAFTER

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that on Friday next it may be in order to bring up for consideration the bill H.R. 15935. It is the Agnes hurricane bill, Mr. Speaker, and

it may be considered at that time or any subsequent date.

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

There was no objection.

BOMBING THE DIKES

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

Mrs. ABZUG. Mr. Speaker, in the face of numerous and well-documented reports by foreign journalists in North Vietnam, the Defense Department has twice changed its story on the question of whether our planes are bombing the dikes in North Vietnam. Originally, they insisted that we were not bombing the dikes at all. After the initial eyewitness reports were made they stated that the dikes were not targeted, but might occasionally be hit by stray bombs aimed at military targets. After further reports which indicated deliberate attacks on a number of dikes, the Defense Department has taken the position that the dikes are attacked only when military equipment is stored on top of them.

The Swedish Ambassador to North Vietnam, Jean-Christophe Oberg, called our bombing of the dikes "methodical," and added that he has no doubt they are deliberate and precise. Jean Thorval, a French reporter in North Vietnam who observed an actual dike bombing on July 11 together with a number of other journalists, agreed that the attack which he witnessed was clearly directed against the dike system. Mr. Thorval has also filed dispatches to the effect that numerous other bombed dikes have been seen by him, though he was not present when they were bombed.

The bankruptcy of our Vietnam policy and the need to withdraw all of our forces and materiel are clear to most of the American people as well as to our military leaders in the Pentagon. By engaging in a policy which is certain to cause thousands of civilian deaths through drowning and starvation, we are

only compounding the shame of our involvement in Indochina.

We in Congress must exercise our responsibility to the American people and indeed to all humanity. We must act to stop or forestall any bombing of the dikes by our military forces.

APPOINTMENT OF CONFEREES ON H.R. 12202, INCREASING FEDERAL CONTRIBUTION TO HEALTH BENEFITS COSTS

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12202) to increase the contribution of the Federal Government to the costs of health benefits, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from New York? The Chair hears none, and appoints the following conferees: Messrs. DULSKI, HENDERSON, WALDIE, GROSS, and HILLIS.

APPOINTMENT OF CONFEREES ON H.R. 9092, PAY RATES FOR PREVAILING RATE EMPLOYEES

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9092) to provide an equitable system for fixing and adjusting the rates of pay for prevailing rate employees of the Government, and for other purposes, together with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from New York? The Chair hears none, and appoints the following conferees: Messrs. DULSKI, HENDERSON, WHITE, GROSS, and JOHNSON of Pennsylvania.

PREROGATIVE OF PRESIDENT IN CHOICE OF VICE PRESIDENT

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

Mr. HUNT. Mr. Speaker, I note by the news media that the anticipated attack on Mr. AGNEW has commenced. There are those people who, for some reason unknown to most Americans, insist every 4 years on appointing the Vice President regardless of the prerogative of the President then in office. I am quite sure that President Nixon has his own way of doing things, as he has exhibited in a very fine fashion in previous years, and I am quite sure that the right to select a Vice President still rests primarily with the President who is in office.

The movement to get rid of Mr. AGNEW will have produced as of today a new movement in this House by many of the Members to retain Mr. AGNEW as Vice President and to inform President Nixon that, if he so desires to keep Mr. AGNEW, we are with the President in every respect.

Mr. AGNEW has done an outstanding job, regardless of what his critics may

say—and they themselves are not the epitome of perfection.

ADDITION TO LEGISLATIVE PROGRAM

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

Mr. BOGGS. Mr. Speaker, I take this time to announce to the House that we have added to the program for this week H.R. 15935, which is the so-called Agnes bill for the relief of the victims of the recent floods. It is probable the bill will be called up on Friday.

LARRY O'BRIEN—AMERICA'S FINEST CHAIRMAN

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

Mr. RONCALIO. Mr. Speaker, last week I concluded a term as Democratic national committeeman for Wyoming, serving together with other majority House Members, the gentlewoman from New York (Mrs. CHISHOLM) and the gentleman from Minnesota (Mr. BLATNIK). Our leader during that time was Larry O'Brien.

Mr. Speaker, I believe Mr. O'Brien has been the finest national chairman in the history of the Democratic Party. He has stepped down from that post, but not before earning the gratitude of every Democratic officeholder in Washington and around the Nation.

He has been a patient, faithful, and extremely capable chairman, and he deserves the gratitude of all Democrats, in fact, of all Americans, for his dedicated service not only to his political party but to the highest principles of our political system.

That system is partisan, as Larry O'Brien most assuredly is. That system has worked because there are people who have made it work. Foremost among these people, certainly over the past decade or more, has been Larry O'Brien.

All Democratic Members, I hope, will join you, Mr. Speaker, in honoring this man, and the fine staff which has assisted him, for the fair-minded but firm leadership and example provided in recent years, but most recently in the conduct of the Democratic National Convention last week.

Larry O'Brien has helped to show us how democracy can and should work. We owe him very much in the way of thanks and gratitude.

CONGRESSIONAL AD HOC COMMITTEE AGAINST HEROIN MAINTENANCE

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

Mr. PEYSER. Mr. Speaker, I have today formed an ad hoc committee for the purpose of fighting any attempt at Federal legislation that would allow the establishment of a national heroin maintenance program. At this time, we have four Members serving on this com-

mittee: Senator JAMES L. BUCKLEY, of New York; Congressman MARIO BIAGGI, of New York; Congressman CHARLES B. RANGEL, of New York, and myself. This committee will meet with Dr. Jerome Jaffe of the White House to point up our feeling concerning the impact on this country of a program of heroin maintenance as proposed by Mr. Howard Samuels of New York.

In my opinion, rather than curing a problem that we are now addressing in a most positive sense through research, rehabilitation, and enforcement, we would be doing nothing more than legalizing the killing of hundreds of thousands of young Americans and encouraging many more thousands of young Americans to take the route of heroin addiction. Without the regard to the projected cost of the plan, which Mr. Samuels indicates could be \$20 billion a year, I think the very moral issue involved is too horrible to contemplate. It would be as though the U.S. Government would be saying to young people all over this country: come to us, we will feed your hunger for heroin—or to put it in the more popular vernacular, the Government would be saying, "Try it, you'll like it."

If Mr. Samuels is concerned about crime in the streets let him call, as I do, for mandatory minimum sentences for all convicted heroin pushers. Finally, I would like to say that if Mr. Samuels' ideas would be put into effect, those of us who live in New York would see the tremendous addiction problem we now have, doubled or tripled within the next 5 years.

PROVIDING FOR CONSIDERATION OF H.R. 13853, EMERGENCY COMMUNITY FACILITIES AND PUBLIC INVESTMENT ACT OF 1972

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1018 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1018

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13853) to amend title VII of the Housing and Urban Development Act of 1965. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

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

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

Mr. Speaker, House Resolution 1018

provides an open rule with 3 hours of general debate for consideration of H.R. 13853 to amend title VII of the Housing and Urban Development Act of 1965.

The purpose of H.R. 13853 is to authorize the Secretary of Housing and Urban Development to contract to make grants to States and local governments to aid in the construction of basic public facilities for which there is a public need. The grants may be up to 100 percent of the cost of construction and the aggregate sum authorized to be appropriated is \$5 billion.

The basic public facilities would include storage, treatment, purification, or distribution of water, and sewage, sewerage treatment, and sewer facilities. The bill specifies priorities for the processing of applications.

It is anticipated that all of the \$5 billion will be committed under contracts during the first 6 months of fiscal year 1973, that two-thirds of the total will be expended during fiscal year 1973, that the balance will be expended during the first 6 months of fiscal year 1974.

Mr. Speaker, I urge the adoption of the rule in order that the legislation may be considered.

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

Mr. Speaker, as stated by the distinguished gentleman from California (Mr. SISK), House Resolution 1018 does provide for an open rule with 3 hours of debate for the consideration of H.R. 13853, a bill entitled the Emergency Community Facilities and Public Investment Act of 1972.

According to the report, the alleged purpose of this bill is to authorize the Secretary of the Department of HUD to make contracts up to \$5 billion in grants to State and local governments for water and sewerage systems and other similar public facilities. Such grants may cover up to 100 percent of the cost of the project. The overall cost of the bill is \$5 billion.

It is intended, according to the report, that this expenditure be committed during the first 6 months of 1973 and two-thirds will actually be spent during fiscal year 1973 and the remainder during the first 6 months of fiscal year 1974.

Mr. Speaker, I can see no reason to bring this bill here to the floor of the House except for political purposes. There is no other reason that I can see why this bill should be brought before this House today.

Only 1 day of hearings was held on this bill. Only four witnesses were called, and no witness from the administration or the executive department testified. There are no departmental letters in the report.

Mr. Speaker, if you read the first two pages of this bill, it leads me to believe it is even more political. The preambles or statements that are conclusions in there are the first that I have seen in any such bill during my 16 years in the Congress. On page 2, line 12, it mentions "It is imperative that effective action be taken to combat intolerable high unemployment." I do not know what facts can justify Congress making that conclusion in this particular bill.

If you go further than that, Mr.

Speaker, when you turn to page 4 of the bill, they talk about "a large concentration of low-income persons, rural areas having substantial outmigration, substantial unemployment; or an actual or threatened abrupt rise of unemployment due to the closing or curtailment of a major source of employment."

These are given as areas which can obtain this assistance because of having unemployment. Actually, the biggest problem we are faced with today is in cities which are growing more and more every day. That is where we need the additional sewerage facilities, electricity, power, and other similar utilities in order to take care of the new residents in the city areas as well as the rural areas.

In addition to that, you are taking a part of the construction industry and trying to tell them that for the next year they should build \$5 billion worth of sewage disposal facilities. There is not very much unemployment in that particular part of the construction industry at the present time. I would defy anyone to prove that they could actually get enough employees to complete and get enough equipment to complete \$5 billion worth of these facilities in the next year.

Then you go to the last two lines on page 4, Mr. Speaker, and the first three lines on page 5, where it says:

The faith of the United States is solemnly pledged to the payment of all grants contracted for under this section, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

That is strictly backdoor spending of the worst type.

It goes even further than the other back-door spending that I have seen around here in recent years.

In addition to this, Mr. Speaker, just recently before the recess for the Democrat Convention we passed a revenue sharing bill in this House calling for some \$30 billion, \$5.3 billion for the first year, and that money can be used for these sewer facilities.

And if you will recall, we eliminated the Committee on Appropriations in that particular bill for the 5 years as the bill passed the House.

In addition to that, it was not too long ago that we passed a water pollution bill which authorized some \$24 billion, of which \$18 billion can be used for the same purposes as the present bill before us.

Mr. Speaker, as I say, I cannot find any justification for supporting this bill here today. We have a Democrat-controlled House of Representatives. The Committee on Appropriations is controlled by the Democrat Party—and I do not mean to say anything that might be viewed as criticism in that regard, but there must be \$15 or \$20 billion which we have heretofore authorized, and which has been signed into law, for which the Committee on Appropriations has not appropriated the money to build the same facilities that we are coming here now to add another \$5 billion.

In addition, we have a big deficit situation facing us. I do not see how we can handle all these expenditures.

I repeat, Mr. Speaker, that I think this

is purely political, and that the bill should be defeated, and that we should proceed with the revenue sharing and the water pollution bills, and try to make this country function as it should, rather than through the avenue that this bill would seek to follow.

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

Mr. SMITH of California. I yield to the gentleman from Texas.

Mr. ROBERTS. Mr. Speaker, I thank the gentleman for yielding. I want to concur in much of what the gentleman from California is saying that there is in the water pollution bill now in conference, about \$6.5 billion provided for the next year. The responsible engineers who testified before the committee say that actually that is probably all the money that can be used economically because there are simply not enough engineering firms in the country to handle all these new projects. Any additional funds cannot be scheduled for 1973.

Mr. SMITH of California. That is my understanding of what the testimony shows. I thank the gentleman.

Mr. Speaker, I reserve the balance of my time, and I do not believe I have any requests for time.

Mr. SISK. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I rise in strong support of the Emergency Community Facilities and Public Investment Act of 1972. Immediate enactment of this bill will be extremely beneficial to the communities of this Nation in two very important and significant ways. First, it will provide \$5 billion in emergency Federal funding for urgently needed public works projects. Second, through the direct creation of job opportunities on these public works projects, it will help reduce unemployment.

Both the need for water and sewer facilities and the creation of job opportunities have reached a critical stage in most States and communities throughout the Nation. I believe that the urgent demand for basic public works and facilities and the absolute necessity to substantially reduce unemployment are inextricably linked.

No longer can State and local residents continue to shoulder virtually all of the financial burden of providing public works facilities and services. The State and local tax base, which has always been limited, has now, in community after community, become nearly exhausted. Enactment of this act will provide lasting benefits to both rural and urban communities in protecting public welfare and health and in controlling environmental pollution. It will also curtail the increasingly high tax rates which still fail to produce adequate sewer and water facilities.

Latest figures from the Department of Housing and Urban Development show that applications totaling more than \$12 billion are currently pending before its water and sewer grant and loan program. Of these pending applications, only about 10 percent will ever be processed. In addition, estimates point out that a total of \$33 billion to \$37 billion will be needed for sewerage treatment facilities alone in

cities throughout the Nation during the next 5 years. And yet this estimate does not include the more than 30,000 rural communities without water systems and the more than 40,000 without basic sewer facilities. These alarming statistics indicate the enormous scope of the demand for adequate sewer and water facilities.

This bill, which authorizes \$5 billion in Federal grants to communities throughout the United States for basic public works projects has the potential of reducing unemployment between 10 and 20 percent. Estimates point out that approximately 100 jobs are created for each \$1 million expended on public works. Of this total, 40 jobs are established at the project itself and another 60 are created among suppliers of materials and services for the projects. Under this formula, an expenditure of \$5 billion would directly create 500,000 on and offsite jobs.

For nearly 2 years, the average national unemployment rate has hovered around 6 percent or over 5 million people without jobs. In my own State of Massachusetts, the rate has been somewhat higher, hovering around a consistent unemployment rate of more than 7.5 percent. This continuing rate of high unemployment in this Nation can be effectively reduced only through the creation of labor-incentive projects. Like these provided in this bill, the funding provided under this bill could be put to use within 90 days following enactment and the bulk of the \$5 billion could be financing working projects within 6 months of enactment. Thus, before the end of the calendar year we could begin to see the impact of this bill on the economy and on the reduction of joblessness in this Nation.

This bill is of vital interest to all America. I urge its immediate enactment to provide the funds communities so urgently need for basic water and sewer systems and to provide 500,000 jobs which will revitalize the economy and reduce our Nation's consistently high unemployment rate.

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

The previous question was ordered.

The SPEAKER. The question is on the resolution.

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

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 259, nays 122, not voting 51, as follows:

[Roll No. 269]

YEAS—259

Abernethy	Aspinall	Brademas
Abourezk	Barrett	Brasco
Abzug	Begich	Brinkley
Adams	Bell	Brooks
Addabbo	Bennett	Brotzman
Alexander	Bergland	Brown, Mich.
Anderson,	Bevill	Buchanan
Calif.	Blaggi	Burke, Mass.
Andrews,	Blester	Burlison, Mo.
N. Dak.	Bingham	Burton
Annunzio	Boggs	Byrne, Pa.
Ashley	Boland	Cabell
Aspin	Bolling	Caffery

Carney	Hicks, Wash.	Freder, N.C.
Casey, Tex.	Hogan	Price, Ill.
Chamberlain	Hollifield	Pucinski
Clark	Horton	Quillen
Clay	Howard	Railsback
Collins, Ill.	Hungate	Rangel
Colmer	Hutchinson	Rees
Conover	Ichord	Reid
Conte	Jacobs	Reuss
Conyers	Jarman	Riegle
Corman	Johnson, Calif.	Roberts
Cotter	Jones, Ala.	Rodino
Coughlin	Karath	Roe
Culver	Kastenmeyer	Rogers
Curlin	Kazen	Rooney, Pa.
Daniel, Va.	Kee	Rosenthal
Daniels, N.J.	Keith	Rostenkowski
Danielson	Kemp	Roush
Davis, S.C.	Kluczynski	Roy
de la Garza	Koch	Roybal
Delaney	Kyl	Runnels
Dellenback	Kyros	Ruppe
DeLums	Landrum	St Germain
Denholm	Leggett	Sarbanes
Dent	Lent	Saylor
Derwinski	Link	Scherle
Diggs	Long, Md.	Scheuer
Donohue	McCloskey	Sisk
Dorn	McCormack	Slack
Dow	McDade	Smith, Iowa
Downing	McDonald,	Springer
Drinan	Mich.	Staggers
Dulski	McFall	Stanton,
du Pont	McKay	J. William
Edwards, Calif.	McMillan	Stanton,
Ellberg	Macdonald,	James V.
Esch	Mass.	Steed
Eshleman	Madden	Steele
Evans, Colo.	Mailhard	Stokes
Fascell	Mathias, Calif.	Stratton
Fish	Mathis, Ga.	Stubblefield
Fisher	Matsunaga	Sullivan
Flood	Mayne	Symington
Flowers	Mazzoli	Talcott
Foley	Meeds	Taylor
Fountain	Metcalfe	Thompson, Ga.
Fraser	Mikva	Thompson, N.J.
Frenzel	Miller, Ohio	Thomson, Wis.
Frey	Minish	Tiernan
Fuqua	Mink	Udall
Gallifanakis	Minshall	Ullman
Gaydos	Mitchell	Van Deerlin
Gialmo	Mollohan	Vander Jagt
Gibbons	Monagan	Vanik
Gonzalez	Moorhead	Vigorito
Grasso	Morgan	Waggoner
Green, Oreg.	Moss	Waldie
Green, Pa.	Murphy, Ill.	Wampler
Griffin	Myers	Whalen
Griffiths	Natcher	White
Gubser	Nedzi	Whitehurst
Gude	Nichols	Wildnall
Halpern	Nix	Williams
Hamilton	O'Hara	Winn
Hanley	O'Konski	Wolf
Hanna	O'Neill	Wright
Hansen, Idaho	Patman	Wyatt
Hansen, Wash.	Patten	Wydler
Harrington	Pepper	Yates
Harvey	Perkins	Yatron
Hathaway	Pettis	Young, Fla.
Hays	Peyser	Young, Tex.
Hechler, W. Va.	Pickle	Zablocki
Helms	Pike	Zwack
Helstoski	Pirnie	
Hicks, Mass.	Poage	

NAYS—122

Abbt	Collier	Hunt
Anderson, Ill.	Collins, Tex.	Johnson, Pa.
Andrews, Ala.	Conable	Jonas
Archer	Crane	Jones, N.C.
Arends	Davis, Wis.	Keating
Baker	Dennis	King
Baring	Devine	Kuykendall
Belcher	Dickinson	Landgrebe
Betts	Duncan	Latta
Blackburn	Edwards, Ala.	Lloyd
Bow	Erlenborn	Lujan
Bray	Findley	McClary
Brown, Ohio	Ford, Gerald R.	McCollister
Broyhill, N.C.	Forsythe	McCulloch
Broyhill, Va.	Frelinghuysen	McEwen
Burke, Fla.	Goldwater	McKevitt
Burleson, Tex.	Goodling	McKinney
Byrnes, Wis.	Gross	Mahon
Byron	Grover	Mallary
Camp	Haley	Mann
Carlson	Hall	Martin
Carter	Hammer-	Michel
Cederberg	schmidt	Mills, Ark.
Chappell	Harsha	Mills, Md.
Clancy	Hastings	Mizell
Clausen,	Henderson	Montgomery
Don H.	Hillis	Nelsen
Clawson, Del	Hosmer	Pelly
Cleveland	Hull	Poff

Powell	Schneebeli	Teague, Calif.
Price, Tex.	Schwengel	Teague, Tex.
Quile	Scott	Terry
Quillen	Sebelius	Thone
Rarick	Shoup	Veysey
Robinson, Va.	Shriver	Ware
Robison, N.Y.	Sikes	Whalley
Roncallo	Skubitz	Whitten
Rousselet	Smith, Calif.	Wilson, Bob
Ruth	Smith, N.Y.	Wyllie
Sandman	Snyder	Wyman
Satterfield	Steiger, Ariz.	Zion
Schmitz		

NOT VOTING—51

Anderson,	Ford,	Murphy, N.Y.
Tenn.	William D.	Obey
Ashbrook	Fulton	Passman
Badillo	Gallagher	Podell
Blanton	Gettys	Pryor, Ark.
Blatnik	Gray	Randall
Broomfield	Hagan	Rhodes
Carey, N.Y.	Hawkins	Rooney, N.Y.
Celler	Hébert	Ryan
Chisholm	Heckler, Mass.	Seiberling
Davis, Ga.	Jones, Tenn.	Shipley
Dingell	Lennon	Spence
Dowdy	Long, La.	Steiger, Wis.
Dwyer	McClure	Stephens
Eckhardt	Melcher	Stuckey
Edmondson	Miller, Calif.	Wiggins
Evins, Tenn.	Mosher	Wilson,
Flynt		Charles H.

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Rhodes.
 Mr. Rooney of New York with Mrs. Dwyer.
 Mr. Blatnik with Mr. Broomfield.
 Mr. Blanton with Mr. Ashbrook.
 Mr. Garmatz with Mrs. Heckler of Massachusetts.
 Mr. Seiberling with Mr. Mosher.
 Mr. Shipley with Mr. Steiger of Wisconsin.
 Mr. Charles H. Wilson with Mr. Spence.
 Mr. Evins of Tennessee with Mr. McClure.
 Mr. Dingell with Mr. Wiggins.
 Mr. Hawkins with Mr. Podell.
 Mr. Fulton with Mr. Edmondson.
 Mrs. Chisholm with Mr. Gallagher.
 Mr. Davis of Georgia with Mr. Carey of New York.
 Mr. Jones of Tennessee with Mr. Celler.
 Mr. Lennon with Mr. Miller of California.
 Mr. Anderson of Tennessee with Mr. Gray.
 Mr. William D. Ford with Mr. Pryor of Arkansas.
 Mr. Gettys with Mr. Ryan.
 Mr. Stuckey with Mr. Badillo.
 Mr. Stephens with Mr. Long of Louisiana.
 Mr. Flynt with Mr. Murphy of New York.
 Mr. Randall with Mr. Hagan.
 Mr. Passman with Mr. Eckhardt.
 Mr. Melcher with Mr. Dowdy.

Mr. HALEY 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.

AMENDING AUTOMOBILE INFORMATION DISCLOSURE ACT

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate bill (S. 473) to amend the Automobile Information Disclosure Act to make its provisions applicable to the possessions of the United States.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill as follows:

S. 473

Be it enacted by the Senate and House of

Representatives of the United States of America in Congress assembled, That subsection 2(h) of the Automobile Information Disclosure Act (72 Stat. 325; 15 U.S.C. 1231) is amended by inserting at the end thereof the following new sentence: "New automobiles delivered to, or for further delivery to, ultimate purchasers within the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, Virgin Islands, American Samoa, the Trust Territories of the Pacific, the Canal Zone, Wake Island, Midway Island, Kingman Reef, Johnson Island, or within any other place under the jurisdiction of the United States shall be deemed to have been 'distributed in commerce'."

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

EMERGENCY COMMUNITY FACILITIES AND PUBLIC INVESTMENT ACT OF 1972

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13853) to amend title VII of the Housing and Urban Development Act of 1965.

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. 13853, with Mr. SISK in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. PATMAN) will be recognized for 1½ hours, and the gentleman from New Jersey (Mr. WIDNALL) will be recognized for 1½ hours.

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

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

Mr. Chairman, this morning's Washington Post and New York Times carried front page stories reporting that the city of New York and the State of New Jersey are being sued by the U.S. Government in an effort to clean up New York Harbor and adjacent areas described as the most polluted body of water in the world.

The suit is being brought on the grounds that Federal antipollution laws are being violated by New York City and New Jersey. Included among the defendants are the Jersey City Sewerage Authority and the cities of Bayonne, Hoboken, West New York, North Bergen, and Edgewater.

Mr. Chairman, it is obvious that this action, brought by the U.S. Environmental Protection Agency and the Justice Department, puts every heavily populated and industrialized area of the Nation on notice that they will soon join New York City and New Jersey defendants in similar court actions unless immediate and enormously costly steps are taken by both the private and public sectors to abate pollution of the Nation's water resources.

Let me quote from this morning's New York Times:

Aside from the industrial waste, the city

was discharging 350 million gallons of raw sewage each day from the sewer system directly into the Hudson River, New York Harbor, and the other waters adjoining the city, according to the lawsuits.

H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972, the bill we are now considering, is designed to meet the massive need for assistance on the part of our States and municipalities if they are to eliminate the problem symbolized by the filing of yesterday's lawsuit.

Under this legislation, \$5 billion could be made immediately available to help communities like New York City and cities in New Jersey to bring themselves into compliance with Federal law.

Ironically, the Federal Government itself is being held responsible for a large part of the problem which has given rise to the lawsuit.

Jerome Kretschmer, New York City's Environmental Protection Administrator, has charged that the Federal Government is to blame for much of New York City's pollution problem because it has failed to adequately fund pollution programs.

Officials of the Passaic Valley Sewerage Commission, which administers sewer facilities for 28 New Jersey communities and several large industries on the Passaic River, have said that they have been unable to meet Federal pollution abatement problems for years because of a lack of money. Seymour Lubketkin, the agency's chief engineer, says that the Federal Government has delayed construction of the needed facilities.

Mr. Chairman, the Federal lawsuits against New York City and New Jersey make it painfully evident that Congress and the Federal Government cannot simply adopt and try to enforce pollution control standards and assume that the job is done. The key to the solution of the Nation's environmental pollution problem is money, and a good part of that money must come from the Federal Government. There is not a Member of this Chamber who would stand up here today and say that the communities of his district can and must be made to foot the entire cost of pollution control facilities for their residents. We are all aware that the urban areas of the Nation are on that point of exhausting their fiscal resources just to provide and maintain existing services and facilities. How can the Federal Government, under these circumstances, step in as it has in the lawsuits filed yesterday, and demand action?

In the end, this kind of conduct must be seen as nothing more than an empty gesture that will do little to really change the situation. The result will be the levying of fines against State and local governments while virtually undiminished pollution continues to pour into the Nation's rivers, lakes, and coastal waters.

The answer—the only answer—to this massive national problem is immediate and substantial Federal financial assistance. H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972, is a first and absolutely necessary step in this direction.

The lawsuits that were filed yesterday stand as a stark and clear declaration

that the Congress and the administration must act now, today, to take meaningful action to clean up the Nation's waters. Failure to do this is to consign the Nation's water resources to a future of disease-ridden filth that very quickly will constitute a monumental threat to the health and welfare of people throughout the country. The New York metropolitan area, the Nation's most heavily populated and one of its most industrialized regions, stands as a symbol of the problem that we cannot fail to meet today through adoption of H.R. 13853.

Mr. Chairman, H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972, is also the only legislation currently pending before Congress designed to achieve a swift and substantial reduction in our nearly recession level rate of employment. It is the only measure pending before Congress which can speed economic recovery while simultaneously providing the resources desperately needed to help protect our environment and provide the water and sewer system facilities necessary to meet our national housing goals.

The bill amends title VII of the Housing and Urban Development Act of 1965. Funds provided under H.R. 13853 would be administered by the Secretary of Housing and Urban Development.

Under this legislation, a total of \$5 billion would be appropriated to provide grants on a matching basis to help State and local governments finance water and sewer system facilities and for other types of public works and public facilities expenditures.

Such an expenditure would be enormously beneficial in terms of reducing unemployment. The Bureau of Labor Statistics estimates—and this formula is corroborated by economists both in the private and public sector—that 100 onsite and offsite jobs are directly created for each \$1 million invested in public works and facilities. An expenditure of \$5 billion then would directly create a total of 500,000 onsite and offsite jobs. But as large as that figure is, it represents only half of the full economic impact that this \$5 billion investment can have on the economy in the immediate future. The multiplier effect of this expenditure means that another 500,000 people will also find job opportunities as this investment is felt throughout the entire economy—adding up to a minimum total of 1 million new jobs.

Mr. Chairman, it should be understood that these are minimum figures. As I indicated a moment ago, H.R. 13853 would provide matching grants to State and local governments for public works and facilities. But where necessary to carry out the purposes of the act, these grants can amount to 100 percent of the cost of the project. If the entire \$5 billion authorized by this bill was expended on a 100-percent cost-of-project basis, 1 million jobs would be created throughout our economy. This translates into more than a 20-percent reduction in joblessness.

Obviously, most of the grants are going to be made on a matching basis, probably ranging between 50 and 80 percent of the cost of projects. This in turn means that the full expenditures this legislation

would make possible will amount to at least \$7 to \$7.5 billion. By the same token, the ultimate employment impact throughout the economy will probably result in the creation of more than 1.2 million new jobs.

I am fully aware of the recently announced "seasonally adjusted" reduction in unemployment to a current level of 5.5 percent of the work force. We have had similar seasonal adjustments in the unemployment rate during the past 2 years. Nevertheless, the overall rate of joblessness has continued to hover near the 6-percent level and I expect the present circumstance is merely another case in point. Regardless of whether the unemployment rate is 5.5 or 6 percent, the number of people who are out of work across the Nation is totally unacceptable—totally intolerable and no one has more responsibility to do something about it than the Members of this Congress.

Moreover, a national unemployment rate ranging from 5.5 to 6 percent, as tragic as it is, masks the fact that there are pockets of joblessness in regions and communities across the country where the unemployment rate is 10 and 12 percent and higher. Many rural communities have unemployment rates which range as high as 30 percent of the population. Minority groups and teenagers have unemployment rates which are triple the national average. Many occupational groups have rates of joblessness which are double the national average. Construction workers, for example, had an unemployment rate which as recently as last May totaled more than 12.5 percent and has been near that level for more than a year.

Mr. Chairman, the Emergency Community Facilities and Public Investment Act of 1972 is not only designed to reduce unemployment throughout the Nation; it is tailored to provide the resources necessary to reduce joblessness in the very areas where unemployment is most severe. H.R. 13853 is essentially structured to provide funds for public works and facilities in communities and neighborhoods which have—

Large concentrations of low-income persons;

Substantial unemployment;

An actual or threatened abrupt rise in unemployment due to the closing or curtailment of a major source of employment; and

Communities and neighborhoods in which there is an urgent and vital need for basic public works and facilities which can be funded under this act.

Aside from the critical problem of unemployment, there is no question as to the need for the funds which the Emergency Community Facilities and Public Investment Act would provide. Data in the hearing record on H.R. 13853 reveals that as of last fall there was a total of nearly \$13 billion in pending applications for grants and loans under the Department of Housing and Urban Development's regular water and sewer program. That figure of nearly \$13 billion has built up since 1966, when the program was established, and reflects the totally inadequate funding that has been made available since that time.

During this same period, HUD rejected more than \$2.5 billion in water and sewer loan and grant applications for projects totaling more than \$5.5 billion on the grounds that funds were not available. Furthermore, HUD has actually discouraged communities from even making application for water and sewer loan and grant funds with the explanation that the effort involved is useless due to lack of money.

Other examples of urgent need for assistance to finance water, sewer, and other public works and facilities in communities across the Nation were also presented during the Banking and Currency Committee hearing on H.R. 13853.

The National League of Cities-Conference of Mayors recently conducted a survey which indicated a total national need for sewer treatment facilities alone totaling \$33 to \$37 billion between 1971 and 1976.

A Department of Health, Education, and Welfare survey conducted in 1969, in only nine regions of the country having a total population of 18.2 million, showed that 2 million people were drinking water which, though safe, had an unpleasant appearance, order, or taste. Fifty-six percent of the water systems in this survey were deficient in some respect.

The Department of Commerce estimates that there are now 53 million people—26 percent of the Nation's population—served by inadequate sewer lines.

And the Environmental Protection Agency estimates that 43 million Americans are not served by any sewer lines at all.

The National Association of Counties stated in a letter to the committee:

There is more demand for this program by county and municipal governments in the developing parts of metropolitan areas than for any other HUD program.

The Farmers Home Administration of the Department of Agriculture years ago estimated that more than 30,000 rural communities were without water systems and over 40,000 were without sewer systems. A recent check with that agency revealed there has been no overall change in these tragic totals.

A fundamental reason for the lack of these basic community facilities in so many of our rural communities is their inability to borrow funds or to provide any funding of their own to match grants, even if loans and grants were available either from HUD or the Farmers Home Administration.

H.R. 13853, because it can provide grants on a full cost of project basis, is the first ray of hope these communities have ever been offered. Without this bill, the future of these towns remains hopelessly bleak.

The overall need for this legislation was made clear by witnesses who said during the hearing on the Emergency Community Facilities and Public Investment Act that of all the assistance programs provided by HUD none is needed more than the loans and grants it provides for water and sewer facilities. In fact, it was stated that if funding were made available for these purposes on a realistic level, applications for loans and grants would at least double. The

fact that funding is far below any reasonable level of adequacy is reflected in the pronouncement of State officials in New Jersey, who declared that to date the amount of Federal and State funds available for water and sewer system financing has been so small as to have no measurable impact on the needs of New Jersey communities.

Mr. Chairman, the Members of the House hardly need to be reminded that there is a full-blown taxpayers revolt stretching from one end of the country to the other. The anger and alarm of taxpayers is symptomatic of the fact that the communities in which they reside have virtually exhausted their tax resources to provide continually expanding services, to say nothing of new public works and facilities.

Since 1963, some 218 cities have levied charges for sewer services. Out of that total, 154 have found it necessary to increase these charges an average of 77 percent. Savannah, Georgia recently was forced to implement a 60-percent increase in the city's water and sewer rate and raise property taxes 20 percent in order to finance its pollution abatement program. Orion, Mich., is under court order to abate pollution of a nearby stream at a cost of \$372 a year for each homeowner during the life of the bond issue required to finance the project.

The Emergency Community Facilities and Public Investment Act was drafted and adopted by the Banking and Currency Committee not only in recognition of the fiscal exhaustion confronting our cities, but also in recognition that this problem will be compounded at an accelerating rate in the years ahead unless the aid provided by this legislation is made available. The fact of the matter is that our cities are being abandoned by their middle and upper class residents—abandoned by their most prosperous and largest industries. We have been witnessing a massive flight to the suburbs that has left the cities with an ever-diminishing tax base with which to provide services and facilities for those left behind and least able to provide for themselves—the low- and moderate-income families—the millions of poor migrants from rural America.

While a nation of suburbanites has been watching moon rocket trips costing billions of dollars, our cities have been dying for lack of financial support.

But the problem is catching up with the suburbs, too. Increasingly, communities are being forced to suspend or restrict the construction of new housing because of inadequate or nonexistent sewer facilities. As a matter of fact, much of the metropolitan Washington, D.C., area now finds itself in this category. Housing construction restrictions have been imposed in Prince Georges, Montgomery, and Baltimore counties in Maryland. Similar restrictions have been imposed in the Philadelphia area and in Pittsburgh. In all, there are more than 80 communities in Pennsylvania where housing construction is being held up because of inadequate sewer facilities.

These conditions make it clear that availability of mortgage credit at reasonable rates alone is not going to assure meeting our national housing goals. We simply cannot build houses where there

are no sewer and water lines or where those that do exist are becoming completely inadequate. Such conditions inevitably stall efforts to provide urgently needed housing. But they do even more harm because the attendant result is to sustain conditions which force the price of existing housing higher and higher, making it inaccessible to larger and larger numbers of people while contributing to inflationary pressures.

If this Congress is serious about making housing a national priority, then it must place the availability of funds needed to provide basic public works and facilities for housing on a level of equal priority. The Emergency Community Facilities and Public Investment Act does this.

Mr. Chairman, assertions have been made during the past few months that the \$5 billion authorized for public works and facilities grants by this bill could not be used immediately because projects have not been planned and because the construction industry lacks the capacity to take on this much work during a single, relatively brief period. Both of these assertions are false. The National Association of Counties made it clear during the hearing on H.R. 13853 that a large part of the total funds authorized could go into use within 60 days following enactment and that the bulk of the money could go into use within 6 months of enactment. The fact is, many of these projects have been planned out for a long time but have been shelved for lack of funds.

The National Association of Utility Contractors surveyed some of its members to determine whether there was enough slack in the industry to permit taking on this additional workload. The association found that in a number of areas only half the men and equipment available for construction and installation of water and sewer facilities were currently employed. There was no question in the association's mind that its members could take on this job immediately. Incidentally, I find it more than a little ironic that concern is being expressed about the construction industry's ability to carry out the purposes of this act by putting men and equipment to work while it is universally recognized that the construction industry is one of the hardest hit by unemployment.

To those who cry that an expenditure of \$5 billion for emergency construction of public works and facilities should not be authorized because of its inflationary impact, let me say this. First of all, this bill is not designed to provide funds for some sort of low-priority, rainy-day project that can wait until some indefinite time in the future. The public works and facilities that would be provided by this bill are desperately needed by communities across the Nation. Nothing has greater priority because these facilities are essential to achieve improved health standards, a better level of education, adequate housing, and revitalization of the economies of communities throughout the country.

Furthermore, the cost of construction is rising at a 10- to 15-percent annual rate. Any delay in adopting this bill and funding it on the grounds that it is too inflationary will only result in adding

huge increases to the future cost of projects when they are built—and they will be built because they are absolutely vital to the health and welfare of the Nation. Under the present rate of inflation in the construction industry, a project costing \$1 million today could cost as much as \$1,450,000 only 3 years from now. A project costing \$3 million now could cost \$4,350,000 in 3 years, if delayed that long.

During the hearing on H.R. 13853, questions were raised about the necessity of adopting this legislation in view of the fact that the Senate and the House have approved S. 2770, the Federal Water Pollution Control Act Amendments of 1972. This legislation, which is still in conference, provides \$18 billion in grants, mainly for construction of waste treatment plants over the next several years.

Chairman BLATNIK of the Public Works Committee sees absolutely no conflict between S. 2770 and H.R. 13853. In fact, it is his opinion that the two bills are needed equally and complement each other. Chairman BLATNIK made this point clear in a letter which he wrote to me May 23 and from which I now quote:

I think we may justly take pride in the fact that through the years both the membership and the staff of the two committees [Public Works and Banking and Currency] have scrupulously avoided any bureaucratic infighting or wasting needless energy over jurisdictional disputes, but rather have worked in complete harmony in the interest of an improved environment and a healthy economy.

Both Houses have passed and we are now considering in conference S. 2770, the Federal Water Pollution Control Act Amendments of 1972. Included in this measure is \$18 billion for grants for the construction of waste treatment plants. I believe that the water and sewer lines which could be constructed, should H.R. 13853 become law, are complementary and a necessary adjunct to the treatment plants provided for in S. 2770.

H.R. 13853, I feel certain, will provide yet another valuable tool in our arsenal of weapons against environmental pollution and economic decay. I am delighted therefore to give my wholehearted endorsement and unqualified support to the objectives and provisions of the Emergency Community Facilities and Public Investment Act of 1972.

In addition to the point made by Chairman BLATNIK, it should be borne in mind that there will be little immediate economic impact from S. 2770. As I indicated, most of the money it provides will be expended over a period of several years when, hopefully, our unemployment problems will be far less than at present. Moreover, the treatment plants which would be constructed with funds appropriated under S. 2770 have, in many cases, yet to be planned, and this in turn adds to the delay and reduces the potential of this legislation to address itself to present-day conditions.

I want to make myself perfectly clear on this point. I am not implying that S. 2770 should have less priority than H.R. 13853. The treatment facilities that would be provided by S. 2770 are vital to any effort to abate pollution of our water resources. There is no question that the legislation must be enacted and funded. But construction of treatment plants constitutes only about one-third of the cost of an entire sewer system. The rest of the cost largely consists of constructing service lines and mains. It is in this

sense that H.R. 13853 dovetails with S. 2770. It makes little sense to finance the construction of modern, sophisticated treatment facilities while the rest of the sewer system is antiquated or is otherwise inadequate.

Mr. Chairman, H.R. 13853 was adopted on a virtually bipartisan basis by the membership of the Banking and Currency Committee. The vote on the bill was 19 to 4. Fourteen Republican members of the committee, led by my good friend Congressman WIDNALL, the ranking minority member, joined in a supplemental view expressed in the report on H.R. 13853. Far from objecting to enactment of this legislation, their concern focused exclusively on the possibility that funds authorized and appropriated under the act would be held up by the Department of Housing and Urban Development to force compliance with other nonrelated HUD programs. In effect, these 14 minority members of the committee are saying they want nothing to delay implementation of this legislation. In making their argument, they cite conditions under which communities are faced with the prospect of being within 6 months of their last drink of water. There is no question that minority members of the committee view this as vital, emergency legislation.

Mr. Chairman, I hope the membership of the House will approach and adopt this legislation on the same expeditious and nonpartisan basis with which it was handled in the Banking and Currency Committee. Virtually every community in the country—every constituency of the Members of the House—must have the financial assistance provided by the Emergency Community Facilities and Public Investment Act of 1972 if the most pressing priorities of the Nation are to be met. Chief among these priorities is the need to substantially reduce unemployment as quickly as possible and clear away obstacles which block attainment of the national housing goals.

This bill will allow the Nation to move quickly and effectively in these areas.

I include at this point articles from the New York Times and the Washington Post and a letter from the National Association of Counties:

[From the New York Times, July 19, 1972]

PASSAIC AGENCY SAYS LACK OF FUNDS CAUSED DELAY IN SEWAGE CHANGES

(By Martin Ganzberg)

Officials of the 69-year-old Passaic Valley Sewerage Commission have argued in recent years that the cause for delays in meeting Federal antipollution schedules has been "a lack of money."

Two years ago, when Federal representatives charged that the commission was responsible for most of the pollution in New York Harbor, Seymour A. Lubetkin, the agency's chief engineer, said that "90 per cent of the oxygen problem in the Passaic River is due to the industrial wastes from Newark."

LOCAL CONTROL INDIRECT

The Government said yesterday that the commission's sewage treatment plant in Newark "provides only partial treatment and has a capacity of 225 million gallons per day, with occasional flows exceeding 500 million gallons per day."

During its peak hours, the Government held, the plant's overflow leads to the most elementary kind of treatment, with industrial

wastes being dumped into the harbor largely unchanged.

Member municipalities have no direct control over the five-man commission, which is named by the Governor, with each man serving for five years.

The commission's jurisdiction covers 28 municipalities and several large industries along the Passaic River from just below the Great Falls in Paterson to the mouth of the river in lower Newark Bay. Its 11-foot sewer main follows a 27-mile course that for most of the way is just west of the river.

The agency has no budget of its own, depending on assessments from the 28 municipalities, some of which are only partly served. Assessments are based on the amount of sewage the municipalities pour into the system.

Service is provided to parts of Bergen, Essex Hudson and Passaic Counties, and the commission collects the raw sewage and industrial wastes for primary treatment at its plant in Newark off Newark Bay. The waste is then pumped under the bay and discharged in New York Harbor near Robbins Reef, off Bayonne, N.J.

The Newark plant has not had any major renovations since 1924, and the growing populations and industries in the surrounding area have combined to exceed its estimated capacity. The commission now serves 1.2 million people and 700 industries.

Two years ago, Mr. Lubetkin said that construction of secondary treatment plants—those that cleanse and remove polluting solutions in the water to a high degree—could not be completed before 1976 or 1977 because of the lack of money. "The Federal Government delayed us," he said at the time.

The communities that use the commission's facilities are as follows:

Bergen County—East Rutherford, Garfield, Lyndhurst, North Arlington, Rutherford, Wallington, Glen Rock, Fair Lawn, East Paterson Lodi and Saddle Brook Township.
Hudson County—East Newark, Harrison and Kearny.

Passaic County—Clifton, Haledon, Passaic, Paterson, Prospect Park and Hawthorne.

Essex County—Belleville, Bloomfield, East Orange, Glen Ridge, Montclair, Newark, Nutley and Orange.

[From the New York Times, July 19, 1972]
UNITED STATES IS SUING CITIES ON HARBOR FILTH—ASKS ACTION ON CURBING RAW AND INDUSTRIAL WASTE

(By Arnold H. Lubasch)

A concerted effort to end the serious pollution of New York Harbor was initiated by the Federal Government yesterday in a series of lawsuits against New York City, the Passaic Valley Sewerage Commission and several communities in New Jersey.

The suits seek Federal Court orders to compel the defendants to prevent the pouring of industrial waste into their sewer systems and to provide adequate treatment of the sewage they empty into the harbor and its adjacent waters.

Federal authorities said this was the first time the Government had sued municipalities to make them accept responsibility for the industrial waste that private companies discharge into their sewer systems.

The suits were filed in Manhattan, Brooklyn and Newark by the area's three United States Attorneys—Whitney North Seymour Jr. of the Southern District of New York, Robert A. Morse of the Eastern District of New York and Herbert J. Stern of New Jersey.

They took part in a news conference here with Gerald M. Hansler, regional administrator of the Environmental Protection Agency, who said the E.P.A. was giving New York City and the Passaic Valley Commission 180 days to submit plans to meet Federal sewage-treatment standards in the harbor area.

In addition to the city and the Passaic Valley agency, the defendants named in the Federal lawsuits included the Jersey City

Sewerage Authority and the communities of Bayonne, Hoboken, West New York, North Bergen and Edgewater.

The State of New Jersey was also named as a defendant to give the lawsuits sufficient scope, but the state's environmental director, Charles M. Pike, said that New Jersey welcomed the Federal action and cooperated with it.

A sharply contrasting reaction came from Jerome Kretschmer, the city's Environmental Protection Administrator, who assailed the Federal complaints against New York as "absurd, frivolous and political."

Something had to be done about the Passaic Valley Commission, Mr. Kretschmer said, but New York was cited by the E.P.A. "apparently to soften the blow for New Jersey."

"New York City is vigorously pursuing the most ambitious water-pollution-control program in the nation at a total cost of \$2-billion," he asserted.

Mr. Kretschmer added that the city would meet today with an electroplating association to obtain abatement agreements from "the electroplating industry, which is considered the worst single industry for discharging metals into our sewer system."

The Federal lawsuits cited electroplating companies among hundreds of private corporations that pour toxic metals through municipal sewer systems into New York Harbor.

Contending that the city had failed to enforce its own regulations against industrial waste, the suits complained that "large quantities of toxic metals and other pollutants were being discharged each day into New York Harbor and the surrounding waters."

Some of the principal pollutants listed in the suits were cadmium, chromium, copper, iron, manganese, mercury, nickel and zinc, which were said to be entering the harbor in sufficient quantities to endanger plants, animals and people.

Federal action is designed to assure that such toxic industrial wastes are treated at their source by the private companies that discharge them, instead of allowing these companies to pour them through sewer systems into the harbor area.

RAW SEWAGE DISCHARGED

Aside from the industrial waste, the city was discharging about 350 million gallons of raw sewage each day from the sewer system directly into the Hudson River, New York Harbor and the other waters adjoining the city, according to the lawsuits.

New York City discharges more raw sewage than any other area and accounts for a higher percentage of the national total of raw sewage, Mr. Hansler of the Federal Environmental Protection Administration said at the news conference in the Government office building at 26 Federal Plaza.

Mr. Hansler added that New York Harbor constituted one of the worst water-pollution areas in the country.

The city produces almost 1.5 billion gallons of sewage daily, according to Federal estimates, with about 80 per cent of it flowing from the sewer system into treatment plants before it reaches adjacent waters.

The remaining raw sewage will continue to pour directly into the waters until the city's North River treatment plant begins operating, which probably will take several more years, according to the city.

On the New Jersey side, the Passaic Valley sewage-treatment plant at Newark serves about 1.2 million people and more than 700 industries in the counties of Bergen, Passaic, Hudson and Essex.

POSSIBLE PENALTIES

The plant at Newark provides only partial treatment of sewage, while discharging as much as 8,600 pounds of toxic metals daily, the lawsuits complained.

The Federal Government is seeking the elimination of industrial waste from the municipal sewer systems, requiring treatment at

the source by the private industries, and the proper treatment of the remaining sewage that pours into the harbor.

Federal judges can support enforcement orders with fines and imprisonment for contempt of court, if their orders are thwarted, but the United States Attorneys said they expected all the defendants to comply with any orders resulting from the lawsuits.

Mayor Lindsay and the mayors of the other communities are named among the defendants in the lawsuits.

Federal officials said yesterday's concerted action represented the first time that the United States Attorneys and the E.P.A. had joined in a coordinated attack on the polluters of an interstate body of water.

[From the Washington Post, July 19, 1972]

**IN POLLUTION OF HARBOR: UNITED STATES
SUES NEW JERSEY, NEW YORK CITY**

(By Stephen Isaacs)

NEW YORK, July 18.—The Justice Department today sued the State of New Jersey and the City of New York for failing to halt pollution of New York Harbor, one of the filthiest bodies of water in the world.

At the same time, the U.S. Environmental Protection Agency initiated an action against the jurisdictions to try to force them to clean up the nearly 2 billion gallons of inadequately treated waste poured into the waters every day.

The Environmental Protection Agency action concentrates on human waste. New York City dumps about 350 million gallons of human waste—untreated—into the Hudson River daily.

The Justice Department's actions, brought by U.S. attorneys in Newark, Manhattan and Brooklyn under the Refuse Act of 1899, focus on alleged failure of government to force manufacturers to clean their wastes before flushing them into city sanitation systems.

The EPA complaints give New York City and the Passaic Valley Sewerage Commission 180 days to submit plans for dealing with the inadequately treated waste. The agency acted under authority of the Water Pollution Control Act.

The suits seek injunctions against the discharge of industrial waste through sewerage systems and orders to require detection of waste sources and to enforce existing codes.

To dramatize the effects of what one jurisdiction's waste can do to another, the federal pollution experts dropped 1,600 pounds of dye into a Brooklyn sewage treatment plant six days ago.

That dye was observed, by helicopter and boat, as it moved away from the plant. Within 63 hours, it had moved in all directions, and had appeared along the popular public beaches at Sandy Hook, N.J. It is still being observed.

While a spokesman for the State of New Jersey said he was delighted with the actions, since they help authorities enforce their demands on industrial polluters, New York City's spokesman was outraged.

"The feds know every step of our program," said Jerome Kretschmer, head of the city's Environmental Protection Administration. "They've financed it? Why do they serve us with 180-day notices?"

"... We have a meeting scheduled with these polluters tomorrow morning to enter into abatement stipulations. The feds know that, I just don't understand."

Kretschmer said he wondered whether politics might be involved, noting that the suit against New Jersey did not personally name Republican Gov. William T. Cahill, but the one against New York City did name Mayor John V. Lindsay, who left the Republican Party 11 months ago.

Jonathan L. Goldstein, an assistant U.S. attorney in Newark, earlier noted that, as a result of today's suits, courts could order re-deployment of public funds to help solve

pollution problems, or could even jail mayors of cities just as union leaders are sometimes jailed.

The suits contend that New York City has consistently failed to get tough with industrial polluters, saying:

"The city, although long aware of the discharge of industrial waste material into the city sewer system, has failed to implement a program of systematic inspection and pollution abatement of the city's offending industries."

The suit says that, daily, 76 pounds of mercury are discharged by New York treatment plants, 3,801 pounds of chromium and 6,107 pounds of iron, among other metals. Four electroplating firms in New York were charged, as symbols of a class action.

Said Kretschmer:

"It's our records that they've used on the toxic metal stuff. We've given them all of our laboratory tests. We thought we were in a partnership to solve this problem."

Further, Kretschmer said in an interview, the federal government is to blame for much of New York City's problem with industrial polluters, by not funding pollution programs adequately and by not adopting uniform standards.

"We have the economic question here of not driving these people out," said Kretschmer, "of wanting to do this in an orderly, scheduled way so that these people can continue to function."

"We have an answer for the feds: if there was federal legislation which provided toxic metal standards nationwide, so that their emissions would have to be the same no matter where they located, then we could deal with a firmer hand."

"We deal with the continuing problem of runaway industry, and we've told U.S. Attorney Whitney North Seymour that we'd like to see him advocate federal standards. We haven't seen any cry out of the U.S. attorney for that."

Kretschmer also was puzzled about the federal action, since the city now has a \$780 million plant under construction to treat the 350 million gallons of waste a day that now goes totally unaltered into the Hudson. Another 1.1 billion gallons of New York's waste is treated—although the federal prosecutors said today that that portion was not sanitized well enough.

The federal prosecutors said that some 700 firms in 28 New Jersey cities along the waterways there, and thousands in New York City, are pouring toxic metals and chemicals into sanitary systems, that eventually end up in New York Harbor and its tributaries.

U.S. Attorney Herbert J. Stern of New Jersey said that the action would force all the pollution authorities of all the jurisdictions together in one courtroom, and force them to act together. "I think it's the only sane way to proceed."

"I don't think anybody expects that just the bringing of this lawsuit is going to turn off pollution," Stern said.

In February, Stern won an injunction to keep 15 New Jersey beach communities from dumping sewage sludge too near their beaches.

He said today that the actions were the first taken by multiple federal agencies to force municipalities to enforce codes on environmental protection.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, D.C.

Hon. WRIGHT PATMAN,
Chairman, Committee on Banking and Currency,
U.S. House of Representatives,
Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN PATMAN: As you know, the House, on Wednesday, July 19, 1972, will consider the "Emergency Community Facilities and Public Investment Act of 1972" (H.R. 13853). This Bill, as proposed, would provide \$5 billion in contract authority for the HUD Basic Water and Sewer Facilities Program.

In testimony before the House Banking and Currency Committee, the National Association of Counties (NACo) pointed out the desperate need for increased funding for these facilities. There is more demand for this program by County and Municipal governments in the developing parts of metropolitan areas than for any other HUD program.

The latest available figures compiled by HUD show that applications totaling more than \$12 billion are pending. Currently, the Office of Management and Budget has \$500 million of funds appropriated for this program under impoundment.

Additionally, the House has recently passed a strong and far reaching water pollution control bill authorizing \$18 billion for the construction of badly needed sewage treatment facilities. But this legislative action will have no value unless funds are provided for the other parts of the system—the basic sewer lines.

Thus, the need for increased funding, as is proposed in H.R. 13853, is evident. It will not only provide badly needed facilities, but it will also assist in reducing unemployment. Many of our counties report that projects assisted by this program could be gotten underway within six months. However, because of the fiscal crisis on the local level, these projects cannot be undertaken unless additional Federal assistance is forthcoming.

Therefore, NACo respectfully urges your favorable vote on H.R. 13853, when it comes before you on Wednesday.

Very truly yours,

BERNARD F. HILLEBRAND,
Executive Director.

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

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

Mr. BARRETT. Mr. Chairman, we have now 5.5 percent unemployment. Is it not true if this bill is carried through favorably it will give 500,000 persons immediate employment and very shortly thereafter will give another 500,000 people employment. It will put practically 1 million people to work immediately.

Mr. PATMAN. That is correct. The gentleman is correct.

Mr. BARRETT. I thank the gentleman from Texas.

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

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

Mr. SCOTT. Mr. Chairman, I thank the gentleman for yielding and rise to inquire about the statement the gentleman made regarding a taxpayers' revolt and about the people in the various localities being concerned about high taxes. Of course we all want adequate water and sewer facilities but you refer to a taxpayers' revolt.

If this is true—and I believe we are nearing that point—why have a \$5 billion authorization bill here today, especially when it duplicates other programs? Would it not add to the taxpayers' burden?

Mr. PATMAN. Certainly. It is time when we must have priorities and spend the money for the proposal that has the highest priority for the health of the people. This bill really is fighting disease as well as crime. It is fighting epidemics. It is something that is vital to the Nation.

When that is the case, as it is now, the people want to spend the money for something that will help them the most. There is not any expenditure we can make that will help them more. There

are things that could happen that would be even worse.

Mr. SCOTT. Federal funds come from the same taxpayers. I just do not see how we reconcile a taxpayers' revolt with the authorization of an expenditure of an additional \$5 billion, especially when it duplicates the revenue sharing bill and other measures we have acted upon recently.

Mr. PATMAN. I will be glad to respond. A lot of people almost revolted against expenditures to go to the moon. They said we needed other things worse than that. They have revolted against other things where money is being spent not nearly as usefully to the people as the money spent for water and sewer.

Mr. BARRETT. Mr. Chairman, I rise in support of H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972. This bill, of which I am a cosponsor, will provide massive assistance to two areas of our domestic economy that demand immediate aid. Almost every area of this country is in urgent need of Federal aid to provide more and better water and sewer facilities, and the need for additional job opportunities. This bill attempts to provide vitally needed new employment opportunities and to provide the funds needed to build and update water and sewer facilities and other important public works projects.

Every Member, I am sure, will agree that the water and sewer grant program is the most popular program run by the Department of Housing and Urban Development. It is so popular in fact that applications totaling more than \$12 billion are currently pending under the regular water and sewer facilities grant program. Current operations of this program provides assistance to only 10 percent of the communities in this country that require this much-needed aid.

The administration has from the time they have taken office refused to spend the funds that Congress has authorized and appropriated for the water and sewer facilities grant program. At the same time this country is facing serious environmental pollution problems that have caused the communities around the country to seek this additional assistance from the Federal Government. Over the past 2 or 3 years HUD has adopted the policy of discouraging communities from even making application for grants under this program. Under the existing program, a water and sewer grant is only a 50-percent Federal grant with the local community providing the additional 50 percent. Even the use of the existing program is a burden for our communities since they have to put up half of what they are requesting from the Federal Government.

I need not belabor the issue that our State and local governments are at the breaking point insofar as further taxing their citizens. In no other area of the public sector have taxes risen at such a rapid rate as our local and State taxes have. If the Congress does not enact this bill, our local governments will have to continue to increase their taxes thereby driving many middle-income homeowners out of the homeownership category since the burden of the various local property and nuisance taxes will be too great for

them to bear. If we are to provide for continued orderly local growth, along with the increasingly strict and local health regulations, as well as increasing antipollution-related court orders, then this bill must be enacted.

The metropolitan area of Washington is a prime example of what is happening to our communities around the country. In areas of Montgomery and Prince Georges Counties, Md., no more homes are being permitted to be built because of inadequate sewerage treatment facilities. The same is true in Fairfax, Prince William, and Loudoun Counties, Va. If the present situation continues and no additional Federal funds are made available for water and sewer facilities and sewerage treatment plants, then any additional homebuilding in the Washington metropolitan area will cease.

If the \$5 billion of funds is spent then we will go a long way toward reducing our current high unemployment level. Unemployment in the construction industry is, of course, far higher than the average present unemployment rate of 5½ percent. This bill is geared to provide employment for those pocket areas that experience substantial unemployment. The Bureau of Labor Statistics estimates that 100 jobs are created for each \$1 million expended on public works. With this in mind, the expenditure of \$5 billion involved in this bill could directly create 500,000 onsite and offsite jobs. We heard testimony during our hearings on this bill that many communities are geared up so that they could put the money in this bill to use in 90 days following enactment of this bill, and that the bulk of the \$5 billion could be financing projects within 6 months after the date of enactment.

Mr. Chairman, I strongly urge that the House pass H.R. 13853.

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

Mr. Chairman, my support of water and sewer programs is a matter of long-time standing. I have fought for increased authorizations and appropriations many times. The gentleman from Texas, the distinguished chairman of the Committee on Banking and Currency; the able gentleman from Pennsylvania (Mr. BARRETT), the chairman of the Subcommittee on Housing; and the gentleman from Georgia (Mr. STEPHENS); altogether we have worked on numerous occasions and pooled our resources to effect legislation to this end. I believe most Members of the House are convinced of the need.

This program and its implementation are vital in my district, in my county, in my State. I know I am not unique in this respect as a Member of the House. I believe that is true of practically every Member of this body. That is why the program in the past has enjoyed such popularity.

We are, today, much taken with the word "ecology." It is on everyone's lips. But it was not always this way in the past. The drive for clean streets, clean air, and clean water has only recently become a universal concern. Now we are being told that unless we take immediate steps to preserve all three, we may soon lose all three.

Clean water might well be likened to

the lifeblood of our planet. To that end, we should pay particular tribute to the work done by the gentlemen of the Public Works Committee who have authorized and sought funding for the building of secondary and tertiary waste treatment plants which are needed to purify our polluted water.

But consider this. Those plants, vital as they are, representing millions of dollars, may well stand idle waiting for the connector lines that must be attached to them. This is because we have funded so few of the desperately sought applications for sewer and water that have come to us from the many small towns, suburban areas, and the countryside at large.

These plants are of no use to any of us if we build them and do not have the connector sewer lines coming to them. Our committee knows this and the Public Works Committee members know this. That is why this bill is before us. And, since this knowledge is so widespread within the legislative department, I think it should be also with the executive department as well.

In the latter part of 1967, during the previous administration, I wrote a letter to the Department of HUD asking why we were having so much difficulty in processing applications and implementing the work on the water and sewer program. I inquired as to the need. After a considerable interval, I received an answer to my letter which indicated that the total applications to HUD alone were more than \$4 billion. Subsequently, in hearings held less than 3 months later, I was told that the backlog of applications only totaled a billion dollars. This suddenly appearing discrepancy was a matter of some embarrassment to the men in the preceding administration which was finally explained by a confession from HUD that—after my letter to them and theirs to me—they had engaged in the mammoth discouragement program because so many people were writing in for assistance.

Let us examine this matter of Federal assistance to this program. On the average, with all applications considered, State aid figured in, and so forth, the Federal Government is paying roughly only 40 percent of the tab. The other 60 percent, in hard cash, is put up by the communities concerned, often at great sacrifice to their citizens, who must approve the necessary bond issues or raise the necessary taxes. This is money not easily obtained but obviously something that all the citizens concerned desperately realize they must do to preserve their need for clean water.

Let me emphasize again that it does no good to build waste treatment plants in the latest and best design if we do not have the connecting lines coming to them. That is what this bill should be all about and if it is not, proper amendments should be introduced to bring this about.

It is with all this in mind that I support this bill as I have done in the committee and as I do now before the House.

As anyone can tell from a perusal of the committee report, 1117, opinions of the minority are varied. I do not wish to belabor that fact. All have validity and all, I am sure, will receive consideration by the Members constituting this body. I

do want to stress what 14 Members of the minority said in the supplemental views which they signed.

We consider this a most vital, necessary program. We do believe it has been neglected and politically and personally administered ever since its first enactment. It is my further belief that this belief is shared by a majority of the committee, and a majority of the House of Representatives, and we want the practice stopped regardless of whose administration is in power.

I do not believe that I need to point out to the Members of this body what it means to have one of the towns in their district facing an absolute water shortage and the need to import water into the area. That has happened. To Members whose citizens so suffered I do not have to recall to them their outrage when they were faced with the endless delays and red tape brought on by the niceties of what HUD calls comprehensive planning.

This is a bipartisan matter and it has come to me from both conservatives and liberals.

The chairman of the committee referred to a situation in New Jersey and one in New York where action is being taken against the two States because of the lack of waste treatment facilities and the amount of pollution being poured into the waters around New York City as a result of it.

I am very familiar with what has been taking place in New Jersey, and much of it has been attributed to the lack of proper facilities under the Passaic Valley Sewerage Commission. There has been a lack of money that has caused the failure to meet the obligations there. I believe there are steps being taken now in New Jersey through the legislature and through the municipal authorities to meet the obligations which we have to our citizens.

Certainly as a Member of this House I deplore any such set of circumstances where it is necessary to take such drastic action because of the failure of the States or communities to act.

The people are now fully aware of the problem that we face throughout the United States. There is no easy solution. My one hope is that people will not figure because this bill passes the House and the Congress that the next day after pushing a button there will be a change in facilities, a change in the ecology, and a change as far as pollution is concerned. It will require time, it does require additional planning. I hope that we will realize that this has to be done before anything can be done to provide jobs.

I do not want to be one who is holding out a promise of 1 million jobs to people when a lot of the planning is not done, and the work is not ready and the appropriations have not been made by the Congress of the United States.

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

Mr. WIDNALL. I yield to the gentleman from Iowa.

Mr. KYL. I would like to ask the gentleman a few questions.

First, how does the procedure and how does the machinery and the functions of this bill you bring to the floor today differ from that bill which covers the same

subject which is at the present time in conference?

Mr. WIDNALL. Is the gentleman speaking about the bill that came out of the Committee on Public Works?

Mr. KYL. That is correct.

Mr. WIDNALL. I believe this, and there is a difference of opinion on it, I do not believe that the bill in conference provides for connecting lines as such, it is for basic treatment facilities and for research and development, but I do not believe that it provides for the construction of other facilities.

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

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

Mr. WILLIAMS. I believe that the EPA right now is making Federal grants for interceptor sewers, which are the feeder lines into the sanitary sewage treatment plants, these are the main trunklines that feed the sanitary sewage treatment plants. The only thing that I do not believe the EPA will make a grant for is the collector sewers and the lateral lines which go right into the homes. I believe that these should remain the responsibility of the municipality and the homeowner, as they are now.

Mr. KYL. Mr. Chairman, will the gentleman yield further?

Mr. WIDNALL. I yield further to the gentleman from Iowa.

Mr. KYL. Getting back to the matter of the two bills, the one from the Committee on Public Works does include these plans which the gentleman says are not included. What I am still interested in is how does this bill differ from that one? How can we get something out of the additional expenditure of \$5 billion that we will not receive from the other one, or will we have the same amount of work done with the same amount of money?

It seems to me that we are engaging in an exercise of frustration when your committee attempts to do in a few days with a few witnesses, that which the Committee on Public Works studied for months, and then brought forth a bill based upon that study. Your committee comes in with a bill that essentially proposes to do about the same thing what the House and Senate have already done. The gentleman from New Jersey did say that we have to do planning, and he is not saying that we are going to have jobs right away. This is a frank admission, and of course it shows that the gentleman is not trying to oversell the product, but I do not know what we are going to gain when we have \$18.6 billion in the same programs already authorized.

Mr. WIDNALL. In conference. There is a great difference of opinion between our conferees and the other body's conferees, and there is no assurance that they are going to get what is being claimed out of the conference.

Mr. KYL. If the gentleman will yield for one further question, is it the opinion of the gentleman and of the other members of his committee that they can do in a very simple, quick process what the Public Works Committees of the two Houses and the conferees of the two Houses cannot do? Are you saying that we have lost faith in that committee and,

therefore, you are taking this job over because you know how to do it? Is that the purpose of the bill?

Mr. WIDNALL. No; I do not say that. But I do think since it is such an emergency situation, every avenue should be used in order to bring pressure to get something done and to get it through conference. Time is wasting.

Mr. KYL. Has the gentleman sought to get the conferees of the Public Works Committee together to reach a decision?

Mr. WIDNALL. No; I have not.

Mr. KYL. I thank the gentleman.

The CHAIRMAN. The gentleman from New Jersey (Mr. WIDNALL) has consumed 13 minutes.

Mr. PATMAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. KOCH).

Mr. KOCH. Mr. Chairman, I rise to seek clarification of the committee's intention that money authorized under H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972 can be used for the construction of sewage treatment plants, as well as collection systems and interceptors. In my discussions with the Department of Housing and Urban Development and the Environmental Protection Agency there has been some confusions over whether these funds might be used for sewage treatment plant construction. I believe that it is important to clarify this point because essential to the success of this legislation is the ability of localities to direct the funds available to them to meeting the most critical water and sewer problems of their areas and to put the unemployed to work in these priority projects.

The way I read H.R. 13853, the \$5 billion in funds authorized would be equally available for the construction of sewage treatment plants as for sewage collection lines. Substantiation for this assumption is found on page 4 of the bill which explicitly states that assistance under H.R. 13853 will be for:

... the construction of basic public facilities (including facilities for the storage, treatment, purification, or distribution of water, and sewage, sewage treatment, and sewer facilities) for which there is an urgent and vital public need.

Sewage treatment facilities are specifically mentioned. Furthermore, on page 3 the bill states that grants may be made by the Secretary to States and local governments for projects of the type described in section 202(a)(1) of the Housing Amendments of 1955. Sewage treatment facilities are included in section 202(a)(1) of the Housing Amendments of 1955.

Therefore, Mr. Chairman, I would like to ask whether I am correct in my understanding of the intent of the committee that the construction of sewage treatment facilities would be eligible under H.R. 13853?

Mr. PATMAN. The distinguished gentleman from New York is quite correct in his understanding of the intent of the committee that sewage treatment plants would be equally eligible for assistance under H.R. 13853.

Mr. KOCH. I would just like to add that it is particularly appropriate for New York City that the House should be considering this legislation today. Yesterday, suits were brought by the Fed-

eral Government against the city of New York, as well as several communities in New Jersey and the Passaic Valley Sewerage Commission, because of their continued dumping of untreated and inadequately treated sewage and industrial wastes into New York metropolitan area waters.

Presently, the city of New York produces some 1.5 billion gallons of sewage daily. Three hundred and fifty million gallons of this sewage flows as raw sewage directly, without any treatment, into the Hudson River, New York Harbor, and other adjacent waters. Much of this raw sewage is coming from the island of Manhattan in which my congressional district is located. The remaining sewage, while receiving some treatment, is often inadequately treated and is also polluting the harbor and river waters.

New York City's most critical need at this time in meeting this problem is money to step up its construction of sewage treatment plants. Presently, there are nine sewage treatment plants under construction to expand and improve the city's treatment capabilities. The cost of these plants amounts to almost \$1.5 billion. With the passage and funding of H.R. 13853, money would be available to speed up the construction of these facilities—many of which have not received adequate Federal funding and are having to be prefunded by the State of New York. Furthermore, there are five additional proposed sewage treatment plants, not yet funded, that are needed to treat the city's sewage and to meet today's pollution crisis. Their total project cost amounts to an estimated \$620 million.

H.R. 13853 would provide funds to meet 100 percent of the costs of such basic water and sewer projects for which there is an urgent and vital public need. The seriousness of the situation in New York City is underscored by the suit entered into by the Justice Department yesterday. New York City is to be criticized for its failure to provide an acceptable timetable for providing adequate sewer collection and treatment facilities. But it is also time that the Federal Government meet its responsibilities in assisting localities, already strapped by many municipal demands on their budgets, with funds to meet these needs.

In addition to the construction of treatment plants which I outlined above, New York City also needs to build new sewers in the outer boroughs and to replace existing sewer lines, some of which are deteriorating clay pipes that are over a century old. Such old piping exists in at least one area in my congressional district qualifying under this bill, the Lower East Side of Manhattan. New sewer lines are also needed in Staten Island and Queens at a cost of some \$2 billion. Furthermore, I have been advised by New York City's Department of Water Resources that extensive sewer line construction needs to be performed in the model cities areas of Brooklyn and the Bronx. Next year the city would like to start construction on the St. Ann's Avenue sewer line in the Bronx at a cost of \$43 million. And in the Brooklyn model cities area a serious problem exists in which the aged sewers are eroding and consequently continually flooding. To up-

date the sanitary and storm sewer system of this area, some \$2 billion is needed.

Mr. Chairman, I bring to the attention of our colleagues these cost estimates. They are not complete for New York City alone, but I believe they provide some indication of the dimension of the needs for New York and the country.

Today we have a high unemployment rate. It is time that this country takes some positive action in putting to work the unemployed in projects that will eliminate environmental pollution and conserve irreplaceable resources. For too long we have sat by and let billions of gallons of pollutants pour into our waterways daily. And for too many months our Government has sat by while people have gone without employment. It is time that we put the unemployed to work—not in jobs of marginal need or importance—but in work that is of vital importance to the very basic health and welfare of our country.

Mr. PATMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL. Mr. Chairman, I rise to urge that this piece of legislation be acted on in a most expeditious manner and, of course, in a favorable manner.

In my city, and perhaps in your cities, we are facing an astronomical rate of crime. That rate of crime is directly related to the lack of employment for black people, poor people, and other minorities in this country.

As some of you well know, the unemployment rate for certain categories of black citizens is so fantastically high that the Bureau of Labor Statistics refuses to release the data, pointing out that if released, the statistics might cause chaos in this Nation.

We need jobs, and we need them now.

I recognize that the passage of this legislation will not, as my distinguished colleague Mr. WIDNALL pointed out—immediately create jobs. But at least it will offer hope to those hundreds of thousands of people who have no hope at all for getting work. It will offer them the hope that jobs are on the way.

Mr. Chairman, I urge favorable, speedy consideration of this legislation.

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

Mr. MITCHELL. I yield to the gentleman.

Mr. BLACKBURN. The gentleman in his supplemental views in the print of the committee report refers to a colloquy which took place in executive session between himself and the gentleman from New Jersey (Mr. WIDNALL), the ranking Republican member of the committee, dealing with the manner in which HUD operates the grant program of sewer and water grants.

I think it is appropriate, because I just saw these supplemental views—I think it is necessary to point out to the gentleman in the well that it is against the rules of the House to refer to conversations which take place during executive sessions of a committee. Therefore, I take this opportunity to call this rule to

the gentleman's attention and to request we do not violate that rule in the future.

Mr. MITCHELL. I thank the gentleman for calling this to my attention.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. Mr. Chairman, I rise to speak on the bill H.R. 13853, Emergency Community Facilities and Public Investment Act of 1972, while holding mixed emotions over the fate of this bill.

The bill, in large part, seeks to increase Federal aid for the construction of basic water and sewer facilities, a matter which I consider to be of the highest priority. However, the method of assistance and the volume of that assistance which is being proposed may be the high-water mark reached by this Congress in demonstrating its ability for fiscal irresponsibility. There is no doubt in my mind nor has there been a hesitation in my full-fledged support for the basic water and sewer facilities grant program which is administered under section 702 of the Housing Act of 1965. I think it is through this program that Federal efforts should continue to assist local communities in the provision of these basic community facilities.

Let us not be deceived by the high intentions to which this bill portends to aspire. This bill is represented to be a large-scale effort to reduce unemployment. It is not. This bill is further represented to be a means of activating economic growth through full production of all anticipated water and sewer facilities. Once again, it is not.

This bill represents one of the single largest steps yet proposed for putting this country back into the grips of inflation from which we have so arduously been extricating ourselves. Where does the \$5 billion come from to support the back-door financing proposed in this bill? There is no excess \$5 billion to be found floating around in the fiscal 1973 budget. This bill does not call for an authorization and the appropriations process. It evades that responsible procedure for dealing with our national budget, and calls for an immediate expenditure of \$5 billion in contract authority.

To be candid, this bill must be exposed for what it really is and dealt with on that basis. And what this bill is, an outrageous, irresponsible political power play aimed at increasing the Federal budget, resurrecting serious inflation, and ultimately embarrassing the administration. Invoking the name of the popular water and sewer program is a flimsy disguise to conceal the raw political tactics evident in the existence of this bill and the manner in which this bill has been considered.

This bill has come on the heels of House and Senate passage of S. 2770, Federal Water Pollution Control Act of 1972. That act, as approved by the House on March 29 of this year, would provide \$18 billion over the next 3-year period for activities identical to those contained in this bill dealing with the construction of facilities for the collection of sewage

and distribution of water. In addition, there is \$650 million in unappropriated authorization remaining in the 702 water and sewer facilities grant program.

This bill would propose a 100-percent Federal grant for the construction of these facilities, a proposal which pays little attention to the experience gained from the existing water and sewer facilities grant program which has shown an overwhelming willingness of local communities to participate with the Federal grant limited to 50 percent of project cost. The Public Works Committee showed sound judgment in rejecting the 100-percent Federal funding in favor of 60-percent grants under the Water Pollution Control Amendments of 1972, their reasoning being that local participation assures local responsibility for effectiveness of the program.

The prospect for reducing unemployment offered by this bill is indeed questionable when one takes into account that the primary beneficiaries of accelerated construction of water and sewer facilities will be those skilled trades which are now in the midst of high employment and high wages during this time of increased construction activity. The bill requires Davis-Bacon prevailing wage levels for any federally assisted project. This, taken together with limited access nature of the skilled building trade unions needed to construct these facilities, will only heighten the pressure for high wages, overtime, and other inflationary production costs with an insignificant ripple effect toward reducing unemployment.

For these reasons, Mr. Chairman, I have no problem in opposing this bill, and I honestly see no inconsistency between my continued support for Federal water and sewer facilities grants and opposition to this bill. There are responsible ways of dealing with the national problems of water pollution, sewage disposal, and adequate local water supply, and this clearly is not one of them.

I urge the Members of this House to act in good faith and defeat the bill H.R. 13853.

Mr. WIDNALL. Mr. Chairman, at this time I yield 10 minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, at the outset I would urge each of the Members to examine the dissenting views which are included in the committee report on this bill. These views, written by me are more extensive than the remarks I will make here today but I think they are all quite pertinent to the whole issue of the passage of this legislation.

While there can be no question that the problems about which H.R. 13853 speaks are very real and that it is incumbent upon this and other legislative and executive bodies to work toward a mollification of those problems, any solution that is chosen must insure that those needs are actually met. Any legislative program that fails to precisely address itself to the real problems involved here will do nothing but exacerbate an already severe situation.

It may be that legislation authorizing massive funding for construction of local

water and sewer facilities would do all the things that the majority report on this bill assures us would be accomplished by such a measure. Unfortunately, the majority report on H.R. 13853 is less than persuasive that this bill will, in fact, provide the solutions.

A brief review of the committee report will illustrate my point. First, at page 2 of the report, under the heading "What the Bill Would Do," the committee asserts that beside meeting the emergency demands of a growing population for basic public works such as water and sewer facilities, this bill would meet, "the additional and equally important requirement of controlling environmental pollution." Again, at page 4 of the report, under the heading, "Need For the Bill," the committee suggests that—

Failure to accept the alleged change in direction furnished by the bill will mean that realization of Federal and State clean water and clean air standards, as desirable as they are, will be significantly delayed. By the same token, the prospect of continually increasing environmental pollution or a sharp reduction in the Nation's productive capacity to eliminate that pollution haunts this country's future.

I take no issue with the committee's statements that controlling environmental pollution is important and that construction of adequate water and sewer facilities will help allay continued pollution. I do take issue with the committee's failure to recognize the provisions of the recently passed Federal Water Pollution Control Act Amendments of 1972, S. 2770 and H.R. 11896. Those bills, which contain authorization of \$18 billion over the next 3 years, specifically stated as one of its goals, "that Federal financial assistance be provided to construct publically owned waste treatment works." (Section 101(a)(4)). The committee report on that bill notes, at page 72, that the construction of waste treatment work, "includes construction of treatment facilities and collector sewer systems including systems for treatment of storm sewer runoff." Thus, the construction of the kinds of public works that H.R. 13853 suggests, has already been provided for in S. 2770.

Since the question has been raised and with due deference to the gentleman from New Jersey, who I am sure is totally sincere in his belief that this bill in effect takes care of an omitted area in the two bills which have already been passed by the House and are presently in conference, let me just quote from the definitions in the bills, especially in H.R. 11896, the bill passed by the House of Representatives, the Water Pollution Control Amendments of 1972. In the Senate bill the definitions are substantially the same. In "definitions" they say:

The term "treatment works" means any devices and systems used . . . including intercepting sewers, outfall sewers, sewage collection systems, pumping, power, and other equipment, and their appurtenances; extensions, improvements, remodeling, additions, and alterations thereof. . . .

In addition, under "definitions" the bill specifically says, in addition to the previous definition I have noted, that: "treatment works" means any other method or system for preventing, abating, reducing,

storing, treating, separating, or disposing of municipal waste, including—

and I emphasize the "including"

storm water runoff, or industrial waste, including waste in combined storm water and sanitary sewer systems . . .

My colleagues in the House, we cannot have broader definitions to cover the very things intended to be covered by this special legislation presently before us.

Second, the committee report on this bill, again under the heading "What the Bill Would Do," page 2, states:

The financial resources of state and local governments are strained beyond their capacity to provide these and other public works, facilities and services. Moreover, continued reliance on the residents of the states and their communities throughout the nation to finance virtually the entire cost of these vital projects has imposed an unbearable burden on them.

And, on page 3, under "Need for the Bill":

It is universally recognized that the ability of state and local residents to continue to shoulder virtually all of the financial burden of providing public works, facilities and services has reached the breaking point.

Once again, I take no issue with the committee's statements of a problem, but rather with its failure to recognize the provisions of the recently passed revenue sharing measure which was directed at precisely these problems. H.R. 14370 created two trust funds, moneys from both of which could be used for the public works that H.R. 13853 defines. The High-Priority Expenditure Trust Fund, funded at the rate of \$3.5 billion per year, contained the requirement that local governmental units must spend money from this fund only for so-called "high-priority expenditures." This term is defined in the act to mean, besides public safety and public transportation expenditures, maintenance and operating expenses for environmental protection "including sewage disposal, sanitation, and pollution abatement"—section 102(a)(1)(B). In addition, "high-priority expenditures" include capital expenditures for "sewage collection and treatment" and "refuse disposal systems"—section 102(a)(2)(A) and (B). Distributions from the second trust fund, the "State Tax Supplements Trust Fund," which is to be funded at levels ranging between \$900 million and \$1.8 billion for the next 5 years, can be used for whatever purpose the local governmental units see fit. This would, of course, include water and sewer systems the need for which the committee report notes "has reached an emergency stage," page 2 of report.

To conclude this point, Congress has already authorized the expenditure of at least \$10 billion a year for the next 3 years for precisely the kinds of public works that H.R. 13853 would build with yet another \$5 billion. It seems patently obvious that one of the problems to which this measure speaks has already been quite adequately addressed—and funded—in two other bills of this Congress, and, to the extent that this has occurred, H.R. 13853 is unnecessary.

Another weakness of the committee analysis of the thrust of this bill re-

gards the effect it would have on the unemployment situation in this country. Despite glib assurances that:

This bill, with its \$5 billion authorization for basic public works and facility grants, has the potential of reducing unemployment by between 10 and 20%. (page 4)

And that:

Under this formula, an expenditure of \$5 billion would directly create 500,000 on- and off-site jobs. Experts estimate that ripple effects throughout the economy registered by expenditures totaling this amount would create another 500,000 jobs at least. The total impact thus reaches a potential level of 1 million jobs or about 20 percent of the current level of unemployment. (page 4)

There is some question as to exactly what kinds of employment opportunities would be created. There is every reason to believe that the opportunities created would be in those highly skilled occupations such as operating engineers, carpenters, laborers, plumbers, and welders, which have a relatively limited entry rate. In addition, it appears that men employed in these occupations are not having difficulty finding work since figures show that in the 1 year prior to the imposition of the wage freeze last August, wages in these crafts increased by over 10 percent.

Related to this point, is the very real question of the construction industry's capacity to absorb this tremendous influx of funding occasioned by the two bills already passed and this bill, if passed. The EPA raised the question in commenting on the Water Pollution Control Act Amendments of 1972, when it noted that—

The waste treatment construction industry does not presently have the capacity nor do we believe it can expand rapidly enough to provide for the construction larger funding demands.

This statement was made prior to the tripling of the funding levels of the 1972 act from \$6 billion to \$18 billion. In related testimony before the Public Works Committee, the EPA also indicated that the specialized sector of the construction industry capable of constructing water and sewer treatment and collection facilities has a maximum growth rate capacity of about 25 percent annually. Given the fact that total expenditures from all sources for water and sewer construction for 1971 amounted to only \$2.06 billion—HUD figures—it is difficult to imagine how the necessary sector of the construction industry is going to have the capacity to absorb the billions of dollars already authorized for construction of these facilities, let alone an additional \$5 billion.

In my mind, it is clear that the major effect of this additional spending would be to contribute to the already inflationary tendency of this sector of the construction industry. A special sewer collection system price index developed by EPA indicates that while prices for installing such a system increased at an annual rate of 3.5 percent for the period 1957-1961, costs rose 8.5 percent a year during 1970-71, and skyrocketed to 11.5 percent during 1971. Passage of this bill would insure that percent increase would be even higher for 1972 and 1973,

with no concomitant increase in the construction of facilities.

Finally, the committee report notes that:

The latest available figures from the Department of Housing and Urban Development show that applications totaling more than \$12 billion are currently pending under its regular section 702 water and sewer system grant and loan program. (page 3)

That figure is greatly exaggerated. It was apparently taken from HUD's "Water and Sewer Project Directory," and is simply the sum of the total project costs for all applications submitted since the 702 program began in 1966. Many of those applications have already been approved—\$2.7 billion worth. Some have been withdrawn by the local governmental unit—\$1.6 billion worth. Others have been referred to a more appropriate agency—\$0.69 billion. Still others have been either rejected by HUD as not meeting section 702 criteria or as being outside of its jurisdiction; \$4.1 billion and \$1.8 billion respectively.

Thus, when the \$12 billion figure asserted by the committee as being the current backlog of water and sewer projects is critically examined, it appears that there is present an actual backlog of only \$2 billion. This is not to say that there is not a need for more water and sewer facilities in this country, but only to point out that the committee's reliance on HUD's project directory is misleading and raises considerable question as to the committee's assessment that the money authorized by H.R. 13853 could be injected into the economy as quickly as the report suggests.

In conclusion, passage of this bill at this time is unnecessary, in that the facilities it would fund have to a large degree been contemplated in other current legislation; unwise, in that it would contribute to inflationary trends in the construction industry in particular and the economy in general and would not necessarily alleviate the unemployment situation in this country, and ill-conceived, in that the committee failed to accurately assess the need for such facilities nor the ability of the appropriate agency to administer the moneys. I oppose its passage.

Mr. PATMAN. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. KOCH) for the purpose of asking a question.

Mr. KOCH. Mr. Chairman, when H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972, was first submitted to our committee for discussion, I raised the possibility that the criteria that a locality would have to meet to qualify under the bill might not be sufficiently comprehensive and might have the effect of excluding a city such as New York. I pointed out that the total rate of unemployment in the city of New York is less than the national rate of unemployment, although particular sections of the city, as for example, the Lower East Side, Harlem, and Bedford-Stuyvesant, just to cite a few, have rates of unemployment far exceeding the national rate of unemployment. To deal with that problem, an amendment was accepted by the commit-

tee which now appears in section 3, and which includes, among other provisions, that a community or neighborhood may be defined without regard to political or other subdivision or boundaries for the purpose of receiving priority for assistance under this bill. New York City officials with whom I have been in contact have pointed out further that the public works facilities which are desperately needed in the city of New York, may in fact, because of geographical and other environmental requirements, necessitate location and construction in sections of the city other than the particular subdivisions of the city in which the high unemployment rates are in effect. It might be argued that the facilities funded by the bill would have to be located in neighborhoods or sections of high unemployment within a given city or community. But, the purposes of the act clearly state that expenditures under the legislation are to be used to reduce high unemployment or to provide job opportunities or a large concentration of low income persons. Certainly it would be a contradiction of the purposes of the act if funds it would provide could not be utilized to finance facilities anywhere they are needed in a community so long as job opportunities are created for unemployed or low-income persons. In other words, the facility could be located in an area of rather high employment within a city and yet employ persons from a low income or high unemployment neighborhood in the same city or community.

My question is this: Is it not the intention of the bill to permit the city of New York, like all other cities, to participate in the provision of this bill and that to be considered a priority project, there is no requirement that the facilities themselves be constructed within the neighborhoods or areas listed as priority neighborhoods in this bill, so long as the facility constructed either serves that community or neighborhood of unemployed, or utilizes low income persons from such communities for its construction?

Mr. PATMAN. The gentleman from New York makes an excellent statement with which I am in total accord. It certainly would be in line with the purposes of the act to give priority to and provide financial assistance under the circumstances related by the gentleman from New York.

Mr. KOCH. I thank the gentleman.

Mr. WIDNALL. Mr. Chairman, at this time I yield 7 minutes to the gentleman from Pennsylvania (Mr. WILLIAMS).

Mr. WILLIAMS. Mr. Chairman and members of the committee, the bill we have here today authorizes \$5 billion for Federal grants of up to 100 percent to local governments for water and sewer systems and other similar public facilities.

Actually, on March 29, 1972, this House passed H.R. 11896 and \$18 billion of the \$24 billion authorized by that bill goes for precisely the same purposes as are described in the bill before us today, H.R. 13853.

Also just before our recent recess we passed a general revenue sharing bill

where for the first year \$5.3 billion will go to State and local governmental jurisdictions to be used in any way they see fit, so that this money can be used to build sewer and water facilities.

Also in 1971 we passed the Emergency Employment Act where we actually appropriated \$2 billion for 2 years, fiscal years 1972 and 1973, to take care of unemployment on an emergency basis.

By passing the bill before us today, H.R. 13853, all we are really doing is putting layer upon layer upon layer of Federal grants for precisely the same purposes.

Actually, any time a local governmental jurisdiction builds a sewer or water facility, as soon as that facility is completed and connections are made to it these facilities become revenue producing. The revenue from the users costs can actually amortize the bond issues floated to build the facilities and take care of the operation and maintenance costs.

Where you have a number of small municipalities they have found it convenient to band together and form an authority and do exactly the same thing a larger municipality can do.

Whenever a local municipality borrows money for a bond issue the interest that is paid on those bonds is tax free. Actually, municipalities today are floating bond issues at an interest rate of 5.2 percent per annum or less.

While we do have the ceiling of 4.5 percent interest per annum on long term Federal borrowing, the fact is that any time the Treasury Department is forced to go out on the market and borrow money only a small percentage of the desired amount of money is raised through 4.5 percent Treasury savings bonds, which are actually long term borrowings.

Over 80 percent of the borrowing done by the U.S. Treasury is made through short-term borrowings at interest rates which approach 7 percent per annum, and sometimes even more than 7 percent.

Also when a local government borrows money through a bond issue they are required to pay that money back in a given period of time selected by the local government. The most popular term is 20 years, so that after 20 years the bond issue has been amortized, and the facilities continue to operate.

When the Federal Government borrows money all we do is add on to our national debt, and actually, with our national debt being as high as it is, and with a grand total of almost \$30 billion annually being paid in interest on the money we owe, it is our Federal Government that is in danger of running out of credit.

In the case of local governments that have shown some foresight and have built water and sewer facilities, many of them without any Federal aid at all, they are charging approximately \$50 per year for their water service, and approximately \$32 per year for their sanitary sewer service, with sewage treatment plants with a high degree of secondary treatment.

In this bill the statement is made:

Tax and other financial resources currently available to local governments are being strained beyond their capacity to provide vital community facilities.

I do believe the programs which this House and which this Congress has passed to give States, counties and our major cities the help that is needed. Therefore, we do not need 100-percent Federal grants to get this country further into debt.

I would say this, that today the EPA is making grants for sanitary sewage treatment plants, for the construction of interceptor lines which feed the sanitary sewage treatment plants, and the fact of the matter is that all this bill is doing—and let me repeat this—is adding layer of Federal grants upon layer of Federal grants for precisely the same purpose, and endangering the financial structure of this great country of ours.

So I urge that this bill today will be defeated.

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

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

The CHAIRMAN. The Chair will count. Seventy-four Members are present, not a quorum. The Clerk will call the roll.

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

[Roll No. 270]

Abourezk	Fulton	Podell
Anderson, Tenn.	Gallagher	Powell
Ashley	Garmatz	Pryor, Ark.
Badillo	Goldwater	Randall
Blanton	Hagan	Rhodes
Blatnik	Hansen, Wash.	Rooney, N.Y.
Boland	Hébert	Rosenthal
Bow	Jones, Tenn.	Ryan
Broomfield	Lennon	Scheuer
Carey, N.Y.	Long, La.	Seiberling
Celler	McClure	Shibley
Clark	McEwen	Spence
Davis, Ga.	Miller, Calif.	Springer
Diggs	Mills, Ark.	Steiger, Ariz.
Dingell	Mink	Stephens
Dowdy	Mosher	Stuckey
Edmondson	Murphy, N.Y.	Thompson, N.J.
Evins, Tenn.	Obey	Wampler
Flynt	Passman	Wiggins
	Pepper	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Sisk, 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. 13853, and finding itself without a quorum, he had directed the roll to be called, when 374 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WYLLIE).

Mr. WYLLIE. Mr. Chairman, I rise in opposition to this bill just as I rose in opposition to a similar bill on September 10, 1970.

This bill, in my judgment, makes a mockery of the authorization and appropriation process. Two years ago we passed a bill which authorized \$1 billion addition for sewerage facilities. On April 26 of this year 1972, the gentleman from Georgia (Mr. STEPHENS) who was the sponsor of that authorization bill, offered an amendment on the floor of this House to increase the appropriation by an additional \$650 million to bring the appropriations for sewerage facilities up to the \$1 billion authorized by the 1970 act.

During the course of debate, the gentleman from Mississippi (Mr. WHITTEN) opposed the amendment and suggested that there is \$700 million in backlog funds, as he put it, now available for sewerage facilities.

The gentleman from Michigan (Mr. GERALD R. FORD), the minority leader, made the point and the matter was finally resolved that there is \$600 million in appropriated backlog funds for fiscal year 1972 which was then about to expire.

Then the gentleman from Texas (Mr. MAHON), the chairman of the Committee on Appropriations, took the floor and spoke in opposition to the amendment, and in his words said:

But with a total in excess of \$600 million still available in the overall, it just seems almost irresponsible, with all due respect, to consider adding \$650 million to that at this time.

This would indicate that the House thinks money grows on trees. It would indicate that we are not aware that these huge amounts of uncommitted funds are available.

And therefore he opposed the amendment.

The gentleman from Georgia (Mr. STEPHENS) who offered the amendment, could not get 20 people to stand up for a teller vote on that occasion. I know this is a little different situation today in that this is an authorization, but already this House has passed the Water Pollution Control Amendments of 1972 and the bill is pending in conference which would authorize \$5 billion for sewerage treatment facilities for fiscal year 1973. We have passed a revenue-sharing measure which would authorize \$3.5 billion for sewerage treatment facilities for fiscal year 1973, a total of \$8.5 billion. Now we are in the process of authorizing an additional \$5 billion. Where in heaven's name is all this money coming from, and why are not we using the money that has already been appropriated under the previous authorizations?

There is another reason why I am opposed to this bill today. It would penalize the cities which have been responsible and which have issued general revenue bonds, such as the city of Columbus, which I represent, and which have financed new sewerage treatment facilities on a 50-50 basis, and with municipal bonds, as the gentleman from Pennsylvania (Mr. WILLIAMS) pointed out, which are tax free.

If the money is authorized and appropriated under this type of operation with a 100-percent Federal grant, the Federal Government will have to borrow the money, and it will have to pay interest on it. It just is not fiscally responsible. It is not good financing.

The alleged purpose of this proposal is to provide adequate Federal funding for local water and sewer projects, provide a modicum of fiscal relief to communities, and reduce the unemployment rate. Now these, indeed, are worthy

causes for the Members of this body to pursue. With the prospect that supporters of this bill will be able to announce a \$5 billion increase in public works construction spending during an election year, the measure's attractiveness becomes all the more apparent. After all, who can be callous enough to be against clean water and jobs in a year when he must face his constituents at the ballot box.

I would like to strongly suggest, however, that there is another side to this proposal that warrants most serious consideration and debate. Now no one doubts that there is a genuine need for improved basic public works in the area of water and sewer systems. This is the logical result of population growth and the new public demand for environmental restoration. The fact that the unemployment rate could stand a further reduction is also not in question. The difficulties which the approach envisions in this bill is that it attempts to deal with problems already provided for in legislation which has passed the House.

It would authorize \$5 billion in Federal water and sewer system grants of up to 100 percent of the local cost. This would overlap the program currently pending in two bills passed by the House.

The water pollution control amendments envisioned a system of reasonable user charges to help finance a facility. Local governmental authority can borrow money to match the EPA grant by the issuance of nontaxable interest rate bonds. This allows municipalities to borrow money at lower rates than the Federal Government because the interest on Federal paper is taxable.

The \$5 billion authorized in H.R. 13853 will for practical purposes be money borrowed by the Federal Government operating on a budget already billions of dollars in the red. Users fees and a municipalities share coupled with an EPA grant is certainly a reasonable approach to finance these needed public works which envisions that all parties concerned will pay their fair share.

In addition to the \$18 billion authorized in the water pollution control amendments, the House passed State and local fiscal amendments acts—local government high priorities expenditure trust fund—provides \$3.5 billion that can be used for sewerage treatment and collection systems. The revenue sharing bill also provides \$1.5 billion for State governments on a no strings attached basis that could be used for water and sewer projects if a State so desired. In total, the House this year has already authorized \$23 billion that could be used for the purposes envisioned in the bill before us today. In 1971 the total expenditures from all sources for water and sewer construction amounted to only \$2.06 billion. The funds already authorized by the House this year obviously exceed last year's water and sewer funding levels by \$21 billion. We must remember that these funds in this bill are Federal dollars only and that under existing and new Federal pollution programs Federal dollars will be

augmented from other sources. The two bills already passed will provide an economic stimulant far beyond that envisioned by this bill and do it in a manner that will be less burdensome as far as our national debt is concerned.

If I may be perfectly candid, this bill appears to be an effort by the majority party to further unbalance the budget, create duplicate Federal functions, and place the administration in the undesirable position of being against sewage treatment plants and for pollution. But one can expect such tactics in an election year. I ask that you vote responsibly against this bill.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut (Mr. McKINNEY).

Mr. McKINNEY. Mr. Chairman, I have unemployment in my district. It is one of the most grinding problems of my particular congressional office. I also have the same battles that most of the Members of this House do for water and sewer grants. They also are one of our largest problems, and we are told that this bill will be the be-all and end-all for these problems across America.

Let us look at the truth. Nobody would like to do more about unemployment than I would, but what are the facts of this particular bill. We are proposing that we put into the Housing and Urban Development body of the executive branch \$5 billion when they have up to this point under the 702 program been administering \$200 million—per year.

The present lag time of one sewer project going through HUD is anywhere from 8 to 18 months, so that to say to the American people this particular project is going to supply instantaneous jobs has got to be the ludicrous, usual political cry of a political year, where we promise the people of this country something and in effect give them nothing. It is the old principle of this particular body and the opposition party of holding up the plum and when someone goes to reach for it he finds it is not there.

Now we are told about the tremendous backlog of need. We are told it is almost \$12 billion. Let us analyze that just a little bit. Under the 702 program of HUD, \$4.7 billion worth of projects did not meet the guidelines and were automatically turned down. Then \$2.8 billion worth of projects were withdrawn from those who had put them in. This leaves us with in effect a backlog of \$1 billion.

So, is there a need? Yes. But what does this bill do? This bill adds to the duplication of programs which this Congress has passed. If the need is so great where are the conference reports? That is known only to those in conference, we still cannot bring them forth on this floor.

We have sat with the EPA legislation in conference. If there is a desperate need for this type of program, then why has it not come back to us to be seen?

Let us go back and look at the fact that they claim that it will alleviate unemployment if we pass this particular bill. We are proposing pouring \$5 billion which we do not have, on top of \$13 billion in the EPA bill, on top of \$5 billion in revenue sharing, and we propose to

pour this \$5 billion into one of the most specialized industries in the United States.

It does not take a genius nor even a contractor to look at the facts and figures and realize that there is no possible way that this industry could absorb this money over the next 3 years, if it tried with every single aspect of its present production. To turn around and say in this highly unionized, highly specialized business that we are going to give employment to the people who need employment is to lie to the American people about the pragmatics of what is going to actually happen.

Let us take a look at what we would do to the executive branch. How is it possible we could expect HUD, which cannot effectively process today the sewer grants in front of it, to process \$5 billion more with any type accuracy or any type fairness?

We know if we command them with this legislation, they will take the first in and sign it and accept it, and there will be no fairness and no priorities and no justice in the way the money is spent.

How do we know this? First of all, let us look at the testimony. The testimony is very interesting in this matter because never were we allowed to hear anyone who was in an adversary position against this bill and never were we allowed to hear anybody who administers this type program. But we did hear from one gentleman who appeared before our committee whose testimony was very damaging. He said his city was going ahead with a program, but if this bill went through with 100-percent Federal financing, he said what he would do, of course, is re-submit for 100-percent financing, thereby pointing out his city was going to be putting the full load on the Federal Government, whereas other cities throughout the districts of other Members and throughout my district are carrying their own part of the load.

I think the problem we are facing is very simple. It sounds great and, boy, in an election year it must be nice to be able to go back and say we are for motherhood, peace, and for sewers and for pure water, but I think the people must be sick and tired of having this body in particular hold up these bills, promising everything but not building the machinery necessary to truly deliver. I think it is time Congress realized its first trust is to the taxpayers and their pocketbooks and not to congressional political progress.

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

Mr. McKINNEY. I yield to the gentleman from Kansas.

Mr. SKUBITZ. I note that in the hearings there are pages upon pages of projects listed in each of the congressional districts. Are these supposed to be projects that would be funded if this legislation were enacted into law?

Mr. McKINNEY. Those projects are meant to show the need within those districts and projects that could be financed.

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

Mr. WIDNALL. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. SKUBITZ. The reason I asked the question is that I looked over the list last night, and found that my hometown is listed in 10 places. After calling the agency and calling my hometown today, I find that nine of these projects were withdrawn, and one of them is completed. The whole table is misleading.

Mr. McKINNEY. The gentleman is correct; that is an indication. I gave the exact figures, that \$2.8 billion have been withdrawn and \$4.7 billion did not fit the proper criteria.

It is a habit of towns and counties and governmental units and authorities to put in a duplicity of grant requests, in the hope that one of them will go through in one way or another.

One point which was mentioned is that there are probably more than 18 different ways in which one may apply for sewer grants in this country, and this adds to the confusion.

Mr. SKUBITZ. As to the other projects in my district, 98 percent would not qualify under the criteria of the act.

Mr. McKINNEY. I thank the gentleman.

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

Mr. PATMAN. Mr. Chairman, I will yield to the gentleman from Connecticut, if he will yield to me. I yield the gentleman 2 minutes. I should like to ask him a question.

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

Mr. PATMAN. Is it not a fact that most of these projects, or a large number of them, were withdrawn because they were told by HUD that they had no future, that HUD had no money to fund them, and they might just as well not insist on them? Not only did HUD induce people to withdraw them, but they refused to accept additional projects in many regional offices of HUD.

Mr. McKINNEY. Some were withdrawn. I believe the gentleman has one point there.

Some were withdrawn for that reason, and that the community had received, per se, over its share in the region. Some were withdrawn on the basis that the criteria and the base facts for the application were not correct. Some were withdrawn for the reason that the region for that period had run out of money.

If the figures are checked in the IBM runoff which is produced in our brochure, Members will see that many communities have the same project listed as many as five or six times. They were put in under various aspects, and were withdrawn for different reasons.

Mr. PATMAN. Is the gentleman acquainted with the report made by the League of Counties that their survey shows needs of \$33 billion to supply all of the needs of the people wanting water and sewer projects in the country? \$33 billion.

Mr. McKINNEY. I have read the report, and if we had the time I would have some contention with some of their statements.

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

Mr. McKINNEY. I yield to the gentleman from Kansas.

Mr. SKUBITZ. As is shown on page 836 of the hearings, I call attention to the fact that in six straight instances they refer to my hometown, to the same project. In one instance they list Pittsburg, Kansas, and when one goes to the description it is talking about a State hospital, Cowley.

Mr. WIDNALL. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I represent a wholly suburban constituency. Of all the myriads of Federal programs, the ones that mean the most to my constituency, and in fact the only ones we really desperately need, are sewer and water grants. Therefore, I will strongly support any reasonable sewer and water program. I support the statement of the distinguished gentleman from New Jersey (Mr. WIDNALL) that we have not done enough.

Unfortunately, H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972, is altogether unreasonable. Therefore, I am compelled to vote against it and to urge all of my colleagues to do the same.

In the first place, this bill provides for an unbudgeted sum of \$5 billion of expenses to fill an estimated need of \$2.1 billion in a time of enormous budget deficits. Worse, it provides for immediate so-called back door type of spending. Five billion dollars more would have dreadful inflationary consequences. The bill has a secondary inflationary force. Since it would provide for an immediate expenditure of funds in an area where most construction resources are already programed, it could not help but bid up the cost of construction. The double force only increases the disastrous inflationary effects of this bill.

Second, the bill before us duplicates and overlaps many existing programs, and is therefore not necessarily urgent for our consideration at this time. Sewer and water is of such a high priority that the Congress has a responsibility, even in times of deficit, to help provide these services. Impounding of sewer and water fund cannot be tolerated.

However, H.R. 11896, the Water Pollution Control Amendments of 1972, as passed by the House, provide for \$18 billion which is available for construction of collection systems as well as treatment plants and interceptors. These grants, which could go up to 75 percent, at least provide a little initiative rather than the 100-percent giveaway programs under the bill pending before us. In addition, H.R. 11896 carries the incentive that requires user charges and the application thereof to improvement of the system—a feature forgotten in this bill.

In addition to the funds which will be available under the Water Pollution Control Act, there are at least two dozen other programs of Federal assistance administered through the Department of Agriculture, Department of HUD, Department of the Interior, and the Environmental Protection Agency, which bear

on this problem. Overlapping jurisdiction causes overlapping programs and overlapping spending.

Third, one of the reasons for promoting this act on an emergency basis is that it will relieve unemployment. The heavy weight of thinking by this country's best economists is that public works programs such as this one are the slowest to have any effect at all on unemployment. Even if the funds were all committed immediately, and even if there were enough skilled personnel to handle these jobs, it would be years before these projects would be in high gear. Although our economy is on the rise, unemployment is still a problem. However, this bill is not an effective way to attack unemployment. The allegation of 1,000,000 new jobs is the wildest kind of speculation. For the record, unemployment in the construction industry was computed at 613,000 in March, but has declined to 375,000 by June of this year.

Further, none of us has any way of knowing how these funds are going to be allocated. Surely the supervising Department of HUD does not. It was not even invited to the single hearing the bill received. The sewage needs are in the rapidly developing suburban areas. This bill would put them in low-income, low-employment, or threatened low-employment areas on a priority basis. Therefore, the bill seems far more concerned with unemployment, in which area it will have little effect, than with the enhancement of our country's threatened environment.

Fifth, the published record of hearings indicates an enormous backlog of unfilled projects. Indeed there are many. However, the record of hearings shows exaggerated figures in that all applications between 1966 and 1971 are included, whether they are still pending, have been completed, or have been withdrawn. In addition, the tables furnished include storm drain programs, replacement facilities, and other items that are less than emergency in nature. All the record of hearings does is to present us a fat book to give the erroneous impression that the committee actually studied the program, when in fact it did not, and to present an exaggerated view of urgency.

Finally, perhaps the worst feature of this whole bill is the consideration which it got in committee. We will probably spend twice as much time on this floor with this bill than the committee spent in its consideration. I am a member of the Banking and Currency Committee. I miss very few meetings. I missed one meeting at which all of the witnesses on this bill were heard and at which the bill was marked up and sent to the floor. I do not feel so badly about missing the hearing, because I am informed that other such important people as the Secretary of HUD, who would be charged with administering the bill, also missed it. He wasn't even invited. Had I been present, I would not have voted for it.

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

Mr. FRENZEL. I would prefer to yield when I have finished with my statement.

Mr. PATMAN. Mr. Chairman, if the gentleman will yield for only this comment in connection with the Secretary of HUD, did the gentleman say he was not heard in the committee?

Mr. FRENZEL. That is correct.

Mr. PATMAN. He was invited, and he was out of town the day he was supposed to appear, and he did not ask to come back. We would be glad to have heard him at any time, and we will hear him at any time.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman from Texas for his contribution, and I am very much reassured and delighted that he was invited, but actually at no place in the record is there anything of his statement, or a record of his letter.

Nowhere in the hearing record, nor the committee report, is any case made for the total \$5 billion amount, nor the time frame of the spending. I am told that the actual estimates of the immediate need are less than one-half of the amount shown in this bill. The distinguished chairman of this committee determined that it was absolutely essential that this bill come to the floor now. As I recall, nearly every bill that comes from this committee comes as an emergency "of the highest magnitude."

The eyes of the country are upon the Congress and its procedures and its deliberations. Just before adjournment, we accepted in this House a Senate amendment of 38 pages and billions of dollars of consequences, which the vast majority of us had never seen. Today we are being asked to accept one of the largest expenses of money that this country has ever approved, with 1 day of hearings and no testimony from the executive department which will be responsible for this bill. One might say with some justification that the bill has at least a slight odor of politics on it.

In conclusion, Mr. Chairman, I reaffirm my strong commitment for programs which will help provide sewer and water facilities which are needed throughout this country. I believe that our responsibility is covered at least in the immediate future by the Water Pollution Act amendments and by the many other Federal programs to which I have already referred. The bill before us, H.R. 13853, is inflationary, ill-considered, and ineffective in combating unemployment. It cannot do what its authors say it is meant to do, except over a long period of time, and at a dreadful expense, which will inevitably be laid on those that it seeks to help. Its false promise of instant clean water and an instant 1 million jobs are part of the "old politics" this country seeks now to abandon.

I intend to vote against this bill, and I urge all of my colleagues to do so, too.

Mr. WIDNALL. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, as the current campaign season has moved into full swing during the last 2 months or so, a great range and variety of public concerns, grievances and dissatisfactions have been brought to the attention of those of us which have been

entrusted with carrying out the wishes of the electorate. But among that sometimes confusing cacophony of voices, I think at least three strongly felt and widely shared concerns have stood out: First, massive dissatisfaction with the rising and increasingly heavy burden of taxation which bears down upon the average citizen; second, a widespread lack of confidence in the processes of Government and its ability to effectively deal with the mounting range of problems and difficulties confronting the Nation; and finally, a feeling that despite the important successes of our current economic stabilization program, the insatiable wolves of inflation continue to consume too much of the weekly paycheck.

Now I make these observations because I think they bear rather directly upon the measure before us today. Can anyone here seriously believe that we would enhance the credibility of this body, can anyone honestly argue that we would bolster public confidence in the wisdom of its elected officials, if we were to approve this multibillion dollar measure before us that has been subjected to the sum total of 4 hours of committee hearings? Hearings in which the only four witnesses had obviously vested interests in increasing the level of funding for this program no matter what the consequences for other important public policy objectives? And hearings to which the administering agency, the Department of Housing and Urban Development, that is to be charged with implementing an unprecedented crash program was not even invited to testify?

Mr. Chairman, putting the substantive questions aside, and with all due respect for my esteemed colleagues on the majority side of the Banking and Currency Committee, I must say that never in my years in Congress—including the salad days of L.B.J.'s famous automated legislation mill during the 89th—can I recall an occasion when a serious matter has been treated so lightly, so cavalierly by a standing committee of the House. Is it any wonder that our public credibility has eroded to the vanishing point?

Mr. Chairman, I am especially dismayed by the extravagant and misleading claims made by the committee in behalf of this measure. We are told that there is a huge backlog of applications for the HUD 702 water and sewer program amounting to more than \$12 billion, and that because of this massive need a crash program is warranted. According to the committee such a program will have the doubly fortunate effect of both helping to achieve our national goals of environmental restoration and enhancement, and also of putting almost 20 percent of those currently unemployed back to work. Both of these claims are without foundation.

In order to validate its claim regarding the backlog of need, the committee reprinted in the otherwise meager record of its hearing a 900-page table listing applications for the 702 program. Apparently the massive character of this document is supposed to establish the case without any further analysis or interpretation. But just in looking through the 83 applications listed on the first 10

pages, I found that more than 25 percent were submitted in 1966, the first year of the program, and that over 54 percent were submitted prior to 1968. Now I recognize that the wheels of our great bureaucracies turn slowly, but it hardly seemed likely to me that all these applications could be still pending after 6 years.

A check with HUD revealed that, indeed, they were not. The table submitted by the committee is nothing more than a record of all the applications that have been made since the program began, and has nothing whatsoever to do with the volume of active applications as of June 1972. In fact, of the total project costs of over \$12 billion contained in that table, only \$2 billion are still active. The others have been disposed of as follows:

One and eight-tenths billion dollars were for projects that fall outside of HUD's jurisdiction and are not eligible for funding under the 702 program; \$1.6 billion have been withdrawn voluntarily by the local submitting parties; \$4.1 billion have been rejected by the Department because they do not meet the eligibility criteria and requirements of the program; \$700 million have been referred to other more appropriate agencies and programs; and \$2.7 billion have already been approved for funding.

Thus we end up with a figure regarding the backlog of applications that is only 15 percent of that claimed by the committee. One can certainly understand that in matters like these, figures are not always precise and that some margin of error must be expected. But to err by a factor of six, to claim a backlog of need that does not even remotely approximate the true figure is disingenuous at best, and, at worst, borders on an outright attempt at deliberate deception. Is it any wonder that public opinion, poll after poll, reveals that Americans do not trust their elected officials?

Mr. Chairman, the committee also claims that this measure will reduce unemployment by 20 percent. That is patent nonsense. If anything, it will increase not employment, but inflation by 20 percent. And here I am not talking about general inflationary pressures that would result from increasing the Federal deficit by another \$5 billion, although that certainly is reason in itself for skepticism about this bill; rather, I am talking about the devastating effect that a massive and precipitous increase in this kind of expenditure would have on the construction industry—already the most inflationary segment of the entire economy.

Some of you may not be aware of this, but the installation of water and sewer line facilities is a highly specialized construction activity. For the most part, it requires highly skilled labor—operating engineers, welders, plumbers, et cetera. You are not just going to go down to the local unemployment office and hire the marginally skilled unemployed.

In fact, in 1971 the total amount of expenditures from all sources for water and sewer line construction amounted to only \$2.1 billion. Yet, in this bill, we are proposing to spend at least \$3.3 billion more for this purpose in the coming fiscal year, and, as a number of my colleagues have pointed out, probably a couple of

billion beyond that would be available under the water pollution control amendments and the revenue sharing bill.

So, in total, you are talking about raising the level of spending for water and sewer line construction from the current level of \$2 billion per year to at least \$6 billion, and possibly more during the coming fiscal year. I would submit that you do not need a Ph. D. in economics to understand that increasing the level of demand on an industry by 200 percent in a very short period of time will simply drive prices right through the ceiling.

And, Mr. Chairman, let us not forget about the severe inflationary problem we have on our hands in the construction industry already, especially the specialized segment of which performs the type of projects proposed to be funded by this bill. Consider these facts: during the 1-year period prior to the imposition of the freeze last August wage rates on the five principal crafts employed on water and sewer projects were increasing as follows:

	Percent
Operating engineers.....	11
Carpenters	11
Laborers	13
Plumbers	13
Welders	14

Now when you remember that all of these crafts are highly skilled, except for laborers, and that it takes years to significantly expand the supply of craftsmen—you do not hire journeymen off the street—and when you recall further that we are in the biggest housing boom since World War II, you can come to only one conclusion: a crash program of the variety proposed here will not reduce the unemployment roles; it will merely touch off a new, devastating round of wage inflation in the construction industry, that the CISC or any other stabilization agency will not be able to control, and that will put more construction workers out of jobs than it will help.

And, I would add, the problem is not on the wage side alone. During the year prior to the freeze, the five main materials used in water and sewer line construction were also subject to strong inflationary pressures:

	Percent
Aggregate	4.2
Clay pipe.....	7.8
Concrete pipe.....	15.2
Lumber	52.2

Mr. Chairman, the simple and obvious result of these rising prices for the material and labor inputs used in water and sewer construction has been a rapid acceleration in the cost of installing such facilities. A special water and sewer line price index developed by EPA, for example, shows an annual rate of price increase of only about 3 percent during the early 1960's. But in response to growing demand for construction of these facilities in the late 1960's, the rate of increase rose to 8.5 percent annually, and last year—during 1971—the rate of increase rose still further to 11.5 percent.

Thus, in light of these trends, and in light of the fact the EPA has testified before the Public Works Committee that the maximum annual growth rate for the segment of the construction industry in-

volved in these projects is only 25 percent—in light of that, can anyone deny that a 200-percent increase in expenditures will send prices spiralling upward in a runaway fashion?

Mr. Chairman, in conclusion, let me return to the point on which I began. By approving this hastily conceived and politically motivated piece of legislation, you are not going to enhance public confidence in the wisdom of this body or in the effectiveness of government; you are not going to answer the rising chorus of complaints about taxes because this measure will only hasten the day when we have to raise Federal taxes to meet our commitments; you are not going to put the unemployed back to work; and you certainly are not going to ease public concern about inflation.

No, you are going to do the opposite: you are going to make one more promise that cannot possibly be fulfilled in a responsible manner; you are going to rekindle the fires of inflation just at the point at which we are beginning to get those pressures under control; and you are going to add just one more layer and complication to our already tangled system of Federal aid. This is a terrible piece of legislation and it should be sent right back to the committee with the same dispatch by which it was heard, marked up and reported out.

Mr. WIDNALL. Mr. Chairman, I now yield 3 minutes to the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Chairman, the purpose of my taking these 3 minutes is to call to the attention of the committee that this bill does not restrict its purposes to water and sewer facilities. We have given all of our attention during debate up to the water and sewer facilities provisions of the bill as though this bill is strictly to go out and clean up the waterways and to assist in the construction of sewage facilities.

Let me call to the attention of this body that this bill is really a very broad and a very loosely drawn bill. It contains two additional purposes for which grants can be made, the first being based upon water and sewer facilities; and the second being to construct neighborhood facilities needed to enable the local governments to carry on programs of necessary social services.

How loose a piece of legislation can we be dreaming of to say that we are going to allow local communities to construct neighborhood facilities for necessary "social services"? What is a "social service"? It is stated over here on the next page. The Secretary must determine that such neighborhood facility is:

(1) Necessary for carrying out a program of health, recreational, social, or similar community service—including a community action program approved under title II of the Economic Opportunity Act of 1964.

I just saw on the wire service that a request is being made in California for a General Accounting Office audit of the illegal activities in the Equal Opportunity Agency in that State. So it is not enough that we find the Economic Opportunity Act is being abused in States under its own provisions of the law and under its own authorizations, but now

we are about to come in under the Banking and Currency Committee and give them some little additional money for waste purposes. We do not even define what needs should exist in a community before such recreational or social programs are initiated. What is a recreational need? Maybe they can even buy land for a teeter-totter court.

But let us go on. They would have a provision whereby they could acquire in a planned and orderly fashion land to be utilized in the future for public properties. Surely no one is going to argue that land acquisition is going to contribute to job employment in this country. Yet in this bill we could take all \$5 billion and spend money to buy land which could just lie fallow for the next 5 or 10 years, and nobody can contend that will increase employment in this country one iota.

I am glad we have had this 3 hours of debate. It has elucidated for the members of this Committee and the Members of the House how poorly drawn this piece of legislation is. I urge the Members to vote down this bill.

Mr. WIDNALL. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Chairman, the gentleman from Illinois (Mr. ANDERSON) and the gentleman from Minnesota (Mr. FRENZEL) have certainly presented a very persuasive case against this legislation.

I voted for the accelerated public works bill on April 22. I also supported the conference report on June 15, 1971, but as much as I want to help the cities and the rural areas of this country develop their sewage disposal needs and meet their water problems, I cannot in good conscience support this legislation. I intend to vote against it.

Mr. Chairman, the pending bill, mislabeled the Emergency Community Facilities and Public Investment Act of 1972 is fiscally irresponsible, is misleading, and is a snare and delusion to the communities it purports to help.

If the opportunity is afforded me, I shall vote for the amendment that would prohibit any appropriations of funds under this authorization unless the fiscal year's budget is below \$20 billion.

Thereafter, I shall vote against this bill on final passage.

I believe, Mr. Chairman, that it is appropriate that we consider the pertinent facts that surround this travesty of legislation before us.

Consider first that a bill proposing \$5 billion in authorizations is brought before us after 1 day of hearing; I repeat a single day of testimony. Four witnesses appeared, all of whom have more than a cursory interest in more and more Federal spending. More important, no administration witness was called including none from HUD, the agency charged with administering the measure if it were to be enacted. In my 10 years as a Member, Mr. Chairman, I have never heard of a more outrageous, a more cavalier, a more arrogant method of legislating.

Of course, it is clear why HUD representatives were not permitted to testify. The agency vigorously opposes the meas-

ure, pointing to a Presidential veto of a similar make-work legislative program last year and noting that the conditions that did not justify last year's measure, even less so justify this proposed boondoggle this year.

But the committee did not hesitate to insert into its report recommending the bill a vast computer printout it obtained from HUD listing thousands of purported projects throughout the country on file with HUD. The purpose seemed to be to confuse Members of this body, to agitate them in the belief that in each congressional district exists large numbers of projects now pending that urgently require funding. The committee's report fails to explain that the HUD computer printout is cumulative, covers projects that have been completed, includes scores of other projects that have been withdrawn, and as used in the report is completely misleading to Members who are not on the committee and who do not have an intimate knowledge of details.

In the few hours available to me since the bill was scheduled, I made a quick check in my Fifth Kansas District. Simply by way of example, six different applications are listed for the city of Pittsburg, my hometown. Yet all are part of a single project and all were withdrawn in 1966, 6 years ago. Another example lists two applications for Ark City but these covered a single project and were withdrawn in 1967. The committee report shows the city of Winfield with the single largest project totaling slightly over \$5 million but that project was completed in September of last year and has been closed out.

And Mr. Chairman, what are the standards by which projects would be eligible for aid under this bill? Since its purported purpose is to relieve unemployment, it applies the eligibility standards set forth in the Economic Development Act of 1965. What are those standards?

Why simply that unemployment levels must be at least 50 percent above the national average for 1 year, or 75 percent above the national level for 2 years, or 100 percent above the national level for 3 years. Under those standards, I doubt that 1 percent of the communities in my congressional district would qualify for a grant under this measure.

Mr. Chairman, this bill would duplicate the authorizations already made in whole or part by at least five other measures that provide funding for the same kind of projects, three of which are law and two of which this House already has passed. The Housing and Urban Development Act itself, as we know from the distorted computer printout before us, handles such projects. The Federal Housing Act and the Farmers Home Administration Act both provide funds for water and sewer projects. The Federal Water Pollution Control Act which we passed last March, provides for some \$24 billion to be spent over a period of 3 years for sewage cleanups. More recently we passed the Revenue Sharing Act, strongly supported by city and State governments as a potential bonanza to help fund such local projects.

Moreover, in all of these cases, the laws require sharing of costs ranging from 50-50 to 60-40. In the pending measure grants up to 100 percent are possible. What is the justice and equity to those communities that have already bonded themselves for substantial indebtedness for matching grants? Shall we now go back and provide that the Federal Government make good their payments so that they shall not have been discriminated against?

No funds have been budgeted for this \$5 billion proposal before us. This means that we would add to the current deficit and to our mounting Federal debt.

What is proposed here is the height of fiscal irresponsibility. It is a political ploy pure and simple, designed to embarrass those who would oppose it. It is a move by the opposition party to appeal to the unemployed as their saviours when indeed the employment it would bring about would be largely to skilled crafts whose members are already fully employed. The net effect would be to create a further upward spiral in wages without benefit to those unemployed who need work most.

Most importantly, Mr. Chairman, it is wrong because it makes a mockery of what we do here. We have witnessed a year in which we had a huge budget deficit and we are nearing the end of another year with perhaps upwards of a \$30 billion deficit. We have a \$450 billion debt and more piling up. It is indefensible to ignore these grave fiscal facts simply for political purposes. We must reject any such move to hold us hostage for campaign maneuvering.

Mr. PRICE of Illinois. Mr. Chairman, a sagging economy and backlog of sorely needed public facilities make the Emergency Community Facilities and Public Investment Act of 1972 imperative. Its \$5 billion authorization will generate an estimated 500,000 jobs while providing depressed areas with adequate sewer and water facilities commensurate with today's ecological standards.

Mr. Chairman, I would like to point out that I have sponsored and will continue to sponsor such legislation as will bring Federal money into our communities creating both employment and industry. Presently, I am the sponsor of two bills that aid local governments caught in economic crises: The Economic Disaster Assistance Act and the accelerated public works program. These bills are presently before the Public Works Committee for final consideration. The Economic Disaster Assistance Act can provide an input of \$1.25 billion to regions of economic disaster. The accelerated public works program authorizes an additional \$475 million for special impact areas of great economic need. The Economic Disaster Assistance Act and the accelerated public works program in combination with the Emergency Community Facilities and Public Investment Act of 1972, I believe, is vital legislation that aids our failing communities and must be supported.

Meeting the acute need of adequate sewer and water facilities is crucial to community expansion and economic development. The National League of

Cities, on the basis of a recent survey, estimates that a total of \$33 to \$37 billion will be needed for sewage treatment facilities alone in communities throughout the Nation during the period from 1971-76. The 24th Congressional District alone at this time has 42 applications for sewer and water grants and loans before the Department of Housing and Urban Development for an aggregate amount of \$73 million total cost. The following data will list the applicants by area and amount requested:

APPENDIX

(The following material was submitted by the Department of Housing and Urban Development for inclusion in the record:)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, WATER AND SEWER PROJECT DIRECTORY

The Project Directory is prepared by State within HUD Regions listing all projects in numerical sequence. The page heading includes: Region Code (0 through 9 with 0 equal to 10); State Code, and State name.

Column headings and definition description

Project Number: Project Numbers assigned to Application/Project after jurisdictional acceptance by HUD.

I.A. Number: Preliminary Project Control Number assigned prior to "jurisdictional acceptance."

Congressional Districts: The Congressional District Code(s) related to the Project locations.

Name of Applicant: Self Explanatory—Also includes applicant address, i.e. City and County names.

City-Location-County: Project Location(s), City and County names.

Pop: Population Code—(see codes in reporting procedures).

Type Facility: Type of Facility Code consisting of four (4) numeric digits that describe the facility or facilities to be developed by the project.

Inquiry (Inq): Date (Month, Day, Year) Inquiry received.

Pre-Conf: Disregard—No longer used.

Appl. (Apl): Date Full Application received.

Fr. Made (Fr): Date Fund Reservation made.

Approv. (Apr): Date of Approval—Public Announcement.

Agree (Agr): Date Agreement/Contract signed.

C-Start (CS): Date of Construction Start.

C-Comp (CC): Date of Construction Completion.

CL-Out (CL): Date Project Closed-Out/Completed.

Grant: Federal Grant Amount—Current/Net Amt.

Loan: Federal Loan Amount Requested—represents supporting loan.

Total Cost: Estimated Total Cost of Project.

Reloc: Relocation Code (*)—Indicates relocation involvement.

Status and Date: Current Status of Project and date of that status, i.e., codes INQ, APL through CL above also attrition codes when applicable C-1 through C-5, D-1 through D-4, and W.

SMSA: Standard Metropolitan Statistical Area Code (when applicable to location).

EDA: Economic Development Area code (when applicable to location)—type of ED Area.

PWP: Public Works Planning project in tandem with W&S project.

PFL: Public Facility Loans project in support of W&S project.

Population codes

Population range:	Code
Under 500	1
500 to 999	2
1,000 to 2,499	3

2,500 to 5,499	4
5,500 to 9,999	5
10,000 to 24,999	6
25,000 to 49,999	7
50,000 to 99,999	8
100,000 to 249,999	9
250,000 to 499,999	10
500,000 to 999,999	11
1,000,000 or more	12

TYPE OF FACILITY CODE

Note: Code assigned to the title of the project category is used to illustrate the general coding scheme. First three digits are shown; the fourth digit is to be inserted.

Coding structure

1. First digit indicates Principal Category
2. Second digit describes Sub-Grouping
3. Third digit is assigned to individual items under Sub-Group
4. Fourth digit illustrates the following:*

0. Not known whether facility answers description set forth in items 1 through 4, following.

1. Construction of new facility

2. Expansion, addition or enlargement to existing facility

3. Replacement, major improvement or rehabilitation of existing facility

4. Acquisition of existing facility

Note: For preliminary inquiries, enter fourth digit codes in accordance with applicant's description; for applications, enter codes in accordance with the following definitions:

A new facility is a separate and distinct water or sewer system which has no connection to any existing or previously constructed water or sewer facilities.

An addition or enlargement to a facility is one that is contiguous to, and increases the service area of, the existing system.

A major improvement or rehabilitation is a modification of existing facilities which does not increase the service area of the system; it may or may not increase the capacity of the system.

Municipal and Industrial Water Facilities

511 Impounding Reservoir
512 Sub-Surface Facility (water source)
513 Desalination Plant
514 Treatment Facility
515 Storage Facility
516 Transmission Line**
517 Distribution Line
518 Pumping Station ¹
519 Other

Waste Collection and Disposal

750 Sanitary Sewer Collection Facility ²
751 Storm Sewer Collection Facility
752 Combined Sewer Collection Facility
753 Pumping Station (sanitary sewer) ¹
754 Pumping Station (storm sewer) ¹
755 Pumping Station (combined sewer) ¹

* Each Regional Office will determine the fourth digit category to be used, based on the item with the largest dollar value in the combination of two or more item listings. For example, assuming that the dollar value of a Water Distribution Plan Project combining a new facility and an addition totals \$1,000,000 and the new facility represents ¾ of this amount, the fourth digit in this instance is new facility (code 1). Code for this entire Project would be 7651. Code 1 represents the major portion of the fourth digit category.

** A transmission line refers to a water conveyance line or lines from a source to a treatment plant or from a treatment plant to a distribution point. Report this item only if its cost is a significant part of the total project cost.

¹ Report 518, 753, 754 and 755 only if project involves construction pumping station alone.

² If 750 or 751 serve the purpose of separating existing combined sewer systems, report 760 also. Do not report 760 by itself.

CONGRESSIONAL DISTRICT DIRECTORY—WATER AND SEWER FACILITIES GRANT PROGRAM, ILLINOIS—REPORT NO. M78AACA
CONGRESSIONAL DISTRICT 23

Project No.	I.A. No.	Con- gres- sional dis- tricts	Name of applicant, city, address, county	Inquiry	Pre- conf.	Appl.	Fr-Made	Approv.	City, location, county	Agree	C- start	C- comp	Popu- lation	Type	Facility	Grant	Reloc.	Status and date				
																		Loan		Total cost		
																		SMSA	EDA	PWP	PFL	
WS-0299	029900	23, 24	Fosterburg water district, Godfrey Madison.	061471					Alton-Subtrur Madison, Fosterburg Twp., Madison, Godfrey-Hamel, Madison, Wood River Twp., Madison.				04	5172	5152	650,000-	Inq-----	695,000	S-----	071,571	1,385,000	
23 No.		Grant		Loan		Cost		Number		Grant		Loan		Cost		Number		Grant		Loan		Cost
IN 1-----		\$1,501,500		\$675,000		\$3,158,000		AR 1-----		\$1,250,700		\$1,000,000		\$2,762,000		AP 2-----		\$1,053,000				\$2,394,000
CS 2-----		1,548,000				3,704,000		CC 1-----		257,000		298,577		1,671,301		AT 20-----		5,313,075		\$2,232,750		12,727,650
								T 29-----		11,003,275		4,226,327		26,616,951								

Project No.	I.A. No.	Con- gres- sional dis- tricts	Name of applicant, city, address, county	Inquiry	Pre- conf.	Appl.	Fr-Made	Approv.	City, location, county	Agree	C- start	C- comp	Popu- lation	Type	Facility	Grant	Reloc.	Status and date			
																		Loan		Total cost	
																		SMSA	EDA	PWP	PFL
WS-0003	003130	24	City of Granite City, Granite City, Madison.	021766	-----	031466	063066	110466	Granite City, Madison, Fosterburg Twp., Madison.	010667	032560	071567	07	7502	7601	1,500,000	7511	CL	S-----	041,070	3,556,566
WS-0009	003136	24	Town of Nameoki, Granite City, Madison.	020466	-----	-----	-----	-----	Nameoki, Madison, Fosterburg Twp., Madison.	-----	-----	-----	06	7501	7561	35,000	-----	DS	S-----	060,667	230,000
WS-0011	003138	24, 23	Moro Public Water District, Nord, Madison.	020066	-----	-----	-----	-----	Moro Twp., Madison Fort Russell Town Madison.	-----	-----	-----	05	5171	-----	60,000	-----	W	S-----	042,167	125,000
WS-0016	003143	24	City of Belleville, Belleville, St. Clair.	021466	-----	-----	-----	-----	Belleville, St. Clair, Fort Russell Town Madison.	-----	-----	-----	09	7502	7563	195,000	-----	DS	S-----	060,867	450,000
WS-0020	003147	24	City of Granite City, Granite City, Madison.	021766	-----	-----	-----	-----	Granite City, Madison, Fort Russell Town Madison.	-----	-----	-----	07	7501	-----	107,500	-----	DS	S-----	121,266	215,000
WS-0021	003148	24	City of Granite City, Granite City, Madison.	021766	-----	-----	-----	-----	Granite City, Madison, Fort Russell, Town Madison.	-----	-----	-----	07	7511	-----	994,995	-----	D2	S-----	042167	1,989,990
WS-0022	003149	24	do-----	021766	-----	-----	-----	-----	do-----	-----	-----	-----	07	7511	-----	825,890	-----	D2	S-----	042167	1,651,780
WS-0024	003151	24	do-----	021766	-----	-----	-----	-----	do-----	-----	-----	-----	07	7511	-----	874,720	-----	C4	S-----	051267	1,749,440
WS-0025	003152	24	do-----	021766	-----	-----	-----	-----	do-----	-----	-----	-----	07	7511	-----	905,365	-----	C4	S-----	051267	1,810,730
WS-0026	003153	24	do-----	021766	-----	-----	-----	-----	do-----	-----	-----	-----	07	7511	-----	480,460	-----	C4	S-----	031267	960,920
WS-0027	003154	24	do-----	021766	-----	-----	-----	-----	do-----	-----	-----	-----	07	7513	-----	767,140	-----	D5	S-----	121266	1,534,280
WS-0031	003158	24	The East Side levee, San Dist. East St. Louis, St. Clair.	022866	-----	-----	-----	-----	Centreville Twp. St. Clair, Fort Russell, Town Madison.	-----	-----	-----	07	7501	-----	625,000	-----	D5	S-----	040667	1,305,000
WS-0037	008583	24	City of East St. Louis, East St. Louis, St. Clair.	080566	-----	-----	-----	-----	East St. Louis, St. Clair, Fort Russell, Town Madison.	-----	-----	-----	08	7502	-----	1,500,000	-----	D5	S-----	060867	3,000,000
WS-0044	003171	24	City of Alton, Alton, Madison.	013166	-----	102466	042867	062967	Alton, Madison, Fort Russell, Town Madison.	082567	050868	-----	07	7501	-----	641,000	-----	C5	S 1,919,000	050868	2,561,803
WS-0045	003172	24	Village of Hartford, Hartford, Madison.	020466	-----	-----	-----	-----	Hartford Village, Madison, Fort Russell, Town Madison.	-----	-----	-----	04	5172	5141	162,594	5121	D5	(S) 152,594	121266	305,189

CONGRESSIONAL DISTRICT DIRECTORY—WATER AND SEWER FACILITIES GRANT PROGRAM, ILLINOIS—REPORT NO. M78AACA—Continued
CONGRESSIONAL DISTRICT 23—Continued

Project No.	I.A. No.	Congressional districts	Name of applicant, city, address, county	Inquiry	Pre-conf.	Appl.	Fr-Made	Approv.	City, location, county	Agree	C-start	C-comp	Population	Type	Facility	Grant	Reloc.	Status and date			
																		Loan		Total cost	
																		SMSA	EDA	PWP	PFL
WS-0047	003174	24	Town of Canteen, East St. Louis, St. Clair.	021066	053167	053167	010168	012760	Canteen, St. Clair, Fort Russell, Towmadison.	031568			06	7501	7531	1,140,000		C4	S6	051071	3,890,000
WS-0061	003188	24	Town of St. Clair, Swansea, St. Clair.	022366					St. Clair, St. Clair, Fort Russell, Towmadison.				06	7501	7561	547,294	D5	747,083	(S)	060667	1,380,000
WS-0062	003189	24	Village of East Alton, East Alton, Madison.	022366					East Alton, Madison, Fort Russell, Towmadison.				05	5141	5172	339,500	D5		S	121266	679,000
WS-0074	003200	24	Village of Fayetteville, Mascoutah, St. Clair.	031866					Fayetteville, St. Clair, Fort Russell, Towmadison.				01	5153	5123	80,000	W	5,000	(S)	091966	60,000
WS-0091	003211	24	Freeburg, Freeburg, St. Clair.	051066					Freeburg, St. Clair, Fort Russell, Towmadison.				03	5173	5123	106,850	5193	W	S	091566	213,700
WS-0114	042006	24	Maryville, Maryville, Madison.	053166					Maryville, Madison, Fort Russell, Towmadison.				02	5172	5141	40,000	D5	40,000	S	121266	120,000
WS-0115	042006	24	Mitchell Public Water District, Granite City, Madison.	053166					Mitchell, Madison, Fort Russell, Towmadison.				04	7501	7561	366,700	D5		S	060867	1,434,870
WS-0117	042006	24	Stookey Township, Stookey, St. Clair.	060666					Stookey, St. Clair, Fort Russell, Towmadison.				06	7501	7511	787,000	W		S	113067	1,916,000
WS-0130	008608	24	Town of Caseyville, Caseyville, St. Clair.	081566		121167	051468	052268	Caseyville, St. Clair, Fort Russell, Towmadison.	062468	091268	103169	06	7503	7603	495,000	7561	CC	S1	103169	1,850,000
WS-0136	000712	24	City of Edwardsville, Edwardsville, Madison.	090166					Edwardsville, Madison, Fort Russell, Towmadison.				05	5153		90,000	D5		S	030267	180,000
WS-0140	008660	24	Village of Dupo, Dupo, St. Clair.	091466					Village of Dupo, St. Clair, Fort Russell, Towmadison.				04	7502		126,000		D5	S	030267	140,000
WS-0152	008818	24	Town of Nameoki, Granite, Madison.	021067					Nameoki, Madison, Fort Russell, Towmadison.				06	7501		950,000		D5	S	051668	1,900,000
WS-0186	008982	24	Village of Hartford, Hartford, Madison.	112467		082168	051369	052169	Hartford, Madison, Fort Russell, Towmadison.	082669	050171		03	5121 5172	5151	187,000		CS	S	050171	477,000
WS-0189	008995	24	Village of Dupo, Village of Dupo, St. Clair.	011668					Village of Dupo, St. Clair, Fort Russell, Towmadison.				04	7502	7602	79,750		D5	(S)1	060368	159,500
WS-0199	009543	24	City of East St. Louis, East St. Louis, St. Clair.	042268	092768	N092768	031369	032269	East St. Louis, St. Clair, Fort Russell, Towmadison.	072969			08	7501		828,000		AGR	(S)350,000	072969	1,390,000
WS-0205	009556	24	Town of Wood River, Wood River, Madison.	052868		021869	062670	071570	Cottage Hills, Madison, Forest Homes, Madison.	122370			05	7501		532,000		AGR	S	122370	1,750,000
WS-0206	009576	24	Pontoon Beach Public Water District, Pontoon Beach, Madison.	070168					Pontoon Beach, Madison, Nameoki Twp, Madison, Chouteau Twp, Madison.				04	7501		760,000		D3(S)	(S)1,000,000	030469	1,760,000
WS-0237	009772	24	Town of Nameoki, Granite City, Madison.	052869		092669			State Park Com, Madison, Nameoki Twp, Madison.				04	7502	7602	240,000		D4	S	100570	640,000
WS-0249	009865	24	City of Collinsville, Collinsville, Madison.	101669		030670	052771	061871	Collinsville, Madison, Nameoki Twp, Madison.	112971			06	7502	7602	1,000,000		AGR	S	112971	3,820,000
WS-0250	009870	24	Town of Centreville, East St. Louis, St. Clair.	110669		040971			Centreville, St. Clair, Alorton, St. Clair, Unincorp. areas, St. Clair.				04	7501		1,000,000		APL	(S)4	040971	4,416,500

July 19, 1972

CONGRESSIONAL RECORD—HOUSE

24461

WS-0267	010027	24	City of Bellville, Belleville, St. Clair.	082870	Belleville, St. Clair, Alorton, St. Clair.	07	7502	1,440,000	INQ	S4	121570	4,680,000	
WS-0269	010064	24	City of Troy, Troy, Madison.	111670	Troy, Madison, Alorton, St. Clair.	03	7501	52,500	INQ	S	120570	105,000	
WS-0294	829400	24	Rosewood Heights Sanitary District, Rosewood Heights, Madison.	052771	102271 Rosewood Hgts., Madison, Alorton, St. Clair.	05	7501	671,700	APL	S	102271	1,935,000	
WS-0299	829900	23, 24	Fosterburg Water District, Godfrey, Madison.	061471	Alton-Subtrur, Madison, Foster- burg Twp., Madison, Godfrey- Hamel, Madison, Wood River Twp., Madison.	04	5172	5152	650,000	INQ	S695,000	071571	1,385,000
WS-0303	830300	24	Caseyville Township Sewer System, Caseyville, St. Clair	070671	Caseyville, St. Clair, TB Sanatorium, St. Clair, Grant School, St. Clair.	03	7502	212,500	INQ	S4	072871	455,000	
WS-0304	830400	24	City of Granite City, Granite City, Madison.	070671	Granite, Madison, Nameoki Twp., Madison.	07	7502	508,000	INQ	S	072871	15,401,000	

24 No.	Grant	Loan	Cost	No.	Grant	Loan	Cost	No.	Grant	Loan	Cost
IN 5	\$2,863,000	\$695,000	\$22,026,000	AR 2	\$1,671,700		\$6,351,500	AP 3	\$2,360,000	\$350,000	\$6,960,000
CS 2	828,000	1,919,000	3,038,803	CC 2	1,995,000		5,406,566	AT 27	13,186,758	1,944,677	29,800,399
				T 41	22,904,458	\$4,908,677	73,583,268				

STATE TOTAL

No.	Grant	Loan	Cost	No.	Grant	Loan	Cost	No.	Grant	Loan	Cost
IN 35	\$18,518,145	\$2,262,900	\$56,686,834	AR 11	\$8,096,854	\$1,142,000	\$25,144,098	AP 18	\$14,448,574	\$2,450,000	\$40,770,883
CS 16	12,582,100	1,919,000	38,714,803	CC 13	7,394,762	298,577	20,021,861	AT 219	119,261,181	39,837,015	264,420,128
				T 312	180,301,616	47,909,492	445,758,607				

Saint Clair and Madison Counties in the 24th Congressional District need adequate sewer and water to be able to attract industry and rebuild and revitalize the economic area. The counties need Federal funds to provide these necessary facilities. Saint Clair County is eligible under titles I and IV of the Economic Development Act as a special impact area. Madison County is now qualified to receive title I grants from the Economic Development Administration. The Emergency Community Facilities and Public Assistance Investment Act will also allow priority to areas of high unemployment with a high concentration of low income persons such as is the case in the counties. Rather than merely "create" jobs this Act will make funds available for the employment of workers on needed public sewer and water facilities. The increase in sewer and water funding stimulates employment while making the area attractive to industrial interests.

Up to 100 percent Federal funding of the sewer and water development projects in eligible areas will also help eliminate the high local taxes usually needed to support such projects. The burgeoning tax burden on the local taxpayer is nearing the proportions of a tax revolt. Federal funding can help alleviate the pressure for increased local taxes.

This is a good bill. It will: First, create jobs in construction with a \$5 billion input for sewer and water facilities; second, help alleviate the "crises" need for sewer and water sorely needed at the State and local levels; third, increase sewer and water availability allowing for the expansion of industry; fourth, provide Federal funding to help reduce the high local taxes needed to pay for sewage treatment thereby helping to curb the taxpayer's revolt; and fifth, give priority to areas of high unemployment to furnish increased opportunity for more people to become gainfully employed.

For these reasons I sincerely recommend the passage of this bill.

Mr. DANIELS of New Jersey. Mr. Chairman, I rise today in support of H.R. 13853, the Emergency Community Facilities and Investment Act of 1972. The bill was reported on favorably, by the Committee on Banking and Currency, with an amendment which directs the impact of the projects authorized into those areas desperately in need of Federal help.

The conditions in our urban centers reveal a compelling example of this need. Overpopulation has left our cities staggering under the onerous burdens of astronomical unemployment and grossly inadequate sanitary facilities which in turn, allow disease to run rampant with our present health provisions unable to provide even stop-gap measures, let alone eradicate them.

In Hudson County, unemployment has reached an intolerable level. Over 25,000 people remain out of work, not because they are unwilling to work, not because they wish to stay on the unemployment and welfare rolls, but because our society will not afford them the opportunity to get a job and live with dignity. We force these people to exist, live is hardly ap-

propriate, in crowded cities enshrouded with polluted air and surrounded by polluted rivers like the Passaic and Hackensack, and then we inflict the greatest blow and tell them they do not even have the right to get a job and support their families. I, for one, will no longer accept these conditions for Hudson County. The time has come for us to begin the reconstruction of our urban centers.

The bill which we are considering today offers us the foundation upon which this reconstruction must be built. The procedures the bill proffers are reminiscent of the New Deal, but old solutions sometimes present the most dramatic panacea for new problems.

H.R. 13853 proposes to solve the dual problem of unemployment and inadequate sanitary facilities with a single solution: provide the money by which able-bodied men, unable to find work may help themselves and their community by constructing waterworks and their attendant facilities or by working in the ancillary positions created by the projects.

The proposals contained in H.R. 13853 can provide a substantial enrichment of the quality of life in the areas affected. The obvious benefits are many, but there are also less discernible, but equally important rewards arising from the bill. There is a potential of 1 million jobs resulting from the passage of H.R. 13853. These are new jobs, which means 1 million families which will no longer be forced to seek welfare or unemployment compensation. Even more important, however, is the chance it gives to 1 million individuals to regain the dignity and self-respect of supporting themselves and their families. We owe it to them and to ourselves to provide this chance.

Mr. Chairman, the suit filed yesterday by the Environmental Protection Agency against the city of New York, the State of New Jersey, and several cities and towns in the 14th District of New Jersey, which I have the honor to represent, points out the need for action in this area.

I am alarmed also at Federal inattention at the bureaucratic level to problems in this area. Millions of dollars already authorized and appropriated by the Congress for water and sewer treatment are impounded by the Federal Government. America's local governments are at the breaking point and something has to be done now.

Mr. HARRINGTON. Mr. Chairman, I rise in support of H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972.

At a time when State and local governments are crying out for additional financial resources necessary to meet the demands of a growing population, when reducing unemployment and controlling pollution are at the top of our list of domestic priorities, we have before the House a piece of legislation which would help us deal with all these problems simultaneously.

The ability of State and local governments to continue to meet virtually all of the financial burdens of providing public works, facilities and services has reached a crisis stage. The number of

applications under the regular water and sewage system grant and loan program far exceed the funds currently available. The \$5 billion which this bill provides to finance sewer and water facilities is essential to relieve the cities and States from a burden they can no longer meet.

Much of our current pollution problem results from the antiquated and overburdened sewage facilities that are now being used by cities and towns. Many of these sewage facilities create a danger to the health and welfare of the citizens who must depend on them. Thus, by providing the States and local governments with the funds necessary to build new water or sewer systems, or to enlarge, improve or rehabilitate present facilities, we will at the same time be combating a major source of pollution and taking a large step toward a more healthy environment for all.

Public works projects trigger local employment opportunities. The U.S. Bureau of Labor Statistics estimates that 100 jobs are directly created for each \$1 million expended on public works, 40 jobs at the project itself and another 60 are created among suppliers of materials and services for the project. Hence, this bill if passed by Congress would directly create 500,000 onsite and offsite jobs, and it is estimated that its "ripple" effects would create an additional 500,000 jobs.

This last point is most important to the Nation at a time when the Labor Department reports over 50 of the 150 major employment areas having "substantial unemployment." In my district alone, unemployment has soared to record highs in areas which will be directly affected by the bill. Haverhill, Mass., presently is suffering under 14.5 percent unemployment and Newburyport, Mass., is suffering with over 16 percent of its people out of work.

The impact of this bill would be crucial to a city such as Haverhill, Mass. This city of 48,000 persons presently has no sewage treatment facilities. The sewage of the city is dumped directly into the Merrimack River. A sewage plant now planned, but as yet unfunded, would cost \$20 million and service half the city's population. Obviously, this city would benefit from the bill now before us. Jobs would be created where few are now available. Services would be provided for years to come where none have previously existed; and a once beautiful river can begin to be restored.

But Haverhill does not stand alone in its pressing need for water and sewer facilities. Merrimac, Lynn, Amesbury, Newburyport, and Salem, Beverly, Peabody, and Marblehead—part of the South Essex Sewerage District—are others who are in the process of improving those facilities and which will greatly benefit from this bill. All these projects add up to over \$60 million worth of treatment facilities.

The Federal Water Pollution Control Act which provides funds for clean water is still stalled in conference. This major legislation was supposed to be a giant step toward the solution of our water pollution problem. Yet, Congress has failed thus far to vote on its final pas-

sage and frankly I have little hope that we will do so in the near future.

It is therefore essential that the legislation before us today be passed. Obviously, it does not set water quality standards, guidelines or goals—although they are desperately needed. But it does go to the heart of the water pollution problem by providing the funds critical to municipalities involved in building treatment plants. The bill requires that in allocating the funds the Secretary of HUD give priority to communities designated by the Secretary of Commerce as economically depressed areas, and to communities and neighborhoods which the Secretary of Commerce determines to have:

A high concentration of low-income persons;

Rural areas with substantial out-migration;

Substantial unemployment;

A threat of abrupt unemployment due to the closing or curtailing of a major employment source; or

An urgent need for the facilities.

Public works and development facilities are needed to attract new industry and encourage business expansion, for without adequate public facilities industries cannot grow.

The American people need this pump priming legislation to stimulate the economy and nurture it back to health and I fully support it.

Mr. FISHER. Mr. Chairman, it is my plan to vote against the pending bill. It authorizes \$5 billion for up to 100 percent Federal grants for water and sewer systems and other similar public facilities.

Heretofore, Federal grants for various purposes of this kind have usually been on a matching basis. But this bill extends that concept by providing for all-out grants. As a dissenting view in the committee report very properly points out—

When a local government or authority borrows money through a bond issue, the interest paid on these bonds is nontaxable. Therefore, in most instances, the municipalities can borrow the money at a lower interest rate than can the Federal Government, as the interest on Federal bonds and other Federal paper is taxable.

Mr. Chairman, at the present rate of spending, this Congress may very well be recorded as the biggest spendthrift Congress in modern history. Here is an editorial comment which appeared in the July 17 issue of the *Evening Star*:

In January the Office of Management and Budget predicted a deficit for fiscal 1973 of about \$25 billion. Now the predictions are for a deficit of at least \$34 billion, possibly going to \$40 billion.

In appraising the spending spree attitude of this Congress, and its effect on fiscal stability and inflation, the editorial concludes:

One of these days, reality will set in, and it will be something fierce.

It is imperative, as I see it, that brakes be applied and applied now. Indeed it is next to tragic that more fiscal responsibility has not been exercised in the past. If this trend continues there will be no way to escape a substantial increase in Federal taxes.

It will be recalled that not long ago the House approved a \$5 billion revenue-sharing measure, which cleverly bypasses the need for any action by the Appropriations Committees. The funding would be automatic. That marked a departure from responsible management of the spending of tax money. Now, evidently drawing upon that precedent, this bill follows the same concept. The pending bill provides for back-door spending at its worst. The Appropriations Committees would not be allowed to examine the need and justification for each increment of expenditure from year to year.

Mr. Chairman, this bill should be defeated. The time is long overdue for the practice of some fiscal responsibility in the expenditure of Federal funds.

Mr. BEVILL. Mr. Chairman, under this legislation, a total of \$5 billion would be appropriated to provide grants on a matching basis to help State and local governments finance water and sewer system facilities and for other types of public works and public facilities expenditures.

Such an expenditure would be enormously beneficial in terms of reducing unemployment. The Bureau of Labor Statistics estimates—and this formula is corroborated by economists both in the private and public sector—that 100 on-site and off-site jobs are directly created for each \$1 million invested in public works and facilities. An expenditure of \$5 billion then would directly create a total of 500,000 on-site and off-site jobs. But as large as that figure is, it represents only half of the full economic impact that this \$5 billion investment can have on the economy in the immediate future. The multiplier effect of this expenditure means that another 500,000 people will also find job opportunities as this investment is felt throughout the entire economy—adding up to a minimum total of 1 million new jobs.

Mr. Chairman, it should be understood that these are minimum figures. As I indicated a moment ago, H.R. 13853 would provide matching grants to State and local governments for public works and facilities. But where necessary to carry out the purposes of the act, these grants can amount to 100 percent of the cost of the project. If the entire \$5 billion authorized by this bill was expended on a 100 percent cost of project basis, 1 million jobs would be created throughout our economy. This translates into more than a 20-percent reduction in joblessness.

Obviously, most of the grants are going to be made on a matching basis, probably ranging between 50 to 80 percent of the cost of projects. This in turn means that the full expenditures this legislation would make possible will amount to at least \$7 to \$7.5 billion. By the same token, the ultimate employment impact throughout the economy will probably result in the creation of more than 1.2 million new jobs.

I am fully aware of the recently announced "seasonally adjusted" reduction in unemployment to a current level of 5.5 percent of the work force. We have had similar seasonal adjustments in the unemployment rate during the past 2

years. Nevertheless, the overall rate of joblessness has continued to hover near the 6-percent level and I expect the present circumstance is merely another case in point. Regardless of whether the unemployment rate is 5.5 or 6 percent, the number of people who are out of work across the Nation is totally unacceptable—totally intolerable and no one has more responsibility to do something about it than the Members of this Congress.

Moreover, a national unemployment rate ranging from 5.5 to 6 percent, as tragic as it is, masks the fact that there are pockets of joblessness in regions and communities across the country where the unemployment rate is 10 and 12 percent and higher. Many rural communities have unemployment rates which range as high as 30 percent of the population. Many occupational groups have rates of joblessness which are double the national average. Construction workers, for example, had an unemployment rate which as recently as last May totaled more than 12.5 percent and has been near that level for more than a year.

Mr. Chairman, the Emergency Community Facilities and Public Investment Act of 1972 is not only designed to reduce unemployment throughout the nation; it is tailored to provide the resources necessary to reduce joblessness in the very areas where unemployment is most severe. H.R. 13853 is essentially structured to provide funds for public works and facilities in communities and neighborhoods which have:

Large concentrations of low-income persons;

Substantial unemployment;

An actual or threatened abrupt rise in unemployment due to the closing or curtailment of a major source of employment; and

Communities and neighborhoods in which there is an urgent and vital need for basic public works and facilities which can be funded under this act.

Aside from the critical problem of unemployment, there is no question as to the need for the funds which the Emergency Community Facilities and Public Investment Act would provide. Data in the hearing record on H.R. 13853 reveals that as of last fall there was a total of nearly \$13 billion in pending applications for grants and loans under the Department of Housing and Urban Development's regular water and sewer program. That figure of nearly \$13 billion has built up since 1966, when the program was established, and reflects the totally inadequate funding that has been made available since that time. During this same period, HUD rejected more than \$2.5 billion in water and sewer loan and grant applications for projects totaling more than \$5.5 billion on the grounds that funds were not available. Furthermore, HUD has actually discouraged communities from even making application for water and sewer loan and grant funds with the explanation that the effort involved is useless due to lack of money.

Other examples of urgent need for assistance to finance water, sewer and other public works and facilities in communities across the Nation were also pre-

sented during the Banking and Currency Committee hearing on H.R. 13853.

The National League of Cities-Conference of Mayors recently conducted a survey which indicated a total national need for sewer treatment facilities alone totaling \$33 to \$37 billion between 1971 and 1976.

A Department of Health, Education, and Welfare survey conducted in 1969, in only nine regions of the country having a total population of 18.2 million, showed that 2 million people were drinking water which, though safe, had an unpleasant appearance, odor, or taste. Fifty-six percent of the water systems in this survey were deficient in some respect.

The Department of Commerce estimates that there are now 53 million people—26 percent of the Nation's population—served by inadequate sewer lines.

And the Environmental Protection Agency estimates that 43 million Americans are not served by any sewer lines at all.

The Farmers Home Administration of the Department of Agriculture years ago estimated that more than 30,000 rural communities were without water systems and over 40,000 were without sewer systems. A recent check with that Agency revealed there has been no overall change in these tragic totals.

The best way to begin the development of our rural areas throughout this Nation is to provide a good water supply. I support the passage of this bill.

Mr. SYMINGTON. Mr. Chairman, I would like to voice my support for the Emergency Community Facilities and Public Investment Act of 1972 which is being considered by the House today. This bill will help to overcome some of the health hazards which plague depressed areas by providing for the installation of basic sewer and water facilities in communities which would have extreme financial difficulty constructing such facilities for themselves. While I support this worthy undertaking, I would like to point to some of the difficulties which the poor have in making use of such facilities once they are available. Several sections of my district in St. Louis are illustrative of these difficulties.

Robertson is a small community of 890 people. It has no central sewer or water system, although efforts to have one installed have persisted for some time. Reports from the 1970 census data reveal that 47.4 percent of all dwellings in Robertson lack one or more plumbing facilities. This community may be able to get a central sewer and water system as a result of this bill. But how will the poor individuals who live in Robertson afford the hook-up costs after the system is installed?

Meacham Park in my district is also faced with this problem. This is a community of 380 families. Prior to November of 1971 there were no sanitary facilities in the community. Families who could afford to do so hooked up to a system some distance from their homes which belonged to the city of Kirkwood, Mo., the municipality in which Meacham Park is located. Only 47 families had done this by last fall, at which time Kirkwood and the metropolitan sewer

district, with funds from HUD, installed sewer and water facilities in the area. Since then only 33 families have hooked up to the new system, although more would like to do so. This means almost 300 families in this area are without proper sanitary conditions.

Still another area of my district, Kinloch, received sewer and water facilities 4 years ago. Out of the 1,346 families who live in Kinloch, only 633 have tapped the new facilities, which leaves 713 families still without running water. It is ironic that so many human beings should be so close to such necessities without being able to use them.

The cost involved in securing sewer and water service are not low. There are at least three fees which a homeowner may have to pay: the charge which the city may assess an individual to tap the system; a front footage assessment by which a homeowner pays a one-time tax based on the length of the main system footage at the front of his property. Even if these two fees are waived by the municipality in deference to his financial situation, an individual must still pay to have pipes run from his home to the main system. The cost for this is estimated by the Metropolitan Sewer District of St. Louis to be about \$5 per foot; in Meacham Park the average total cost to hook up when there are no problems is about \$850—and this is just to the outside of a dwelling.

If, as in the case of Meacham Park, Robertson, and Kinloch, many of the structures have no inside plumbing facilities, the property owner is also faced with installing this expensive item, which could raise the cost of hookup to between \$1,000 and \$3,000. Needless to say, not many people living at the poverty level have such money available, and many of them are so destitute that they cannot even qualify for low-interest loans.

Of course, quite a few individuals in poverty areas rent their dwellings—40 percent in Meacham Park—so that they would not be eligible for home improvement loans even if they could afford them. Their landlords might be eligible, but what incentive does a landlord in such an area have to invest hundreds, perhaps thousands, of dollars to improve already substandard housing when it is doubtful that he could recoup his investment in either sale of the property or of higher rent, and when people will continue to live there without improvements because they have no place else to go? There is no Federal law which requires a landlord to provide running water; it is left to the municipalities, through their building and safety ordinances, to require such basics. But in many municipalities such codes are not enforced because to condemn the buildings would leave the occupants with no housing at all.

Obviously this dilemma of trying to provide services to people who cannot afford them is part of the larger problems: housing, jobs and improvements in the quality of life for so many neglected Americans. The solutions to these discouraging problems are certainly not easily found, and will probably not be

resolved by a bill which seeks to authorize additional funding for sewer and water facilities for deprived areas.

However, if this bill is going to approach solving problems even in this limited sector, we should be realistic about the situations of the individuals it is meant to benefit. Congress should consider providing some sort of assistance to families or individuals having such low income they cannot qualify for loans to make these very basic home improvements. Grants or guaranteed loans, or a combination of these, should be made available to all persons in areas affected by this legislation to assure that the whole community will benefit from the sewer and water projects, not only those who can afford to take advantage of them.

Mr. DRINAN. Mr. Chairman, I rise in support of H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972. The bill is supported by the National League of Cities, the U.S. Conference of Mayors, and the National Association of Counties, among other organizations.

This necessary proposal complements H.R. 11896, the Federal Water Pollution Control Act amendments, passed by the House in March. That bill provides \$18 million for the construction of waste treatment plants. H.R. 13853 authorizes \$5 billion in grants to States and localities for the construction of water and sewage systems—"a necessary adjunct to the treatment plants provided for" in H.R. 11896, as Chairman JOHN BLATNIK of the House Public Works Committee has stated.

This bill is especially urgent because, for reasons known only to itself, the President's Office of Management and Budget has "impounded" billions of dollars in desperately needed sewer and waste treatment funds authorized and appropriated by Congress.

There are 30,000 rural communities in the United States without water systems, and 40,000 without basic sewer facilities. According to a survey conducted by the National League of Cities, between \$33 and \$37 billion will be needed in the next 4 years to construct adequate sewage facilities in urban areas. These figures do not include the cost of water systems in urban areas, or water and sewage systems in rural areas. Construction and repair of water and sewage system are the major public works projects in the decades to come.

Compounding the problem is the state of the Nation's economy. Unemployment continues at the 6-percent level, and the unemployment rate is higher in many areas, including the one I represent, and among many segments of the population. State and local governments—the traditional funding source for public works projects—simply cannot raise additional revenues because of severe limitations on their tax bases. Yet costs imposed on State and local governments rise because of complex and stringent Federal clean water and clean air standards, State and local health regulations, and the cost of environmental cleanup projects.

H.R. 13853 eases the financial straits of

State and local governments by giving them block grants for the construction and repair of water and sewage systems. As a major public works project, the bill would create jobs for approximately 1 million Americans, reduce the number of unemployed people by 20 percent and lower the present unemployment rate from 5.8 to 4.6 percent, according to figures in the report of the Banking and Currency Committee. In making grants, the Secretary of Housing and Urban Development would be required to give priority to economically depressed areas, areas of substantial unemployment, and areas with the greatest need for water and sewage systems.

Expert witnesses who testified on this bill before the Banking and Currency Committee informed the committee that State and local planning has progressed to the point where construction of water and sewage systems could begin within 90 days of enactment. Most of the \$5 billion authorized in this bill could be allocated and spent by the end of this calendar year, meaning that passage of this bill would have an immediate and very substantial salutary impact on the Nation's high unemployment rate.

There is nothing new in the concept of Federal funding of public works projects. It is in fact the time-tested solution for reducing persistent unemployment. What is new is the notion of turning a public works project into a "valuable tool in our arsenal of weapons against environmental pollution," in the words of Chairman BLATNIK. Not only will this bill effect reductions in unemployment in those areas of the country most severely in need of aid, including my district in Massachusetts, but it will also improve health standards and the quality of life in those same areas.

As a proenvironment bill and as a prudent fiscal measure, H.R. 13853 makes perfectly good sense.

Mr. BURKE of Massachusetts. Mr. Chairman, it is with the greatest urgency that I ask my colleagues to give their support to the legislation we are considering today, the Emergency Community Facilities and Public Investment Act of 1972. The legislation launches a two-pronged attack in areas desperately in need of attention.

First of all, H.R. 13853 authorizes an appropriation of \$5 billion to provide emergency grants to States and localities for basic public works and facilities—primarily water and sewer facilities. I need not have to search very far to find Members of Congress in this House who have repeatedly been told by HUD that no funding exists for water and sewer projects in their districts.

Unfortunately, I have spent many long and unsuccessful hours trying to get water and sewer projects in my district funded—programs vital to the community for their future economic growth, vital to the safety of their residents, and vital to our efforts to counter pollution in this country. It seems that all our best efforts to fund these programs are thrown back in our faces when this administration insists on impounding

funds duly appropriated by the Congress for these programs. We are told that the backlog of requests for funding under HUD's 702 program is somewhere around \$12.6 billion. This legislation should be passed as a mandate to the administration that we will not sit idly by while the critical needs of our communities across the country are being ignored.

The fact that this legislation is inextricably tied to the creation of jobs makes its passage all the more pressing. We have been told that this legislation will create at the minimum 500,000 onsite and offsite jobs and this does not even begin to tell the story. Once these water and sewer lines are completed, we can expect to see the establishment of new business and industry and the expansion of existing facilities, creating the kind of commercial and industrial growth that leads to jobs. Since priority will be given to projects in economically depressed areas, we will no doubt witness the expansion of the job base and a steady rise in employment in these particularly hard-hit areas.

In closing, I just want to say that the capacity for State and local residents to bear the financing of these public works, facilities, and services is rapidly deteriorating. Local taxes, as we all know, have skyrocketed. It is time for the Federal Government to come to the realization that it must step in and shoulder some of the burden if we are to eliminate pollution and improve the quality of life for all Americans. It is on this note that my plea for passage of this legislation is sounded.

Mrs. GRASSO. Mr. Chairman, cities and towns throughout the Nation desperately need funds for the construction of basic water and sewer facilities. Yet, these funds are not available.

To enable our States and localities to meet this need, the Congress must pass H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972. This bill authorizes the Department of Housing and Urban Development to make available to State and local governments up to \$5 billion to cover the cost of basic public works and facilities projects. Priority for these grants will be given to those areas designated as redevelopment areas under title IV of the Public Works and Economic Development Act, with other economically depressed areas getting high preference.

This legislation addresses itself to two pressing needs. Our growing population demands new and improved public works facilities. At this time, however, HUD has reported a backlog of \$12 billion in applications for the section 702 construction program alone. In addition, many cities have been discouraged from even applying for this program because of the lack of adequate funding. For Connecticut the backlog of applications amounts to \$109 million in grants and nearly \$3.9 million in loans. In my Sixth District the corresponding figures are over \$27.5 million for grants and nearly \$1.9 million for loans. Action must be taken immediately to relieve this critical situation. Last April an attempt to add \$650 million in funds for this program failed in the

House. Today, Congress has the opportunity to meet the challenge before us squarely.

Let us also remember that this legislation would benefit our country significantly beyond providing badly needed water and sewer facilities. Indeed, it would furnish a stimulus to our lagging economy. The Bureau of Labor Statistics estimates that every \$1 million spent on these projects would directly create 100 jobs. The economic multiplier effect might create as many as 100 more jobs for every \$1 million involved. Therefore, if the entire \$5 billion were provided, over 1 million new jobs would be created in this country. These jobs would be an economic blessing to towns and cities across the Nation, including those in my district which are designated as redevelopment areas under title IV of the Economic Development Act. Unfortunately, unemployment continues to be a reality of everyday life in Bristol, Enfield, New Britain, Plymouth, Thomaston, Torrington, and Watertown. H.R. 13853 would help relieve some of these problems.

As a strong supporter of funds for basic water and sewer facilities, and as the cosponsor of a number of bills to provide temporary public jobs to alleviate the unemployment crisis, I believe that H.R. 13853 deserves prompt approval by the Congress. The availability of resources to permit the construction of water and sewer facilities would enable us to meet the needs of our growing cities and towns while at the same time providing jobs for those in need.

Mr. Chairman, Congress can, and indeed must, provide greater resources for essential water and sewer programs and projects. I believe the Emergency Community Facilities and Public Investment Act would help meet this challenge.

Mr. MINISH. Mr. Chairman, H.R. 13853 is designed to meet an undeniably massive national need for Federal funding assistance in order to meet water pollution problems. The situation in New Jersey is a case in point.

Charles M. Pike, director of water resources for the State department of environmental protection, has estimated that New Jersey's rivers will remain polluted until the Federal and State governments jointly spend \$2 billion to build needed water treatment plants.

The director of water resources has stated that, without funding, projects now in the planning stage will come to a halt—some of them projects costing \$100 to \$300 million.

Some \$300 million alone is needed to upgrade the Passaic Valley sewerage plant in Newark, the second largest system in the country.

The enormous investment required for New Jersey communities stands in sharp contrast to the amount of Federal funding assistance that is being provided. The New Jersey State Department of Health estimates that if funds appropriated continue for the next 2 years at the level of the last 2 years, Federal aid will amount to less than 3 percent of

the total need for construction of treatment plants and trunk lines.

The fact of the matter is that, to date, Federal funds that have actually been made available to New Jersey have been in such a small amount as to have virtually no impact on the State's need for pollution control facilities.

Mr. Chairman, these requirements are not going to disappear or even diminish in the future. If anything, they are going to become more pronounced both in terms of community need and in terms of cost. The cost of constructing these facilities is going up at a rate of 1.2 percent a month. That adds up to a total annual rate of inflation of about 15 percent. During the past 2 years inflation has increased the cost of some projects in New Jersey by as much as 30 percent.

I am fully aware that the \$5 billion authorized to be expended under H.R. 13853 is going to have to be spread throughout the Nation and that it is not going to satisfy all the needs of a particular State or region. But at least it is a start in the right direction. Adoption of the Emergency Community Facilities and Public Investment Act of 1972 is the very least this Congress can do by way of responding to the needs of our districts.

Moreover, the \$5 billion that would be provided under this legislation could be multiplied by virtue of the matching funds that would be supplied by States and municipalities qualifying for assistance. The \$5 billion we are providing here could possibly trigger investment of another \$5 billion on the State and local levels.

With that kind of total investment being made in the next year or two, we could create well over 1 million new jobs throughout our country.

In effect, the total impact of this legislation could amount to a tremendous boost for the Nation in terms of economic recovery.

Mr. Chairman, in view of the desperate need for water and sewer system financial assistance for the States and communities of this Nation and in view of our continuing high level of unemployment, we cannot do less than give speedy approval to this legislation.

Mr. DONOHUE. Mr. Chairman, I most earnestly urge and hope that this bill, H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972, will be promptly and resoundingly approved by this House this afternoon.

The basic provisions of this proposal are designed to fulfill three of this Nation's highest priority needs.

First, the bill responds to the critical need of creating meaningful, productive, and sustaining jobs for the unemployed in communities throughout the Nation; second, it provides for the urgently needed development and construction of essential water and sewer facilities to adequately safeguard the health and welfare of our citizens and prevent the further deterioration and pollution of our country's waterways; and third, by authorizing an amount not to exceed \$5 billion, to expeditiously finance the con-

struction of these urgently required public facilities, it acknowledges the reality that the taxpayers in our local and State governments are entirely unable to assume the additional financial burdens that would be otherwise imposed upon them.

Very few, if any, Mr. Chairman, question the absolute need for Federal funding assistance for community water and sewer system construction and for the creation of job opportunities for great numbers of our unemployed citizens and their families.

In my home State of Massachusetts, as in so many other areas throughout the Nation, unemployment is at an unfortunate and distressingly high rate and also, as in most every other State and area, our local taxpayers are completely unable, during this repressed period of our economy, to take on the additional burdens of financing these basic public works and services. As a consequence, a great many communities throughout the country, like those bordering on the Blackstone River and other tributaries in my own congressional area, are in desperate need of expanded Federal assistance for the construction of essential water and sewer facilities for the protection of the health and safety of their citizens.

By authorizing the Department of Housing and Urban Development to make grants to States and local communities for basic public works, including grants up to 100 percent of funding on some projects, this bill represents a reasonable and prudent effort to meet and overcome some of the very worst financial frustrations that have ever plagued our American people.

Authoritative testimony and evidence before us indicates that approximately 10 percent of the great number of unemployed in this Nation, some 500,000 individuals and their families, would directly benefit from the enactment of this bill and I would like to emphasize that they would be employed in useful and productive work that would be of lasting benefit to the people in thousands of communities all over this land.

In simple substance, Mr. Chairman, this bill is designed to timely and sensibly meet some of the undeniably critical needs of our American citizens and communities today and I believe it merits, in the public interest, the resounding approval of this House.

Mr. BADILLO. Mr. Chairman, I rise in support of the Emergency Community Facilities and Public Investment Act of 1972 because this is a necessary and proper step to meet the tremendous need for basic community facilities throughout the Nation. The National League of Cities estimates that between \$33 billion and \$37 billion will be needed for sewage treatment facilities alone by 1976 and this morning's news stories reporting on the Federal Government's legal move against the city of New York because of the continued pollution of New York Harbor underscores the tragedy of our failure to provide adequate resources in the fight against pollution.

Much has been said about the job-creating features of this bill, and without doubt, the spending it authorizes will surely provide a major stimulus to employment at a time when joblessness afflicts virtually every area of our Nation.

But little, if anything has been said about the fact that most of the jobs created by this program will be controlled by labor unions whose history has been characterized by blatant and continued discrimination against black and Puerto Rican workers. I want to make it clear that my support for this bill is contingent upon both the Congress and the executive branch seeing that such discrimination is not permitted under this legislation.

It was just about a year ago that the New York State advisory committee to the U.S. Civil Rights Commission heard experts from Nassau and Suffolk Counties describe a pattern of discrimination in hiring on Federal construction contracts on Long Island. At the same hearing, representatives of the construction industry testified that they found it difficult to recruit minorities for skilled construction jobs because most of their work force came from all-white union hiring rolls.

In our legitimate eagerness to stimulate the economy and alleviate the unemployment problem, on which the Nixon administration has turned its back, let us not ignore the persistent and unconscionable behavior of the construction unions. It would be a travesty if this program became a slush fund for their discriminatory practices.

Mr. HORTON. Mr. Chairman, I rise in opposition to H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972.

On the surface, Mr. Chairman, this is a bill which no one should oppose. The arguments in support of the bill, put forth by the committee state that it would almost immediately create 1 million new jobs, and that it would solve what the committee identifies as a serious crisis in the water and sewer facilities program of the Department of Housing and Urban Development.

With the current rate of unemployment at 5.5 percent, the goal of creating this many new jobs at the same time we solve a serious public problem would certainly seem a worthy one.

However, I took the time to make a thorough study of this bill, and of the facts on which the committee's report rests. I have reached the conclusion that the bill, in its present form should not have been brought before the House because of serious errors and inadequacies in the backup information for the provisions of the bill.

First, and most important, the committee report states that there is currently a backlog amounting to over \$12 billion in applications for the HUD 702 water and sewer facilities program. The fact is that the current backlog is less than one-sixth that large, about \$2 billion, with the Federal share of the backlog being only \$0.9 billion, or \$900,000,-

000, not \$5.7 billion as the committee claims.

While the committee hearing record of the single day of hearings held on this \$5 billion proposal, reprints 926 pages of a computer printout listing all applications HUD has received under this program, the information in this mammoth chart is misinterpreted in the committee report text, which fails to point out that over \$10 billion worth of projects applied for under this program have already been acted upon—either withdrawn, approved or referred to other agencies or denied by HUD. The bill's request for \$5 billion for this emergency program is based on an incorrect reading of the facts printed in the hearings, and nothing like this amount of money would be needed to fund the current Federal backlog of \$0.9 billion. The hearing record lists 27 separate applications from my congressional district as part of the supposed pending backlog of projects under this program. I personally checked with HUD and with officials in my district and was quite surprised to learn that of the 27, only 3 were actually awaiting HUD action. The other 24 had already been acted on by HUD.

Before we are asked to vote on a bill of this importance and of this magnitude, I think we, as Members of Congress, deserve a far more thorough analysis of the need than what is presented here. If there is need for additional funds for this crucial public facilities program, then I would support such funds. I therefore suggest that the magnitude and provisions of this bill be seriously reevaluated to see what action, if any, by the House is called for.

The second point which puts a cloud over the need for this bill is that we now have pending in a House-Senate conference a greatly expanded bill which would put some \$18 billion into water pollution control facilities across this country. There is some evidence that many of the current applications before HUD for the 702 program could well be accommodated under the programs of the Environmental Protection Agency, if that bill is signed into law.

Therefore, Mr. Chairman, I believe the assumptions on which this bill was founded should be reexamined so that we can be given a truer picture of the need for additional money and jobs in the water and sewer construction program of HUD. Until that is done, and done thoroughly, I feel compelled to oppose H.R. 13853.

Mr. PEPPER. Mr. Chairman, I strongly urge the House to approve the Emergency Community Facilities and Public Investment Act of 1972. We should not allow the threat of a veto to deter us from adoption of a measure so necessary to communities all across the land. This bill is necessary to create jobs in an economy which continues to lag month after month and year after year. It also is necessary to enable our communities to meet more adequately their responsibilities for the provision of public services urgently needed by the people.

The estimate of the National League of

Cities that a total of \$33 billion to \$37 billion will be needed for sewage treatment facilities alone in the cities during 1971-76 puts the \$5 billion authorization in this bill in its proper perspective. So also does the page after page of water and sewer applications from communities across the land which has been printed as part of the hearing record for this legislation.

Virtually every community in my district has an application pending in the Department of Housing and Urban Development for assistance in meeting the sanitary and anti-pollution needs of their people. They simply cannot meet these needs from existing local tax resources and the national Government has a strong obligation to help deal with this national problem, which exists in every other part of the land.

This bill will help these communities meet their responsibilities to the people and will help us meet our proper responsibilities to these communities and to the people. I urge your support.

Mrs. ABZUG. Mr. Chairman, I rise in support of H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972. This measure is an important step toward providing at least a temporary solution to the nagging and unacceptable problem of high unemployment in the United States. It would authorize the Department of Housing and Urban Development to contract with State and local governments for up to \$5 billion in water and sewer improvement projects and would ultimately create 1 million jobs. In addition to creating sorely needed employment, it would help us in the growing battle against pollution by facilitating the construction of water and sewer lines which will be complementary to the water treatment plants to be constructed once the water pollution bill now in conference becomes law.

More than 5 million of our workers—all of them able and willing to do an honest day's work—are presently unemployed, victims of the Nixon administration's business-oriented economic policies. Not only is unemployment high, but it is also extending for a longer period, as witnessed by the further extension of the unemployment benefits program which we passed only a week or so ago.

Every American who is willing and able to work is entitled to a job. In fulfillment of this right, the Federal Government and its State and local government grantees should and must be the employers of last resort if there are not enough jobs in private industry to go around. This bill constitutes a first step in that direction, and I am pleased to support it. I hope that it will be followed in the near future by similar legislation creating jobs for such programs as housing and child care.

It is quite interesting to observe that most of the Members on the other side of the aisle are opposed to this bill. Many state as a reason for their opposition the allegation that the expenditure of these

funds is inflationary and will deepen Mr. Nixon's deficit. I note that when the \$71 billion defense appropriations bill passed the House last November, only four Republicans voted against it, while 161 voted in favor. The fact of the matter is that the Nixon administration and the Republican Members of the House do not object so much to the spending of colossal sums of money as they object to spending it to support the domestic programs which are so crucial to our continuing vitality as a Nation. It is these misguided priorities which the voters will reject in November.

Mr. MATSUNAGA. Mr. Chairman, H.R. 13853 represents a positive congressional response to the twin problems of unemployment and inadequate community facilities, and I support it strongly.

It is no secret, Mr. Chairman, that more than 5 million Americans are looking for work today but cannot find it. It is also well known that the construction industry has been particularly hard hit by recent economic hard times, with unemployment consistently exceeding 10 percent.

On the other hand, reliable estimates put the total cost for city sewage treatment facilities alone at \$33 to \$37 billion for the years 1971-76. And that staggering figure does not include the more than 30,000 rural communities without water systems, nor the 40,000 without basic sewer facilities.

Mr. Chairman, H.R. 13853, the proposed Emergency Community Facilities and Public Investment Act of 1972, is an apt tool for dealing with both of these problems. If fully funded, this bill would provide enough jobs for 10 percent to 20 percent of our Nation's unemployed. It would also reduce considerably the huge backlog of project applications now pending in the Housing and Urban Development Department's programs. If pollution control is to be more than a nice-sounding slogan, State and local governments must be aided in their attempts to construct these facilities, particularly those affecting water quality.

Mr. Chairman, I urge the House to approve H.R. 13853 today by an overwhelming vote.

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

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

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Community Facilities and Public Investment Act of 1972".

SEC. 2. (a) Tax and other financial resources currently available to local governments are being strained beyond their capacity to provide vital community facilities. The burden of providing the funds for necessary public facilities has reached the point of being unbearable for residents of communities throughout the Nation and emergency measures must be taken to provide long overdue relief to prevent disastrous re-

ductions in community facilities programs. Adequate funding for water and sewer systems and other similar public facilities is absolutely necessary to safeguard the health and welfare of the Nation's population and to assure orderly and efficient growth; but continued progress in this area has become impossible for a vast number of cities and towns in every sector of the country because local financial resources have reached the point of exhaustion. Moreover, the absence of additional sources of funds for this purpose jeopardizes local, State, and regional efforts to eliminate environmental pollution and conserve irreplaceable resources.

(b) It is imperative that effective action be taken to combat intolerably high unemployment. This is especially true for those urban and rural communities where rates of joblessness have reached and often exceed depression era levels. Moreover, the lack of adequate facilities in such areas greatly diminishes the possibility of revitalizing the economy of these communities and significantly reducing unemployment.

(c) The Congress finds that in order to reduce the rate of joblessness, both in immediate and long-range terms, and to regain and safeguard the high quality of life which is synonymous with the potential of the Nation, emergency funding for vital community facilities is urgently needed and must be provided.

SEC. 3. (a) Title VII of the Housing and Urban Development Act of 1965 is amended by adding at the end thereof the following new section:

"EMERGENCY ASSISTANCE TO CERTAIN STATE AND LOCAL PROJECTS"

"SEC. 709. (a) The Secretary may contract to make grants, in an aggregate amount not exceeding \$5,000,000,000, for projects of States and local governments of the type referred to, as eligible for assistance, in section 3(b) of the Act of September 14, 1962 (76 Stat. 542).

"(b) A grant made under the authority of this section may be in any amount not exceeding 100 per centum of the development cost of the project for which the grant is made, and shall be subject to such other terms and conditions as the Secretary may prescribe.

"(c) In the processing of applications for assistance under this section, the Secretary shall give priority to applications of—

"(1) communities in areas designated by the Secretary of Commerce as 'redevelopment areas' or 'economic development centers' under title IV of the Public Works and Economic Development Act of 1965, and communities in areas designated under section 102 of such Act, and

(2) communities in any other areas which may be designated by the Secretary of Labor as being areas of substantial unemployment, for assistance in the construction of basic public facilities (including facilities for the storage, treatment, purification, or distribution of water, and sewage treatment, and sewer facilities) for which there is an urgent and vital public need.

"(d) The faith of the United States is solemnly pledged to the payment of all grants contracted for under this section, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments."

(b) Section 707 of such Act is amended by striking out "sections 702 and 703" and inserting in lieu thereof "sections 702, 703, and 709".

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

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

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, lines 8, 9, and 10, strike out: "for projects of States and local governments of the type referred to, as eligible for assistance, in section 3(b) of the Act of September 14, 1962 (76 Stat. 542)." and insert in lieu thereof: "to States and local governments for projects of the type described in section 202(a)(1) of the Housing Amendments of 1955."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, line 2, strike out "and".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, line 5, insert "and" after the comma.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 4, line 6, insert the following:

"(3) communities or neighborhoods (defined without regard to political or other subdivisions or boundaries) which the Secretary of Commerce determines have one of the following conditions:

"(A) a large concentration of low-income persons;

"(B) rural areas having substantial out-migration;

"(C) substantial unemployment; or

"(D) an actual or threatened abrupt rise of unemployment due to the closing or curtailment of a major source of employment,

The committee amendment was agreed to.

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

Mr. Chairman, in light of the debate here today I was prompted to go back to the CONGRESSIONAL RECORD for February 9, 1972, upon which day there was a roll-call vote on raising the debt ceiling. I would merely say at this time it will be very revealing to compare the list of those voting for this \$5 billion ill-conceived piece of legislation with a list of those who voted against the debt ceiling on that day.

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

Mr. Chairman, I should like to address a question or two to the chairman of the committee (Mr. PATMAN).

Do I correctly understand that there were no witnesses from the Administration or any agency directly involved in this program before the committee? Were hearings held on this bill? If so, who testified?

Mr. PATMAN. I shall be glad to answer the question.

Some members have said we did not hear witnesses who should have been heard. I do not challenge people, but I would remind them that no one was refused a hearing before our committee on this bill. No one here can say he was refused. Every person who wanted to be heard was heard, and people we thought were interested were given notice.

The Secretary of HUD was invited. His presence was not only desired but welcomed. We wanted information he could give us, but for some reason he did not appear. It was not our fault.

No one was refused the right to testify. We had hearings on water and sewer, at every session of the Congress for a number of years. It is not a new subject to our committee. The committee goes into this subject. It is one subject that is before us all the time.

We did not need any hearings of any kind. We knew how the country felt as to the situation on water and sewer.

Mr. GROSS. Just a minute. Was the Secretary of HUD invited?

Mr. PATMAN. Certainly he was invited.

Mr. GROSS. By what means? Letter? Telephone?

Mr. PATMAN. I do not know right now, but we invite him on every bill HUD is concerned with.

Mr. GROSS. Where are the departmental reports on this bill?

I find absolutely nothing in the report with respect to the position of the Office of the Budget and Management. Bear in mind that this is a multibillion dollar bill.

Mr. PATMAN. The gentleman may rest assured we do not deny anyone the right to be heard before our committee.

Mr. GROSS. Knowing of the gentleman's affinity for the Federal Reserve Board, was the Federal Reserve Board invited, by any chance?

Mr. PATMAN. I hope they were not, because they do not belong in this bill.

Mr. GROSS. All right.

Mr. PATMAN. Here is Mr. Alexander, R. J., director of public works, Oakland County, Mich. He was a good witness.

Here is a fellow named Harry J. Peyton, Jr., president, National Utility Contractors Association. He presented good testimony.

They all presented testimony we should consider. We did not agree with all of them.

Next is the Honorable John Rousakis, mayor of Savannah, Ga., on behalf of the National League of Cities and U.S. Conference of Mayors. They are pretty important people.

Mr. GROSS. Yes, those you have mentioned would take all the money you could possibly run off on your green-back printing presses.

Mr. PATMAN. There is Mr. Mendonsa, city manager, Savannah, Ga., and Larry Snowwhite, legislative counsel, National League of Cities and U.S. Conference of Mayors.

S. S. Johnson, League of Cities, and U.S. Conference of Mayors. They presented very formidable testimony. Mr. William H. Wilcox, secretary of the

Pennsylvania Department of Community Affairs, followed by John Rosso, a community service consultant. We had a number of witnesses.

Mr. GROSS. Did these invitations you issued to the various foxes to make a call on the chicken coop—by any chance did they tell you where the money would come from to finance this program?

Mr. PATMAN. No. The gentleman is a Member of Congress, and he would have been invited.

Mr. GROSS. Who is going to provide the money?

Mr. PATMAN. And any time he wants to come before the committee he will be invited, if he thought that question should be brought out. He is usually very aggressive, and I think, if he is concerned about that as a second thought, he should not bring it up but should bring it up before the committee.

Mr. GROSS. Brought up? Brought what up before the committee?

Mr. PATMAN. The money part.

Mr. GROSS. I regret that our old friend from Maryland is not here. I am getting more gobbledegook than I used to get from him.

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

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

Mr. FRENZEL. Will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. FRENZEL. I thank the gentleman for yielding.

I would like to mention that I have a copy of a letter to the chairman of the committee from the Secretary of the Department of HUD dated April 13, which is about a month in advance of our hearing, which indicated that the Department opposes the enactment of the bill. But for some reason it did not find its way into the committee report, and I suspect if the Secretary had been given sufficient notice, he would have been happy to appear.

Mr. PATMAN. Will the gentleman yield for an answer? I have a good answer for that.

Mr. GROSS. I hope I can understand your answer.

Mr. PATMAN. They obviously withdrew their opposition and did not want to appear.

Mr. GROSS. Obviously they did not. What is there to show that they withdrew their opposition?

Mr. PATMAN. The record shows they did not appear and they were invited.

Mr. GROSS. Why did you not put the Secretary's letter in the report and let him deny the letter represented his position in opposition? Why did you not put that in the report?

Mr. PATMAN. I do not know what you are talking about.

Mr. GROSS. I will say to the gentleman, based on what I have heard this afternoon, if this bill passes, I would like to make a trip to New York, climb the Statue of Liberty, remove the torch and put a tin cup in the statue's hand. This will be a bonanza for Fun City at the expense of the taxpayers of the rest of the country, including Texas.

Mr. PATMAN. You can do that anyway any time you want to.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, inasmuch as the letter of the Secretary of HUD to the chairman of the committee was not included in the record of the hearings or in the committee report, I want to read the letter into the Record in its entirety.

THE SECRETARY OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., April 3, 1972.

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

Subject: H.R. 13853, 92d Congress (Patman, et al)

DEAR MR. CHAIRMAN: This is in response to your request for the views of this Department on H.R. 13853, a bill "To amend title VII of the Housing and Urban Development Act of 1965."

This Department strongly opposes enactment of H.R. 13853.

The purposes of the bill, as stated in section 2, are to provide community facilities and to combat high unemployment through the construction of public works projects.

Last year, the Congress passed a measure containing similar purposes to be accomplished in a similar manner—the "Public Works Acceleration Act Amendments of 1971." The President, after careful consideration, vetoed that bill. In his veto message, the President noted that while he, too, was concerned with the same problems to which the bill was addressed, he did not find it to be an appropriate response to those problems. His reasons included the long lead time experienced with construction projects, the inflationary nature of these projects, the limited scope of employment opportunities which would be made available, the probability of hastily planned, environmentally damaging and uncoordinated projects, and the false hopes which would be created in local communities resulting in those communities deferring other locally funded projects.

We do not believe that the conditions which existed at the time of that message have changed sufficiently to warrant a reconsideration of a massive public works program as proposed by H.R. 13853.

The Office of Management and Budget has informed us that it has no objection to the submission of this report and that enactment of this legislation would not be in accord with the program of the President.

Sincerely,

GEORGE ROMNEY.

Mr. Chairman, I think it is extremely unfortunate that either this letter or some statement—or better, I think the actual testimony of the Secretary—was not included.

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

Mr. FRENZEL. I do.

Mr. PATMAN. Mr. Chairman, may I state to the gentleman that we like to cross-examine witnesses, we like to interrogate them, and we look with little favor upon a written statement which stands alone without providing the committee with an opportunity to question a witness.

We provided ample notice that we were having hearings on this matter, and the Secretary was invited to testify. Moreover, members of the committee are not limited in their cross-examination. We have 37 members, and every member of

the committee is given opportunity to interrogate every witness.

Mr. FRENZEL. I would make this point to the chairman: That the AFL-CIO were not present, but were able to read material into the hearing record, and, second, if I myself had only 5 days' notice of that meeting, and if the Secretary of Housing and Urban Development had similar notice, it is not unusual, probably, that he would not have been able to appear.

Mr. PATMAN. Will the gentleman yield for one other question?

Mr. FRENZEL. Yes.

Mr. PATMAN. Why did not the gentleman put the letter in the committee report himself? Did he not avail himself of the opportunity to file separate views on the bill?

Mr. FRENZEL. Mr. Chairman, and my chairman, I was not aware of the existence of this letter at that time, and only became aware of it today because of the department that has to administer \$5 billion worth of back-door spending was apparently unconsulted and was not represented at the hearings, and why more of his communications were placed in any part of the record until this very moment.

Mr. PATMAN. It was in the files of the committee. It was available to any member of the committee at any time. Upon request, the letter and the files would have been brought to him. The matter is reported in the calendar of the committee, and that should be sufficient notice.

Mr. FRENZEL. Mr. Chairman, I agree that any Member of this body can scrutinize the committee records, and that the chairman has been most open in producing them whenever I have inquired for them. Nevertheless, most Members look at the committee report, and the record of the hearings. I think the fact that the supervisory department was not included is again indication of the fact that, as the gentleman from Illinois (Mr. ANDERSON) indicated, and the gentleman from Ohio (Mr. WYLIE) indicated, there is a slight tinge of an odor about this bill—that apparently something is trying to be covered up.

I would only urge that the Members of this body turn down this bill by an overwhelming vote.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

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

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

For the purposes of the record, I have a copy of the committee notice which was received in my office on May 19, you will recall, was a Friday. I had gone to Michigan on that Friday before receiving the notice. Therefore, in effect, I think every member of the committee, if he had gone to his own district on that weekend, had just about 1 day of notice, because the hearing was held on the next Tuesday.

And the notice further says that after the hearing on Tuesday that there will be a markup session, therefore, the minority would not have had any time to call the kind of witnesses that they would like to have called.

Mr. PATMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentleman said something about the bill having an odor to it. I think that is rather unfair, especially when full opportunity was given Members to be heard, and when the bill was reported out there was a vote on it, 19 Members voted for it, and only four Members voted against it.

When the bill was reported by a vote of 19 to 4—then we had to make an application for a rule. We had several days in which to file reports and to make application for a rule. All Members were notified that we were making application for a rule.

Then all the Members were notified when we were going to be heard by the Committee on Rules. All the Members who wanted to be there, were there to be heard by the Committee on Rules. Many of them were heard. Certainly, the minority was heard.

Then they voted it out and nothing was said about any unfairness or political chicanery or anything else.

May I say that this bill is too serious to be facetious about it, or to be throwing charges around that are unfounded.

This bill involves the health of the people of this Nation and circumstances that could be very, very serious and which could result in many things happening that would affect the population of this Nation. We are trying to protect the health of this Nation and we are trying to save it from epidemics and anything else.

If we have many more situations like we have around New York City and up there, the health of all the people in this Nation will be threatened. We want to protect them. We think that has a higher priority than many other things that people spend money for and the Government spends money for.

For this reason, we want to do our duty toward the people of this Nation, to protect their health, and to give jobs to people and to insure them against epidemics, if we can. That is what we are doing here.

Now, if that is bad—if that is political—then we are political. But there is certainly nothing intended, political, in this. This legislation is needed.

Now, if the gentleman is so interested in things being political, where it has to do with water and sewer projects—he is a member of the party that is in the executive branch. Why does he not persuade his own President to release the \$500 million that has been impounded by him, which was allocated, and a law was passed by this Congress and by Congresses in the past also, for the purpose of doing the very things that need to be done under this bill.

If he had released that \$500 million—that would take care of a lot of these projects and it would be very, very helpful and save the lives of many people in this Nation.

If the gentleman is so interested in doing the right thing, and not being so political, I do suggest that he consider in his own conscience and in his own mind whether or not he should try to persuade his own President in his own

party to release the \$500 million that is needed for this urgent problem, which is very bad, and he is holding it and will not spend it although the Congress has voted that it should be appropriated and that it should be spent, after the Congress had voted this money for this specific purpose and the President has refused to spend it. Don't you think we are justified in passing a bill that will get something moving in the right direction toward saving the health of the people and preventing pollution and doing the other things that will provide jobs for the general welfare of all the people?

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

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

In the first place, I would suggest it would be much quicker to get things moving if the gentleman would get his party get the leadership of the Committee on Public Works to finalize their work on the conference report on the water pollution control amendments of 1972. That contains \$18 billion and that certainly is a lot better than \$5 billion, if my arithmetic is correct.

The second thing I would like to ask the gentleman is this. Today on several occasions he has mentioned a 19 to 4 vote. Would the gentleman report to the House the breakdown on that vote? As I recall, the only thing bipartisan about that vote was those who voted against the bill.

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

Mr. PATMAN. I yield to the gentleman.

Mr. GRAY. I thank the distinguished gentleman for yielding.

Mr. Chairman, as a member of the Committee on Public Works, I want to set the record straight. The bill to which the gentleman from Michigan refers is now in conference and is primarily for sewage disposal plants. This bill would authorize funds primarily for local communities and subdivisions thereof for distribution lines and other improvements not authorized by the Pollution Control Act.

So they are really two separate programs. We need this legislation very badly.

Mr. PATMAN. I thank my colleague.

How can any constituent of the gentleman from Michigan or any other member of the party, the minority party, the Republican Party—how could they object to a member voting for this bill when it directly does something that they have been trying to do in the past against pollution and for health and things like that and which they were unable to get done. Although the Congress has passed several appropriations, the money has been impounded by the President of the United States after the Congress passed it and he just stopped—just absolutely stopped it.

Don't you think a Member would be justified now in passing this bill in order to get nearer to the goal of stopping pollution and protecting the health of the people?

AMENDMENT OFFERED BY MR. HANNA

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

The Clerk read as follows:

Amendment offered by Mr. HANNA:
Page 4, line 19, after "purification," insert "desalinization,".

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

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

Mr. HANNA. I yield to the chairman of the committee.

Mr. PATMAN. Thank you. Mr. Chairman, the Members on our side have had this amendment and looked into it, carefully considered it, and we believe it should be accepted. We are willing to accept it.

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

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

Mr. J. WILLIAM STANTON. I appreciate the gentleman from California yielding. I am very happy to say that on our side of the aisle the bill is so bad, it could not get any worse.

Mr. HANNA. I appreciate that, and I would like to clarify the Chairman's understanding of the remarks that were made on the other side. When the olfactory qualities of this bill were referred to, I think it was merely their way of stating they understood that at least half of this was for sewer facilities, and I am sure that they only meant that the odor had something to do with the subject matter to which the bill itself is addressed. I appreciate the support of both sides on the amendment.

Mr. Chairman, I offer this amendment to contribute to the achievement of a goal embodied in earlier acts of Congress.

Over the past 20 years, the Federal Government has conducted or financed research projects in the field of water desalinization. The resulting improvements in conversion techniques have lowered conversion costs from \$4 per thousands gallons to 65 cents per thousand gallons. The Office of Saline Water in the Department of Interior predicts a steadily increasing use of desalinization processes for municipal and industrial water supplies over the next decade. The current world-wide production of desalinized water is over 300 million gallons per day. The OSW estimated that by the year 2000 the demand in the United States will exceed 2,000 million gallons per day.

The need for this bill and for the amendment which I am offering is best established by the dramatic increase in fresh water demand and the high cost involved in regional water shortages. Very often, a water shortage occurs in an area where water is plentiful but unusable.

Highly mineralized or brackish waters resulting from natural causes or industrial pollution are found in almost any part of the United States. The problem of salt water incursion into ground water supply is common in some degree in all of our coastal areas. These are the problems to which desalinization research is ad-

dressed, as well as the more dramatic and publicized research in ocean water conversion.

As a result of the research that has taken place over the past 20 years, practical conversion methods have been realized. We must, therefore, insure that localities whose circumstances permit are able to take advantage of this progress as it is made.

With the increased demand for fresh water, localities all across the Nation must expand their water supply activities. For many localities, this will mean that they cannot simply rely on expanding old techniques, but instead will begin to look toward a broader range of alternatives. Many will want to turn to desalinization.

If the bill before us now is to realize its objective, the option of desalinization must be made available to localities which can make economic use of it. We have devoted millions of dollars to desalinization research over the past 20 years and as a result, have drastically reduced the cost of providing potable water by this method. Our enactment of Public Law 92-60 just 1 year ago this month is evidence of our continued commitment to desalinization research. We must, however, do more than research—we must provide the means of putting the fruits of research into operation.

Some of my colleagues may ask whether or not the adoption of this amendment would involve a duplication of effort between this bill and Public Law 92-60. I wish to assure everyone that such would not be the case. The Saline Water Conversion Act of 1971 was aimed at research in the field of desalinization science. H.R. 13853 with this amendment would provide funds for putting desalinization techniques into operation for those localities which find it to be the most attractive means of meeting their water shortage problem. In reality, the amendment would make H.R. 13853 a most compatible and logical step to follow Public Law 92-60.

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

I would just want to ask one question to the gentleman from California (Mr. HANNA). What will you do with the salt that you get from desalting the water—rub it into the wounds of the taxpayers?

Mr. HANNA. It seems to me that in terms of that abrasive material, particularly for the purpose to which the gentleman refers, there has certainly been no shortage demonstrated in the past, and so I do not think they need to look here for a further supply.

I would simply hope that the committee would agree with me that since we spent so much money on research for desalinization, we ought to see that it goes to work in the districts from which we come.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HANNA).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BLACKBURN

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

The Clerk read as follows:

Amendment offered by Mr. BLACKBURN: Page 5, line 4, add the following new subsection:

"(e) No contract for a grant may be made under the authority of this section during any fiscal year in which the projected deficit of the Federal budget exceeds \$20,000,000,000."

Mr. BLACKBURN. Mr. Chairman, I have offered this amendment as what I would call an automatic de-inflation clause. It is just a technical amendment. What I am saying in this amendment, in effect, is that if we are going to be projecting a deficit in excess of \$20 billion, then for this type of back-door financing—that is, authorization with the Federal Treasury standing with full faith and credit behind such contract authorization—we should have an automatic method of preventing such authorizations when the Federal deficit will exceed \$20 billion during any fiscal year.

Mr. Chairman, I have offered this amendment to limit the expenditure of Federal funds for public facilities under this act in order to be on record as opposing further deficit financing of local projects.

Let me point out at the outset that I do not oppose the provision of public facilities, and I am not in favor of unemployment. I believe that other pieces of legislation which have not yet been implemented may well serve to fulfill the same function claimed for the pending bill.

I speak specifically of general revenue sharing and Federal Water Pollution Control Act amendments—FWPCA—which together would provide nearly \$30 billion in Federal funds for public facilities and discretionary uses which would go to the same ends: employment and local projects. It would certainly be well described as overkill to cram an additional \$5 billion into the pipeline without regard to the effects of these provisions on either the local or State governments or the Federal budget.

I have chosen the \$20 billion figure because it approximates the annual cost of debt service on our present national debt. Except for this interest component, we would nearly be on an even keel, that is, not exceeding our revenues with operational expenses. My amendment, then, would provide that we not go further into debt to duplicate other programs which may well solve the same problems addressed by this bill.

In any fiscal year in which the projected deficit is less than \$20 billion, and projects under revenue sharing and the FWPCA prove to fall short of the stated goals of low unemployment and improved community facilities, my amendment would in no way interfere with the operation of this program.

However, I urge my colleagues to look favorably upon this amendment and to declare that Uncle Sam shall not be forced into the role of employer-financier

of first resort in the years when he cannot afford to assume that role.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Georgia. Obviously, as I believe the gentleman from Georgia will admit, he is against the bill and he expects to vote against the bill in any case.

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

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

Mr. BLACKBURN. Mr. Chairman, if my amendment passes I probably will support the bill.

Mr. PATMAN. If this amendment is adopted we would have no bill. The amendment puts the bill in a position where it would never be useful and would never be used. We should not be too facetious about this, because the bill involves too much which affects matters that are urgent and needed. The bill provides for the needed water and sewage facilities for the people. It assists in our continued battle against pollution and indirectly assists in our efforts to curb unemployment.

Mr. Chairman, I think we have had enough debate on this. I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. BLACKBURN).

TELLER VOTE WITH CLERKS

Mr. PATMAN. Mr. Chairman, I demand tellers.

Tellers were ordered.

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

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

The Committee divided, and the tellers reported that there were—ayes 197—noes 194, not voting 42, as follows:

[Recorded Teller Vote]

[Roll No. 271]

AYES—197

Abbott	Clancy	Galifianakis
Abernethy	Clausen	Goldwater
Anderson, Ill.	Don H.	Goodling
Andrews, Ala.	Clawson, Del.	Gross
Andrews,	Cleveland	Grover
N. Dak.	Collier	Gubser
Archer	Collins, Tex.	Haley
Arends	Colmer	Hall
Ashbrook	Conable	Hansen, Idaho
Baker	Conover	Harsha
Baring	Coughlin	Hastings
Belcher	Crane	Heckler, Mass.
Bennett	Daniel, Va.	Heinz
Betts	Davis, Wis.	Henderson
Biaggi	de la Garza	Hillis
Blackburn	Dellenback	Horton
Bow	Dennis	Hosmer
Bray	Derwinski	Hunt
Brotzman	Devine	Hutchinson
Brown, Mich.	Dickinson	Ichord
Brown, Ohio	Dorn	Jarman
Broyhill, N.C.	Downing	Johnson, Pa.
Broyhill, Va.	Duncan	Jonas
Buchanan	du Pont	Keating
Burke, Fla.	Dwyer	Keith
Burleson, Tex.	Edwards, Ala.	Kemp
Byrnes, Wis.	Erlenborn	King
Byron	Esch	Kuykendall
Cabell	Eshleman	Kyl
Caffery	Findley	Landgrave
Camp	Fisher	Landrum
Carlson	Flowers	Latta
Carter	Ford, Gerald R.	Lent
Casey, Tex.	Forsythe	Lloyd
Cederberg	Fountain	Lujan
Chamberlain	Frenzel	McClory
Chappell	Frey	McCollister

McCormack
McCulloch
McDade
McEwen
McKevitt
McKinney
McMillan
Mahon
Mailliard
Mallory
Mann
Martin
Mathias, Calif.
Mayne
Michel
Miller, Ohio
Mills, Md.
Minshall
Mizell
Montgomery
Myers
Nelsen
Nichols
Pelly
Pettis
Pirnie
Poage
Poff
Powell
Price, Tex.

Quile
Quillen
Rallsback
Rarick
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Roncallo
Roussetot
Roy
Runnels
Ruppe
Sandman
Satterfield
Saylor
Scherle
Schmitz
Schneebell
Schwengel
Scott
Sebelius
Shoup
Shriver
Sikes
Skubitz
Smith, Calif.
Snyder
Springer

Stanton,
J. William
Steiger, Ariz.
Steiger, Wis.
Taylor
Teague, Calif.
Teague, Tex.
Terry
Thompson, Ga.
Thomson, Wis.
Thone
Vander Jagt
Veysey
Waggonner
Wampler
Ware
Whalley
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Winn
Wyatt
Wydler
Wyllie
Wyman
Young, Fla.
Zion

NOES—194

Abourezk
Abzug
Adams
Addabbo
Albert
Alexander
Anderson,
Calif.
Annunzio
Ashley
Aspin
Aspinall
Badillo
Barrett
Begich
Bell
Bergland
Bevill
Biester
Bingham
Boggs
Boland
Bolling
Brademas
Brasco
Brinkley
Brooks
Burke, Mass.
Burlison, Mo.
Burton
Byrne, Pa.
Carey, N.Y.
Carney
Celler
Chisholm
Clark
Clay
Collins, Ill.
Conte
Conyers
Corman
Cotter
Culver
Curlin
Daniels, N.J.
Danielson
Davis, S.C.
Delaney
Dellums
Denholm
Dent
Diggs
Donohue
Dow
Drinan
Dulski
Eckhardt
Edwards, Calif.
Ellberg
Evans, Colo.
Fascell
Fish
Flood
Ford
William D.
Fraser
Frelinghuysen

Fuqua
Gaydos
Gettys
Gialmo
Gibbons
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gude
Halpern
Hamilton
Hammer-
schmidt
Hanley
Hanna
Hansen, Wash.
Harrington
Harvey
Hathaway
Hays
Hechler, W. Va.
Helstoski
Hicks, Mass.
Hicks, Wash.
Hogan
Hollifield
Howard
Hull
Hungate
Jacobs
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Karth
Kastenmeier
Kazen
Kluczynski
Koch
Kyros
Leggett
Link
Long, Md.
McCloskey
McFall
McKay
Macdonald,
Mass.
Madden
Mathis, Ga.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mikva
Mills, Ark.
Minish
Mink
Mitchell
Mollohan
Monagan
Moorhead
Morgan

Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nix
O'Hara
O'Konski
O'Neill
Patman
Patten
Pepper
Perkins
Peyser
Pickle
Pike
Preyer, N.C.
Price, Ill.
Pucinski
Rangel
Rees
Reid
Reuss
Riegle
Rodino
Roe
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roybal
St Germain
Sarbanes
Scheuer
Sisk
Slack
Smith, Iowa
Staggers
Stanton,
James V.
Steed
Steele
Stephens
Stratton
Stubblefield
Sullivan
Symington
Thompson, N.J.
Tiernan
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Waldie
Whalen
White
Wilson,
Charles H.
Wolf
Wright
Yates
Yatron
Young, Tex.
Zablocki
Zwack

NOT VOTING—42

Anderson,
Tenn.
Blanton
Blatnik

Broomfield
Davis, Ga.
Dingell
Dowdy

Edmondson
Evins, Tenn.
Flynt
Foley

Fulton
Gallagher
Garmatz
Hagan
Hawkins
Hébert
Jones, Tenn.
Kee
Lennon
Long, La.
McClure

McDonald,
Mich.
Miller, Calif.
Mosher
Obey
Passman
Podell
Pryor, Ark.
Purcell
Randall
Rhodes

Rooney, N.Y.
Ryan
Seiberling
Shipley
Smith, N.Y.
Spence
Stokes
Stuckey
Talcott
Wiggins

So the amendment was agreed to.
Mr. MAHON. Mr. Chairman, I move to strike out the last word.

PARLIAMENTARY INQUIRY

Mr. PELL. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. MAHON. I yield to the gentleman.
Mr. PELL. Mr. Chairman, the parliamentary inquiry is: Since the gentleman from Texas announced that if this amendment passed it would kill the bill, I wonder if he has notified the Chair that he was withdrawing the bill from the floor?

The CHAIRMAN. The Chair will state, that does not constitute a parliamentary inquiry.

Mr. MAHON. Mr. Chairman, a major question before us today is really how strongly Congress can make the point that it is irrevocably for the improvement of the environment, without making itself appear ridiculous.

HOUSE TAKES VIGOROUS STAND FOR CLEAN ENVIRONMENT

On three recent occasions, the House has spoken clearly for a vigorous national policy toward a clean environment. We want to stress the position of the House without straining our credibility. We do not want to go to the point that we appear to make ourselves ridiculous.

WATER POLLUTION CONTROL AMENDMENTS OF 1972

On March 29, the House passed the Water Pollution Control Act Amendments of 1972 which provided spending authority of \$18 billion for waste treatment plants over a 3-year period.

For the fiscal year 1973 that bill included \$5 billion compared to \$2 billion budgeted by the President.

So we showed that we were more than two and one-half times stronger for cleaning up the environment than was the Chief Executive.

REVENUE SHARING

The revenue sharing bill which passed the House on June 22 provided \$30 billion over a period of 5 years. There would be under that bill \$5 billion plus the carryover from the fiscal year 1972 available for allocation in the fiscal year 1973. The Revenue Sharing bill provides in "Section 102, High Priority Expenditures" specifically for capital expenditures. For what? For sewage collection and treatment and refuse disposal systems.

Of course, a significant feature of the revenue sharing program is that it requires no local effort. It requires no local revenues to be raised and no local matching moneys must be committed. It is wholly 100-percent Federal grant money provided in the revenue sharing bill. I mention that fact because the advocates of this bill stress the need for 100-percent Federal grant money.

BASIC WATER AND SEWER GRANTS

Less than 3 weeks ago the House passed the agriculture-environmental appropriation bill for fiscal year 1973, which provided a level of \$500 million for the basic water and sewer grant programs.

This amount was again 2½ times more than the President said he intends to spend.

It seems to me that if we are seeking to convince the administration that this Congress is in favor of clean water, we have already done it two or three times over.

CREDIBILITY OF CONGRESS

The question that enters my mind is, Does Congress jeopardize its credibility and exhibit some degree of insincerity when it says that it still wants to appropriate in this bill \$5 billion more for these same programs? It just seems to me that in our zeal to do something about a clean environment, we may be going too far. I do not like to oppose this Committee, but it is noteworthy that it has not laid awake nights trying to figure out ways to reduce spending or to balance the budget.

I remember in the thirties when my colleague, the Chairman of the Committee, and I saw Congress pass a \$4 billion public works bill. That was world shattering. We were talking about it for weeks and months.

We have before us today this \$5 billion bill, and it has created almost no ripple at all—even though it is not included in the budget, even though it is piled on top of other appropriations for the same purpose, even though it will increase the national debt by over \$3 billion in fiscal year 1973, even though it will make mandatory a tax increase. We seem to have lost our sensitivity somewhere along the way to the election. It does seem we ought to take a real hard look at what we are considering here today.

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

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

UNEMPLOYMENT VERSUS INFLATION

Mr. MAHON. I think people are concerned about unemployment, but they are also concerned that we do not have another devaluation of the dollar, and that we do not have a \$300 billion budget next year. With the additions the House has already made to spending authority this session, and including this bill, we have gone from \$270 billion in the President's budget to upwards of \$290 billion. This session we are going to be pushing at a level of \$300 billion a year—without adequate revenues in sight, and with the evident reality that the expenditures of these vast sums will create inflation that will be utterly uncontrollable, placing the country in a most untenable position.

INCREASES OVER THE BUDGET

I have a document here, a scorekeeping report on the expenditure effects of all congressional actions and inactions, which is provided at the taxpayers' expense by one of the congressional joint committees. In checking these figures I find the following. Including the \$5 bil-

lion in the pending bill, the appropriation bills and nonappropriation bills out of the legislative committees, such as this one, the House has thus far—and most of our bills have not been finalized—the House has busted the President's budget request for new spending authority in fiscal year 1973 that began only three weeks ago by the astronomical sum of \$20,770,436,000. To be perfectly clear I should add that that figure includes \$6 billion advance contract authority for fiscal 1974 in the \$18 billion, 3-year package for waste treatment construction grants voted by the House some weeks ago. Does that bring a chill or tear? Apparently not.

Have we been dulled and made insensitive by some virus that is infecting the country?

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

Mr. MAHON. Not at this point. I will be glad to in a moment.

We must provide more revenue, or we must somehow try to do a little less by way of escalating spending. Do I want to go home—do you want to go home—and tell your constituents that you have supported thus far this session \$20 billion in spending authority over the President's budget?

Do the Democrats want to do that?

Do the Republicans want to do that?

Should the people of this country be expected to endure this sort of treatment at the hands of their elected officials? I am just wondering—and so are quite a few more.

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

Mr. MAHON. I yield to my able and distinguished colleague.

Mr. LONG of Maryland. The gentleman pointed out that not only is this inflationary, but I think a further point also can be made that we may not even be able within the capacity of the construction industry to build these facilities. The Environmental Protection Agency comment on the Federal Pollution Control Act was that the waste treatment construction industry does not have the capacity nor did they feel they could expand rapidly enough to take care of the demands under that bill, and here we propose to add another bill on top of that.

Mr. MAHON. You make an impressive point. We authorize spending of \$5 billion in the water pollution control bill. We appropriated \$5 billion plus in the revenue sharing bill. And we provided \$500 million in the agriculture-environmental appropriation bill for fiscal year 1973. That amounts to well over \$10 billion in these bills for these programs. It is evident that all of this money is not going to be spent. It is evident that all of it probably could not be spent. Is it necessary now to make a gesture to further emphasize our interest in antipollution programs by piling \$5 billion more on the hop?

Will our folks at home think we are acting responsibly?

BYPASSING THE APPROPRIATIONS PROCESS

This bill also bypasses the appropriations process which Congress set up in

order to effectively carry out its responsibility to control the purse.

Besides that, there was only 1 day of hearings held on the bill before us today.

Besides that, there was not a departmental witness before the committee on this bill.

It does shock one to see we have come to that stage in our legislative history that we can just go along with a \$5 billion bill of this sort above the President's budget without a qualm.

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

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

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

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

Mr. JONAS. Mr. Chairman, I am glad the gentleman made the last point, but I think it needs to be emphasized that not only does this bill bypass the appropriations process but also in doing so it denies Congress any oversight over the operation of this program. It amounts to giving the Executive a blank check for about \$5 billion. That is not a sound way for Congress to operate. It is not a good way to run a railroad or a government in my opinion.

Mr. MAHON. The gentleman is right.

Either we are motivated by logic or not. I think our vote on this bill would somewhat determine whether we are motivated by logic.

RESPONSIBILITY TO CITE THE BUDGET FACTS

I do not like to speak against our committee chairmen and against my colleagues. But Heaven knows if the Appropriations Committee chairman does not sound a warning that we are exceeding proposed budget authority by \$20 billion at a time like this, who else could be expected to do it? I ask the Members to search their consciences before they make up their minds and vote.

The House has proven time and time again that it is for cleaning up the environment and we have provided two or three times the amounts that have been requested. Now I think it is time for sober thought and reflection, and I think the people at home are wiser than some give them credit for.

Mr. ALBERT. Mr. Chairman, I move to strike the requisite number of words and I rise in support of this legislation.

Mr. Chairman, I dislike taking a position opposite to my distinguished and beloved friend, chairman of the committee that does have the responsibility for financing measures passed by the House, but I think this whole thing should be put in perspective. The leadership of the House is for the bill and encouraged the Committee on Banking and Currency, which has jurisdiction in this area, to bring this bill out.

It has been said we have done this twice before, or words to that effect, that we did it in the revenue-sharing bill.

I suppose I have had as many mayors come to my office as anybody in the Congress. My understanding from them is what they need that money mainly for services, money they generally would use

if they had revenues available from their own resources.

Now, the Public Works bill, would provide for sewage treatment plants. That is important. It is one thing to clean up; it is another thing to deliver. Cities and towns all over the United States need water lines and sewer lines. I have had more petitions for this kind of service than for any kind of service that has been brought to my attention by the mayors and civic leaders of this country.

This is what we are seeking to do here. It is true that it complements the other measures, but it also brings immediate relief to communities all over the country.

I do not believe any programs that the Congress has ever passed have been more popular than the various community facilities programs we have had. We need all these things. We need to balance our resources among all of them. We should not do two-thirds of the job; we should do the whole job and pass this bill.

Mr. BOGGS. Mr. Chairman, will the distinguished Speaker yield?

Mr. ALBERT. I yield to the majority leader.

Mr. BOGGS. The gentleman has made a very profound statement.

I believe that if one will examine the conditions all over the country he will find none of these programs duplicative.

I might say that in my own area—I happen to live at the mouth of the Great Father of Waters, the Mississippi River—today all kinds of projects are closed down, because of contamination in that river. Only recently the famous oyster-producing beds right below New Orleans were closed, because of contamination.

There are areas where we cannot build homes, because we do not have proper sewerage facilities. I noted recently that, here in the metropolitan area, either Montgomery County or Prince Georges County faces a similar situation.

I listened to the argument of the gentleman from Texas, our distinguished colleague, about the amount of money involved here. Well, there is a lot of money involved here.

But I happened to attend a meeting at the White House, a bipartisan meeting at the beginning of this session of the Congress, when Mr. Shultz, who is now the Secretary of the Treasury, he was then in some kind of an economic zone. He had a chart showing proposed spending. He said that the administration would embrace deficit spending in order to pull us out of the recession.

This, in fact, embraces what Mr. Shultz himself recommended as an economic measure to help the country reduce unemployment and end the recession which is still with us.

And, more than that, it meets a need that exists in every community in this country.

I hope that when the rollcall comes on the amendment we voted on a minute ago it would be reversed, that the amendment will be defeated, and this bill will be passed. I thank the distinguished speaker for yielding.

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

Mr. Chairman, the bill we have before us is an authorization bill. It is not an appropriation bill. It is an authorization bill.

I should like to point out, in respectful answer to my chairman of the Appropriations Committee, that there may be \$10 billion appropriated, but I can tell the Members that there is no water in Davisboro, Ga. There may have been \$10 billion appropriated, but there is no adequate water in the small town of Watkinsville, Ga. There may have been \$10 billion appropriated, but there are no adequate water and sewer facilities in Harlem, Ga.

We can multiply that by about 40,000 towns all over the United States. The Committee on Appropriations will have ample opportunity to pass upon the money that will go into this program.

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

Mr. STEPHENS. I have not yielded yet, Mr. Chairman.

What the Committee on Appropriations has promised every time is to give us this relief in these small communities. It has cut the amount we asked for these things every single time. I say we must get our priorities straightened out, and this is one of the priority pieces of legislation. If you are going to stop pollution in the United States, you have to stop it where it is, that is, where there are no sewer facilities or water facilities. These are usually in the slum sections of rural America. That is what I am asking for, is to help the smaller communities. This bill is consistent in helping urban communities and larger communities, but what I have asked for is that we must take an interest in putting the money where it will do the most good and where it will keep people from migrating to the cities and causing the problems that all of us are faced with in the cities.

Mr. MAHON. Will the gentleman yield?

Mr. STEPHENS. I am glad to yield.

Mr. MAHON. The gentleman from Georgia says it is just an authorization bill and the Committee on Appropriations can act on it. This bill authorizes the expenditure tomorrow, if it should become the law tomorrow, of \$5 billion. The Appropriations Committee then will have no authority whatever to do anything about it. The only thing the Committee on Appropriations could do when the money has been spent and the obligations made would be—just as a procedural matter—to bring forward a bill providing funds to make the disbursements. Obligations would already have been made for the money to be spent. There is no doubt about it. And I hope no one is so naive as not to understand that when you grant contract authority the cat is out of the bag. Once the money is obligated, it is up to the Congress to pick up the tab. We would have lost control over the money. That is what we are doing here.

Mr. STEPHENS. I would like to proceed for just a short time further.

The priorities may be calling for an expenditure of \$10 billion, but the question here is whether or not you are going to have the people in the smaller communities getting water and sewer.

Mr. JONAS. Will the gentleman yield? Mr. STEPHENS. I will be glad to yield to the gentleman.

Mr. JONAS. I believe the language on lines 23 and 24 on page 4 of the bill clearly indicate it is clearly a bypassing of the appropriation process, and it amounts to a blank check in the sum of \$5 billion to the executive branch of the Government. It pledges the faith of the United States in favor of every grant contracted for under the authority given in this bill. The action of the Committee on Appropriations, as the distinguished chairman has said, would follow that as a ministerial act.

Mr. STEPHENS. I still say that the point involved in this is, if it is more than an authorization and if it does not come back to the Committee on Appropriations, then that is fine.

I say that for this reason: For 3 years I have been trying to get the Committee on Appropriations to raise the amount for the purposes in here, but they have not done it. If that is what they are going to do, then let us do it by this bill.

Mr. MAHON. If the gentleman will yield further, the Congress continued to go far above the budget in providing funds for all of these purposes, two or three times over what the executive has asked for. We have gone a long way. We have tried to be as generous as possible under all the circumstances. But there is a limit beyond which we cannot go without raising taxes, and I do not hear anybody shouting about raising taxes.

Mr. STEPHENS. I request unanimous consent to extend and revise my remarks. Now, Mr. Speaker, let me proceed with some additional facts.

H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972, constitutes an investment in the future of the people of our Nation. The funds that would be provided under this bill would finance water and sewer systems and other basic public works and facilities desperately needed by communities throughout the Nation to safeguard the health and welfare of our population.

Nowhere are the funds made available by H.R. 13853 needed more than in rural America. Applications for grants under this legislation by urban communities would, for the most part, stem from the need to expand or otherwise improve alarmingly inadequate water and sewer systems. We need only look at the pollution of our rivers, streams, and lakes to begin to recognize how inadequate urban sewer systems are. But at least urban communities do have water and sewer systems. The same cannot be said for many rural communities.

There are more than 30,000 rural communities without water systems and more than 40,000 without sewer systems. This is another way of saying there are over 40,000 communities in this Nation which have absolutely no future in terms of growth potential—no hope of improved living conditions for millions of families—no prospect of remaining in rural America for the children of these families. The lack of basic water and sewer systems in community after community in rural America means contaminated

wells and raw sewage running over the ground. It means unnecessary sickness for thousands of people and even needless death for some where conditions are most severe. While urban and suburban America live in the space age, much of rural America has not been permitted to enter the 20th century in terms of having the facilities that most of the people of the country take for granted.

Mr. Chairman, the reason that so many rural communities lack water and sewer systems centers on the fact that up until now nothing has been proposed that would really provide the kind of help needed by these communities. Many of the Members of the House are aware to varying degrees of the existence of Federal assistance to fund water and sewer systems through programs in the Department of Housing and Urban Development, the Farmers Home Administration, the Economic Development Administration and the Environmental Protection Agency. But what most of the Members in this Chamber do not know is that these programs are not realistically designed to help the poorest rural communities—to help the people who are most in need. All of these programs provide loans and/or matching grants for public works and facilities of one kind or another, but all of them require communities making application for assistance to produce a substantial amount of the project funds themselves. These programs are useless to communities which cannot obtain loans on any basis and have absolutely no resources with which to produce matching funds.

H.R. 13853 is the first real ray of hope for poor rural communities because this legislation can provide grants which amount to 100 percent of the cost of projects where necessary to carry out the purposes of the act. Nothing less than this can constitute a realistic approach to the problems afflicting much of rural America.

Up until now the cart has been before the horse for these communities. The assistance programs that now exist all assume poor rural towns have some resources with which to share the cost of financing basic public works and facilities. The result is that these communities are forced to stand by while urban areas and the most affluent of rural towns helped themselves to whatever grant and loan assistance has been made available. Instead of providing help to all of the Nation, Federal assistance programs up until now have made it impossible for more than 40,000 rural communities to have their fair share of the funds that have been made available.

In some instances, rural communities have desperately tried to fill the funding gap by applying for assistance for one project to every conceivable Federal agency which might provide help on a partnership basis with other State and Federal agencies. Even in these cases, little real help has been made available.

Without H.R. 13853, providing as it does for 100-percent cost of project grants, there is no chance for most of the communities in rural America to develop healthy, robust economies which will pay back this initial investment many times over.

Mr. Chairman, the Nation's housing goals as they apply to rural America will never be met unless H.R. 13853 is approved. Nearly half of all the country's poverty stricken live in rural America despite the fact that it has less than one-third of the Nation's population. Equally disturbing, rural America has nearly 60 percent of all substandard housing. Without the funding that would be provided on a grant basis by H.R. 13853 for water and sewer systems, there is absolutely no prospect of meeting the housing needs of rural America. Adequate housing and suitable living conditions simply cannot be provided where there are no water and sewer systems.

H.R. 13853 is addressed to the most urgent domestic problems facing our Nation—the need to provide jobs for our people, the need to safeguard the health and welfare of our population—the need to protect and preserve our environment. None of these needs is felt more critically than in rural America.

Mr. Chairman, H.R. 13853, the Emergency Community Facilities and Public Investment Act of 1972 must be approved for the sake of all the people we in this Congress have the responsibility to represent and to serve.

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

Mr. Chairman, let me say very clearly that if the Congress was not going to pass general revenue sharing, and if the Congress was not going to pass a good water quality act, then I think there might be some justification for this bill. But we passed in this body, just before the recess, a general revenue-sharing proposal which included in the preamble a special emphasis on clean water expenditures, plus \$5.3 billion from the Federal Treasury each year to States and local units of government for the next 5 years.

We have passed, and the other body has passed, and it is now in conference, a water quality act that calls over a 3-year period for almost \$19 billion in Federal expenditures for clean water. And there is inevitable duplication between that bill and the bill before us today.

Let me quote from the bill, H.R. 11896, the so-called Blatnik bill to amend the Federal Water Pollution Control Act on page 264, section 212, under the title "Definitions" it says, in section (2) (A)—and I read this to you, because it proves beyond a question of a doubt that the bill we have before us today is a duplication of what we passed a few weeks ago:

The term "treatment works" means any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature to implement section 201 of this Act, or necessary to recycle or reuse water at the most economical cost over the estimated life of the works, including intercepting sewers, outfall sewers, sewage collection systems, pumping, power, and other equipment, and their appurtenances . . .

Now how many times do we have to scrub our ecology image at the cost of the taxpayers? We have done it with general revenue sharing. We will do it with

the Water Quality Act. The House may pass this bill, although I hope not. I think the bill before us today is duplication, is unnecessary, and a wasteful expenditure of the taxpayers' money. It should be defeated.

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

Mr. Chairman, I want to answer the gentleman from the other side of the aisle, and to also further stress that which has been already said by our distinguished Speaker, and by our distinguished majority leader, the gentleman from Louisiana (Mr. Boggs). The gentleman referred to the so-called Blatnik bill. The gentleman from Minnesota (Mr. BLATNIK) wrote me a letter about that, and here is what he said:

I think we may justly take pride in the fact that through the years both the membership and the staff of the two committees (Public Works and Banking and Currency) have scrupulously avoided any bureaucratic infighting or wasting needless energy over jurisdictional disputes, but rather have worked in complete harmony in the interest of an improved environment and a healthy economy.

Both Houses have passed and we are now considering in conference S. 2770, the Federal Water Pollution Control Act Amendments of 1972. Included in this measure is \$18 billion for grants for the construction of waste treatment plants. I believe that the water and sewer lines which would be constructed, should H.R. 13853 become law, are complementary and a necessary adjunct to the treatment plants provided for in S. 2770.

H.R. 13853, I feel certain, will provide yet another valuable tool in our arsenal of weapons against environmental pollution and economic decay. I am delighted therefore to give my wholehearted endorsement and unqualified support to the objectives and provisions of the Emergency Community Facilities and Public Investment Act of 1972.

Sincerely,

JOHN BLATNIK.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. BROWN of Michigan. The date of that letter is May 23. That is the date of the hearing and that letter was obtained after some of us raised a question about the jurisdiction of the Committee on Banking and Currency and whether or not it was duplicative legislation.

Mr. PATMAN. It is immaterial when it was raised—it was raised before the vote and the vote on the bill was 19 to 4.

Mr. MILLER of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the bill that the chairman of the Committee on Public Works was speaking about is S. 2770.

We, in the House, on March 29, passed the bill H.R. 11896 that did allow under section 211 authority to construct collector systems. The Senate did not have authority for collector systems in their bill. But as one of the conferees on the water pollution control bill, I would hope that we can bring the conference report back to the House including authority for collection systems.

The bill that we are considering today is nothing more than a duplicate of the water pollution control bill that is now in conference.

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

Mr. Chairman, I hesitate to take time at this time in the evening, but I have been listening this afternoon for some answers that I have not received.

I represent a rather rural area of Indiana that has a number of small cities that are under the gun right now from EPA to provide much needed sewage treatment systems. Some do not have any primary system at all. I use, as an example, my own hometown, a city on the Wabash River with just a little over 2,000 population. For many years wrongly, that city has been dumping raw sewage into the river. They are now under an order from EPA—and I do not blame anybody in EPA or anybody else—that city should be under order to do something about it.

The city is going to have to build a sewage treatment plant now. It has a sewer system, but a sewage treatment plant is going to cost possibly about \$2 million. It just does not have the tax base today to do that, and they are being told today that there is no money anywhere.

Under the order of the EPA to build a system, they are under a threat of a fine if they do not have the plans within 30 days—and they have extended that 30-day period.

Where is the money going to come from today? I would like to know.

I would like to vote against this bill, because I am concerned about what the chairman of the Committee on Banking and Currency said about a taxpayers revolt. I am concerned about this \$5.2 billion being over the budget. I would like to know if there is anybody concerned about these small communities.

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

Mr. MYERS. I yield to the gentleman.

Mr. STEPHENS. So far as that problem is concerned, the gentleman has been saying exactly what this bill is about. It is for communities—for 100 percent help where that tax base and their ability to do what is necessary is not locally there. They are incapable of issuing bonds to raise money. This bill is designed to do exactly what will be done for your hometown if they qualify under this act.

Mr. MYERS. I would hope that somebody someplace this afternoon who is supporting this bill would say, we are going to bite the bullet or we are going to get the \$5.2 billion from some other program or some place, but I have not heard that from any of the proponents of their bill.

Mr. STEPHENS. I said that we have not set the right priorities and this is the way to set the priorities. That is what I meant when I said that.

Mr. MYERS. But are the proponents of this legislation willing to vote "no" on some future legislation or appropriation to the tune of reducing that by \$5.2 billion?

Mr. STEPHENS. I have never voted for a foreign aid program in my life.

Mr. MYERS. That is not \$5.2 billion though.

Mr. STEPHENS. When I came to the Congress, the foreign aid bill was \$8 billion. The last time it was less than \$3 billion.

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

Mr. MYERS. I yield to the gentleman.

Mr. RAILSBACK. I thank my colleague from Indiana. I share many of the same concerns that he has just expressed.

While I have my own small communities that face serious problems because of the legislative mandates, both the State act and the Federal act—it seems to me even though I testified before the House and Senate appropriations subcommittees on agriculture dealing with Farmers' Home Administration and so forth—it seems to me it would really be the height of fiscal irresponsibility to pile in 1 year over \$3 billion on top of the deficit that we have right now.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SISK, 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. 13853) to amend title VII of the Housing and Urban Development Act of 1965, pursuant to House Resolution 1018, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

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

Is a separate vote demanded on any amendment?

Mr. PATMAN. Mr. Speaker, I demand a separate vote on the Blackburn amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment: On page 5, line 4, add the following new subsection:

"(e) No contract for a grant may be made under the authority of this section during any fiscal year in which the projected deficit of the Federal budget exceeds \$20,000,000,000."

The SPEAKER. The question is on the amendment.

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

The yeas and nays were ordered.

The question was taken; and there were—yeas 205, nays 192, not voting 35, as follows:

[Roll No. 272]

YEAS—205

Abbitt	Bow	Carter
Alexander	Bray	Casey, Tex.
Anderson, Ill.	Brotzman	Cederberg
Andrews, Ala.	Brown, Mich.	Chamberlain
Andrews,	Brown, Ohio	Chappell
N. Dak.	Broyhill, N.C.	Clancy
Archer	Broyhill, Va.	Clausen,
Arends	Buchanan	Don H.
Ashbrook	Burke, Fla.	Clawson, Del.
Baker	Burleson, Tex.	Cleveland
Baring	Byrnes, Wis.	Collins, Tex.
Belcher	Byron	Collmer
Bennett	Cabell	Conable
Betts	Caffery	Conover
Blaggi	Camp	Coughlin
Blackburn	Carlson	

Crane	Kemp	Rousselot
Daniel, Va.	King	Roy
Davis, Wis.	Kuykendall	Runnels
de la Garza	Kyl	Ruppe
Dellenback	Landgrebe	Ruth
Dennis	Latta	Sandman
Derwinski	Lent	Satterfield
Devine	Lloyd	Saylor
Dickinson	Lujan	Scherle
Dorn	McClary	Schmitz
Downing	McCloskey	Schneebell
Duncan	McCollister	Schwengel
du Pont	McCormack	Scott
Dwyer	McCulloch	Sebelius
Edwards, Ala.	McDade	Shoup
Erlenborn	McDonald,	Shriver
Esch	Mich.	Slakes
Eshleman	McEwen	Skubitz
Findley	McKevitt	Smith, Calif.
Fisher	McKinney	Smith, N.Y.
Flowers	McMillan	Snyder
Ford, Gerald R.	Mahon	Springer
Forsythe	Malillard	Stanton
Fountain	Mallary	J. William
Frenzel	Mann	Steiger, Ariz.
Frey	Martin	Steiger, Wis.
Fuqua	Mathias, Calif.	Talcott
Galifianakis	Mayne	Taylor
Goldwater	Michel	Teague, Calif.
Goodling	Miller, Ohio	Teague, Tex.
Green, Oreg.	Mills, Md.	Terry
Gross	Minshall	Thompson, Ga.
Grover	Mizell	Thomson, Wis.
Gubser	Montgomery	Thone
Haley	Myers	Ullman
Hall	Nelsen	Vander Jagt
Hansen, Idaho	Pelly	Veysey
Harsha	Pettis	Waggonner
Hastings	Pirnie	Wampler
Heckler, Mass.	Poage	Ware
Heinz	Poff	Whalley
Henderson	Powell	Whitehurst
Hillis	Price, Tex.	Whitten
Horton	Purcell	Widnall
Hosmer	Quie	Williams
Hull	Quillen	Wilson, Bob
Hunt	Railsback	Winn
Hutchinson	Rarick	Wyatt
Ichord	Rhodes	Wylder
Jarman	Roberts	Wylie
Johnson, Pa.	Robinson, Va.	Wyman
Jonas	Robison, N.Y.	Young, Fla.
Keating	Rogers	Zion
Keith	Roncallo	

NAYS—192

Abourezk	Donohue	Karth
Abzug	Dow	Kastenmeier
Adams	Drinan	Kazen
Addabbo	Eckhardt	Kee
Anderson,	Edwards, Calif.	Kluczynski
Calif.	Ellberg	Koch
Annunzio	Evans, Colo.	Kyros
Ashley	Fascell	Leggett
Aspin	Fish	Link
Aspinall	Flood	Long, Md.
Badillo	Foley	McFall
Barrett	Ford	McKay
Begich	William D.	Macdonald,
Bell	Fraser	Mass.
Bergland	Frelinghuysen	Madden
Bevill	Gaydos	Mathis, Ga.
Blester	Gettys	Matsunaga
Bingham	Glaimo	Mazzoli
Boggs	Gibbons	Meeds
Boland	Gonzalez	Melcher
Bolling	Grasso	Metcalfe
Brademas	Gray	Mikva
Brasco	Green, Pa.	Miller, Calif.
Brinkley	Griffin	Mills, Ark.
Brooks	Griffiths	Minish
Burke, Mass.	Gude	Mink
Burlison, Mo.	Halpern	Mitchell
Burton	Hamilton	Mollohan
Byrne, Pa.	Hammer-	Monagan
Carey, N.Y.	schmidt	Moorhead
Carney	Hanley	Morgan
Celler	Hanna	Moss
Chisholm	Hansen, Wash.	Murphy, Ill.
Clark	Harrington	Murphy, N.Y.
Clay	Harvey	Natcher
Collins, Ill.	Hathaway	Nedzi
Conte	Hawkins	Nichols
Conyers	Hays	Nix
Corman	Hechler, W. Va.	O'Hara
Cotter	Helstoski	O'Konski
Culver	Hicks, Mass.	O'Neill
Curlin	Hicks, Wash.	Patman
Daniels, N.J.	Hogan	Patten
Danielson	Hollifield	Pepper
Davis, S.C.	Howard	Perkins
Delaney	Hungate	Peyser
Delums	Jacobs	Pickle
Denholm	Johnson, Calif.	Pike
Dent	Jones, Ala.	Preyer, N.C.
Diggs	Jones, N.C.	Price, Ill.

Pucinski	Sisk	Udall
Rangel	Slack	Van Deerlin
Rees	Smith, Iowa	Vanik
Reld	Staggers	Vigorito
Reuss	Stanton,	Waldie
Riegle	James V.	Whalen
Rodino	Steed	White
Roe	Steele	Wilson,
Rooney, Pa.	Stephens	Charles H.
Rosenthal	Stokes	Wolf
Rostenkowski	Stratton	Wright
Roush	Stubblefield	Yates
Roybal	Sullivan	Yatron
St Germain	Symington	Young, Tex
Sarbanes	Thompson, N.J.	Zablocki
Scheuer	Tierman	Zwach

NOT VOTING—35

Abernethy	Flynt	Obey
Anderson,	Fulton	Passman
Tenn.	Gallagher	Podell
Blanton	Garmatz	Pryor, Ark.
Blatnik	Hagan	Randall
Broomfield	Hébert	Rooney, N.Y.
Davis, Ga.	Jones, Tenn.	Ryan
Dingell	Landrum	Seiberling
Dowdy	Lennon	Shipley
Dulski	Long, La.	Spence
Edmondson	McClure	Stuckey
Evins, Tenn.	Mosher	Wiggins

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Rooney of New York against.

Mr. Passman for, with Mr. Blanton against.

Mr. Lennon for, with Mr. Blatnik against.

Mr. Abernethy for, with Mr. Mosher against.

Mr. Dowdy for, with Mr. Dingell against.

Mr. Broomfield for, with Mr. Dulski against.

Mr. McClure for, with Mr. Garmatz against.

Mr. Spence for, with Mr. Seiberling against.

Mr. Shipley for, with Mr. Podell against.

Mr. Wiggins for, with Mr. Ryan against.

Until further notice:

Mr. Anderson of Tennessee with Mr. Landrum.

Mr. Stuckey with Mr. Davis of Georgia.

Mr. Fulton with Mr. Pryor of Arkansas.

Mr. Flynt with Mr. Randall.

Mr. Hagan with Mr. Gallagher.

Mr. Evins of Tennessee with Mr. Edmondson.

Mr. Jones of Tennessee with Mr. Long of Louisiana.

Messrs. KEE, NICHOLS, and MURPHY of New York changed their votes from "yea" to "nay."

Messrs. McKEVITT and LENT changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

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

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

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

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 190, nays 206, not voting 36, as follows:

[Roll No. 273]

YEAS—190

Abourezk	Begich	Brademas
Abzug	Bell	Brasco
Adams	Bergland	Brooks
Addabbo	Bevill	Burke, Mass.
Anderson,	Blaggi	Burlison, Mo.
Calif.	Blester	Burton
Annunzio	Bingham	Byrne, Pa.
Ashley	Blackburn	Carey, N.Y.
Aspin	Boggs	Carney
Badillo	Boland	Celler
Barrett	Bolling	Chamberlain

Chisholm
Clark
Clay
Collins, Ill.
Conyers
Corman
Cotter
Coughlin
Culver
Curlin
Daniels, N.J.
Danielson
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dent
Derwinski
Diggs
Donohue
Dow
Drinan
Eckhardt
Ellberg
Esch
Fascell
Fish
Flood
Foley
Ford
William D.
Fraser
Gaydos
Gettys
Glaimo
Gibbons
Gonzalez
Grasso
Gray
Green, Pa.
Gude
Halpern
Hamilton
Hanley
Hanna
Hansen, Wash.
Harrington
Harvey
Hathaway
Hawkins
Hays
Hechler, W. Va.
Helstoski
Hicks, Mass.

Hicks, Wash.
Hogan
Holfield
Howard
Hungate
Ichord
Johnson, Calif.
Jones, Ala.
Karth
Kastenmeier
Kazen
Kee
Kluczynski
Koch
Kyros
Leggett
Link
McCloskey
McCormack
McDonald,
Mich.
McFall
McKay
McMillan
Macdonald,
Mass.
Madden
Mathis, Ga.
Matsunaga
Mazzei
Meeds
Melcher
Metcalfe
Mikva
Miller, Calif.
Minish
Mink
Minshall
Mitchell
Mollohan
Monagan
Moorhead
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nix
O'Hara
O'Konski
O'Neill
Patman
Patten
Pepper

Perkins
Peyser
Pike
Price, Ill.
Pucinski
Rangel
Reid
Riegle
Rodino
Roe
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roybal
St Germain
Sarbanes
Saylor
Scheuer
Sisk
Slack
Smith, Iowa
Staggers
Stanton,
James V.
Steed
Steele
Stephens
Stokes
Stratton
Stubblefield
Sullivan
Symington
Thompson, N.J.
Thomson, Wis.
Tiernan
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Waldie
Whalen
Wildnall
Wilson,
Charles H.
Wolf
Wright
Yates
Yatron
Young, Tex.
Zablocki
Zwach

NAYS—206

Abbitt
Alexander
Anderson, Ill.
Andrews, Ala.
Andrews, N. Dak.
Archer
Arends
Ashbrook
Aspinall
Baker
Baring
Belcher
Bennett
Betts
Bow
Bray
Brinkley
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burleson, Tex.
Byrnes, Wis.
Byron
Cabell
Caffery
Camp
Carlson
Carter
Casey, Tex.
Cederberg
Chappell
Clancy
Clausen,
Don H.
Clawson, Del.
Cleveland
Collier
Collins, Tex.
Colmer
Conable
Conover
Conte
Crane
Daniel, Va.

Davis, Wis.
Dellenback
Dennis
Devine
Dickinson
Dorn
Downing
Duncan
du Pont
Edwards, Ala.
Erlenborn
Eshleman
Evans, Colo.
Findley
Fisher
Flowers
Ford, Gerald R.
Forsythe
Fountain
Frelinghuysen
Frenzel
Frey
Fuqua
Galifianakis
Goldwater
Goodling
Green, Oreg.
Griffin
Griffiths
Gross
Grover
Gubser
Haley
Hall
Hammer-
schmidt
Hansen, Idaho
Harsha
Hastings
Heckler, Mass.
Heinz
Henderson
Hillis
Horton
Hosmer
Hull
Hunt
Hutchinson
Jacobs

Jarman
Johnson, Pa.
Jonas
Jones, N.C.
Keating
Keith
Kemp
King
Kuykendall
Kyl
Landgrebe
Landrum
Latta
Lent
Lloyd
Long, Md.
Lujan
McClory
McCollister
McCulloch
McDade
McEwen
McKevitt
McKinney
Mahon
Mailliard
Mallory
Mann
Martin
Mathias, Calif.
Mayne
Michel
Miller, Ohio
Mills, Ark.
Mills, Md.
Mizell
Montgomery
Myers
Nelsen
Nichols
Pelly
Pettis
Pickle
Pirnie
Poage
Poff
Powell
Preyer, N.C.
Price, Tex.

Purcell
Quie
Quillen
Rallsback
Rarick
Rees
Reuss
Rhodes
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Roncallo
Rousselot
Roy
Runnels
Ruppe
Ruth
Sandman
Satterfield
Scherle

Schmitz
Schneebell
Schwengel
Scott
Sebelius
Shoup
Shriver
Sikes
Skubitz
Smith, Calif.
Smith, N.Y.
Snyder
Springer
Stanton,
J. William
Steiger, Ariz.
Steiger, Wis.
Talcott
Taylor
Teague, Calif.
Teague, Tex.

Terry
Thompson, Ga.
Thone
Vander Jagt
Veysey
Waggoner
Wampler
Ware
Whalley
White
Whitehurst
Whitten
Williams
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Wyman
Young, Fla.
Zion

NOT VOTING—36

Abernethy
Anderson,
Tenn.
Blanton
Blatnik
Broomfield
Davis, Ga.
Dingell
Dowdy
Dulski
Dwyer
Edmondson
Edwards, Calif.

Evins, Tenn.
Flynt
Fulton
Gallagher
Garmatz
Hagan
Hebert
Jones, Tenn.
Lennon
Long, La.
McClure
Mosher
Obey

Passman
Podell
Pryor, Ark.
Randall
Rooney, N.Y.
Ryan
Seiberling
Shipley
Spence
Stuckey
Wiggins

So the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Rooney of New York for, with Mr. Lennon against.

Mr. Obey for, with Mr. Dowdy against.

Mr. Blanton for, with Mr. Hebert against.

Mr. Mosher for, with Mr. Passman against.

Mr. Broomfield for, with Mr. Abernethy against.

Mr. Blatnik for, with Mr. McClure against.

Mr. Podell for, with Mr. Wiggins against.

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

Mr. Ryan for, with Mr. Stuckey against.

Until further notice:

Mr. Seiberling with Mr. Shipley.

Mr. Dulski with Mr. Flynt.

Mr. Edwards of California with Mr. Ervin of Tennessee.

Mr. Fulton with Mr. Randall.

Mr. Davis with Mr. Edmondson.

Mr. Anderson of Tennessee with Mr. Pryor of Arkansas.

Mr. Jones of Tennessee with Mr. Hagan.

Messrs. TALCOTT, SCOTT, HANSEN of Idaho, COLLIER, and MILLER of Ohio changed their votes from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PARLIAMENTARY INQUIRY

Mr. SNYDER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman's parliamentary inquiry relate to the bill?

Mr. SNYDER. Yes, Mr. Speaker. Was a motion to reconsider laid upon the table?

The SPEAKER. The Chair will state to the gentleman that a motion to reconsider was laid upon the table.

Mr. SNYDER. I thank the distinguished Speaker.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days during which to extend their remarks on the bill H.R. 13853, and to include extraneous matter.

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

There was no objection.

WHY HIGH BEEF PRICES? A CITIZEN'S ANSWER

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

Mr. HALL. Mr. Speaker, consumers faced with the almost never ending increase in meat prices, are logically trying to find causes for the already high cost of that product. In a letter to the editor of the Chicago Tribune, Mr. Roy M. Frisby, outlines one of the main reasons for the consistently high prices, as he sees it.

In his letter, Mr. Frisby pulls no punches in his attack on what he views as Government's pushing up of food costs. For the benefit of this body, in its own quest for answers to the problem of high beef prices, I insert the following letter of the Honorable Roy M. Frisby of Chicago, who is a retired financier, but continues as a consultant and dynamic, dedicated citizen of extraordinary perception and acumen:

TAXES AND BEEF PRICES

WILMETTE.—To the Tribune's editorial "Meat Price Dilemma" [June 25] might be added some salient facts. Iowa's competent editor of the Jackson Sentinel may not edify our politicians, but he certainly instructs some of the rest of us. His research shows that the "high profit-taking middleman" is Uncle Sam because of the government's ever-expanding appetite for more tax money from both workers and management. The unfortunate fact is that at every link in the beef production chain there must be a 20 to 40 per cent markup to cover direct and indirect federal taxes.

"If ranch, farm, feedlot, trucker, packing plant, and supermarket operated with absolutely no profit—no return to owners or investors for furnishing farms, cow herds, buildings, equipment, and working capital for supplies and payrolls—beef might sell for from 5 to 8 cents per pound less—and that's all.

"But if the government collected no income taxes at any level of the beef-raising and processing chain, beef could probably sell for half as much per pound and still pay the workers the same net take-home pay and afford those providing the money for facilities the same reasonable compensation for their risk and investment."

Our Democrat-controlled Congresses, with their unbridled spending, originally tried to purchase the farmers' support by destroying live stock and then supporting grain prices. This economic immorality resulted in huge surpluses of grain. But worse still, this Democratic Congress has seven subsidy programs involving 61 million acres. The set-aside program for feed grain is 36.5 million acres. It takes eight pounds of feed to make a pound of beef, and yet the government pays the cornbelt farmers \$85 to \$100 per acre not to raise corn. One can only conclude that governments that believe in these economic absurdities will continue to commit economic atrocities.

In November let us give President Nixon a conservative Congress so that the nation can return to economic sanity. Otherwise, your next hot dog, sans the bun and the mustard, may well be 50 cents. Roy M. Frisby

INTRODUCTION OF LEGISLATION TO FURTHER ASSIST INDIVIDUALS WHO SUFFERED LOSSES AS A RESULT OF TROPICAL STORM AGNES

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

Mr. BARRETT. Mr. Speaker, my good friend from Wilkes-Barre, Pa. (Mr. Flood) and I are today introducing legislation to further assist those individuals who suffered losses to their homes, belongings, and businesses last month as a result of tropical storm Agnes.

Our proposal may be considered as daring by some. But, the time and conditions call for daring proposals. For those who own and occupy their home, to cover losses not compensated for by insurance or otherwise, we propose that grants be made for rebuilding, rehabilitating or replacing homes which have been totally or substantially destroyed for those individuals whose income is below the poverty level for the area.

For those whose income is above the poverty level, we propose loans without interest for a period of up to 30 years, with the first \$5,000 being canceled or forgiven.

Tied to these proposals, like the Reconstruction Finance Corporation and the Home Owners Loan Corporation, we would have the Government acquire any existing mortgages or encumbrances on the homes. These would be canceled up to a maximum of \$50,000. The homeowner must keep and occupy his home for 5 years or the loan or grant would have to be paid in full. These programs would be administered by both the Small Business Administration and the Farmers Home Administration.

If these proposals sound extravagant to any of my colleagues, we suggest they visit some of the areas of devastation and see for themselves the plight of the people and their impossible financial position.

The bill would provide similar relief for small business. The Government would acquire and refinance any existing mortgages or liens on the property, real or otherwise, and advance such additional funds as necessary to put the business back into operation. These loans would be nontransferable, bear no interest, and permit a cancellation of up to \$5,000.

The proposal provides for bona fide proof of loss and estimate of the cost of repair, rehabilitation or replacement. A civil penalty of one and one-half times the amount of grant or original loan is provided for in the case of misapplication of the proceeds.

Mr. Speaker, a number of bills have been introduced this week to provide further relief for those who have suffered from last month's storm as a result of the President's message received on Monday. Further, it should be noted, the House, on June 29, passed H.R. 15692,

to reduce the interest rates on SBA disaster loans. That bill provides for a \$2,500 forgiveness with the balance of the loan at 3 percent or a rate of 1 percent per annum on the entire loan.

The proposal from the President is a complete reversal of the position taken by the administration on June 29. At that time I proposed an amendment to the bill which would have provided for a maximum cancellation or forgiveness of \$2,500 and an interest rate of 1 percent per annum on the balance of the loan.

When I first considered proposing the amendment, I discussed a \$5,000 forgiveness with a number of my colleagues, with the 1-percent interest rate. I was discouraged from offering those figures on the basis that the administration was strongly opposed to that large a cancellation figure and that low an interest rate on the balance of the loan. The amendment I offered was rejected.

Now on Monday we received a message from the President proposing legislation to provide additional relief to victims of last month's storm, through the SBA and FHA. Hearings are to be held on the proposal tomorrow by the Banking and Currency Committee, and, as I understand, floor action is scheduled for Friday. The President's proposal provides for loans of 1 percent with a cancellation of the first \$5,000. This is exactly what I had originally proposed.

Now however, I find that this proposal is far from satisfactory to meet the need of the many thousands who are suffering from the worst natural disaster in the history of our Nation. During the recess earlier this month, I have learned more of the extent of damage, injury and suffering and the dire plight of so many. In a great many cases it is very doubtful that whatever we do can make these people whole. Words unfortunately cannot describe their plight. The President's proposal is unsatisfactory; it does not meet the challenge and need of the people who are in need of help.

Mr. Speaker, I most sincerely hope that the House will realize that this is not a time or situation for the application of business principles. Conditions call for heartfelt sympathy and understanding, and a charitable nature. The bill that Mr. Flood and I propose is intended to meet that need. I hope that this proposal will be adopted by the committee as a substitute, if not on the floor.

NEW YORK TELEPHONE CO.'S REQUEST TO CHARGE FOR DIRECTORY ASSISTANCE MUST BE OPPOSED

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

Mr. KOCH. Mr. Speaker, I would like to bring to the attention of our colleagues the most recent outrageous action by the New York Telephone Co. The company has requested that the State's public service commission permit it to require consumers to pay for local directory assistance calls. Effectively, this means that every time a New York City resident calls "information" for a number, even if in

another borough, he or she will be charged one phone unit, or 7.1 cents.

How many times a week do people call information, not in lieu of looking in the directory, but because the number in the directory is "not a working number" or simply is not listed. The phone book is printed annually; and by the time it is issued approximately 25 percent of its listings are out of date. In New York City a charge for information listings is particularly costly to consumers because few people have phone books for all five boroughs. Nobody would want to store this many books and the cost to the phone company in issuing them would be prohibitive.

Most tragic and unjust is the hardship this proposal would render on the blind, the handicapped, and the elderly. Social and employment activities are hard enough for these people without further problems being posed by the phone company. The New York Telephone Co. proposes to exempt the severely handicapped from the charge; but, the procedures for obtaining an exemption—in true telephone company style—are cumbersome and unattractive for those who would be eligible.

Among the complaints that my office receives from constituents, those levied against the New York Telephone Co. are among the most numerous. Because of its inefficient and inadequate service, businesses in New York City have suffered losses and people have suffered great personal inconveniences. Despite its poor service, the phone company now has the audacity to propose what amounts to a rate increase.

The arrogance of the New York Telephone Co. in its latest request lies in its not being subject to competition. It probably would be desirable to have a competing company, but since this is not practical, it is all the more important that the Public Service Commission demand from the phone company a level of service and consideration of consumer interests and convenience that competition would bring automatically.

Regrettably, the New York Public Service Commission, like too many similar commissions throughout the country, has neglected this role and apparently adopted the perspective of the industry. This is why we have the present situation of the New York Phone Co.'s not only making this outrageous request, but also going ahead, before receiving approval for it, and purchasing the equipment necessary to make the charges.

This latest outrageous request is not limited to the New York area. I am told that similar applications have been made in other States. It is important that the telephone companies across the Nation be made aware of the fact that their customers and our constituents are fed up and will resist this latest demand.

THE 14TH OBSERVANCE OF CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 60 minutes.

GENERAL LEAVE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order.

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

There was no objection.

Mr. FLOOD. Mr. Speaker, on the 14th observance of Captive Nations Week it is important for all Americans who truly value the traditions and priceless opportunities of freedom in this great land of ours to speak out in behalf of the one-third of humanity who are denied the basic civilized rights and national independence in the far-flung Communist world. With considerable foresight and vision the Congress in 1959 unanimously passed the Captive Nations Week resolution calling upon all Americans to observe the third week of July as Captive Nations Week until such time as freedom and independence shall have been achieved for all the captive nations of the world. Despite the many changes that have occurred in the Red empire since 1959, the imposing fact is that the captive nations in central Europe, within the U.S.S.R., in Asia, and in Cuba are still very much captive and are being increasingly exploited by the various totalitarian Red regimes.

THE PRESIDENT'S PROCLAMATION

The President's proclamation of the week on July 15 points out that in much of the world, the struggle for freedom and independence continues. This is seen in Lithuania where many have immolated themselves recently in behalf of freedom, in the hundreds of intellectuals in Ukraine who are incarcerated for their protests in behalf of freedom, in the efforts of Jews in the Soviet Union emigrate and free themselves of religious and cultural persecution, and in Vietnam where millions seek to escape the horror of a typical Communist takeover. At a time when detente is in the air, when many of our fellow citizens are myopically seized with even superficial concerns, the President's proclamation is highly symbolic and indicative. In our confused environment it, in effect, states that our constructive approaches to Peking and Moscow do not at all imply any agreement or acquiescence to the permanent captivity of the 27 and more nations and peoples in the slave half of the world. This is the prime significance of the 1972 Captive Nations Week, and I introduce at this point the full text of the President's proclamation:

CAPTIVE NATIONS WEEK, BY THE PRESIDENT OF THE UNITED STATES OF AMERICA—A PROCLAMATION

The cause of human rights and personal dignity remains a universal aspiration. Yet, in much of the world, the struggle for freedom and independence continues. It is appropriate, therefore, that we who value our own precious heritage should manifest our sympathy and understanding for those to whom these benefits are denied. The Eighty-Sixth Congress on July 17, 1959, by a Joint Res-

olution, authorized and requested the President to proclaim the third week of July in each year as Captive Nations Week in support of this sentiment.

Now, therefore, I, Richard Nixon, President of the United States of America, do hereby designate the week beginning July 16, 1972, as Captive Nations Week.

I call upon the people of the United States to observe this week with appropriate ceremonies and activities, and I urge them to give renewed devotion to the just aspirations of all peoples for self-determination and human liberty.

In witness whereof, I have hereunto set my hand this fifteenth day of July in the year of our Lord nineteen hundred and seventy-two, and of the Independence of the United States of America the one hundred and ninety-seventh.

RICHARD NIXON.

SPECIAL HOUSE COMMITTEE ON CAPTIVE NATIONS

Mr. Speaker, not only is it vitally important for Americans to reassess our values toward freedom by learning the negation of it for one-third of mankind, it is also virtually mandatory for us as a first-class Nation to concentrate now on the captive nations and peoples in the U.S.S.R. and Red China. Neither of these is a nation-state, and the President's diplomatic offensive in both areas opens up a totally new field of inquiry and activity for most Americans which the Congress can and must provide popular leadership. The way we in this House can do it is by finally establishing a Special Committee on the Captive Nations which in its constructive investigations would show the basic interrelations between and among the captive nations in central Europe, in the U.S.S.R., in Asia and in Cuba. If American idealism and moral conscience seek the highest level of expression, they can find it in the field provided by the following resolution calling for a Special Committee on the Captive Nations:

HOUSE RESOLUTION 293

Whereas on the all-important issue of imperial-colonialism the posture of imperialist Moscow, as shown in part by the rape of Czechoslovakia and the Brezhnev doctrine, has not been adequately exposed by us in the United Nations and elsewhere; and

Whereas Presidential proclamations designating Captive Nations Week summon the American people "to study the plight of the Soviet-dominated nations and to recommit themselves to the support of the just aspirations of the people of those captive nations"; and

Whereas the nationwide observances in the eleven anniversaries of Captive Nations Week have clearly demonstrated the enthusiastic response of major sections of our society to this Presidential call; and

Whereas, following the passage of the Captive Nations Week resolution in 1959 by the Congress of the United States and again during the annual observances of Captive Nations Week, Moscow has consistently displayed to the world its profound fear of growing free world knowledge of and interest in all of the captive nations, and particularly the occupied non-Russian colonies within the Soviet Union; and

Whereas the indispensable advancement of such basic knowledge and interest alone can serve to explode current myths on Soviet unity, Soviet national economy, and monolithic military prowess and openly to expose the depths of imperialist totalitarianism and economic colonialism throughout the Red Russian empire, especially inside the so-called Union of Soviet Socialist Republics; and

Whereas, for example, it was not generally recognized, and thus not advantageously made use of, that, in point of geography, history, and demography, the now famous U-2 plane flew mostly over captive non-Russian territories in the Soviet Union; and

Whereas, in the fundamental conviction that the central issue of our time is imperialist totalitarian slavery versus democratic national freedom, we commence to shed popular light on this issue by assembling and forthrightly utilizing all the truths and facts pertaining to the enslaved condition of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, and other subjugated nations; and

Whereas the enlightening forces generated by such knowledge and understanding of the fate of these occupied and captive non-Russian nations would also give encouragement to latent liberal elements in the Russian Soviet Federative Socialist Republic—which contains Russia itself—and would help bring to the oppressed Russian people their overdue independence from centuries-long authoritarian rule and tyranny; and

Whereas these weapons of truth, fact, and ideas would counter effectively and overwhelm and defeat Moscow's worldwide, anti-American propaganda campaign in Asia, Africa, the Middle East, Latin America, and specifically among the newly independent and underdeveloped nations and states; and

Whereas it is incumbent upon us as free citizens to appreciatively recognize that the captive nations in the aggregate constitute not only a primary deterrent against a hot global war and further overt aggression by Moscow's totalitarian imperialism, but also a prime positive means for the advance of world freedom in a struggle which in totalistic form is psychopolitical; and

Whereas in pursuit of a diplomacy of truth we cannot for long avoid bringing into question Moscow's legalistic pretensions of "non-interference in the internal affairs of states" and other contrivances which are acutely subject to examination under the light of morally funded legal principles and political, economic, and historical evidence; and

Whereas, in the implementing spirit of our own congressional Captive Nations Week resolution and the twelve Presidential proclamations, it is in our own strategic interest and that of the nontotalitarian free world to undertake a continuous and unrelenting study of all the captive nations for the purpose of developing new approaches and fresh ideas for world peace with freedom and justice: Now, therefore, be it

Resolved, That there is hereby established a nonpermanent committee which shall be known as the Special Committee on the Captive Nations. The committee shall be composed of ten Members of the House, of whom not more than six shall be members of the same political party, to be appointed by the Speaker of the House of Representatives.

SEC. 2. (a) Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as in the case of the original selection.

(b) The committee shall select a chairman and a vice chairman from among its members. In the absence of the chairman, the vice chairman shall act as chairman.

(c) A majority of the committee shall constitute a quorum except that a lesser number, to be fixed by the committee, shall constitute a quorum for the purpose of administering oaths and taking sworn testimony.

SEC. 3. (a) The committee shall conduct

an inquiry into and a study of all the captive non-Russian nations, which includes those in the Soviet Union and Asia, and also of the Russian people, with particular reference to the moral and legal status of Red totalitarian control over them, facts concerning conditions existing in these nations, and means by which the United States can assist them by peaceful processes in their present plight and in their aspiration to regain their national and individual freedoms.

(b) The committee shall make such interim report to the House of Representatives as it deems proper, and shall make its first comprehensive report of the results of its inquiry and study, together with its recommendations, not later than January 31, 1972.

SEC. 4. The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times within or outside the United States to hold such hearings, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony as it deems advisable.

SEC. 5. The committee may employ and fix the compensation of such experts, consultants, and other employees as it deems necessary in the performance of its duties.

SEC. 6. The committee shall enjoy a non-standing status, performing its duties in the course of the Ninety-second Congress and subject to renewal only as determined by needs in the completion of its work and further purposes of the House of Representatives.

HEARINGS ON H. CON. RES. 556

Also, Mr. Speaker, this is a most appropriate occasion to urge that promised hearings be given House Concurrent Resolution 556, which call for the resurrection of the Ukrainian orthodox and Catholic churches in Ukraine.

These measures are before our Committee on Foreign Affairs. Their consideration can in no way obstruct our diplomacy toward Moscow in view of the fact that these churches in this largest non-Russian nation in Eastern Europe were genocided under Stalin and not his successors. With the hope that we can immediately look into this grave injustice to 45 million people, I submit the text of the resolution here:

HOUSE CONCURRENT RESOLUTION 556

Whereas the Charter of the United Nations, as well as its Declaration of Human Rights, sets forth the objective of international cooperation "in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion . . ."; and

Whereas in the Constitution of the Union of Soviet Socialist Republics article 124 unequivocally provides that "In order to insure to citizens freedom of conscience, freedom of religious worship and freedom of anti-religious propaganda is recognized for all citizens"; and

Whereas not just religious or civil repression but the genocide—the absolute physical extermination—of both Ukrainian Orthodox and Catholic Churches in a nation of over forty-five million brutally violates the basic civilized rights enunciated above: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the President of the United States of America shall take immediate and determined steps to—

(1) call upon the Government of the Union of Soviet Socialist Republics to permit the concrete resurrection of both the Ukrainian Orthodox and Catholic Churches in the largest non-Russian nation both within the

Union of Soviet Socialist Republics and in Eastern Europe; and

(2) utilize formal and informal contacts with Union of Soviet Socialist Republics officials in an effort to secure the freedom of religious worship in places of both churches that their own constitution provides for; and

(3) raise in the General Assembly of the United Nations the issue of Stalin's liquidation of the two churches and its perpetuated effect on the posture of the Union of Soviet Socialist Republics in the light of the United Nations Charter and the Declaration of Human Rights.

THE OBSERVED WEEK, HERE AND ABROAD

As in previous years, throughout this country and in 17 other countries, Captive Nations Week was widely and far-seemingly observed. Under the coordination of the National Captive Nations Committee here in Washington, committees and groups in all sections of our country, as well as in Korea, Japan, the Republic of China and elsewhere, have undertaken a variety of programs highlighting the continued captivity of nations in Eurasia and in Cuba and the need for a redirection and balancing of America's freedom values. By way of a preliminary example of the week's observance and the issues involved, I append to my statement the NCNC communication to all Members of Congress:

Public Law 86-90, which Congress unanimously passed in 1959 as the Captive Nations Week Resolution and President Eisenhower enthusiastically signed into law, calls upon all Americans to observe the 3rd week of July as Captive Nations Week "until such time as freedom and independence shall have been achieved for all the captive nations of the world." Since then, according to this law, every President has annually issued a Captive Nations Week Proclamation, and Governors and Mayors in 37 of our States have followed suit in order for our citizens to properly observe this important Week. Since 1963, 17 allied countries have joined in this observance.

With the 13th Observance of Captive Nations Week scheduled for July 16-22, 1972, we call upon you to participate in the traditional Congressional observance when Congress reconvenes and by order submitted by the Honorable Daniel J. Flood in the House and by rules of the Senate. Your statement will reflect the convictions of our citizenry that although for world peace we must negotiate with the Red totalitarian regimes, as Americans we cannot ever blemish our moral conscience and principles as concern the captive nations. In essence, a desired detente is not identical with a politico-moral acquiescence to the permanent captivity of the nations in Central Europe, within the USSR, in Asia and Cuba.

The recent riots in Lithuania, the massive cultural repressions in Ukraine, the Jewish demands for emigration from the USSR and other cases fully indicate the invincible drive for freedom within the USSR itself. As I stress in my book *U.S.A. and The Soviet Myth*, Moscow believes it is succeeding with its global Troika policy and makes no bones about overcoming the Free World through peaceful coexistence means. By the same means we should meet the challenge and in the spirit of peace for freedom begin to concentrate on the numerous non-Russian nations in the USSR and the non-Han peoples in Red China, which the captive nations analysis points to as the new frontiers of American concern and interest for world peace. Despite all the shifts in our policy, the stark reality of the 27 captive nations continues to challenge our national moral con-

science, and we are certain that you will give fitting expression to it in behalf of our long-term interest as well as those of 1/2 of humanity.

With deep gratitude for your cooperation and warmest personal regards,

Sincerely,

LEV E. DOBRIANSKY,
Georgetown University.

Mr. Speaker, I now yield to my distinguished friend from Illinois (Mr. DERWINSKI), who for the same number of years has stood for this position.

Mr. DERWINSKI. Mr. Speaker, I am pleased to join my distinguished colleague from Pennsylvania (Mr. Flood) in this House observation of Captive Nations Week.

Mr. Speaker, since Cuba became a satellite of the Soviet Union in 1960, the sun has never set on the captive nations. More than one-third of the earth's inhabitants live—28 lands—that are parts of the far-flung Soviet and Red Chinese Empires. Some of these countries have been captive nations for over half a century.

The growth of the Soviet Union has continued unabated through the years, regardless of whether Lenin, Stalin, or Khrushchev occupied the seat of power. Armenia, Azerbaijan, Byelorussia, Georgia, Ukraine, and several other nations were absorbed in 1920, soon after the Communists wrested power from the regime that succeeded that of the czars.

Stalin, the foremost of the Kremlin's imperialists, added Estonia, Latvia, and Lithuania in 1940, shortly after he and Hitler had started World War II. While Great Britain, France, the Netherlands, and Belgium were breaking up their empires and granting independence to their colonial subjects during the postwar period, he was establishing satellite regimes in Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Romania. Albania, while Communist, is under the influence of Red China and Yugoslavia has seesawed between subservience to Moscow and an independent, albeit Communist, course.

The greater part of China fell to the Communists in 1949. Although it is to some extent at odds with the Soviet Union, the difference between the two brands of communism is over strategy more than ideology. Red China took over Tibet in 1951 and North Korea and North Vietnam are satellites of it and the Kremlin.

Anyone who believes that the Red tyrants have mellowed, that the cold war is over, and that we can safely reduce our defense budget by over \$30 billion is obviously laboring under a serious delusion. Ask the people of East Germany, Hungary, and Czechoslovakia, or the Jews who live in the Soviet Union, if the Communists have mellowed. Ask the men who are fighting in Vietnam if the cold war is over. Ask the military strategists who must prepare America for any threat that may confront us, a threat that can come only from Moscow or Peking, if the defense budget can be reduced anywhere near \$30 billion.

Until the day that the huge Communist empires disintegrate and their 1 billion inhabitants are released from captivity, the people of the United States and other free nations must continue to

broadcast messages of inspiration and information to their brethren behind the Iron and Bamboo Curtains. They must strengthen the numerous alliances that have been formed since World War II in an effort to counteract the threats from Moscow and Peking. Last, but not least, the United States and its allies must emphatically reject the irresponsible suggestion that America and other nations can drastically slash defense expenditures to a point that can only invite attack and endanger the very existence of free world nations.

Mr. Speaker, at this time I wish to reemphasize the point I made last year in the House discussion of Captive Nations Week. Much as the overwhelming majority of Americans would like to see the captive nations regain their freedom, realism recognizes that the day of deliverance is yet in the future. A totalitarian structure that is built upon an atheistic contempt for God and an amoral disregard for man, contains within itself the seeds of its own destruction. When these seeds will germinate no one can foretell.

Mr. Speaker, at this point, I wish to place into the RECORD the following resolutions:

Proclamation of the State of Missouri by the Honorable Warren E. Hearnes, Governor.

Proclamation of the State of Nebraska by the Honorable J. James Exon, Governor.

Proclamation of the State of Connecticut by the Honorable Thomas J. Meskill, Governor.

Proclamation of the State of Vermont by the Honorable Deane C. Davis, Governor.

Proclamation of the State of Illinois by the Honorable Richard B. Ogilvie, Governor.

Proclamation of the State of North Dakota by the Honorable William L. Guy, Governor.

Proclamation of the State of New York by the Honorable Nelson A. Rockefeller, Governor.

The material follows:

PROCLAMATION OF THE STATE OF MISSOURI

Whereas, all peoples yearn for freedom and justice; and

Whereas, these basic rights unfortunately are circumscribed or unrealized in many areas in the world; and

Whereas, Missouri has an abiding commitment to the principles of independence, personal liberty, and human dignity; and

Whereas, it remains a fundamental purpose and intention of the government and people of Missouri to recognize and encourage constructive actions which foster the growth and development of independence and human freedom:

Now, therefore, I, Warren E. Hearnes, Governor of the State of Missouri, do hereby designate the week beginning July 16, 1972, as Captive Nations Week and invite the people of Missouri to observe this week with appropriate ceremonies and activities, and I urge them to give renewed devotion to the just aspirations of all people for independence and human liberty.

PROCLAMATION OF THE STATE OF NEBRASKA

Whereas the imperialistic policies of Russian Communists have led, through direct

and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, and others; and

Whereas the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples:

Now, therefore, I, J. James Exon, Governor of the State of Nebraska, do hereby proclaim the week commencing July 16, 1972, as Captive Nations Week in Nebraska, and call upon the citizens to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

OFFICIAL STATEMENT BY HIS EXCELLENCY THOMAS J. MESKILL, GOVERNOR OF THE STATE OF CONNECTICUT ON CAPTIVE NATIONS WEEK, JULY 16-22, 1972

July Fourth is the anniversary of America's Declaration of Independence. On this date, we must remember those peoples and nations still held captive by foreign powers.

A large part of Eastern and Central Europe has been dominated by Soviet Russia for many years. Today, communist regimes are attempting to influence and control governments in the Middle East, Asia, Africa and Latin America.

American men in uniform defend life, liberty and democracy for their countrymen and continuously defend these same principles for other peoples around the world.

President Nixon's recent trips to Peking and Moscow seek to lay the foundation for lasting world peace.

In the expectation that every Connecticut citizen will voice his support for a just and lasting peace for all self-determined peoples throughout the world, I call attention to "Captive Nations Week" in Connecticut.

A PROCLAMATION OF THE STATE OF VERMONT

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these conquered nations constitutes a powerful deterrent to any ambitions of Communist leaders to initiate a major war; and

Whereas, the freedom-loving peoples of the captive nations look to the United States as

the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples,

Now, therefore, I, Deane C. Davis, Governor of the State of Vermont, do hereby proclaim that the week commencing July 16, 1972 be observed as Captive Nations Week in Vermont, and call upon the citizens of Vermont to join with others in observing this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

PROCLAMATION OF THE STATE OF ILLINOIS

Freedom loving peoples from all over the earth have sought our shores; their diverse cultures have strengthened and enriched our nation.

Through the democratic process we, a people of many races, religions and national characteristics, have established a free society that recognized the natural and economic interdependence of all peoples.

Family ties link many Illinoisans with oppressed people who yearn for the freedom and independence we enjoy. The third week in July is annually set aside as a time for the people of the United States to express their sympathy and support for the just aspirations of captive people everywhere.

Therefore I, Richard B. Ogilvie, Governor of the State of Illinois, proclaim July 17 through 22, 1972, Captive Nations Week in Illinois, and call upon all citizens to participate in community observances of the week.

RICHARD B. OGILVIE,
Governor.

PROCLAMATION OF THE STATE OF NORTH DAKOTA

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, and others; and

Whereas, the desire for liberty and independence by the overwhelming majority of peoples in these subjugated nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace;

Whereas, the freedom-loving peoples of the captive nations look to the United States as the citadel of human freedom and to the people of the United States as leaders in bringing about their freedom and independence; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe such week with appropriate prayers, ceremonies and activities; expressing their sympathy with and support for the just aspirations of captive peoples for freedom and independence;

Now, therefore, I, William L. Guy, Governor of the State of North Dakota, do hereby proclaim that the week of July 16-22, 1972, be observed as "Captive Nations Week" in North Dakota and call upon the citizens of the state to join with others in observing

this week by offering prayers and dedicating their efforts for the peaceful liberation of oppressed and subjugated peoples all over the world.

PROCLAMATION OF THE STATE OF NEW YORK

The United States Congress, in enacting Public Law 86-90, has called for annual observance throughout the country of Captive Nations Week.

It is a basic American principle—shared by all New Yorkers—that everyone should be able to choose the type of government under which he would prefer to live.

Many residents of our state are linked by ties of birth, culture, family, and principle with those in foreign lands who have lost their national independence directly or indirectly to foreign powers.

These New Yorkers—many of whom have themselves found asylum in America from captive nations abroad—have deep convictions about the political oppression of their homelands. It is fitting that we express our sympathy with the aspirations of liberty which they hold so dear.

Now, therefore, I, Nelson A. Rockefeller, Governor of the State of New York, do hereby proclaim the week of July 16-22, 1972, as Captive Nations Week in New York State.

Mr. BUCHANAN. Mr. Speaker, it is again my privilege to address the House concerning those European nations living under Soviet domination on this the 13th observance of Captive Nations Week. Again this year, we recognize the courage of the peoples of the oppressed captive nations, courage which continues to survive despite the repressive actions of their governments.

I know that it is hard for any free American citizen to realize the scope of this oppression and it is for this reason that this yearly observance is of such great importance. There is no aspect of life that a citizen of the United States can use to compare fully the degradation of human rights and freedoms under a totalitarian system.

Again, as I have in the past, I must denounce the forced purges of the leaders in the satellite countries. Recently a number of supporters of Alexander Dubcek, who worked in the progressive movement of the late 1960's, were arrested and are now on trail for alleged "subversive activity." These defendants were merely informing the people of their rights as Czech citizens.

It would seem that today, when most of the world longs for peace, the Soviet Union would cease its World War II tactics of military suppression. That war ended 26 years ago, yet the Soviet Union persists in treating the Central and Eastern European countries as colonies. This suppression is abominable and must end.

Hopefully, though the President's summit conference in Moscow and the continued negotiations, some rectification of this situation will occur. It is my sincere hope that some change may at least be effected through increased communication with the Government of the U.S.S.R.

The concepts of freedom of speech, press and unfettered human dignity are often taken for granted by many Americans, but in the Soviet Union these daily aspects of human life are realized only in dreams.

Mr. Speaker, I wish to commend the

peoples of the captive nations who, despite this continued oppression, maintain the hope and drive for freedom. This desire burns so intensely that many are willing to sacrifice their own lives to attain these rights for themselves and their families.

The intense desire of our friends in the captive nations for freedom is something every American can understand. It is our duty as a country and as individuals to support their quest for human rights and dignity to encourage them that they might one day realize the same freedoms we know.

The peoples of the captive nations must not be discouraged by the oppression they currently face, but must maintain their hope that they, too, will someday enjoy freedom to determine their own destinies.

They are not forgotten and will not be, so long as the United States stands as an example of democracy and freedom.

Mr. MORGAN. Mr. Speaker, today marks the 14th anniversary of the enactment of Public Law 86-90, designating the third week of each July as Captive Nations Week.

This year we are observing Captive Nations Week against the background of the President's historic trip to Moscow and the agreements signed there by Mr. Nixon and Soviet Communist Party Secretary Brezhnev.

While I applaud the President's initiative, the agreements, though a hopeful sign of a growing East-West detente, offer little encouragement for the peoples of the captive nations of central and eastern Europe. In spite of Moscow's apparent willingness to cooperate with the United States in deescalating the arms race, the exploration of space, and in reducing incidents at sea, the "Brezhnev doctrine" still applies to the Communist-ruled countries of eastern Europe. This fact was substantiated by Brezhnev in a speech made last month honoring Cuba's Fidel Castro.

Referring to the United States-Soviet accord, Brezhnev said:

While pressing for the assertion of the principle of peaceful coexistence, we realize that successes in this important matter do in no way signify a possibility of weakening the ideological struggle. On the contrary, we should be prepared for an intensification of this struggle and its becoming an increasingly more acute form of struggle between the two social systems. And we have no doubts as to the outcome of this struggle because the truth of history, the objective laws of social development are on our side!

Stripped of its Marxist-Leninist verbiage and tone, that statement is a clear reminder, both to the free world and to countries under Moscow's domination, that the Kremlin's hold on the captive nations will not be relaxed in spite of the thaw between the two superpowers. Implicit in Brezhnev's remarks is Moscow's resolve to continue the application of the principle of Soviet suzerainty. That principle reinforces the absolute exercise of power by totalitarian regimes in each captive country.

Even when an East or Central European country succeeds in throwing off or loosening the yoke of captivity, Moscow

steps in and stifles the quest for freedom and independence. This happened in 1956 in Hungary, and in 1968 in Czechoslovakia. In Lithuania, whose independence was extinguished by Stalin more than three decades ago as one of the spoils of the Soviet-Nazi pact, there is a current wave of discontent among the population. In the latter case, it is noteworthy that the primary protestors are not older Lithuanians but young people who were born and reared under Soviet rule and have no recollection of an independent Lithuanian state.

In Lithuania, the ugly facts of life which were surfaced in Hungary and Czechoslovakia are once again in evidence. The youthful protestors in Kaunas have been brutally suppressed by the Soviet-supported police forces. In light of the dismal history of the captive nations, the question arises as to what can we do to help. Given the grim realities of nuclear warfare any direct U.S. intervention in support of efforts to escape Soviet hegemony is unrealistic. Short of such a direct confrontation, there are some open avenues of contact which are worthwhile and effective.

One such avenue is the Assembly of Captive European Nations—ACEN. Representing the freedom-loving peoples of nine captive nations—Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania—the ACEN maintains cordial relations and constant contact with the exiled leaders and ethnic groups from these countries not only in the United States but also in Europe and Canada.

Through the research and work of its national committees and councils, the media, the academic community and Members of Congress are kept informed about news and developments in the captive nations. The value of these services can best be gaged by Communist reaction. The Communists consider the liquidation of ACEN and its subsidiary organizations as one of their most cherished goals.

Another invaluable avenue of contact is supplied by Radio Free Europe—RFE—and Radio Liberty—RL. Although these fine organizations have been termed a "relic of the cold war," in some quarters, the fact remains that RFE and RL are the only sources of information and news about the captive nations available to the peoples of those countries.

The most enlightening evaluation of the worth of RFE and RL came from the courageous Russian author, Alexander Solzhenitsyn. He said:

If we ever learn anything about events in this country (the U.S.S.R.), it is through them (RFE and RL).

The importance of these radio networks is further substantiated by the countries of the Council of Europe whose nation-state members border on many of the captive nations. In a communique dated June 27, 1972, the Council passed a resolution recommending that its members support the work of RFE and RL. In the text of the resolution, the Council notes that this sort of communication from the West to the East is an essential part of a policy of detente.

So, Mr. Speaker, as we observe Cap-

tive Nations Week, it is not enough to utter noble phrases about our desire for the return of freedom to the captive nations of central and eastern Europe. If we are truly interested in improving the human condition in these areas it is incumbent upon us to suggest concrete and credible approaches to alleviating the effects of totalitarian rule on the captive nations.

One such approach is our continued support of the institutions I have discussed today. For it is only through the art of communication that the concept of freedom of the individual can be kept alive in that part of the world. If we fail to continue our support, the oppressed peoples of those countries will know that we have written them off. This we must not do.

Mr. HOGAN. Mr. Speaker, since 1959, the third week of July has been a time when Americans across the Nation express their concern for the 100 million east and central Europeans living under Communist rule. Captive Nations Week, observed annually since its inception under the Eisenhower administration, is a sober time especially for those Americans who escaped the tyranny of communism and whose relatives and friends remain.

In an era when relations between the Soviet Union and the United States appear to be improving, when President Nixon has traveled to Russia to foster these improvements, we must not forget that there remains a long list of nations who are still denied the most basic of freedoms—the right of self-determination.

We must not forget the sad night in August 1968, when Czechoslovakia was again overcome by Soviet forces; nor the ill-fated Hungarian revolution of 1956; nor the misery of the people of the Baltic States.

But more than the historical facts, we must not forget the true personal meaning of Communist subjection. People in the Baltic States are being deported to all parts of Russia in the Soviet's effort to disintegrate their cultural identity; personal freedoms of most types are denied; travel outside of Communist-dominated nations is forbidden; the media is heavily censored; justice remains a myth.

What can be done to alleviate this tragic situation? We must follow the President's bid to improve international relations. We must continue to voice our concern over the plight of the 100 million victims of the tyranny of communism; we must put the arm of international opinion on the Soviets to make them realize that the world is not merely closing its eyes to this reprehensible situation. We must keep the Holy Crown of St. Stephen, the symbol of democracy in Hungary, until that nation regains its constitutional government.

In short, throughout the year and especially during this Captive Nations Week, we must work to restore freedom and independence to the nations forced to exist under Communist rule.

Mrs. GRIFFITHS. Mr. Speaker, the 86th Congress on July 17, 1959, by joint resolution authorized and requested the President to proclaim the third week of

July in each year as Captive Nations Week. Once again this year, I wish to join with my colleagues in the House of Representatives in the observance of Captive Nations Week. This annual observance affords us an excellent opportunity to show our support for the right of all people to pursue their political, economic, and cultural development as they deem best. This is a week of national concern for our fellow human beings who are less fortunate than ourselves—less able to choose their own way of life—and less free to enjoy the world in which we live.

Communist domination of the East and Central European countries has been a reality for over two decades. Throughout this time in many of these countries human rights have been trampled upon and political repression has become a fact of life. Yet in spite of the attempts of the Communists to suppress their national aspirations, these captive peoples continue to express their desire for freedom. Their continuous opposition and their attempts to revolt have demonstrated to the world that these people will always strive for freedom and for the right to determine their own destinies.

The people of the United States recognize the plight of the captive people and anticipate the day when they will be allowed to rule their homeland unrestricted by Communist tyranny. The United States needs to continue to use all the resources of diplomacy, morality, and world public opinion so that freedom is ultimately restored to the peoples of the captive nations. Therefore, let us observe this Captive Nations Week in the hope that our concern in their welfare will hasten the day in which the peoples of these countries join the family of free nations.

Mr. BURKE of Massachusetts. Mr. Speaker, in this the 13th year of observance of Captive Nations Week it is time that we reaffirm our own American traditions dedicated to freedom and self-determination and face the challenge that totalitarian slavery poses to the free world. More importantly however, this occasion should serve as a poignant reminder that over 100 million people languish in the shadow of Soviet regimentation. These oppressed peoples long for political, cultural, and social freedoms that are their inalienable rights. The proud heritages of so many of the captive European nations date back for centuries and are now shamefully subject to the debilitating economic exploitation and cultural domination of the Moscow power brokers.

Our moral outrage cannot help but be inflamed by the fact that the Soviet Union itself is nothing other than a vast coalition of republics, several of which have also been denied their national sovereignty. Any and all outbursts of nationalism and independence in East and Central Europe have been met by the brutal armed retribution of the Soviet Army. Even more heinous repression lies beneath the surface of these international incidents and must be met by our unflinching revulsion. It is the task of the free world to see to it that the Soviet

rulers be continually reminded of the politico-moral consequences of their hegemony. The Soviet invasion and occupation of European nations that coincided with World War II is not only inexcusable, but by international standards of law it is illegal and immoral.

It is the duty of every Congressman, Senator, and elected representative to speak out against the intolerable denial of human liberties the struggling peoples of captive nations must endure. I am proud to take part in the congressional observance of Captive Nations Week and call the attention of the Congress and my constituency to this pressing matter.

The fate of these people cannot be forgotten even now as we try to improve our relations with Russia. If this is the price we are expected to pay for improved relations it would be too high. On the other hand the thaw in relations may well give us an unprecedented opportunity to encourage improvement in the fate of these peoples. Whatever we do, we must never be lulled into forgetfulness of their fate.

Mr. ANNUNZIO. Mr. Speaker, the period of July 16-22 marks the 13th observance of Captive Nations Week. This is an occasion which bids us all, especially we in the Congress who represent a free people, to rededicate ourselves and renew our energies on behalf of the unfortunate millions who are living in wretched hopelessness under the shadow of Communist tyranny.

Summit talks take place and are forgotten; the leaders of various nations sign agreements; but the fact remains that there are millions of human beings who daily must face the brutalization of the spirit which is still so much a part of Communist rule.

This week of reflection is a time when we who enjoy the blessings of liberty should pause to consider the plight of those who do not. The observance of Captive Nations Week should be a time for both prayerful thoughtfulness and renewed determination.

So long as heroic people in the Captive Nations subscribe to the principles of true freedom, the spark will be kept alive—and one day it will take form and substance and the nations under captivity will throw off their bonds and become free. With this freedom, God grant that they cherish their added knowledge, born of their suffering under captivity, to truly provide themselves with the new guards which will provide protection for their future security.

As we review the lost of Captive Nations, let us remember that whenever any fellow being is oppressed, whenever any fellow being is denied the most elemental right of human liberty, then our own liberty is diminished. The following nations are included in the sad category of captive nations: Albania, Armenia, Azerbaijan, Byelorussia, Bulgaria, China, Cossackia, Croatia, Cuba, Czechoslovakia, Estonia, East Germany, Georgia, Hungary, Idel-Ural, North Korea, North Vietnam, Latvia, Lithuania, Poland, Rumania, White Ruthenia, Serbia, Slovenia, Tibet, Turkestan, Ukraine, and others.

It is appropriate that the Captive Nations Friends Committee of Chicago, un-

der the capable and distinguished leadership of Executive Chairman Viktors Viksnins, will also now be known as the Ethnic Heritage—Mosaic of America Committee. Mr. Viksnins is doing an outstanding job in coordinating the 13th annual Chicago Captive Nations Week observance and activities. The observance in Chicago this year will begin on July 17 and will conclude on July 22 with a captive nations parade on State Street and a luncheon at the Conrad Hilton Hotel which National, State, county, and city officials are expected to attend as well as various dignitaries, civic leaders, and others who have been active in behalf of the captive nations cause.

A vital part of the struggle for freedom in all the captive nations is the vigilant maintenance and invigoration of national cultures and traditions. Though communism may pretend to be an international panacea, there is no tyranny strong enough to destroy the dignity and honor of vital national civilizations. It is through the historical and cultural traditions of a nation that the individual can gain the courage and the strength to continue striving for the day when whole peoples can work out their destiny as they themselves see fit.

Each year our outstanding mayor of Chicago, Hon. Richard J. Daley, proclaims Captive Nations Week for the city of Chicago. At this point in the Record I would like to include the mayor's 1972 Captive Nations Week proclamation:

PROCLAMATION

Whereas, the imperialistic policies of Russian Communists have led, through direct and indirect aggression, to the subjugation and enslavement of the peoples of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Serbia, Croatia, Slovenia, Tibet, Cossackia, Turkestan, Slovakia, North Viet Nam, Cuba, and others; and

Whereas, the Congress of the United States by unanimous vote passed Public Law 86-90 establishing the third week in July each year as Captive Nations Week and inviting the people of the United States to observe this week with appropriate prayers, ceremonies and activities expressing their sympathy with and support for the just aspirations of captive peoples for freedom and independence; and

Whereas, the City of Chicago is closely linked to these captive nations through the bonds of family, since numbered among the people of Chicago are hundreds of thousands of our citizens who, through nativity or ancestry, treasure the heritage which is theirs; and

Whereas, these nations have been made captive by the imperialistic, aggressive and heartless policies of communism; and

Whereas, the peoples of these communist-dominated nations have been deprived of their national independence and their individual liberties; and

Whereas, it is appropriate and proper to demonstrate to the peoples of the captive nations the support of the people of the City of Chicago for their just aspirations for freedom and national independence; and

Whereas, the people of Chicago, as do all the people of the United States, want for the people of the world the same freedom and justice which is theirs:

Now, therefore, I, Richard J. Daley, Mayor of the City of Chicago, do hereby proclaim

July 17 through July 22 as Captive Nations Week in Chicago. I urge the people of Chicago to join in the programs arranged for the observance of this occasion and especially encourage everyone to concretely demonstrate their interest in the imprisoned people of the captive nations by their attendance at or participation in the parade to be held on State Street on Saturday afternoon, July 22 at 12 noon.

Dated this twentieth day of June, A.D., 1972.

Mr. ANDERSON of Illinois. Mr. Speaker, for the past two centuries the United States has experienced a commendable rate of growth and prosperity. When we were established as a nation almost 200 years ago, individual freedom was the basis of our Constitution. Today the citizens of the United States may still engage in the freedoms as designated by our forefathers. We are among the fortunate nations. Today over 1.1 billion people exist who cannot share in this freedom due to Communist rule. The third week in July has been set aside as Captive Nations Week. This is a time for all Americans, as well as the rest of the free world, to acknowledge those who are denied their basic human rights.

Through the past three decades, the United States has seen a continually growing wall between the free countries and those under Communist domination. During the early fifties and continuing through the sixties, our country had been involved in the cold war with the Communist nations. Until recently, little had been done to break through this barrier to ease the tense relationship caused by years of mistrust.

President Nixon's journeys to Peking on February 21, 1972, and Moscow on May 22, 1972, have given us the opportunity for more extensive discussions with the Communist world powers. Non-political events, such as the recent sports tournaments, have also lessened the communication gap between the Communist nations and the United States. Through this broadened communication, we must continue to emphasize to the Soviet Union the necessity for each nation to choose their best form of government. We must support the captive nations in their strife to be heard and recognized as suppressed nations.

This week marks the 13th anniversary of Captive Nations Week. Let all of the free nations work together in the future to abolish forced Communist rule so there will no longer be the need to commemorate the anniversary of Captive Nations Week.

Mr. COUGHLIN. Mr. Speaker, I address myself today to a matter of grave concern to all Americans: The oppression of the captive peoples of the world.

We who live in the United States should never take for granted the freedom that we enjoy, especially since there are millions in the world who do not share our rights. We must let those who yearn for a democratic and free society know that our hearts are with them.

Let us hope that the President's recent visits to the Soviet Union and the People's Republic of China will help lead these nations and others away from totalitarianism and toward true self-

determination. Our commitment must never waiver for the eventual liberation of all freedom-loving peoples who are prevented from exercising their full rights.

As we observe Captive Nations Week, it is fitting that we reaffirm our commitment to the ideals of freedom and reinforce our will to help all men free themselves from political, economic, and social oppression.

Mr. SMITH of New York. Mr. Speaker, I am proud to add my voice and my support to the 13th annual observance of Captive Nations Week, 1972.

As conscientious Americans, we must never forget the totalitarian menace, which, following World War II mercilessly swept over the peoples of Eastern Europe. Following that time, nations in many corners of the world have been forced to submit their will to domination by repressive Communist totalitarian states.

Recent history has dramatically shown us the fallacy of Communist domination. The recent riots in Czechoslovakia, as well as the uprisings in Lithuania and Poland, have displayed these captive peoples' yearnings for liberty and their disaffection with communism.

The domination and repression of the human spirit is repugnant to all who hold dear the principles of equality, liberty and justice. Therefore, Mr. Speaker, we take this opportunity during Captive Nations Week to rededicate ourselves to the principles of freedom for all people. As a free nation, we shall continually strive to secure freedom, independence and peace for all peoples of the world.

Mr. McCLODY. Mr. Speaker, in July, 1959, the Congress of the United States gave unanimous approval to a resolution designating the third week of July of every year as Captive Nations Week "until such time as freedom and independence shall have been achieved for all the captive nations of the world." This resolution was signed into law by President Dwight David Eisenhower, and since 1960 every President has annually issued a Captive Nations Week proclamation. Governors and mayors of 37 States have issued similar declarations to promote observance of this most significant event, and 17 allied countries now also join in observing Captive Nations Week.

Mr. Speaker, this week marks the 13th annual observance of Captive Nations Week, and more than anything else, it is most disheartening to acknowledge that there is still a need to commemorate Captive Nations Week. While the past decade has brought unparalleled material development to all areas of the globe, equal progress has not been made toward obtaining true political and social freedom for all the people of this earth. For the inhabitants of the 27 captive nations, these past years have been a time of unending struggle to gain the right to determine their own destinies. For those of us fortunate enough to have been born in a nation which has always been a democracy, it is hard to fully appreciate how precious the right of self-government really is. Nevertheless, we cannot help but be impressed with the courage and tenacity of the captive peo-

ples who steadfastly refuse to allow their captors to rule their minds as they do their bodies. To these people we once again proclaim our admiration and support—and we assure them that they have not been forgotten.

Mr. Speaker, President Nixon has taken dynamic action in attempting to secure a full generation of peace for all Americans. His journeys to Moscow and Peking have laid the groundwork for better relations and mutual understanding between China and Russia and the United States. Most certainly we hope that progress in overcoming our differences will continue, but we would be naive if we did not recognize that the path ahead is highly treacherous with many roadblocks yet to be overcome. Giving the captive nations their freedom would eliminate what well may be the greatest obstacle to a lasting world peace. Such an act would demonstrate far more convincingly than the most forceful rhetoric that peaceful coexistence can become a reality. The captive nations of the world ask no more than the right to govern themselves, and they must have no less.

Many of my constituents are former citizens of the captive nations and many others continue to have relatives who reside within the occupied territories of their former homelands. In speaking in behalf of the captive nations, I also voice their sentiments in support of ultimately securing liberation of these families and the independence of the nations which were formerly their homelands and which are still the homelands of many of their loved ones.

Mr. COTTER. Mr. Speaker, in these days of rapprochement between the world's superpowers, many Americans tend to forget that the agreements reached in Moscow and Peking are not the final steps along the path to peace. Indeed, they mark a beginning.

For nearly one-third of the human race, freedom is merely another word; a term without actual meaning or backed with concrete rights and privileges. We in America can easily forget these millions, surrounded as we are by our modern, civilized society. But, nevertheless, they continue to live in bleak, repressed poverty in lands whose names are often unknown.

It is to keep America from forgetting the oppressed captive nations of the world that Congress in 1959 declared the third week of July to be Captive Nations Week. The resolution declared that this week would be observed as such until all the nations of the world had attained freedom and independence. Thirteen years later, sadly, there remains a great need to set aside a week to remind all Americans of their duty to work for the rights of less favored people and to declare once again to the entire world, friend and foe alike, that the United States shall never cease to support the right to independence of all peoples.

As a Congressman from Connecticut, I would like at this time to extend my full support, and I believe the support of every citizen of the First District, to those captive peoples struggling so gallantly to attain their natural rights.

Mr. CRANE. Mr. Speaker, this week

we commemorate the suffering of millions of brave men and women who are captives of communism. The first Captive Nations Week resolution was passed by the Congress in 1959 and calls upon all Americans to observe the third week of July as Captive Nations Week "until such time as freedom and independence shall have been achieved for all the captive nations of the world."

Since that time, every President has annually issued a Captive Nations Week proclamation, and since 1963 17 allied countries have joined in this observance.

It is especially fitting in 1972, at a time when there is much discussion of "détente," of "an era of negotiation," and of an "end to the cold war," that we renew this pledge.

For, despite the rhetoric, the sad fact is that the millions of men and women who have suffered under communism for so many years, continue to suffer today.

The nation which today calls itself the U.S.S.R. is, in many respects, simply a collection of "captive nations." Armenia fell to Communist domination in 1920, Azerbaijan, Byelorussia, Cossackia, Georgia, Idel-Ural, North Caucasia, and the Ukraine, in the same year. The Far Eastern Republic fell in 1922, Turkestan in 1922, the Mongolian People's Republic in 1924, Estonia, Latvia and Lithuania in 1940. These, of course, are only the nations which have been forcibly incorporated within the Soviet Union itself.

During this week we also remember the suffering of the people of Albania, Bulgaria, Poland, Rumania, Czechoslovakia, Hungary, East Germany, and the Communist states of Asia. We remember that the men and women of these countries have never elected a Communist government, but have had such governments imposed upon them.

The people of the captive nations have, at every opportunity, displayed their hostility to communism. In East Germany, in Hungary, in Czechoslovakia, in Poland—the people have revolted, but have been put down with the brutal force of the Russian army. At this very moment riots have occurred in Lithuania protesting the Soviet Union's religious persecution and its efforts to destroy the Lithuanian culture.

The Soviet Union has attempted to destroy the indigenous languages and cultures of the people who have fallen victim to their rule. They have practiced a policy of cultural genocide against the Ukrainians, the Georgians, the Latvians, the Estonians, and others. They have, in addition, revived the anti-Semitism of the Czars and have made it impossible for Jews to practice their religion in the Soviet Union.

Men and women have shown their opinion of communism by fleeing from it whenever the opportunity has arisen. The Berlin Wall was constructed, in violation of all international law and allied agreements, because the people of East Germany would not, of their own accord, remain in a Communist state. Macao and Hong Kong contain millions of Chinese who have fled from the tyranny of Mao Tse-tung. More than 1 million Vietnamese fled to the South after the Communists took over North Vietnam, and tens of thousands of North Korean sol-

diers refused repatriation at the end of the Korean war. The Communists do not permit people to vote with ballots, so the people have voted against communism with their feet, the only means available to them.

Millions of people who suffer under the tyranny of communism have looked to America with hope of their deliverance. We must keep faith with these men and women, and Captive Nations Week provides us with an opportunity to declare that faith once again.

Captive Nations Week has been regularly attacked by the Soviet Union. Many in this country have said that observances such as this keep the cold war alive when it is really time to end it.

Such observers, however, overlook the fact that the cold war is not kept alive by our concern with enslaved peoples. It is kept alive by those who continue to enslave them, to destroy their languages, their cultures, their religions. Those who have occupied sovereign states, such as Hungary and Czechoslovakia, to put down the will of the people are the ones who keep the cold war alive, not those who express their concern for the victims.

The American people have not broken faith with those who want only to be free, to develop their own national life, to practice their own religious faith. Any peace which is purchased at the cost of enslaved millions is an illusory one. In a world in which slavery is acceptable we must not ask for whom the bell tolls, for, in the end, it tolls for us all.

Mr. ZABLOCKI. Mr. Speaker, I am pleased to join our distinguished colleague, the Honorable DANIEL J. FLOOD, in observing the 13th observance of Captive Nations Week. We must not forget the plight of those millions of people still suffering from lack of individual freedom and independence in the captive nations of central Europe, within the U.S.S.R., in Asia, and in Cuba.

We have truly been fortunate that our independence has been free from devastating invasions. During our nearly two centuries of existence, our American life and culture have generally flourished. We have not had to rebuild our country; rather we have had only to continue building. We therefore often take for granted the freedoms and privileges we enjoy as Americans and lose sight of the cultural and political enslavement of people held captive by Communist and other forms of despotic rule.

We need only to remind ourselves of the recent riots in Lithuania, the massive cultural repressions in the Ukraine, and the persecution of Jews and denial of their demands for emigration from the U.S.S.R. to realize the continuing struggle for individual freedom and independence. Communist domination in many of the captive nations has been a reality for more than a quarter of a century.

Throughout this time in many of these countries, human rights have been trampled upon and political repression has become a daily fact of life. Recent developments such as cited above demonstrate the deep popular discontent with foreign-imposed rule. The message of the people is clear—the peoples of the captive nations vigorously oppose Communist tyranny.

As long as the natural rights of the people of the captive nations are continually denied, limited, or curtailed, and justice is disregarded in the world, our own independence is in jeopardy. Peace in the world can only be achieved when people everywhere are free from repression; a world half free and half slave remains a breeding ground for endless conflict.

Our concern, therefore, Mr. Speaker, is to the future fate of the peoples in the captive nations. We must rededicate ourselves to the cause of individual freedom and thereby give meaning to this 13th observance of Captive Nations Week—not only this week but throughout the entire year.

Mr. CLEVELAND. Mr. Speaker, this week the Congress and the people of the United States mark the 13th annual observance of Captive Nations Week, as unanimously adopted by the Congress in 1959. The observance renews the commitment made by President Eisenhower in 1959 that the United States would not forget the oppressed people of the world. This week offers all of us a fitting opportunity to show our solidarity with enslaved people everywhere. There will be many ceremonies throughout the Nation providing us with a public forum for manifesting our continuing concern for the basic captivity of millions of people in central Europe, the Soviet Union, Asia, and Cuba. I call particular attention to the ceremony to be held Sunday, July 23, 1972, at the Captive Nations Cemetery in Ashland, N.H., offering an excellent program of speakers, many of whom have personally witnessed and experienced firsthand the terrifying oppression in the captive Baltic nations of Estonia, Latvia, and Lithuania.

I welcome and applaud President Nixon's recent fresh initiatives to lessen international tensions and to further the cause of peace in the international community. The time has come for resolving old, longstanding grievances in the quest for a lasting global peace. But the past counsels us to be cautious as we delve into new and delicate international relationships. This is not the time to forget the plight of the captive nations in this period of apparent detente.

These captive people continue to show their desires for freedom as witnessed in Czechoslovakia in 1968, in Poland in 1970, and most recently in Lithuania in May of this year. We must continue to uphold our political morality, idealism, and principles to the cause of freedom and self-determination for all, by expressing our solidarity with the oppressed people of the captive nations.

VIGILANCE NECESSARY

There are currently strong isolationist tendencies in American society. We must guard against this impulsive trend. We can never leave the oppressed people of the captive nations without hope, doomed to perpetual captivity. America, the land of the free, has been a refuge for many thousands of people from Iron Curtain countries. These refugees, now patriotic American citizens, have many loved ones still living under tyrannical domination. This Captive Nations Week observance affords us an opportunity to fulfill our moral obligation to the prin-

ciple of freedom and to give support to those denied this basic human right.

We who enjoy the blessings of freedom must also be constantly vigilant. We must be mindful as we are now of the plight of those who have lost their freedom. We must also be mindful that if we lower our guard, become fainthearted, and weaken our defense, we may ourselves become captives. Freedom is not easily come by and when attained is not to be taken lightly. The danger from without is no less than threats from within. There are those who would even now commit new millions to captivity in the Far East by abjectly begging for peace at any price and gutting our military deterrent, which stands alone as the light and the hope of free nations and those nations which aspire for freedom.

CORPORATE FEDERAL TAX PAYMENTS AND FEDERAL SUBSIDIES TO CORPORATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 60 minutes.

Mr. VANIK. Mr. Speaker, today I testified before the Joint Economic Committee on a followup to the presentation which I made before that committee on March 21 on the subject of the value-added tax and possible revenue-raising alternatives. At that time, I indicated my opposition to VAT—a regressive national sales tax—and pointed out that an examination of several major corporate reports indicated that some corporations were making profits, paying dividends—yet paying no Federal corporate income tax. During my testimony, it was agreed to proceed with a formal, organized study of America's largest corporations and the level of Federal taxes which they paid.

A portion of that study is now completed. I believe that it provides valuable information on the questions of corporation tax policies and inequities and distortions created by some of the tax subsidies which have been enacted. These policies have a definite interenterprise effect as well between corporations and individual persons.

SCOPE AND METHOD OF SURVEY

My study examines 145 companies selected from the 1970 Fortune magazine list of large corporations and covers the years 1969, 1970, and 1971. These include: the top 100 industrial corporations; 20 airlines, railroad, and trucking corporations; 10 telephone, electric power, and gas transmission corporations; the six largest retailing corporations; and the nine largest commercial banks.

The study is based entirely on information available to the general public, including 10-K reports, registration statements, and prospectuses filed with the Securities and Exchange Commission, as well as annual reports to shareholders and annual reports to the Interstate Commerce Commission.

Mr. Speaker, the attached table shows the approximate taxable income, taxes

paid, and effective tax rates of the companies studied, where the information could be secured from public sources. It should be noted that the figures presented in the table represent approximations rather than precise figures. In a few isolated cases, the margin of error may be considerable. This is because the public sources generally did not present the data in a way in which they could be used directly to calculate the effective tax rates of the corporations. Adjustments were necessary in order to arrive at approximate figures. Because of the complexity in reporting, it was not possible to obtain data for each corporation on the "top 100" list. The sample in the study is as follows:

100 industrial corporations sample

1969	80
1970	92
1971	48

The confusion, complexity and secrecy which shrouds corporate tax and financial reporting is nearly indescribable. I will comment on these problems later in my statement. Let me say here that I believe the figures in the charts are as accurate as they could be made by my staff, aided by expert certified public accountants. If there are errors, the fault probably lies in the unnecessary complexity used by corporations in submitting data which was designed to serve the public—but which is almost completely obscured from public scrutiny.

FINDINGS OF STUDY OF FORTUNE MAGAZINE LIST OF TOP 100 U.S. INDUSTRIAL CORPORATIONS

Mr. Speaker, the study which I have completed, and which is attached to this statement, provides ample evidence that America's corporate giants have been able to utilize the tax subsidies included in the Internal Revenue Code to obtain an effective tax rate lower than the average tax rate paid by all American corporations. Some of these corporate giants have managed to escape all Federal tax payments—despite the fact that they are earning substantial profits and paying out dividends. In fact, 1971 was the best profit year for American corporations in the last 5 years.

The following table lists the number of industrial corporations in the top 100 of the Fortune list who made profits but which paid no Federal corporate taxes:

	1969	1970	1971
Number of corporations.....	7 out of 73	9 out of 86	5 out of 45
Amount of taxable income on which no tax was paid (million).....	\$862.	\$682.	\$382.

Those profitable corporations which paid no Federal income tax in 1971 were:

Taxable income—but no tax paid

Continental Oil	\$109,030,000
McDonnell Douglas	144,613,000
Gulf & Western Industries.....	51,381,000
Aluminum Co. of America.....	50,199,000
Signal Companies	26,863,000

Because the figures for 1971 include only 45 out of the 100 corporations, the total corporate income escaping tax for 1971 will obviously be much higher. Using proportions, it may approach \$1.2 billion.

The next table lists the number of corporations in the Fortune 100 list which made profits but paid an effective Federal tax rate of only 1 to 10 percent:

	1969	1970	1971
Number of corporations.....	10 out of 78.	13 out of 86.	6 out of 45.
Amount of taxable income on which less than 10 percent U.S. corporate tax was paid (millions).....	\$3,377...	\$3,171...	\$2,327.

Therefore, the next table summarizes the two previous tables providing the total figure of those corporations which paid no Federal income tax or less than a 10-percent effective rate.

	1969	1970	1971
Number of corporations.....	17 out of 78.	22 out of 86.	11 out of 45.
Amount (millions).....	\$4,239.5.	\$3,853.	\$2,709.

I am sure that every American citizen will be shocked and disappointed at the way in which many of these corporations have avoided the "nominal" or "statutory" Federal tax requirements. I hope that the revelation of the fact that many corporations are completely or substantially escaping support of the Federal Government will cause all Americans to consider the need for tax reform—not just individual tax reform, but corporate tax reform as well.

Great public concern and indignation has been focused on those 107 Americans who received more than \$200,000 in income last year yet paid no Federal income taxes. But put the facts in perspective: Those 107 Americans received a total of \$26,000,000 tax free. In 1970 nine corporations out of the top 86 had a pretax income of \$682,000,000—yet paid no Federal taxes.

But this study has more to teach us than the fact that we need tax reform.

This study documents, in many ways, how the Federal tax system is encouraging the growth of monopolies, conglomerates, and supranational corporations. It reveals how many of the tax subsidies provided by the Congress have outlived their usefulness and are now creating severe problems of inequity and injustice between corporations—both within the same industries and between different industries.

THE FEDERAL TAX CODE FAVORS THE GIANT CORPORATION

The average effective tax rate of all American corporations in 1969 was 37 percent. But the average tax rate for the top 100 industrial corporations was 26.9 percent. This means that the smaller corporations appear to be paying a rate above the average. It is my estimate that the smaller corporations—those under the top 100—pay, on the average, a rate of 44 percent. Obviously the giant corporations enjoy greater cash flow, higher rates of return—and the economic power to acquire more and more subsidiaries—thus driving the smaller firms which pay higher rates of taxation out of business.

The trend of "low" effective tax rates for the "100 giants" appears to be accelerating, as the following table shows:

	Effective tax rate (percent)	Size of sample (profitable) firms only
1969.....	26.9	78
1970.....	25.8	86
1971.....	24.4	45

While the average effective tax rate for these giants in the upper 20 percent level here are a number of industries within this group with much, much lower tax rates.

The steel industry, particularly United States Steel, has paid a low effective tax rate over the past 3 years.

Some oil giants have, in some years, paid high effective tax rates. Standard Oil of Ohio, for example, paid a 41.1 percent rate in 1969—and, apparently, no tax in 1970. Out of the 17 oil companies studied, 10 paid less than 10 percent in 1969 and seven paid less than 10 percent in 1970.

The timber industry giants pay effective tax rates of between 10 to 20 percent on large pretax incomes.

Each of these industries is a horror story of tax avoidance. Later in my statement, I have provided sections briefly describing how these industries have been able to eliminate the major portion of their tax burden.

HOW DO CORPORATIONS REDUCE THEIR TAX BURDENS?

These corporations have done nothing illegal in lowering their tax rates—they have simply taken advantage—quite effectively—of the multitude of tax subsidies which have been enacted into the tax laws over the years.

The committee has been examining the efficiency and justification for a number of these subsidies. It is vital that we in the Congress—and the entire American public—make a careful examination of these subsidies which place the Federal tax burden on the individual taxpayer, provide enormous benefits to a very few, and have resulted in terrible inefficiencies in the use of our resources.

As I will point out later, many of these subsidies have failed in their purpose.

First, The investment tax credit, with a yearly cost of \$3 billion, has failed to place an emphasis on new capital expansion. It is one of the most inefficient ways of reducing unemployment. It has done little to end the recession.

The tax advantages which these large corporations are receiving and which are concentrated in the largest corporations have a questionable effect on the Nation's employment. This study shows that the top 100 U.S. corporations are providing less jobs as their corporations expand. In 1969, the sales for the top 100 was \$280.4 billion; in 1971 sales amounted to \$315.2 billion—an increase of 12.5 percent in sales. But in these 3 years employment in these top 100 corporate giants dropped by 5.2 percent, or 500,000 workers. The last 100 companies on the Fortune list—that is, companies 401 through 500 increased sales by 16 percent but also increased employment by 1.4 percent.

Second, The subsidies to the oil industry have failed to increase petroleum reserves, yet its cost is measured in the billions.

Third, The tax subsidies for the timber industry have failed to insure the proper logging conservation practices for which it was designed.

Fourth, The foreign tax credit—and other foreign investment subsidies—have exported jobs, domestic capital needed for increased American productivity, and removed billions from the U.S. Treasury.

The failure of these various tax subsidies—and others—are discussed in greater detail in the detailed portions of my testimony.

Let me simply say, it is time that these tax subsidies must be reviewed and modified if the smaller corporations are to survive absorption by the giants with their tax advantages.

Aided and abetted by our tax laws—the free enterprise system in America has become one large chicken factory where little chicks are grown to maturity and made marketable to satisfy the unending appetite of conglomerate corporate America.

CONFUSION IN CORPORATE REPORTING

Corporations, through complex reporting procedures, have made it impossible—in all too many cases—to accurately estimate, from public sources, the actual Federal income tax paid for any particular year. The annual reports are a mirage of ambiguous statements that lead the stockholders to believe that business is better and profits are improving. The tax statements of these same companies to Internal Revenue often illustrate a completely different picture that reduces their profit figure, which in effect, reduces their total tax figure. Like the medieval European peasants, for their stockholder they wear their wedding clothes; for the tax man, they wear rags.

TAX RATE VARIATIONS AMONG CORPORATIONS

The attached tables show the approximate effective rate of Federal income tax paid by the companies covered by the study after the adjustments described below. It indicates considerable variation in effective tax rates not only as between companies in different industries, but for different companies in the same industry and for the same company in different years.

Retail companies generally are among those paying the highest effective Federal income tax rates of the companies covered by the study. The approximate effective rates for four retail companies, for example—A. & P., Kroger, J. C. Penney, and Federated Department Stores—on a combined basis for 1969, 1970, and 1971 were 43.8, 42.4 and 38 percent respectively.

Some industrial firms pay a relatively high effective tax. Du Pont, for example, paid an effective Federal income tax of 42.2 percent in 1971 and 43 percent in 1970. Other industrial firms, however, pay a considerably lower effective rate. The effective income tax rate for Union Carbide, for example, was 18.6 percent in 1971 and 20.6 percent in 1970. Similarly, Allied Chemical Corp. paid an effective rate of 9.5 percent in 1970 and 4.4 percent in 1969.

The eight largest railroads, excluding Penn Central, all reported net income to their shareholders in 1970. In that

year, these eight companies had a combined net income before Federal income tax of about \$529 million and paid approximately \$26 million in Federal income tax for an effective rate of 4.9 percent.

There was also substantial variation in the effective rates paid by different commercial banks. Chemical New York Corp., for example, paid an effective income tax rate of 31.1 percent in 1971, 33.1 percent in 1970, and 39.4 percent in 1969. In contrast, the First National City Corp. had effective income tax rates of 28.6 percent in 1971, 19.6 percent in 1970, and 16.9 percent in 1969.

TAX CODE PROVIDES INCENTIVES FOR CONGLOMERATE ACQUISITION

For the past 20 years our corporate powers have been driving the small manufacturers, businessmen, and shop owners out of business. We seem to have assumed that small business is obsolete and have equated bigness with efficiency and productivity. We have proceeded on a course of centralization—but we have moved beyond economics of scale and into economics of monopoly.

This trend has been no accident—the tax subsidies of the Internal Revenue Code have made a calculated attack on small businesses and provided incentives for large corporations to buy up small successful companies for tax and cash flow purposes. Often, even unsuccessful operations can be purchased and used to reduce the total tax liability of the larger purchasing company.

Under certain definitions in section 368 of the tax code, large corporations purchase smaller operations permitting the seller to avoid any payments on capital gains from the sale. For example, as a small or medium sized business owner I might be tempted by an offer from a large corporation that would be hard to turn down. Under section 368 of the code, we could make an exchange of stock so that the large corporation would take complete control of my company. This is a tax free exchange.

These provisions provide an incentive to sell and have paved the way for huge conglomerates. As small operations find it hard to compete, the small owners find these offers hard to turn down. The future profit streams of these small companies are sold tax free, thus undermining the future of the small business in this country.

Many of the giant corporations in the Fortune "100" list, as well as many of the leading banks listed in the study I am submitting today, are conglomerates or monopolistic companies. In many, many cases, the purchase of smaller corporations by these industry giants has given them the opportunity to invest in tax shelters and, in general, to maximize their use of tax subsidies. For example, a company which is in a field where there are few tax subsidies can purchase a tax subsidized industry and use that subsidiary to help lower or eliminate its effective Federal tax rate. This is particularly true of an increasing number of the Nation's largest banks and insurance companies. It is necessary for

Congress to determine how some banks can enjoy a 16-percent tax rate. This indicates tremendous investments in tax-sheltered activities.

This study of the effective tax rates of the Nation's largest 100 corporations should provide valuable information as to whether the advantages of big business are the proximate result of tax policies unrelated to maximum economic efficiency for the public good. Again, as I pointed out at the beginning of my statement, the effective tax rates of these industry giants was 26.9 percent in 1969, but the overall American corporate effective tax rate was 37 percent in 1969. This means that the smaller companies are paying an average rate of about 44 percent. Conglomerate and trust growth helps the rich get richer, the big get bigger—and the small to lose out. The tax subsidy system of the Internal Revenue Code is encouraging this growth; it is destroying the old ideal of competitive American free enterprise.

Small business does not have the ability to fully utilize the tax benefits available to the conglomerates. ITT in 1969 had a net income before Federal income tax of about \$360,000,000 and an effective tax rate of over 14 percent. In 1971 ITT's net income before Federal taxes was approximately \$410,000,000 and an effective tax rate of almost 5 percent. As ITT grows, its tax rate shrinks. The 10-K for ITT indicates that the Hartford Co. and ITT filed a consolidated tax return on which no tax was paid—although some tax was paid by other subsidiaries.

In 1970 ITT filed a consolidated return with its domestic subsidiaries and reported a before tax income to its shareholders of almost \$430,000,000 and according to their 10-K report to the SEC, no corporate tax was due on the consolidated return, though again, some taxes were paid by subsidiaries.

ITT also sold stock during that tax year to an overseas bank and the foreign buyer almost immediately resold the shares to a fund in this country. This fund already held some of ITT's pension money. This sale to a foreign bank, rather than directly to the fund, appears to have been motivated by the desire to increase its foreign tax credit benefits.

Mr. Speaker, the smaller businessman has almost no "tax subsidies" available to lower his tax rate to the level of the giant manufacturing conglomerates. These large conglomerates should be reviewed by the Joint Committee—not just for adequate disclosure but to evaluate how these giant corporations manipulate the tax code to constantly reduce their tax burden, and thus increase their cash reserves used to acquire more and more assets—and more and more tax shelters.

The tax code should be closely examined to eliminate some of these incentives for acquisition which primarily serve to dismember the corporate tax structure for large conglomerates.

Let there be no doubt that the growth of new conglomerates is the move of the future, unless action is taken to reduce these incentives for acquisition and the endless acquisition of foreign and domestic tax shelters which only the large-

est corporations can afford to diversify into.

In the period 1961 to 1968 eight companies dominated conglomerate growth, each of which made acquisitions during these years totaling more than one-half billion dollars each.

Acquired assets as percent of total assets from 1961 to 1968

ITT	59
Gulf & Western	83
Ling-Temco-Vought	72
Tenneco	31
White Consolidated	86
Teledyne	90
Occidental Petroleum	43
Litton	43

Many accounting devices enable these merger-active companies to report substantial increases in earnings per share without improving operating efficiency—or real national growth. The most notorious of these devices is the pooling of interests method of accounting for combinations. Under the pooling of interest, the book value of both businesses are simply added together. In this circumstance, the book values prevailing at the time of acquisition need have no relation to the actual market value of the transaction. Through acquisition, an acquiring company can do what it cannot do through internal growth—that is, list the value of assets at less than real costs, and later report this difference as growth income.

From the viewpoint of a conglomerate's management, it matters little whether the gain in earnings is illusory or real as long as it looks good to the stockholders.

THE ATROPHY OF SMALL BUSINESS

Small business in America is in crisis. Every year the scraps from the table of big business for which small businesses must fight get smaller.

The share of national profits for manufacturing corporations with assets under \$1 million declined 44.8 percent between 1969 and 1970. Between 1970 and 1971, there was an additional decline of 3.9 percent. This decline in profits for corporations under \$1 million is especially significant when compared with the fact that profits for manufacturing corporations with assets over \$1 billion declined only 7.2 percent between 1969 and 1970 and rose 14.3 percent between 1970 and 1971.

The share of total corporate profits of firms with assets over \$1 billion has nearly doubled since 1959—from 28.4 percent of all profits in that year to 54.6 percent in 1971. In 1971, almost 55 percent of all corporate profits in America was achieved by the billion-dollar corporations, only 260 corporations in number. What is left for the 1,700,000 other corporations of America?

SHARE OF TOTAL PROFITS—FIRMS WITH ASSETS OVER \$1,000,000,000

	Profits (in billions)	Total of all profits	Share (percent)
1959	5.236	16.328	28.4
1964	9.489	23.211	40.0
1969	15.978	33.248	48.0
1971	16.9	31.0	54.6

MANUFACTURING CORPORATIONS—SALES

(In percent)

	Assets under \$10,000,000	Assets over \$100,000,000
1954.....	3.14	46.4
1959.....	2.98	50.25
1964.....	2.75	55.07
1969.....	2.26	63.74
1970.....	2.10	65.64
1971.....	1.98	67.85

These figures are signposts of the slow death of competitive free enterprise in this country.

It is shocking indeed to realize that over 188,000 industrial firms with assets under \$10 million today account for less than 2 percent of all industrial sales. In 1970, the 500 largest industrial corporations accounted for 65.4 percent of all industrial sales, 75.8 percent of all industrial profits, and 44.3 percent of all industrial employment.

There are more than 11 million firms that are considered to be small businesses—97.7 percent of all U.S. firms have fewer than 100 employees. These small businesses employ 24 million workers—and they are finding survival difficult.

The tax code has provided the "launch-pad" for the conglomerate growth of the 1960's. For example, the Library of Congress has just released a report on the corporations which used the investment tax credit in 1965—the last year for which specific figures are available. Fifty-seven percent of the credit went to those industrial companies with assets of more than a quarter billion dollars—approximately 260 industrial firms.

There is no doubt that our tax policies have favored the large at the expense of the small. It is my recommendation that the tax code be thoroughly reexamined so as to provide a growth pattern for all business sectors of our economy—not just for the corporate giant who has invested in tax subsidy shelters.

My staff studies indicate that our tax laws mischievously operate to suppress small business—to deny an equality of opportunity for small free enterprise to compete with the "big brothers" who can utilize the tax laws to reduce their effective tax rates and to generate extra muscle to compete with and devour small business.

It is time for Congress to examine what effect tax policy is having on the aggressive destruction of small business, for which a place must be shared.

In 1971, almost 55 percent of all corporate profits in America were achieved by the billion-dollar sales corporations, only 260 corporations in number. What is left for the 1,700,000 other corporations of America?

Present tax laws and their interpretation by the administration seem to indicate a drastic phaseout of corporate contribution to the cost of government. If corporations are to reduce their contribution to the Government, how will the deficiency be made up?

While some argue against corporate taxation on the basis that dividends pay taxes, to what extent is this true? To

what extent are American corporate profits a closed cycle? What percentage of corporate stock is owned by other corporations who pay little or no tax on dividend income? If three American citizens could earn \$7,353,000 in dividends in 1970 and pay no U.S. taxes, how many other billions of dollars in dividend income are tax free?

Records suggest that the dimension and capacity to create tax deductions is directly related to the size of dividends received. The extent of dividend tax avoidance cannot be estimated without some plan of dividend withholding.

It is my contention that a massive portion of dividend income completely escapes the tax collector. Under present laws, dividend taxes cannot substitute for a fair and adequate system of corporate taxation.

We are in a vicious circle. We cannot change or remake the tax laws without facts—and we cannot obtain essential facts because of laws that shroud and conceal the truth to which every citizen is entitled. There can be no decent measure of tax justice when facts are buried and needlessly protected by archaic laws. What the public does not know and cannot know does indeed hurt every citizen.

FEDERAL TAX RATE IN STEEL INDUSTRY

In examining the top five steel companies in America, it appears that Armco, Republic, and National Steel have been paying Federal corporate tax, although the effective tax rate has consistently been below the average rate paid by the combined top 100 industrial corporations.

United States Steel, however, received a credit or a reduction in its tax liability of \$66,000,000 in 1970. I am aware that the GM strike in 1970 held down profits—but even in 1970, United States Steel had a net income of \$109,000,000 before Federal income taxes.

In 1969, United States Steel paid an effective rate of 2.1 percent on a quarter billion dollars in taxable income. It appears that United States Steel may have paid a 7.6 percent tax rate on \$104,516,000 in 1971. Thus, over the 3 years, the company has received more in tax credits and/or reductions in their tax liability than it has paid in U.S. taxes. The question which remains to be answered is whether, in fact, United States Steel will have paid any taxes after all subsequent tax credits are requested and applied to 1971 revenue.

Bethlehem Steel in 1969 had a net income before taxes of \$169,000,000—that same year Bethlehem received \$52,000,000 from the Treasury in the form of a credit or a reduction of their income tax liability.

It is probable that this trend of "low tax on steel" will continue for at least 3 or 4 years, as the full effect of the 1971 Revenue Act unfolds through the giveaway provisions of ADR and the investment credit.

THE OIL INDUSTRY AND TAX SUBSIDIES

In examining the effective tax rate of the various industries in this study, it comes as no surprise that the oil industry has, on the average, a low effective U.S. corporate tax rate. From available data, it appears that the industry lead-

ers paid an average effective rate of 5.8 percent in 1969 on \$4.7 billion in pretax income. In 1970, they paid an average of 10.1 percent on \$4.6 billion in net income. On the eight companies for which data was available for 1971, an average effective rate of 6.1 percent was paid on some \$2.5 billion in income. Total tax credits or "refunds" to the industry in this period was \$31.4 million.

This study shows that the tax subsidy system for the oil industry is the most extensive one in the entire Internal Revenue Code.

The three major tax subsidies to the oil industry are: the percentage depletion allowance; special provisions which permit the current writeoff of "intangible" drilling and development costs; and the foreign tax credit.

The foreign tax credit is probably the greatest boon for the major oil companies. Most of these companies are international in character and use their taxes paid to foreign countries to reduce any tax liabilities which they may have to the U.S. Government. Incidentally, many of these taxes used to be royalties which could only be treated as a business deduction; but over the years the companies and the foreign host nations have shifted these royalties into the category of taxes—to the great profit benefit of the American corporations. The use of the foreign tax credit is concentrated in the largest of the oil companies. This can be seen by a pro-oil subsidy letter which I recently received from the American Petroleum Institute. The major 18 petroleum companies studied by the Institute account for 95 percent of the direct foreign taxes paid by the total U.S. petroleum industry—and thus obtained approximately 95 percent of the benefit of the foreign tax credit. America's 18 leading oil companies admit to paying more to foreign governments than to their own.

I have argued in another section of this report that the foreign tax credit should be abolished and replaced with a deduction so that all U.S. corporations are treated equitably—regardless of where the profit is earned. The oil industry provides a classic example of the need for modifying the foreign tax credit subsidy.

The depletion allowance and the intangible drilling provisions are providing multibillion-dollar tax subsidies to this industry, resigned to encourage exploration and the maintenance of national defense petroleum reserves.

It is one of the commendable purposes of these hearings to examine and reexamine the various tax subsidies which have "pot bellied" the tax code. Is the depletion allowance a desirable tax subsidy? Does it accomplish its goal? Does it have a favorable benefit-cost ratio?

This subsidy does not meet these criteria for a justifiable subsidy. It has been pointed out that the percentage depletion allowance costs the public \$1.5 billion and results in an additional expenditure of only some \$150 million for new exploration and new reserve discovery. In other words, this subsidy has an efficiency rate of about 10 percent. During the Congress' consideration of the 1969 Reform Act, a thorough study of the

tax laws and their effect on domestic petroleum reserves was provided by the Treasury. This study noted:

Percentage depletion is a relatively inefficient method of encouraging exploration and the resultant discovery of new domestic reserves of liquid petroleum. This is in part due to the low sensitivity of desired reserve levels to the price subsidy represented by percentage depletion, and in part to the inefficiency of the allowance for this purpose since over 40 percent of it is paid for foreign production and nonoperating interests in domestic production. (Emphasis added)

The study concluded that an elimination of the depletion allowance and the intangible drilling provision would make a "statistically significant" reduction in our reserve supplies—though the elimination of just one of these provisions, which would save hundreds of millions of dollars, would have "no significant effect" on the reserve level.

It is time that we throw out these subsidies and develop rational programs which will achieve our national petroleum goals. For example, the oil import quota law encourages the consumption and depletion of our oil fields and is in opposition to the national defense reserve argument. It should be replaced with a revenue raising tariff or be completely removed, saving the consumer about \$7 billion a year. Consideration should be given to creating a national petroleum reserve—a stockpile of oil, ready for use in an emergency. Once this reserve was established, the national security issue would be removed and we could allow the private market factors of supply and demand to work. Other alternatives to the present inefficient subsidies have been suggested. I understand that the chairman has suggested a modified use of some of the present subsidies so that their impact is efficiently concentrated on exploration. If controls can be developed to prevent "frivolous" exploration for tax purposes, such a modification in present tax law might result in major savings—and increased petroleum discoveries.

THE TIMBER INDUSTRY SUBSIDY

In examining this list of 100 corporations, there is another industry which stands out for its low effective tax rate—the timber industry. Because of the nature of giant corporations and conglomerates, it is hard to say who exactly composes the timber industry. The following firms, however, undoubtedly qualify as leaders in the field: Weyerhaeuser, Georgia-Pacific.

The total net income before tax of these two companies in 1969 was \$306,400,000. Their average effective tax rate was 18.5 percent. In 1970 they had a pretax net income of \$277,700,000 and an average effective tax rate of 14 percent. Treasury studies once again indicate that the vast majority of the timber tax subsidy goes to just a few. In 1965, corporations in the lumber and paper industry reported \$443,400,000 of long-term capital gains. This represented a tax savings for the corporation of between \$100,000,000 and \$140,000,000. In 1965, there were 13,251 corporate returns filed in the lumber and paper industries. Of these returns, the 16 corporations with assets over \$250,000,000 reported 64.8 percent of the long-term

capital gains. The 63 corporations with assets over \$50,000,000 reported 80.4 percent of the long-term capital gains. Recent figures indicate that the largest companies are utilizing an ever increasing portion of the industry's capital gains subsidy. By the nature of capital gains, the small logger receives almost no benefit from this subsidy.

When this timber capital gains tax subsidy was originally passed in 1943, President Roosevelt vetoed it, saying, it was a tax bill "for the greedy, not the needy." His words are still true today.

In addition, the bill was originally passed to help encourage forest conservation. I really wonder whether it has achieved this purpose. At the present time, there are some 52 million acres of private forest land which are in need of reforestation. The Federal Government is making direct expenditures of over half a billion a year in forest service activities, and the Congress recently passed a new bill providing \$65 to \$75 million for the reforestation of the national forests—and much of this money will be spent to repair the damage caused to the public land by the timber industry.

The committee has again provided a valuable public service by including in its compendium of study papers on Federal subsidy programs, the article by Emil M. Sunley, Jr., entitled, "The Federal Tax Subsidy of the Timber Industry." As Mr. Sunley states:

In view of the significant subsidies being extended to the timber industry through direct government appropriations at both the Federal and State level, the difficult administrative problems associated with the tax subsidy, and the lack of evidence that the tax subsidy is effective, one concludes that this tax subsidy should be eliminated or significantly reduced.

It would be particularly important to consider alternative forms of assistance which would insure better conservation of our Nation's timber resources.

FOREIGN TAX CREDIT PROVIDES CORPORATE TAX AVOIDANCE

The foreign tax credit is doing its part to dismantle corporate tax payments to the U.S. Treasury. Many of the large corporations included in this study have utilized the foreign tax credit to reduce their Federal tax liability to zero—or to rates below that paid by the average individual wage earner. Some corporations, as apparently in the case with United States Steel, pay more to foreign governments than they do to their own.

Our tax laws are encouraging the exportation of capital, productivity potential, jobs, and possible export markets, as well as needed tax revenue—all for the benefit of a very few corporations. Use of this foreign investment tax credit is heavily concentrated in the largest U.S. corporations. Over 80 percent of taxable foreign source income in 1966 accrued to a very limited number of U.S. corporations with assets in excess of \$250,000,000.

In 1970 the total income before taxes on U.S. direct investment abroad amounted to \$17.5 billion, or 20 percent of all corporate profits. The magnitude of these direct investments are currently valued at \$80 billion and produce at least \$150 billion of output annually.

These profits on foreign investments are taxed in foreign countries. While foreign governments receive the revenue from U.S. overseas investments, U.S. corporations credit these tax payments against their U.S. taxes. In 1970, \$4 billion in foreign tax credits were claimed by U.S. corporations on their tax statements.

Most of the earnings of U.S. corporate subsidiaries abroad are reinvested in fixed assets—this amounts to a permanent exemption from U.S. tax. These foreign subsidiaries paid \$0.9 billion less than they would have paid under U.S. tax rates.

It is argued that the foreign tax credit is necessary to prevent double taxation of a company's business activities. It is argued that there should be equality in total tax burdens including foreign as well as U.S. taxes. But I believe that we should seek to establish equal treatment in U.S. taxes, by treating foreign taxes as a cost of doing business for which one may obtain a deduction—not a credit.

This whole question is thoroughly discussed in Prof. Peggy Musgrave's study, "Tax Preference to Foreign Investment," which was included in your committee's compendium of papers published on June 11, 1972. Professor Musgrave has provided an excellent study. It is one which must be considered by all the committees which will be dealing with tax reform legislation in the coming year.

These deferrals and foreign tax credit provisions should be eliminated—and foreign taxes should be made deductible. United States taxes should be applied when foreign income has been earned—adding \$3.3 billion to the U.S. Treasury.

According to a recent Forbes magazine article, certain individual shipping owners, such as billionaire Daniel Ludwig, the shipping magnate, have amassed incredible amounts of wealth having paid little if any taxes. Mr. Ludwig's tankers are tax-free—avoiding the tax man through the "flags of convenience," a tax shelter permitted in the U.S. tax code.

Mr. Speaker, all U.S. corporations should pay the same effective Federal tax rate applied to all profits—whatever their source of business—whatever their source of profits.

TAX CODE PROVIDES TAX AVOIDANCE FOR CONSOLIDATED EDISON AND AMERICAN ELECTRIC TAX-AVOIDANCE

Within the corporate structures of the 10 utilities included in this study, there are two corporations that have reduced their effective tax rate to about 3 percent and 4 percent—Consolidated Edison and American Electric Power.

In 1969 Consolidated Edison had a net income before Federal income taxes of \$141 million and had an effective tax rate of 5 percent. In 1970 Consolidated's net income was \$110 million and it paid no tax. In 1971, it almost doubled its net income to \$202 million, but its effective tax rate was only 3.3 percent. Most individuals pay a higher percentage personal income tax rate than this corporation provides to the U.S. Treasury.

Closer investigations illustrate one of the major tax cutting procedures which Con Edison used.

Notes to Consolidated Edison's financial statement indicate net operating

losses for tax purposes for both 1970 and 1971—while the 1971 net income reported to shareholders was the highest in any of the previous 10 years of the company's history. Dividends paid were \$102,065,000—1969, \$108,021,000—1970, and \$119,406,000—1971. None of the dividends on the common stock for these 3 years, which amounted to \$81,188,234 and \$73,436,126 for 1971 and 1970, were taxable as dividend income. No taxes were paid on this dividend income, because of the accounting procedures which manipulate the tax laws.

Also, Consolidated Edison in 1969 retroactively adopted guideline depreciation. As a result, for the years 1962 through 1968, the company received \$48,500,000 in refunds plus interest from the Federal Treasury of \$17,500,000. It is obvious that this \$48,500,000 "excess" tax paid, and later refunded, had been passed on to their customers in a higher rate structure in those years. When refunded, the money and the interest were recorded as nonoperating or extraordinary items.

Why should any taxpayer, least of all a utility, obtain interest on a refund or Federal taxes brought about by a calculated election of a retroactive application of any particular tax provision.

Therefore, I have introduced legislation which would outlaw the free choice of utilizing any provision of the tax code retroactively for the purpose of reducing current and future taxes for any corporation. The changing of the "rules" in midstream must be prohibited when it has a negative impact on the consumer and the Treasury.

The second example, American Electric Power, has turned the theory of progressive taxation upside down. In 1969 American Electric had a net income before taxes of \$138 million and had an effective tax rate of 23 percent. In 1970, this same company's net income declined by \$2 million while their taxes were reduced by 40 percent. In 1971 American Electric's pretax net income increased by about \$13 million—the highest pretax income they had in 3 years. Yet their effective tax rate dropped from 13.2 percent to an amazing 4.5 percent. As this company's income increases, its tax has plummeted.

DECEPTION IN CORPORATE FINANCIAL REPORTING

Corporations, through complex reporting procedures, have made it impossible—in all too many cases—to accurately estimate, from public sources, the actual Federal income tax paid for any particular year. The annual reports are a "mirage of ambiguous statements" that lead stockholders to believe that business is better and profits are improving. The tax statements of these same companies to Internal Revenue often illustrate a completely different picture that reduces their profit figure, which in effect, reduces their total tax figure. Like the medieval European peasants, for their stockholders they wear their wedding clothes; for the tax man, they wear rags.

By far the major problem in understanding corporate tax reporting is the combination of Federal tax expense with State, local, and foreign tax expense when reporting to the SEC.

United States Steel, for example, combined their United States and foreign

income taxes so that even after careful study, an informed citizen cannot tell who was paid what without calculations and careful work with footnotes. General Motors may have combined their United States and foreign taxes so that you cannot decipher what was paid or owed to the United States—and what was paid to other countries. IBM, the fifth largest corporation in this land, combined their foreign and Federal taxes in all public records, including their 10-K forms. The following companies did the same: RCA, National Cash Register, Colgate-Palmolive.

These companies have disregarded SEC rules on disclosure. For commercial and industrial companies, SEC rule 5-14.15 provision for income and excess profits taxes (regulations S-X, page 12) requires that: First, Federal income taxes—normal and surtax; second, Federal excess profits tax; and third, other income taxes—State, local, and foreign—be stated separately. Yet these companies—and many others—have combined all income taxes into one expense figure.

In addition, even where the Federal income tax expense figure is separately stated, the various deferred income taxes may be combined in one of the deferred tax accounts affecting the estimate of current taxes. Since, in these cases, it was not possible from the published data to exclude the State and local or foreign income taxes, the entire tax expense was treated as Federal income tax expense. This tends to overstate to some degree the Federal taxes paid. Where the State, local, or foreign income taxes were believed to be extremely significant, the data for that company was deleted from this study.

Over the past several months, I have made a series of protests to the SEC concerning the failure of the Commission to enforce its existing regulations, and I have urged that they develop clearer reporting requirements. On July 7, 1972, I received a letter from Chairman William Casey of the Commission, who admitted that the various "accepted" accounting rules do vary and do create a good deal of confusion. The Chairman also indicated that new Federal tax requirement rules had just been issued on June 23. I would like to enter in the hearing record at this point portions of the SEC letter as well as the language of the new reporting requirement:

You also comment in your letter on the inclusion of excise taxes in the amounts shown as "taxes paid" in corporate reports. This is an area where differences in accounting treatment are currently acceptable. Some corporations report their sales net of excise taxes collected and paid to the government while others show the sales gross and report the taxes as expenses. There is considerable disagreement among professional accountants as to which treatment is proper. The Commission has taken no position on this issue.

Both the Commission's accounting rules and the opinions of the Accounting Principles Board require the disclosure of income tax expense. If income taxes and excise taxes are combined on the face of the income statement (as in the case with Standard Oil Company of New Jersey), there must be footnote disclosure of the components of the total figure (as there is in this case). The rules and opinions also require that income tax expense be divided between that currently

payable and that deferred due to differences between tax return and book figures. Thus cash payments to the Federal government can be determined.

The area of tax expense in accounting is generally one which is complex and difficult to communicate. We feel that our enclosed new rules (Rule 3-16(o) which is included in the amendment of Regulation S-X adopted on June 23) represent an improvement in required disclosure. We hope to continue this improvement and we appreciate your interest in the subject.

Rule 3-16(o) Income tax expense.—Disclosure shall be made, in the income statement or a note thereto, of the components of income tax expense, including: (1) taxes currently payable; (2) the net tax effects, as applicable, of: (a) timing differences, and (b) operating losses; and (3) the net deferred investment tax credits. Amounts applicable to Federal income taxes and to other income taxes shall be stated separately for each component, unless the amounts applicable to other income taxes do not exceed 5 per cent of the total for the component and a statement to that effect is made. (emphasis added)

I would like to state, Mr. Speaker, that I object to the 5 percent leeway given to corporations in reporting their Federal tax payment. This leeway will probably be used by corporations to improve their "Federal tax payment image" to the American public. This leeway should not be granted. There should be a strict requirement that the exact amount of corporate tax paid to the Federal Government be clearly stated—not hidden in footnotes and obtained through mathematical calculations.

When an individual making \$10,000 files his income tax—he has no choices among "generally accepted accounting principles" so as to conceal his income and reduce his tax. These "principles" are only generally accepted and used by the wealthy corporations of this Nation. They are "generally accepted" because no one understands them.

It is obvious, Mr. Speaker, that the Joint Economic Committee, and the entire Congress will never be able to legislate rationally in the area of corporate taxation until clear and accurate figures are available on the tax burden which the American corporation actually bears. The present accounting processes make a mockery of the public's right to know.

We are in a vicious circle. We cannot change or remake the tax laws without facts—and we cannot obtain essential facts because of laws that are not enforced or that shroud and conceal the truth to which every citizen is entitled.

I include the following notes and additional material:

NOTE

The SEC statements, for example, show Federal income taxes for financial reporting purposes that frequently differ from the amount actually paid. This, in turn, is due to differences in timing of income and expenses.

To illustrate, the SEC statements frequently report depreciation expenses on the basis of straight-line depreciation over the useful life of the asset. However, for tax purposes, class life depreciation (ADR) and accelerated depreciation methods are usually used where allowable. Similarly, some companies spread investment credits over the entire life of the asset for book purposes. Other examples of such differences in timing for book purposes and tax purposes concern installment sales which are reported

on a full accrual basis for book purposes and on an installment basis for tax purposes. Similarly, for book purposes, warranty expenses are deducted on an estimated basis in the year the warranty is issued while for tax purposes, warranty costs are not deductible until actually incurred.

The effective tax rates presented in this study were arrived at after adjusting both the corporate income and the Federal income taxes shown in the public statements.

In general, the tax base (i.e., corporate income) used in this study was computed by taking the net income after tax shown on the company income statements and adding back the Federal income tax expense shown in the statements. In some cases, adjustments were made—the type of adjustments required to make sense of the SEC filings further described in detail in the appendix.

It is important to note, though, that in some cases, the tax expenses shown in the company's statements present one aggregate figure for combined Federal, State and local and/or foreign income taxes. Since, in these cases, it was not possible from the published data to exclude the state and local, or foreign income taxes, the entire tax expense was treated as Federal income tax expenses—except where the State and local or foreign income taxes were believed to be extremely significant, in which case the data for that company were deleted from the study.

APPENDIX—PROBLEMS AND PROCEDURES INVOLVED IN SECURING APPROXIMATE EFFECTIVE TAX RATES FROM PUBLIC INFORMATION SOURCES

The data contained in the tables were obtained from annual 10-K reports, registration statements or prospectuses filed with the Security and Exchange Commission (SEC), or from annual reports to shareholders, or in some cases from annual reports to the Interstate Commerce Commission (ICC).

Factors which make it difficult to accurately estimate from these sources the actual Federal income tax paid for a particular year involve:

- (1) combining Federal tax expenses with State, local and foreign tax expenses when reporting to SEC. This problem is discussed in the text of my statement and I will not repeat the problems caused by this abuse, although they are, by far, the most serious ones in attempting to determine the amount of Federal tax payment.
- (2) consolidating for financial reporting to shareholders companies that could not be included on a consolidated tax return;
- (3) reporting, to shareholders, the results of a subsidiary's operation by using the "equity method" when that subsidiary is included in the consolidated tax return;
- (4) "overstating" the Federal income tax accrual (liability and expense) in order to provide a reserve for anticipated tax deficiencies which may follow an audit by the IRS;
- (5) the existence of a complex accounting procedure—"comprehensive tax allocation" sometimes referred to as interperiod tax allocation; and
- (6) netting tax effects against extraordinary gains and/or losses (intra-period tax allocation).

CONSOLIDATIONS FOR FINANCIAL REPORTING AND TAXES

Companies frequently consolidate for financial reporting foreign subsidiaries and subsidiaries that are 51 percent or more owned—generally they must be domestic subsidiaries and 80 percent or more owned before they can be included in a consolidated Federal income tax return.

In financial reports to shareholders, the full Federal income tax expense (as well as all other revenue and expense accounts after elimination of intercompany transactions) of all consolidated subsidiaries (even the

50 percent owned companies) is reported as though it were a tax (or refund) entirely attributable to the majority interest of the group. However, the minority interest in a particular subsidiary's net income perhaps as much as 49 percent) is removed at the bottom of the income statement. Thus, the consolidated financial reports often show the full tax expense of even 51 percent owned subsidiaries and/or foreign subsidiaries while eliminating the income attributable to the minority interest.

To adjust for this, income attributable to the minority interest was added back to net income as an adjustment in reaching the tax base.

METHOD OF ACCOUNTING FOR AN INVESTMENT IN A SUBSIDIARY

If the "equity method" is used in financial reporting to shareholders to account for an investment in a subsidiary not consolidated for financial reporting when that subsidiary is included in a consolidated tax return, the Federal income tax expense actually paid may exceed (or be less than) that reported on the consolidated financial statements. The "equity method" produces the same net income to shareholders as does consolidation (it is sometimes called a one-line consolidation). The proportionate part of the after-tax earnings of the subsidiary are shown on one line in the income statement; whereas in a consolidation, all income and expense accounts of the subsidiary (including taxes) are combined with those of the parent and other consolidated subsidiaries and the net after-tax earnings of a subsidiary attributable to a minority interest are later deducted. Thus, consolidation for financial reporting shows all Federal income tax expense recorded by all the consolidated subsidiaries while the equity method does not reflect any of the Federal income tax (or refund) attributable to subsidiaries accounted for via the equity method.

Because the Federal income tax attributable to the equity method net income was not disclosed, this income was removed from net income as an adjustment in reaching the tax base.

"OVERSTATING" THE PROVISION FOR FEDERAL INCOME TAXES

Many, and perhaps most, corporations "overstate" the accrued Federal income tax liability and thus the expense account in order to provide a reserve for anticipated future taxes due to IRS audits of tax returns for open years. This is done because corporations tend to resolve doubtful items in their own favor while realizing that many of these items will result in tax deficiencies upon audit by the IRS. Because the amount of this "overstatement" of the Federal income tax accrual account cannot be determined from the 10-K or annual report to shareholders, no attempt was made in the study to adjust for this effect in arriving at the estimated current Federal income tax liability.

INTERPERIOD TAX ALLOCATION

Another major problem in estimating Federal income tax liabilities involves the use of the accounting technique—"comprehensive tax allocation." The Accounting Principles Board (APB) in Opinion No. 11, stated that for most timing differences (income or expenses reported for tax purposes and for financial reporting to shareholders in different years, e.g., use of class life depreciation for tax purposes and engineering life for book purposes), the tax expense reported to shareholders must be based on book income. Thus, tax expense is usually larger than the tax paid which results in a "deferred Federal income tax liability" being recorded on financial statements (e.g., the 1971 annual report of Sears, Roebuck & Co. shows a \$682,389,053 "current tax liability"—really a tax saving primarily from use of the installment sales method for tax purposes).

Comprehensive tax allocation and amortization of the investment tax credit over the lives of the assets (rather than flowthrough) make the Federal income tax expense for financial reporting usually much larger (in some cases smaller) than the actual current tax liability.

Comprehensive tax allocation accounting can result in a net current asset ("prepaid" taxes in excess of deferred tax current liabilities) or a net deferred tax current liability (as in Sears, Roebuck & Co. case involving the unpaid tax on the profits in installment accounts receivable), or in a net fixed asset for "prepaid" taxes or a net deferred tax long-term liability (for amounts not expected to reverse in one year). In addition to a net current liability for deferred taxes, the Sears, Roebuck & Co. balance sheet also shows a net long-term or fixed asset for "prepaid" taxes (future tax benefits) probably due to warranty deductions for book purposes being reported before they are deductible for tax purposes and in excess of the long-term liability for tax savings due to accelerated depreciation.

Wherever possible, these deferrals of Federal income tax were taken into account in estimating the current portion of the Federal income tax expense.

Permanent differences (items which do not reverse, e.g., the 85 percent dividend received deduction) are treated the same for financial reporting and for tax purposes. Thus, these items do not result in any differences nor do they affect Federal income tax expenses or liabilities.

INTRAPERIOD TAX ALLOCATION

This accounting technique shows the effect of taxes on the various sections of the income statement. Thus, extraordinary gains and/or losses are reduced when reported to shareholders by the tax or tax savings attributable to them. Accordingly, in estimating current Federal income tax, an effort was made to reflect the tax effects of extraordinary items where appropriate. For example, where the income statement showed separately a Federal income tax expense and tax savings attributable to a nonoperating extraordinary loss, these items were netted against each other for purposes of this study.

This problem is further complicated when the extraordinary gain or loss is recognized for financial reporting in different years than for tax purposes, thus, making comprehensive tax allocation a factor in estimating the current Federal income tax.

Finally, adjustments were also made to the Federal income tax expense shown in the corporation's statements to arrive at an approximation of the tax actually paid or payable for the year involved. This, for example, may have involved the tax effect of using ADR and accelerated depreciation instead of the approach usually shown on the company's statement—namely, the straight-line method on a full useful life. Similarly, adjustments were made for the tax effects of other timing differences such as installment sales or warranties to convert the Federal tax expense shown in the company's statement to an approximate Federal income tax payment for the year involved.

CONCLUSION

While the six major factors listed above do cause problems and in some cases make it impossible to reliably estimate current Federal income taxes, many companies have only one or two of these complexities; and some companies have excellent financial reporting which makes the estimates of their effective tax rates more reliable.

Other companies have obscured their financial picture to such an extent that both the stockholder and the public are unable to understand how much profit there is—and how much is paid in taxes. The ability of the Congress to debate national economic policy has been crippled by this corporate "number's game."

Corporation

Company	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409
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Corporation	1971			1970			1969		
	Net income before Federal income tax ¹	Approximate current Federal income tax	Effective rate	Net income before Federal income tax ¹	Approximate current Federal income tax	Effective rate	Net income before Federal income tax ¹	Approximate current Federal income tax	Effective rate
TRANSPORTATION CORPORATION LIST:									
(a) Airline corporations:									
United Air Lines	(7,301)	0	0	(51,168)	(22,850)	44.7	87,150	2,933	3.4
Trans World Airlines	(7,128)	0	0	(98,823)	0	0	9,013	(5,415)	
American Airlines	2,404	(75)	3.1	(37,552)	(9,874)	26.3	45,434	(831)	
Pan American World Airways	(66,033)	0	0	(70,005)	(15,774)	22.5	(46,450)	(30,392)	
Eastern Airlines	7,639	0	0	8,073	0	0	(3,521)	0	0
Delta Airlines	43,550	(2,491)	5.7	77,165	9,615	12.5	72,298	3,562	4.9
Northwest Airlines	(9)	(9)	100.0	44,560	(15,280)	34.3	80,973	17,100	21.1
Total for airlines	(27,139)	(2,566)	9.5	(127,750)	(54,163)	42.4	244,897	(13,043)	
(b) Railroads:									
Penn Central ¹⁴		19,551	13.4	124,098	12,049	9.7	142,485	26,718	18.8
Southern Pacific	145,675	752	1.2	63,305	(2,026)		(9)		
Norfolk & Western Railway	62,866	(9)		35,663	171,451	4.1	13,670	(3,486)	
Burlington Northern	(9)	(9)		52,563	3,331	6.3	56,054	804	1.4
Chesapeake & Ohio	(9)	(9)		114,589	(3,835)		123,098	16,840	13.7
Union Pacific	(9)	(9)		59,607	4,600	7.7	88,573	6,650	7.5
Santa Fe Industries	(9)	(9)		56,474	9,895	17.5	(9)		
Southern RR	(9)	(9)		23,135	553	2.4	23,977	2,686	11.2
Missouri Pacific System	20,932	1,925	9.2						
Total railroads	229,473	22,228	9.7	529,434	26,018	4.9	447,857	50,212	11.2
(c) Trucking companies:									
Consolidated Freightways	(9)	(9)		13,156	6,928	52.7	26,779	11,639	43.5
Leaseway Transportation	26,129	4,793	18.3	1,483	(3,105)		12,719	1,885	14.8
Roadway Express ¹⁹	34,572	18,931	54.8	17,606	8,573	48.7	(9)		
Yellow Freight System	24,260	10,897	44.9	13,773	5,135	37.3	14,639	5,584	38.1
Total trucking	84,961	34,621	40.8	46,018	17,531	38.1	54,137	19,108	35.3
UTILITY CORPORATION LIST									
A.T. & T.	3,498,478	1,138,474	32.5	3,561,809	1,478,656	41.5	4,014,369	1,848,301	46.0
Consolidated Edison	202,228	6,727	3.3	110,027	(17,500)		141,389	7,200	5.1
Pacific Gas & Electric	(28)	(28)			(28)		(28)		
Commonwealth Edison	(9)	(9)		195,940	53,127	27.1	220,374	74,424	33.8
American Electric Power	149,876	6,722	4.5	136,662	18,051	13.2	138,457	31,814	23.0
Southern California Edison	159,824	35,409	22.2	160,407	35,840	22.3	139,933	34,430	24.6
Columbia Gas System	119,659	28,077	23.5	129,666	43,592	33.6	122,254	41,352	33.8
El Paso Natural Gas	87,854	23,908	27.2	33,034	6,644	20.1	51,337	14,399	28.1
Texas Eastern Transmission	101,768	26,362	25.9	81,424	18,991	23.3	60,877	8,478	13.9
Pennzoil United	(9)	(9)		74,719	(12,755)		65,700	6,835	10.4
RETAILING CORPORATION LIST									
Sears & Roebuck	682,148	289,306	42.4	694,394	292,308	42.1	(9)		
Allstate and subsidiaries	90,775	5,327	5.9	82,910	(265)				
Great Atlantic & Pacific Tea	89,437	33,883	37.9	100,666	41,750	41.5	84,736	32,820	38.7
Safeway Stores	155,127	75,328	48.6	140,441	69,893	49.8	113,347	55,563	49.0
J. C. Penney	216,605	72,509	33.5	225,482	86,182	38.2	230,305	100,617	43.7
Kroger	56,522	21,462	38.0	74,366	32,839	44.2	68,693	28,105	40.9
Federated Department Stores	154,669	68,798	44.5	169,942	80,832	47.6	162,270	77,398	47.7
COMMERCIAL BANKING LIST									
Bank America Corp.	(9)	(9)		239,758	75,880	31.7	249,416	97,203	39.0
First National City Corp.	281,559	80,486	28.6	222,175	43,557	19.6	184,782	31,174	16.9
Chase Manhattan Corp.	(9)	(9)		163,619	42,445	25.9	150,065	55,131	36.7
Manufacturers Hanover Corp.	(9)	(9)		142,573	49,870	35.0	132,084	56,264	42.6
J. P. Morgan	(9)	(9)		132,690	36,386	27.4	115,430	35,482	30.7
Western Bancorporation	(9)	(9)		70,097	10,856	15.5	94,241	22,300	23.7
Chemical New York Corp.	102,073	31,734	31.1	102,675	33,967	33.1	99,406	39,174	39.4
Bankers Trust New York Corp.	(9)	(9)		83,903	28,236	33.7	52,731	11,899	22.6
Conill Corp.	100,257	25,513	25.5	77,922	17,794	22.8	58,685	11,473	19.6

¹ The adjusted net income before Federal income tax reported to shareholders consists of the net income (or loss) plus all Federal income tax expense (or income) plus deductions for minority interest taken in calculating net income and less income from an investment in another company when the equity method of accounting has been used. In some cases, the minority interest and/or the income reported under the equity method was not separately disclosed; thus, in these cases, these adjustments could not be made. (These accounting problems are further explained in the appendix.)

² The deferred income tax accounts (tax effect of timing differences) may contain State and local and/or foreign in addition to Federal income taxes. Thus, this might have a significant effect on the estimated current Federal income tax and percentage.

³ All the data necessary to compute the result for 1969 were not available on the 1971 and/or 1970 financial statements.

⁴ Possibly overstated significantly because foreign and/or State and local income taxes are combined with Federal income tax. Wherever this is believed to be extremely significant, the data are omitted. These companies have not reported separately their Federal income tax expense. As stated elsewhere, this is an apparent violation of SEC filing requirements.

⁵ The Ford Motor figures represent the effects of State and local as well as Federal income taxes. Their reports combine these amounts and thus the percentages are higher.

⁶ The data for 1971 were not available when this information was being gathered.

⁷ This high effective rate for Whirlpool may have been the result of expenses being taken for book purposes which are not deductible for tax purposes (e.g., goodwill).

⁸ Including Canadian and U.S. income tax.

⁹ Even though there appears to be some tax paid, the 10-K for ITT indicates that Hartford and ITT filed consolidated tax returns on which no tax was paid.

¹⁰ Western Electric Co.'s income is included in the consolidated return for the Bell System; however, this is essentially the same tax which would have been reflected if a separate return were filed.

¹¹ Due to huge losses this company has not been included.

¹² McDonnell Douglas Corps 1971 10-K indicates a NOL carryforward from 1970 and 1971; thus in effect, no Federal income tax has been paid since prior to 1967.

¹³ The 1971 and 1970 data for Ashland Oil were not readily available in the SEC micro film files.

¹⁴ This company has been eliminated due to huge losses.

¹⁵ The 10-K report states that Southern Pacific had no tax liability on a consolidated return for either 1971 or 1970; the results for 1969 were not disclosed. The estimated amounts for Federal income tax (\$19,551,000 for 1971 and \$12,049,000 for 1970—effective tax rates of 13.4 percent and 9.7 percent respectively) if actually paid may have been paid by subsidiaries less than 80 percent owned and, thus, not eligible to be included in the consolidated tax return. Some, or all, of these amounts may represent overstatement of Federal income tax accrual accounts in order to provide

a reserve for future tax deficiencies following audits by the IRS; to this extent they would not be paid.

¹⁶ The analysis of Federal income taxes (p. 316 of their 1970 I.C.C. annual report) showed that Norfolk & Western saved \$29,403,000 in Federal income tax due to accelerated depreciation and to 5-year amortization. Their Federal income tax, if based on income per books of account would have been \$39,632,000. Filing a consolidated return saved an additional \$16,687,000 in Federal income taxes. Their minimum tax on preferences was \$2,143,000; however, the analysis of Federal income taxes indicated a refund of \$1,624,000. The 1970 net income (after provision for Federal income tax and after providing for minority interests) was \$71,259,000 for Norfolk & Western and \$64,017,000 consolidated.

¹⁷ The 1970 I.C.C. annual report (p. 316, "analysis of Federal income taxes") showed that Burlington Northern saved \$12,236,000 due to accelerated depreciation. Their taxes based on income recorded in the accounts would have been \$13,367,000. Their refund was \$603,603. The net income (after provision for Federal income tax and after reflecting minority interests) for Burlington Northern was \$33,000,000 and \$34,202,000 consolidated.

¹⁸ The 1970 analysis of Federal income taxes (p. 316 of their I.C.C. annual report) indicated that Missouri Pacific had a refund of \$814,700. Their Federal income tax based on taxable income as recorded in the accounts for financial reporting would have been \$6,671,000. The net income (after provision for tax) was \$18,189,000 for Missouri Pacific and \$21,580,000 when consolidated. This company saved over \$8,000,000 in taxes in 1970 due to accelerated depreciation and 5-year amortization.

¹⁹ The information for Roadway Express was taken from its 1971 annual report to shareholders.

²⁰ Because the wholly owned subsidiary Western Electric Co. is accounted for by using the equity method, the income and current Federal income tax for A.T. & T. is not included here even though a consolidated tax return is filed.

²¹ Notes to the financial statement of Con Edison indicate net operating losses for tax purposes for both 1970 and 1971 while the 1971 net income reported to shareholders was the highest in any of the prior 10 years of the company's history. Dividends paid were \$102,065,000, 1969; \$108,021,000, 1970; and \$119,406,000, 1971. None of the dividends on the common stock for these 3 years (amounted to \$81,188,234 and \$73,436,126 for 1971 and 1970) were taxable as dividend income.

²² Due to undisclosed amounts of intraperiod tax allocation, the total Federal income tax provision cannot be ascertained for Pacific Gas & Electric.

Note: The study is based entirely on information from public sources, including 10-K reports, registration statements, and prospectuses filed with the Securities and Exchange Commission as well as annual reports to shareholders and annual reports to the Interstate Commerce Commission.

APPROXIMATE EFFECTIVE RATES OF CORPORATE FEDERAL INCOME TAX FOR STEEL COMPANIES

Corporation	1971			1970			1969		
	Net income before Federal income tax ¹	Approximate current Federal income tax	Effective rate	Net income before Federal income tax ¹	Approximate current Federal income tax	Effective rate	Net income before Federal income tax ¹	Approximate current Federal income tax	Effective rate
U.S. Steel	104,516	7,920	7.6	109,491	(66,110)		243,207	5,146	2.1
Bethlehem Steel	(²)	(²)		122,071	(13,000)		169,532	(52,900)	
Armco Steel	63,052	6,175	9.8	63,744	3,565	5.6	(³)	(³)	
Republic Steel	(²)	(²)		18,264	(9,916)		127,487	32,389	25.4
National Steel	73,655	17,600	23.9	73,449	(19,825)		140,115	30,900	22.1

¹ The adjusted net income before Federal income tax reported to shareholders consists of the net income (or loss), plus all Federal income tax expense (or income) plus deductions for minority interest taken in calculating net income and less income from an investment in another company when the equity method of accounting has been used. In some cases, the minority interest and/or the income reported under the equity method was not separately disclosed; thus, in these cases, these adjustments could not be made.

² The data for 1971 were not available when this information was being gathered.

³ The deferred income tax accounts (tax effect of timing differences) may contain State and local and/or foreign in addition to Federal income taxes. Thus, this might have a modest effect on the estimated current Federal income tax and percentage.

⁴ All the data necessary to compute the result for 1969 were not available on the 1971 and/or 1970 financial statements.

Note: The study is based entirely on information from public sources, including 10-K reports, registration statements, and prospectuses filed with the Securities and Exchange Commission as well as annual reports to shareholders and annual reports to the Interstate Commerce Commission.

APPROXIMATE EFFECTIVE RATES OF CORPORATE FEDERAL INCOME TAX FOR OIL COMPANIES

Corporation	1971			1970			1969		
	Net income before Federal income tax ¹	Approximate current Federal income tax	Effective rate	Net income before Federal income tax ¹	Approximate current Federal income tax	Effective rate	Net income before Federal income tax ¹	Approximate current Federal income tax	Effective rate
Standard Oil (New Jersey)	(²)	(²)		570,395	95,600	16.8	480,516	34,500	7.2
Mobil Oil	(²)	(²)		921,247	73,250	8.0	887,199	7,250	.8
Texaco	928,689	30,000	3.2	625,732	11,892	1.9	697,643	4,264	.6
Gulf Oil	628,558	31,062	4.9	185,411	29,700	16.0	212,319	10,900	5.1
Standard Oil (California)	(²)	(²)		417,768	56,018	13.4	412,668	64,524	15.6
Standard Oil (Indiana)	423,140	63,462	15.0	305,298	34,285	11.2	348,263	5,464	1.6
Shell Oil	(²)	(²)		211,845	10,622	5.0	219,921	3,963	1.8
Atlantic Richfield	(²)	(²)		189,377	9,962	5.3	173,610	(4,189)	
Continental Oil	109,030	(24,472)		190,065	24,273	12.8	195,341	25,230	12.9
Tenneco	(²)	(²)		146,371	37,687	25.8	156,717	35,279	22.5
Phillips Petroleum	161,050	22,984	14.3	178,059	2,457	1.4	176,042	0	0
Occidental Petroleum	(60,490)	5,553		192,858	27,569	14.3	203,180	(2,160)	
Sun Oil	189,265	7,445	3.9	139,598	7,540	5.4	169,792	8,800	5.2
Union Oil of California	(²)	(²)		159,472	27,169	17.0	179,633	27,254	15.2
Cities Service	(²)	(²)		71,735	(589)		94,523	38,841	41.1
Standard Oil (Ohio)	(²)	(²)		121,462	19,725	16.2	117,894	14,682	12.5
Getty Oil	138,140	17,062	12.4						
Total	2,517,382	153,096	6.1	4,626,693	467,160	10.1	4,725,261	274,602	5.8

¹ The adjusted net income before Federal income tax reported to shareholders consists of the net income (or loss), plus all Federal income tax expense (or income) plus deductions for minority interest taken in calculating net income and less income from an investment in another company when the equity method of accounting has been used. In some cases, the minority interest and/or the income reported under the equity method was not separately disclosed; thus, in these cases, these adjustments could not be made.

² Possibly overstated significantly because foreign and/or State and local income taxes are combined with Federal income tax. Wherever this is believed to be extremely significant, the data has been omitted.

³ The data for 1971 were not available when this information was being gathered.

Note: The study is based entirely on information from public sources, including 10-K reports, registration statements, and prospectuses filed with the Securities and Exchange Commission as well as annual reports to shareholders and annual reports to the Interstate Commerce Commission.

ADMINISTRATION OF POVERTY PROGRAM

The SPEAKER pro tempore (Mr. VANIK). Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 60 minutes.

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

Mr. HOWARD. Mr. Speaker, during the 1960's this Nation and its Government faced itself and its problems in a manner in which it had not for many, many years. One determination it made was to create an activity within the Government that would face the root problems of poverty.

The Congress created the Office of Economic Opportunity and established the poverty program. Through the past several years this program has operated with its ups and its downs, some programs extremely successful, others unsuccessful. During the past years' experience we have seen that the money

that is necessary to fund these programs has become more and more difficult to obtain. We have seen that programs have been cut out and cut down.

In January 1969, an administration came to Washington that was going to take a further hard look at the whole range of wasteful spending of the taxpayers' dollar. It was going to see that priorities were set, it was going to see that dollars would be put in the places that would do the most good.

Well, Mr. Speaker, a few weeks ago I heard from an irate constituent who had just read in the local newspaper in the Third District of New Jersey that the Office of Economic Opportunity here in Washington, through a nonprofit organization, through further approval of the New York region that is in charge of the State of New Jersey, had approved the expenditure of \$60,000 in taxpayers' funds to send 67 underprivileged children from my district on a 2-month vacation trip to Europe.

I heard from many constituents who stated that although they feel we should do everything we can for the disadvan-

taged in our country, this country does not at the present time have the resources to be able to spend tax money in this manner. We have seen over the past few years and the past months that the Office of Economic Opportunity has claimed that it must cut back on programs such as Headstart, and that it must cut back on day care centers, and that it must reduce health programs.

In fact, it was stated here in the District of Columbia a few weeks ago that anywhere from 2,000 to 10,000 schoolchildren in the District of Columbia do not attend school during the winter months because they have not got a coat that is proper attire for the cold weather in the winter or they do not have a decent pair of shoes. There are literally thousands of young people in this city who are confined to the indoors throughout the cold weather merely because they do not have the proper clothing. Yet the Office of Economic Opportunity can feel that it is a priority item to spend \$60,000 sending children on vacations to Europe.

When objections were made, Mr.

Alton O'Reilly from the New York Region of the Office of Economic Opportunity in charge of the State of New Jersey, dismissed the complaint by the Member of Congress representing this district with the statement that, "Well, of course there are certain kinds of people in this country who will claim that any expenditure for poor people is a waste of taxpayers' money."

Mr. Speaker, this is a tremendous insult to me by the gentleman representing or in charge of the State of New Jersey for the poverty program—not only an insult to me, but also an indication that Mr. O'Reilly does not know very much about the Congress or about the actions in the past that Congress has taken concerning the poverty program. If he had some knowledge, he would understand I have supported every bill, every appropriation, every effort by the Congress to have and to expand the Office of Economic Opportunity and the poverty program.

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

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

Mr. CARLSON. Mr. Speaker, I think on behalf of the people here—and there are not very many of them—it behooves the honorable speaker to address himself to a bigger audience instead of just to us prisoners tonight.

I thank the gentleman.

Mr. HOWARD. I have every confidence, I will say to the gentleman, that the CONGRESSIONAL RECORD is read by many, many people.

Mr. CARLSON. That is exactly what I mean. Why not file it for the CONGRESSIONAL RECORD, and let us go home, please.

Mr. HOWARD. I will say further to the gentleman, I hope he will let me finish my sentence this time, because it is my time that I have requested, and I do not have a written statement on this. This is speaking from the heart, so to speak.

The gentleman has every right to go home at the present time, if he should so desire. I believe there are listed perhaps 10 other Members who have requested special orders for this afternoon. I believe this is my second special order in 8 years in the House of Representatives. I am astounded that the gentleman, looking at the clock, should give an indication that perhaps something which is of vital interest to my district and to my people should be cut short, because perhaps he does not take any great interest in the topic which I consider most serious.

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

Mr. HOWARD. I will be happy to yield.

Mr. CARLSON. My only point is I could get more to the point by reading the gentleman's remarks in the CONGRESSIONAL RECORD, rather than trying to listen to them tonight after this long day, when we have been working for a long time diligently.

Mr. HOWARD. The gentleman may leave and read it in the RECORD tomorrow, but it cannot be in the RECORD until after I have said it, since it is not a prepared statement.

My sympathies go to the gentleman. He can be happy he does not live in my district, where he might have to listen to me speak much more often.

Mr. Speaker, Mr. O'Reilly from New York, I said a few days ago, should resign, because of his apparent insensitivity to this program.

Mr. O'Reilly made another statement concerning the money. This \$60,000 is a part of \$1 million in funds that were not expended up to that point during this fiscal year, and Mr. O'Reilly stated that if we did not spend this \$60,000 on this trip to Europe by June 30 the money would have had to go back to Washington.

Hundreds and hundreds of my constituents immediately responded by saying, "What is wrong with that? Does not this administration realize that trying to save some money and sending it back unused to Washington is the difficult first step toward the long trek back that this country must make if it is to cut back on the national debt and get our own budgets balanced a little bit better?"

I personally would rather have seen the \$60,000 expended on some other great needs this Nation has.

Mr. Speaker, now I should like for a few moments to get to the Director of the Office of Economic Opportunity here in Washington, Mr. Philip Sanchez.

Wishing to discuss just how the Washington office could approve such a trip, I called Mr. Sanchez's office and asked to speak with him. I found he was in a meeting, that he would be out in a half hour, and he might call me back. I said, "The purpose of my call is to have a meeting with Mr. Sanchez." I was told they did not think this could be worked out, because for the next several days and into the next week Mr. Sanchez would be busy, he was booked up.

We called back an hour or so later and asked again, speaking with an assistant, if I could possibly arrange a meeting with Mr. Sanchez later that day, or the next day, and they said he was too much involved with other matters. I said that I would be willing to wait until midnight that night, or to meet with him then, or to meet with him at 7 a.m. the next day, and they said it could not be arranged.

So I was very surprised, knowing he must be a busy man, because he has the entire Office of Economic Opportunity under his jurisdiction to see that Mr. Philip Sanchez did not have the time to meet with an elected Member of Congress representing the area of concern of this possible waste of taxpayers' money but to see that he was spending his time the next day meeting with my opponent in the next election, the Republican candidate for Congress from the Third District of New Jersey to discuss this same matter. So he was too busy to meet with the representative of half a million people in New Jersey, but not too busy to meet with someone from that same area who is not a mayor, not a State legislator, and who has no official position within or without the Federal Government and who has plenty of time to take separate pictures for the separate newspapers so that great coverage could be given to this problem of great import to the Third District of New Jersey.

What disturbed me about that meeting besides the fact that I was not invited to it was that Mr. Sanchez stated he would investigate this matter of \$60,000 for trips to Europe and he was going very strongly to investigate two things; namely, he was going to investigate the children who went on the trip to make sure that they qualified as poverty children and he was going to investigate the \$60,000 to see that that was the proper amount.

The insensitivity of Mr. Sanchez and possibly this administration is shown in that, Mr. Speaker.

Mr. Sanchez is way off base. He should not be investigating children who went on the trip, but he should be investigating the bureaucrat in Washington in his office who said they may go on the trip. But this is more important than Headstart, day-care centers, good health, good teeth for the poor people of this country.

Mr. Speaker, it has been over 3 weeks now and we have not heard anything concerning the investigation. I have still not received a phone call back from Mr. Sanchez. I have asked the chairman of the Committee on Education and Labor to look into this matter and the rest of the money, because it totals \$1 million. After the arrogance and the insensitivity of Mr. O'Reilly in New York and Mr. Sanchez here in Washington, I had called for their resignations, Mr. Speaker, but I realized I was probably wrong in doing that. I would like to rescind my request that they resign. They should be fired.

Mr. Speaker, I include with my remarks the following editorial from the Asbury Park Press dated July 6, 1972:

A PRIVILEGED JUNKET

The ramifications of the supposedly-unprivileged young people's foreign junket are becoming ever more curious. Originally, there seemed no doubt that they were underprivileged and that this provided the reason for the Office of Economic Opportunity spending \$60,000 of the taxpayers' money so that 67 youngsters from the Monmouth Community Action Program could tour the world for "cultural enrichment."

As a result, inquiries have been originated to determine who really authorized the expedition and why, at the last gasp before the close of the fiscal year, the \$60,000 was part of \$1 million that OEO was trying desperately not to have in its possession as an overage when the fiscal year ended.

Now it appears that these may not have been under-privileged individuals. The father of one of them says that each had to raise \$80 and had to bring \$200 in expense money and that definitely his daughter is not underprivileged. So there may have been even less reason for the government to kick in the \$60,000, which we still say is not the important factor. We are interested in the \$1 million that was tossed to the winds at the last minute. Who authorized that?

Congressman JAMES J. HOWARD wants to know and is having trouble finding out. He'd like to see some heads roll and we confess that we'd like to view the spectacle if it would have a salutary effect upon other bureaucrats as they contemplate ways of wasting the taxpayers' money.

FRANCIS C. TURNER, ADMINISTRATOR OF FEDERAL HIGHWAY ADMINISTRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Ohio (Mr. HARSHA) is recognized for 10 minutes.

Mr. HARSHA. Mr. Speaker, on June 21, 1972, Francis C. Turner, retired as head of the Federal Highway Administration.

In his letter of resignation to President Nixon, Mr. Turner declared:

It has been an unusual honor and personal privilege to have been able to serve a full career in the public service in an activity which I have felt has made a major contribution to a better America.

And no one in America has made a greater contribution to that program than Frank Turner.

Upon his graduation from Texas A. & M. University with a B.S. in civil engineering, he joined the Bureau of Public Roads as a junior highway engineer. That was 43 years ago, in 1929.

Since then, Frank Turner has served continuously in various capacities in the Bureau and successor agencies in the contiguous 48 States, Alaska, Canada, the Yukon, the Northwest Territories, and in the Philippines.

Back in 1944, during World War II, he was assigned to the War Department where he served as Senior Highway Engineer on Maintenance of that miracle of road building—the Alaska Highway. Subsequently, in 1949, he was detailed to the Foreign Service as Coordinator of the Philippine rehabilitation program in Manila.

Upon his return to the States, he was appointed Assistant Commissioner of Public Roads in charge of foreign programs. The Inter-American highway program connecting this country with all of the Republics of Central America was among his major responsibilities.

In January 1957, the Bureau of Public Roads was reorganized and Mr. Turner was appointed Deputy Commissioner and Chief Engineer. In 1961, he became Assistant Federal Highway Administrator and Chief Engineer. In that capacity, he served as a member of the task force which established the Department of Transportation back in 1967.

Nominated by President Johnson to become Director of the Bureau of Public Roads, he was unanimously approved by the Senate. President Nixon appointed him to his present post of Federal Highway Administrator on February 4, 1969.

The list of professional, semiprofessional, and official highway groups and organizations to which Frank Turner belongs is both long and impressive. I will not even try to enumerate them.

Suffice it to say, he is prominently listed in Who's Who in America, Who's Who in Engineering and Who's Who in the Southwest.

He is the author of and contributor to numerous papers and reports on highways and transportation.

His list of honors and awards is awe-inspiring. They include recognition by his peers, by the grateful Government he served with such distinction and by exponents of the highway program he so significantly advanced.

In 1969, for example, he was designated World Highway Man of the Year by the International Road Federation. The presentation was made to him by Emperor Haile Selassie.

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The Engineering News Record designated him its Man of the Year on two occasions—1967 and 1970. In addition, the Philippine Government awarded him its Legion of Honor, the Department of Transportation, its Outstanding Service Award—and the list goes on.

These then are the formal benchmarks of the distinguished career of a truly outstanding public servant—Frank Turner. They span almost a half century and include pivotal roles in some of the greatest construction projects of our time indeed, of all time.

Chief among these has been the Interstate System—the greatest roadbuilding program in the history of the world. That 42,500-mile network of highways spans the Nation, tying it closer together than ever before. Now over 70 percent completed, it represents a conceptual and engineering marvel. Frank Turner has been a key figure and prime mover since its inception.

I was first elected to Congress in 1960. Since then, I have had the privilege of working closely with this remarkable man. Always helpful, always knowledgeable, always reliable, he has been a shining light and pillar of strength to me and to my colleagues on the Committee on Public Works.

While other agencies were foundering in bureaucracy and redtape, the Federal Highway Administration which he administered became and remains a model of efficient and effective management.

In accepting his resignation, President Nixon wrote on July 1, 1972:

As an architect of the interstate system, you should feel a very special sense of pride in the fact that this, the largest public works program in world history, has been administered with uncompromising integrity and steadfast dedication to public trust. This record fully merits the gratitude of all our fellow citizens, and, in their behalf as well as that of your many friends and colleagues throughout Government, I want to express my deep appreciation for your service and my best wishes for the years ahead.

The President's remarks, I am sure, are seconded by an army of friends and admirers.

Frank Turner will be missed.

SMUT: A BOOM THAT IS FALTERING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DON H. CLAUSEN) is recognized for 10 minutes.

Mr. DON H. CLAUSEN. Mr. Speaker, U.S. News & World Report, in its July 10 issue, carried an excellent article concerning the decline in the tide of pornography in America.

I note with special satisfaction that a great deal of this reduction stems from a Federal law enacted last year. I was happy to support this legislation and congratulate the Postal Service on its vigorous enforcement of this law.

The article follows:

SMUT: A BOOM THAT IS FALTERING

"Dirty" books, magazines, films and shows are still big business in U.S. But fresh efforts to curb the worst abuses are starting to pay off.

The tide of pornography that seemed to be inundating America in the late 1960s is now receding.

Many federal, State and local law-enforcement officials agree that the traffic in erotic materials—mainly books, magazines and films—has declined considerably in the past two years.

"Dirty book" stores in a number of cities have closed, dozens of theaters have switched from X-rated movies to films suitable for whole families, and large numbers of mail-order smut merchants have gone out of business.

On June 26, the U.S. Supreme Court announced it would begin a major review of obscenity laws starting in October. The court said it would consider such matters as whether a national standard of obscenity should take precedence over State standards, which vary widely.

William B. Lockhart, who was chairman of the U.S. Government's Commission on Obscenity and Pornography, says the decline in smut sales is "exactly what we expected. Once curiosity is satisfied, people get tired of it."

The group's recommendation in 1970 of a relaxation in laws controlling pornography touched off nationwide controversy. The majority maintained that legislation should not "interfere with the right of adults who wish to do so to read, obtain or view explicit sexual materials." A minority of members denounced the report as a "Magna Carta for the pornographer."

DECLINING SALES

Although smut is still big business in some areas, total sales reportedly have declined considerably since 1969, when about 200 million dollars' worth of erotica was sold in the United States. Federal officials say most of the materials are American-produced. Only a small percentage comes from countries such as Denmark.

The biggest decrease reported is in mail-order pornography, hard hit by a federal law which went into effect last year. Under that law, a dealer can be jailed for mailing sex advertisements to people who have declared to the Postal Service they don't want such materials. More than 600,000 Americans have signed the declarations—a much stronger reaction against smut than many Government officials had anticipated.

"For so many people to go to the trouble of completing the form and sending it in is an indication that this material is bothering and concerning many families," says Assistant Postmaster General William Cotter.

All across the U. S., legal action against mailed smut has been stepped up considerably. As of June 1, the U. S. Justice Department was investigating 100 cases of suspected obscenity in the mails compared with five on Jan. 1, 1969. Forty-two people were convicted in the past year and a half on charges arising from similar investigations.

Faced with such pressures, many mail-order smut distributors have closed. Only about 25 such firms are believed to be in business now, a big drop from the 400 to 500 operating three years ago. Some of the remaining firms reportedly have financial ties to organized crime, federal officials say.

Other major forces in the battle against objectionable material are such groups as Morality in Media and Citizens for Decent Literature, which are attempting to persuade lawmakers and the general public that obscenity laws must be observed and tightened.

The Rev. Morton A. Hill, national president of the New York-based Morality in Media, who was a minority member of the Commission, is heartened by antipornography legislation enacted or under consideration in States such as Rhode Island, Texas and California.

Charles H. Keating, Jr., a Cincinnati businessman who also was on the Commission minority, is a leader in Citizens for Decent Literature. The group, with headquarters in Los Angeles, mailed out requests for financial support to 20 million Americans, of whom two million wrote back—considered by advertising specialists to be a large response. Mr. Keating said that donations totaled more

than 1 million dollars. The money helps to finance seminars in various places for law-enforcement officials in ways of combatting pornography.

Mr. Keating, who disagrees with federal statistics indicating a decline in smut, nevertheless believes the legal climate now favors a cleanup. Courts, he says, are generally ruling against the pornographers—the opposite of what was happening in many areas until recently.

POTENT "TASK FORCE"

In Los Angeles, once one of the nation's leading centers of smut production and sales, there has been a steady decline in recent months in the number of "adult" bookstores and theaters.

The closings are mainly attributed to a campaign by the Los Angeles Police Department, which set up a Hollywood Division Pornography Task Force earlier this year. Attempts had been made to clean up the area before, but these often were frustrated because it was difficult to get the evidence needed to bring a suspect into court.

Investigators, for example, frequently found that movies they considered obscene had been removed by the time two or three days later—that they were able to obtain a search warrant.

New procedures, therefore, were introduced. Police officers entered theaters, viewed films suspected of being pornographic, and proceeded to a nearby car where Municipal Judge George W. Trammell III was operating at "curbside." Judge Trammell then would issue a warrant enabling the policeman to return to the theater and seize the film.

Since the campaign began, the task force has made 300 arrests and several hundred more are anticipated. Result: The number of theaters showing "hard core"—exceptionally explicit—pornographic films in the Hollywood area has been reduced from 30 to 21. Nineteen "adult" bookstores, out of a peak total of 35, have gone out of business.

In Dallas, a wave of violence connected with the smut industry led to a crackdown there.

More than 100 people were arrested in a series of raids on bookstores and theaters alleged to be outlets for erotic materials.

FALTERING CLEANUP EFFORT

In some cities, crackdowns have been less successful. In mid-1971, Mayor John V. Lindsay of New York City announced a drive to clean up the heart of Manhattan, where pornography and prostitution are widespread.

Efforts to shut down "dirty book" stores and theaters often were frustrated in the courts, and the number of businesses actually has increased. In one square block near Times Square, there are 13 "adult" establishments, and dozens more within the radius of a few blocks. The area also includes live shows in which nude men and women simulate sex acts.

Asked what happened to the crackdown, Jerome Kretschmer, the city's environmental-protection administrator, says:

"I guess we haven't done anything. They [the pornographers] operate within the bounds of the law, but probably not within the bounds of propriety."

Law-enforcement officials say the reason pornographers persist despite increased hazards is that profits—for some—are enormous. A few film makers and publishers reportedly have become millionaires in the past five years.

GLUT ON MARKET

Detectives of the Metropolitan Police Department of Washington, D.C., say that some of the most lavishly illustrated, paper-bound "sex books," which sell for more than \$10, actually cost \$1 or less to produce. There has been such a glut of erotic publications in the past few years, however, that many "dirty" books now are on sale for greatly reduced prices.

The ordinary clerk in such stores seldom shares in the riches, and complains of the squalor of his surroundings. Says a salesman in a Washington "adult" bookstore:

"Frankly, it's a lousy way to make a living."

Results of the battle over pornography vary from city to city, and in some communities smut has been accepted with little or no protest. Over all, however, federal officials say the peak has been reached, and that America's erotica industry is on the decline.

AGNES' MOBILE HOME DESTRUCTION COULD HAVE BEEN MINIMIZED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FREY) is recognized for 60 minutes.

Mr. FREY. Mr. Speaker, the tornadoes and high winds associated with Hurricane Agnes caused considerable property damage and human suffering for the residents of many mobile homes throughout Florida—184 mobile homes were totally destroyed, and 335 received major damage.

As the author of H.R. 15157 and H.R. 15590, the National Mobile Homes Safety Standards Act of 1972, I have been increasingly concerned over the safety hazards associated with mobile homes and the lack of effective regulation. One of the two major safety hazards involving mobile homes is high winds—the other is fire. I was informed that adequate mobile home tiedown standards properly enforced would have substantially reduced the human and financial suffering of mobile home occupants in Florida. Accordingly I requested the Office of Emergency Preparedness and others to determine whether such damage could have been minimized by more extensive use of proper tiedowns.

The first of the requested reports has now been received. It was compiled by Mr. Ronald Lorence, an experienced mobile home investigator for Foremost Insurance Co., and Minute Man Anchors, Inc.

Although the velocity of the winds would have destroyed or damaged some of these homes despite proper tiedowns, the report clearly indicates that damage and injury could have been considerably reduced if proper tiedowns had been required on all mobile homes. It also indicates that lives were saved and damaged minimized in homes that were properly tied down.

None of the few local ordinances in Florida are adequate, because they do not require over-the-coach ties, nor a sufficient number and kind of ties and anchors. Without over-the-coach ties, the home itself can be blown away and the frame will remain. The Office of Civil Defense has developed a tiedown regulation which would probably be the Federal standard created by my legislation. It would cost only \$150 and will withstand winds up to 130 mph:

The report made by Mr. Lorence surveyed three separate areas in Florida where mobile homes were damaged.

One survey was made of five mobile home developments in Okeechobee, Fla. Six people were killed and there were

many unrecorded injuries. Sixty mobile homes were damaged or destroyed. The report states further:

One insurance company alone reported approximately forty losses, with thirty of these being total losses. Another company reported fifteen losses with half of these being totals. Many of these homes were occupied when the tornado struck. One family of three was carried in their mobile home up and over a row of trees, and demolished. The wife and child were killed. The husband suffered serious injuries. Another couple were asleep in their bed, and were awakened to look up at the open sky. The box was completely torn away from the floor and carried away. Yet this couple remained in bed un-injured. The sheets and other furnishings around them were not even disturbed. This mobile home was secured to the anchors with frame ties.

Among the many homes destroyed were the following described in the report:

The fourth unit, shifted off blocks, roof blown off, and the left side wall partially falling in. The tie downs were not noted.

The fifth unit was blown approximately fifty feet from its foundation. The mobile home ended wheels up against a tree. There was no evidence to indicate that this unit was ever tied down.

A number of other homes were discovered which withstood the high winds. For instance:

On the opposite side, a 12' x 64' mobile home sustained major damage from flying debris and tornadic winds. The wind action on this home was evident by the fact that nearly every window on both sides of this home was broken or blown out. Yet this home remained intact on its foundation. It was insured by an insurance company which specified a minimum standard and method of tying down. The occupants of this home were not injured. Damages were in the proximity of twenty five hundred dollars. Another nearby unit sustained approximately eighteen hundred dollars damage. This mobile home was also tied down to a minimum specification, and believed to have been secured with strap to Minute Man anchors. In the opinion of a qualified adjuster both of these aforementioned units would have been total losses had they not been tied down.

Surveys were also made in Brevard County, which is in my congressional district. The first area was on Merritt Island at the Panarama Trailer Court. A number of mobile homes were inspected. Typical of the comments made were the following:

A fourth mobile home located approximately 30 feet from the path of the tornado was struck by tornadic fringe winds, and pivoted two to four feet on its center. This unit had what appeared to be three sets of built in over the home straps. All the straps failed except one center strap at the pivot point. Close inspection revealed that the strap did not meet any known code or minimum requirement. The strap did not extend over the top of the home. This was evident when two sections merely pulled out of the wall and was lying loose on the ground still attached to the anchors. Three other sections tore and broke off just above the anchor tightening head. All the anchors on this unit held firm without any evidence of loosening.

This particular survey continued:

Other mobile homes tied down with three frame ties to each side and two to three over the top ties did not move off their blocks, only minor damage from flying debris was noted. They were in the same relative position near the path of this tornado. It should be noted that the anchors used in this area were helical disc type earth anchors with the

Minute Man patented and tightening device and/or the welded eye anchor which incorporated the use of a turnbuckle for tightening. Not one of these anchors showed any sign of failure.

Our inspection survey by Merv Witt, as well as remarks from residents in this park, indicate that the tie downs have minimized the damage even to mobile homes, which appeared to be directly in the path of this tornado. Even more important is the fact that lives may have been saved.

The final survey was made at Malabar outside Melbourne, Fla., where four homes were totally destroyed. The report read in part:

Again to be specific, the first of these units, a 12' x 60' mobile home was tied down with two over the home cables only. No frame ties were evident. This unit was tilted off its blocks and shifted three feet at one end. The block piers came up through the floor, causing major damage to the flooring. It was obvious that the over the top cables were not sufficient to prevent this unit from shifting off its blocks. It appeared that adequate frame ties in conjunction with the over the top ties may well have prevented this unit from shifting off its foundation blocks.

A second 12' x 60' mobile home which appeared to be in the direct path of this tornado was an obvious total loss. This unit appeared to have been blown open, with one wall and roof resting against a nearby mobile home. No anchors or tie downs were noted on this unit.

A fourth 12' x 60' mobile home was tied down with four built in over the top straps. No frame ties were evident. This unit appeared to be in the direct path of the tornado. Although it shifted slightly on its foundation, the hull remained basically intact. It especially held intact in areas where the built in strap was secured to the wall studs. Other sections were extensively damaged to deem this unit a constructive total loss. Here again we note a tied down mobile home in the path of this second tornado, to remain at least partially intact. In spite of the severe damage to this unit, it still appears to afford a better chance of survival to its occupants, than other nearby totally demolished units, on which no evidence of tie downs could be found. The chances of survival in these nearby demolished units appeared remote.

The report concluded:

These examples, and examples of similar nature in an earlier report are cited to emphasize that even in the most severe storms, tie downs have increased the percentages for chances of survival and reduced the potential of extensive property damage. We are not ignoring the many tied down mobile homes which suffered total destruction. It is merely common knowledge that the extreme forces of nature can and do destroy even the stoutest of structures. It is not a question of how much has been destroyed, but a question of how much more would have been destroyed, had it not been for tie downs.

Mr. Speaker, this report clearly demonstrates the need to have national mobile home safety standards properly enforced. Seven million people now live in mobile homes. More mobile homes were manufactured in 1970 than there were single-family dwelling starts in the same year.

This phenomenal growth in the use of mobile homes has not been accompanied by adequate regulation. All levels of government but especially us at the Federal level have been remiss in failing to recognize the place of the mobile home in providing low-cost housing by providing protection to the occupants of such homes.

Let us not wait for another tragedy before we take action in this legislation.

SENIOR CITIZENS OF ERIE COUNTY INTEGRAL IN COMMUNITY AFFAIRS

The PRESIDENT pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, the elder citizens of our land have labored hard and sacrificed much to build the America in which we live. They deserve to be thanked, not ignored. As our older Americans have worked to provide a better quality of life for us, we are morally obligated to do likewise for them. I am sure that my colleagues realize the depth of my feeling on this issue as I have introduced several pieces of legislation pertaining to the elderly, and have always been a strong proponent of any action that would portend improvements in our older Americans' standard of living.

For example, Mr. Speaker the 20 percent social security boost which I voted for will bring the maximum monthly benefit to a couple from \$324 to \$389 a month and a retired single person's benefit from \$216 to \$259 a month. This separates the real need of our senior citizens from election year politics and places them in the real world of today's economics and high prices.

It is with that in mind, Mr. Speaker, that I heartily endorse H.R. 14424 to amend the Public Health Service Act which would establish a National Institute of Aging, among other purposes. With the number of older people in the United States growing faster than the American population as a whole, Congress would indeed do well to follow the recommendations of the 1971 White House Conference on Aging which called for the establishment of such an institute and also adequately staffed and programed comprehensive mental health diagnostic and treatment centers. Research on retirement and the retired has focused attention on the health and economic status of the elderly. Under this bill, major advances in the control of intrinsic aging influences might well be achieved, with increases in life expectancy up to 25 years being a definite possibility.

I am convinced, Mr. Speaker, that existing programs of the National Institutes of Health do not give sufficient emphasis to the problem of aging and the problems of the aged. One must keep in mind that the major concern of the aged is to make life worth living for as long as possible, and I feel that the primary function of the new Institute will be to deal effectively with this problem.

Mr. Speaker, I would like now to recognize with great pride those who have worked so hard for the older Americans in Erie County. Besides playing integral roles in the affairs of the elderly in my district, Mrs. Lucille M. Kinne, Mrs. Maurice R. Garrison, Mrs. Virginia W. Chorlton, Mrs. Mary Alice Flynn, Mrs. Grace B. McHenry, Mrs. Myra E. Workman, Dr. Kenneth Eckhart, the Reverend William C. Zenns, and the Reverend Rob-

ert H. Calvert all served with distinction as part of New York State's delegation to the aforementioned White House Conference on Aging. Cleo G. Reid, who was recently appointed by Governor Rockefeller to the State board of social welfare, Mrs. Maxine Chatham, and Mr. Cliff Whitman, aging advisor to the county executive, have also been leaders in programs for the elderly in Erie County. I am sure that each one of these individuals would join me in subscribing to the philosophy that assuring the dignity of old age is not the granting of some special privileges, but the sharing of a great economy with the men and women who helped create it.

I would like to add in conclusion, Mr. Speaker, that the bill, which I voted for and was passed, also calls for the establishment of an Advisory Council on which any of the above named individuals would be capable of serving and would contribute to the success of the institute. At this point, I would like to include part of the committee report which outlines the purpose and the need for increased attention to the problems of the aging.

COMMITTEE REPORT

PURPOSE OF THE LEGISLATION

The reported bill provides for the establishment in the National Institutes of Health of a new institute to be known as the National Institute of Aging, to serve as a focal point for the activities of the National Institutes of Health which relate to the elderly, including the aging process and diseases which affect primarily the aged. The bill also provides for the establishment of an Advisory Council similar to the other advisory councils in the National Institutes of Health, but with the additional duties of advising the Secretary of Health, Education, and Welfare on programs relating to the aged which are administered by him, and reporting to the President for transmittal to the Congress an evaluation of those programs. The legislation also amends the Community Mental Health Centers Act to provide a 1-year program of matching grants for construction and staffing of facilities for the mental health of the aged. The bill was reported to the House by a voice vote. No amendments were offered to the bill during committee consideration.

NEED FOR LEGISLATION

The National Institute of Child Health and Human Development was established pursuant to legislation recommended to the House by this committee in 1962. This institute today covers the process of development of the young, the adult population, and the elderly. Approximately 11 percent of the budget of the National Institute of Child Health and Human Development, since 1964, has been devoted to aging. The remainder of the funds appropriated to that institute have been devoted primarily to child health (approximately 58 percent) and population research (approximately 31 percent.)

The number of older people in the United States is growing faster than the population is growing as a whole. At present rates of growth, the population of the United States age 65 and over will number about 28 million persons by the end of this century, and will account for between 11 and 16 percent of the population, depending upon the birth rate in the United States over the next three decades. For men who reach age 65, the expected number of remaining years of life—13—has risen by less than 2 years since 1900; for women it has risen by 4 years, or to an expected age of 82. The greater increase in the life expectancy of women increases the

ratio of older women to older men: it is already 139 to 100 and will soon be higher.

Changes in mortality rates could have significant effects upon the composition of the population of the United States. Reduction in mortality, currently attributable to major cardiovascular-renal disease by 50 percent would have the potential of increasing life expectancy by over 3 years for persons 65 years of age. If major advances in the control of intrinsic aging influences were achieved, increases in life expectancy in the later years of up to 25 years would be possible.

Research on retirement and the retired has focused attention on the health and economic status of older people. Poor health is a major reason for retirement. Of every 10 persons age 65 or over, eight have at least one chronic health problem, and four have some limitation on activity as compared to earlier years.

As a result of declining health, persons age 65 and over are twice as likely as younger ones to be physically disabled and to require hospitalization. Once hospitalized, they usually remain in the hospital twice as long as younger persons. The cost of health care to older persons, consequently, is over twice the costs to younger persons.

The committee is convinced that the existing programs of the National Institutes of Health have not given sufficient emphasis to the problem of aging and the problems of the aged. During the hearings it was repeatedly pointed out that we understand very little about the aging process, and means to slow it or arrest it. It has been discovered that the average lifespan of a number of strains of mice can be significantly increased by the addition of one of a number of relatively common chemicals called antioxidants to the daily diet. In some cases these increases in average lifespan have been as much as 25 to 45 percent and it may be that this could be done in human beings as well. We seem to be near the practical limit of our ability to increase the average lifespan through conventional means. The average lifespan has remained essentially constant at around 70 years for the past 20 years. It is now time therefore to seriously consider to try and slow the aging process. If this can be accomplished, the result will be significant increases in the years of useful healthy life.

The major problem of the aged is the maintenance of functional capabilities, both mental and physical, to the maximum extent so as to make life worth living for as long as possible. An important function of the new Institute will be to actively expand current and future research leading to the accomplishment of this goal.

The committee feels that the importance of this goal is such that an institute should be created with the function of concentrating its efforts in this area, rather than continuing the existing situation in which the problems of the aged are required to compete within the National Institute of Child Health and Human Development with other problems covered by that Institute.

EGYPT EXPELS SOVIETS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, after a week in Cairo as guest of the Egyptian Government I was not surprised at Egypt's decision to expel Soviet military advisers.

Egypt is fiercely independent and not about to return to the role it occupied for so many years as a client state. Its acceptance of Soviet arms aid was not a sign it was leaning toward communism.

Although presently upset with U.S. Mideast policy, Egypt retains great friendship for the American people. Too weak to regain by force its territory now occupied by Israel, it is adamant in its determination someday, somehow to regain this land. In this determination, the entire population, young and old, is absolutely united.

The expulsion of Soviet military personnel should not be interpreted as turning away from this objective but it does open the possibility for improved U.S. standing in Egypt and elsewhere in the Arab world.

The greatest need today in Egypt-Israeli relations is for moderation in public utterances. Both sides should quit shouting at each other. A vocal cease-fire is essential.

At the same time the U.S. Government could help by restating clearly its determination to support the legitimate interests of Egypt and Jordan, as well as Israel, as set in the United Nations Resolution 242.

In Egypt, I had private discussions with Foreign Minister Murad Ghaleb, Agriculture Minister Mostafa Al-Gebali, and El Saved Marei, first secretary of the Arab Socialist Union Central Committee; and other foreign ministry officials.

EDUCATIONAL TV

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 10 minutes.

Mr. FRENZEL. Mr. Speaker, the executive vice president of the Twin City Area Educational Television Corp., Dr. John C. Schwarzwald, recently addressed a memo to the friends of education television in the Minneapolis-St. Paul metropolitan area of Minnesota.

This blunt and powerful memo is both a scathing indictment of public broadcasting, and an appeal to save educational TV by returning control to local organizations.

In the belief that it deserves the attention of my colleagues, I am submitting the full text as follows:

TWIN CITY AREA EDUCATIONAL
TELEVISION CORP.,
St. Paul, Minn., July 3, 1972.

To: The educational television community
From: Dr. John C. Schwarzwald
Executive Vice President
Twin City Area Educational Television
Corporation

1. President Nixon's veto of the two-year authorization bill for Public Broadcasting has finally (it is to be hoped), brought home to all concerned the fact that a particular political philosophy cannot be shoved down the throats of the American people, even if Fred Friendly, the Ford Foundation, John Macy, Hartford Gunn and James Day are determined to do so.

2. Put bluntly, to the extent that we allowed Day, Gunn, Friendly, et al., to use, without protest, our stations for promulgation of a biased, prejudiced point of view—using the loaded dice of such programs as "Bank and the Poor" and "Who Invited Us?"—to that extent all of us got exactly what we deserved.

3. President Nixon has made it crystal clear that his administration simply will not permit the use of tax funds to support the presentation of an overwhelmingly one-sided

point of view on the public problems of the day. In this the President is completely right. What he has done by vetoing this bill may yet save Educational Broadcasting from killing itself by its wild, irresponsible plunges into unbalanced programming and factually questionable documentaries produced by those who do not trouble to conceal their distrust of democratic government. Even the wise counsel of St. Paul to the early churches to "avoid the appearance of evil" has been flouted. In effect Day, Gunn, Macy and company have been saying to the President, "We are going to present programs which do not even pretend to impartiality and you, Mr. President, are going to have to like it or lump it!"—The President of the United States does not have to put up with this sort of stupid arrogance and he did not do so.

4. I will not belabor the point that many people objected to the policies of Gunn, Macy and Day and spoke clearly and frequently against them. Some seven "Memos to the Favored Few" deserve an honored place in this effort as do the remonstrances of an ETS Chairman against Gunn's habit of allowing Jim Day to dominate PBS. None of these protests had any apparent effect. Like the lemmings of Lapland most of the station managers followed their leaders and, enthusiastically, are about to plunge over the cliff.

5. If such a plunge affected only the managers and so-called leaders of PTV I should not say a word to dissuade them. Indeed, the suicide, figurative or actual, of about half of those now in executive positions in this movement would, in my view, be a net gain to America and the world. However, it is not simply the careers of a number of mentally blind men (and a few women) which is at stake.

6. What is at stake is the whole possibility of educating the children (and, to a lesser extent, the adults) of America by the only means which can transmit education of the highest possible quality to the largest possible audience at lowest possible unit cost. This is so important that we simply cannot allow it to fall through the stupidity of a number of our PTV executives and a desire for power on the part of those who have cynically manipulated them.

7. Logically this means we must do the following things and do them quickly:

a. Accept the generous offer of Mr. Nixon to approve a one-year extension of the Public Broadcasting Act at the 45 million dollar level. (We could have had 55 million if we had been a little more intelligent—or less dominated by Jim Day and his bosses—but that's water over the dam now.)

b. Demand (and get) the immediate resignations of John Macy and Hartford Gunn. They have led not merely our stations but an important segment of American education into a disaster from which we may never recover. Theirs was the leadership and the failure also belongs to them. They must go. It should be added that if we are ever again to have the respect of either major party Macy and Gunn, (who permitted the programming which brought us to this debacle), will have to resign. The quicker this is done the better off non-commercial broadcasting in this country will be.

c. While it is not possible to fire people like Fred Friendly and Jim Day, since they work, directly or indirectly, for the Ford Foundation, it would be desirable for them to leave their posts as soon as possible for the good of the rest of us.

d. After the old crowd of failures has gone we should convene with those members of the CPB Board who feel that, in conscience, they can continue to serve—there will probably not be many of the original group who feel so. With them we should devise a system which will correct our prior faults and may give the Congress sufficient confidence in our essential probity so that Educational Television may finally be given the funds it needs in order to fulfill its mission.

8. This new system must include at least the following:

a. Station receipt of a minimum of 67% of all federal funds appropriated;

b. Complete station control of PBS and the programs it furnishes;

c. Absolute impartiality in the handling of public affairs programs. A station-appointed Board of Review to ensure this is done;

d. A priority to be given to educational programs over so-called public affairs documentaries;

e. Complete freedom given to the stations to omit material which would be locally objectionable;

f. Production to be nation-wide rather than concentrated in a relatively few localities;

g. Cancellation of any privileged position given to NET or any other entity;

h. Constant, frank and sincere liaison with both parties in the Congress and with the Administration to the end that we may regain the confidence we have lost;

i. The practice of economy in hiring of duplicate staffs, renting duplicate long-line facilities and printing redundant publications to the end of saving money for the use of the stations;

j. Refrain from stupid comments and actions designed to insult or humiliate elected officials.

I apologize only for the length of this message—not for its vehemence. The very future of American Education may be at stake. We must get rid of our incompetents. We must re-establish the prestige we enjoyed only a short three years ago. We must increase public and congressional respect for Educational Television—not for ourselves, but for the sake of millions of American children.

Getting rid of those who have brought us to this pass—accepting Mr. Nixon's generous offer for next year and then attempting to build on it—running our own organization instead of allowing others to manipulate us—these are the essential things we must do at once if the dream for which so many of us have fought for so long is not to perish.

POLICE AND FIRE SALARY ACT

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Washington, D.C. (Mr. FAUNTROY) is recognized for 5 minutes.

Mr. FAUNTROY. Mr. Speaker, H.R. 15580, the Police and Fire Safety Act will shortly come before this body for consideration. At that time, I will offer an amendment to provide that the United States shall reimburse the District of Columbia for overtime compensation paid to officers and members of the police and fire departments of the District of Columbia for services in connection with assemblages, marches, and other demonstrations in the District of Columbia which relate solely to the Federal Government.

The amendment follows:

AMENDMENT TO H.R. 15580

Page 18, insert after line 21 the following: Sec. 118. The United States shall reimburse the District of Columbia for overtime compensation paid to officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia for services in connection with assemblages, marches, and other demonstrations in the District of Columbia which relate solely to the Federal Government. The manner and method of ascertaining and paying the amount needed to so reimburse the District

of Columbia shall be determined in accordance with an agreement which the Commissioner of the District of Columbia and the Director of the Office of Management and Budget shall enter into.

A LICENSE TO STEAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, yesterday the Renegotiation Board published a proposed new regulation which would double the amount of minimum refund that it would seek from defense contractors who receive excess profits. Stripped to its essentials, this regulation is a license to steal anything up to \$80,000 a year from the taxpayers before the Board will even consider asking for a refund. The Board says that this new profiteering allowance is designed to protect the small businessman—but I ask, who is protecting the taxpayer, including the small businessmen who pay their taxes and do not get any defense gravy? And I ask, why should anybody have a license to steal? Why should there be any kind of tolerance limit on profiteering? I cannot understand why it is somehow all right to gouge the taxpayers for \$1,500 a week, but a little uncricket to gouge them for \$1,600 a week. There is no such thing as a good thief, and the Board ought not to be saying that it will be unperturbed by small-scale profiteering—its job is to be concerned about any and all profiteering, and any and all gouging of the taxpayers.

Sadly, the Renegotiation Board has over the years issued many such licenses to steal, and with each new one it has reduced its purview and effectiveness. And each year we pay more and more tax money for the same amount of defense, or perhaps even less defense. Huge profits have been made by contractors who sell nuts and bolts to the Government, but the Renegotiation Board has never looked askance at them, because it has given purveyors of commercial articles, ordinary items of all kinds, a complete exemption. They tell us that it is all right to gouge the taxpayers on common items—but do not gouge us on exotic one-of-a-kind items. I say, what is the difference? Excess profits taken from selling nails are the same thing as excess profits taken from selling airplanes.

Now we see the level of tolerance being doubled, and even more exemptions added. The watchdog persists in pulling its own teeth, and is turning itself into a lap dog. I say that the honest people of this country need a friend for a change. The ordinary small businessman does not sell anything to the Department of Defense, and he has a right to be protected against misuse of his taxes too. Nobody, least of all this good Nation, profits if defense contractors of any size are allowed to sell the Government water and call it whisky, or sell the Government kites and call them airplanes—and it is the job of the Renegotiation

Board to prevent that. We ought not to be in a contest to see who can help the profiteers most, but who can stop them from preying on this country and the honest people who support it. The Renegotiation Board has done a great deal of good—and I say that it ought to be thinking about how to become more effective, instead of concentrating on issuing licenses to steal. The Board ought to be ashamed of its proposed new rules—and it ought to revise its rules to make all excess profits subject to refund, not just excess profits over this or that amount, and it ought to make every contract of every size subject to renegotiation, within the limits of the law. And we as responsible legislators have a duty to strengthen the law the Board operates under. But as a friend of the Board, I cannot help but be dismayed at its action to cut out its own teeth.

Mr. Speaker, I make part of the RECORD at this point a letter of protest I have sent to the Renegotiation Board:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 19, 1972.

Mr. RICHARD T. BURRESS,
Chairman, Renegotiation Board,
Washington, D.C.

DEAR Mr. BURRESS: Over the years, I have been the principal defender of the Renegotiation Board, believing it to be a practical and effective means of protecting the Government against unscrupulous defense contractors and to protect the taxpayers from bearing the costs of windfall profits to contractors.

I was dismayed to note in the Federal Register your proposed rule changes, which according to your press release, are designed to "protect" small businessmen.

If the Board adopts the proposed rules, contractors will be free to gouge the taxpayers at the rate of \$1500 a week with no worry at all about being asked to refund such excess profits. That amounts to \$300 a day, which is no insignificant amount. Excess profits are just that—excess profits, and I believe it to be the clear duty of the Board to discourage all such gouging, whether or not it exceeds the \$80,000 you propose to allow. In effect, the minimum refund rule is a license to steal; you are telling contractors that it is perfectly all right with you if they make excess profits of \$80,000 or so, but that you might get a little edgy if they get more greedy than that.

I don't think that such a rule protects the small businessman; it takes a pretty good-sized contract to allow more than \$80,000 worth of excess profits. What this rule does is permit the taxpayer to get taken twice as much as he was before—and the average taxpayer is a good deal smaller in resources than the average businessman, big or little.

I believe that the interests of small businessmen and taxpayers are the same—they both pay taxes, and they both are entitled to protection against avaricious contractors; neither is typically a defense contractor. Such protection can't be extended if the Renegotiation Board writes licenses to steal—exemptions of commercial articles, exemptions of construction contracts, or exemptions of anything else. I think you ought to consider your proposed rule and make any excess profit of any size subject to renegotiation and refund.

With best wishes, I am

Sincerely yours,

HENRY B. GONZALEZ,
Member of Congress.

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS—THE CHANGES IN H.R. 15417, THE LABOR-HEW APPROPRIATIONS ON "IMPACT FUNDS"

The SPEAKER. Under a previous order of the House, the gentleman from Alaska (Mr. BEGICH) is recognized for 10 minutes.

Mr. BEGICH. Mr. Speaker, recently, the House passed H.R. 15417, the fiscal year 1973 appropriations for Labor-HEW. Amendments which I fully supported raised the appropriations in that bill in several sections. I believe these increases are necessary and wise, just as I have always felt in the area of education.

In the specific case of Federal "impact funds," however, the appropriations increase also included changes in the distribution formula which concern me. The changes reduce the level of payment for each child whose parents live on and work on Federal property (20 U.S.C. 238(a)), and raise payments for children whose parents either work on or live on Federal property (20 U.S.C. 238(b)).

This causes a great shift in the distribution of funds under this provision, depending on the type of impact which is greatest in each State. The net result is that, in spite of the increase in funding under this section, 12 States will actually receive decreased impact funds in fiscal year 1973 if the new formula is included in the final bill. The total loss, or fund shift is nearly \$7.5 million.

I am inserting, for the interest of all Members, some tabulations prepared by the Office of Education, and released to me by OMB. These tabulations show the effects of several funding levels, and the final formula change and increase. The last column shows net gain or loss under the bill as passed by the House, as compared to the bill had it passed without increase, but with the old formula.

There are two key policies in issue in this section. The first is that of educational funding support overall, which I believe must be increased and supported. The second is what Federal impact funds should support. Under the old formula, they went in greater proportion to the areas where parents work on and live on

Federal property because this is where the Federal impact on the tax base was greatest.

Under the new formula, the policy seems to be, since the payments are equal, that the impact is as great where the parents only work on or live on Federal property. I cannot share this policy.

The Senate action on this provision was right on both policies, in my view. The funding level for impact funds was increased, yet the old formula which recognized the real impact of the Federal Government on the tax base was retained.

The conference committee will have to resolve this issue. I am hopeful that my colleagues will consider these policies, and the following tabulations, and advise the conferees of their feelings on this specific matter. I should point out that the attached chart was prepared in my office using figures supplied by the Office of Education. The final column—5—showing gains and losses, as well as the footnotes and editorial comments, were added in my own preparation of this material.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—OFFICE OF EDUCATION

SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS—PUBLIC LAW 874—MAINTENANCE AND OPERATIONS

	Payments under 1972 appropriation with old formula	Payments under 1973 appropriation proposed by administration	Estimated payments under H.R. 15417 before amendment	Estimated payments under H.R. 15417, as amended, with increase but with new formula	Gain or loss for States under H.R. 15417, as amended (difference between col. 3 and col. 4)		Payments under 1972 appropriation with old formula	Payments under 1973 appropriation proposed by administration	Estimated payments under H.R. 15417 before amendment	Estimated payments under H.R. 15417, as amended, with increase but with new formula	Gain or loss for States under H.R. 15417, as amended (difference between col. 3 and col. 4)
	(1)	(2)	(3)	(4)	(5)		(1)	(2)	(3)	(4)	(5)
Total.....	\$592,580,000	\$415,000,000	\$615,495,000	\$635,495,000	Mississippi.....	\$3,073,000	\$2,682,000	\$3,282,000	\$3,440,000	+\$158,000
Alabama.....	9,531,000	5,228,000	9,944,000	10,851,000	\$907,000	Missouri.....	9,434,000	4,131,000	9,881,000	10,193,000	+312,000
Alaska.....	23,845,000	25,455,000	26,854,000	23,506,000	-3,348,000	Montana.....	6,358,000	5,086,000	6,997,000	6,531,000	-466,000
Arizona.....	12,135,000	12,531,000	13,379,000	12,479,000	-900,000	Nebraska.....	6,255,000	6,032,000	6,781,000	6,528,000	-253,000
Arkansas.....	3,073,000	2,112,000	3,282,000	3,367,000	+85,000	Nevada.....	3,533,000	2,626,000	3,778,000	3,918,000	+140,000
California.....	82,568,000	59,031,000	87,585,000	90,335,000	2,750,000	New Hampshire.....	2,405,000	1,602,000	2,573,000	2,583,000	+10,000
Colorado.....	13,059,000	7,741,000	13,680,000	14,598,000	918,000	New Jersey.....	12,645,000	8,249,000	13,452,000	13,722,000	+270,000
Connecticut.....	4,413,000	3,059,000	4,731,000	4,722,000	-9,000	New Mexico.....	13,826,000	10,881,000	15,145,000	14,629,000	-516,000
Delaware.....	2,106,000	2,419,000	2,284,000	2,337,000	+53,000	New York.....	18,928,000	10,374,000	20,061,000	21,092,000	+1,031,000
District of Columbia.....	4,081,000	567,000	4,175,000	4,705,000	530,000	North Carolina.....	14,797,000	14,962,000	15,915,000	16,525,000	+610,000
Florida.....	18,134,000	15,493,000	19,187,000	20,441,000	1,254,000	North Dakota.....	5,398,000	4,941,000	6,013,000	5,260,000	-753,000
Georgia.....	17,008,000	11,569,000	17,856,000	19,290,000	1,434,000	Ohio.....	11,165,000	4,295,000	11,550,000	12,503,000	+953,000
Hawaii.....	10,811,000	8,685,000	11,823,000	11,899,000	76,000	Oklahoma.....	11,975,000	7,512,000	12,646,000	13,382,000	+736,000
Idaho.....	3,317,000	1,808,000	3,531,000	3,645,000	114,000	Oregon.....	4,265,000	2,660,000	4,503,000	4,753,000	+250,000
Illinois.....	15,022,000	8,183,000	15,935,000	16,417,000	482,000	Pennsylvania.....	9,195,000	2,496,000	9,435,000	10,353,000	+918,000
Indiana.....	3,836,000	1,564,000	4,023,000	4,220,000	197,000	Rhode Island.....	4,493,000	4,181,000	4,861,000	4,897,000	+36,000
Iowa.....	1,853,000	364,000	1,892,000	2,139,000	247,000	South Carolina.....	9,314,000	7,458,000	9,889,000	10,395,000	+506,000
Kansas.....	9,390,000	6,645,000	10,131,000	9,959,000	-172,000	South Dakota.....	5,716,000	4,577,000	6,279,000	5,612,000	-667,000
Kentucky.....	9,034,000	7,202,000	9,683,000	10,128,000	445,000	Tennessee.....	7,082,000	2,225,000	7,251,000	8,156,000	+905,000
Louisiana.....	3,892,000	3,571,000	4,086,000	4,416,000	330,000	Texas.....	32,789,000	20,850,000	34,463,000	36,540,000	+2,077,000
Maine.....	3,206,000	2,668,000	3,486,000	3,446,000	-40,000	Utah.....	7,599,000	2,028,000	7,989,000	8,626,000	+728,000
Maryland.....	28,382,000	10,756,000	29,375,000	32,463,000	+3,088,000	Vermont.....	145,000	65,000	149,000	168,000	+19,000
Massachusetts.....	14,998,000	7,582,000	16,001,000	16,437,000	+436,000	Virginia.....	37,369,000	26,007,000	38,890,000	42,556,000	+3,666,000
Michigan.....	5,977,000	4,935,000	6,528,000	6,260,000	-268,000	Washington.....	14,189,000	10,090,000	15,167,000	15,443,000	+276,000
Minnesota.....	3,544,000	1,852,000	3,743,000	3,939,000	+196,000	West Virginia.....	618,000	192,000	631,000	714,000	+83,000
						Wisconsin.....	2,413,000	1,218,000	2,523,000	2,731,000	+208,000
						Wyoming.....	2,163,000	1,955,000	2,379,000	2,277,000	-102,000

Column 1.—Estimated payments of entitlements under sec. 3(a) at 100 percent for some districts and 90 percent for others, sec. 6 at 100 percent, sec. 3(b) at 73 percent, and other sections (not including sec. 7) at 100 percent. Sec. 7, disasters, cannot be estimated but will be funded at 100 percent.

Column 2.—Estimated payments of entitlements under sec. 3(a) including former sec. 3(b)(1) Indian children at 100 percent and sec. 6 at 100 percent. Includes amounts for sec. 3(b) children of Uniformed Services personnel based on 1971 data furnished by States. Sec. 7 cannot be estimated but will be funded at 100 percent.

Column 3.—This column shows the payments estimated under the \$615,495,000 appropriations

reported out of committee in the House. Since this reported bill included the old formula, many States actually got higher payments under the lower total amount.

Column 4.—This column shows the payments under H.R. 15417 as amended and passed with a \$20,000,000 increase, but also with the altered formula for distribution.

Column 5.—This column shows the difference, State by State, between column 3 and 4. The amended version of H.R. 15417 produced a wide variety of gains and losses. Although it is not tabulated, it can be seen that nearly every State would gain if the increase were passed but without the formula change.

LACK OF DATA HURTS U.S. EXPORTS

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 5 minutes.

Mr. ASPIN. Mr. Speaker, the GAO recently issued a report which concluded

that the Commerce and State Departments have failed to provide U.S. exporters with important data concerning overseas markets. This lack of data has greatly contributed to the United States growing balance-of-payments deficits.

The GAO report concludes that analyses of export markets done by U.S. Em-

bassies overseas for U.S. businesses have generally failed to:

Identify product lines and market factors affecting U.S. imports;

Make specific suggestions for Government agencies and private industries that would improve the U.S. trade position abroad;

Provide U.S. industry with specific and timely information "which will be of most assistance in increasing exports";

Insure that reports are disseminated quickly to those Government agencies which find them of use.

The GAO report also notes that small U.S. businesses are particularly hurt by the lack of relevant export data since they cannot afford to pay for extensive intelligence gathering abroad. The report also criticizes the Government for not upgrading its analyses of export potential in underdeveloped countries, such as Brazil, where the opportunities for exports are often greatest.

Said the GAO:

We found that regularly scheduled foreign service commercial reports did not contain information on the underlying reasons affecting the U.S. share of foreign country markets. Government and business officials contacted agreed that existing reports lacked much of the detail and analysis necessary to U.S. exporters.

We conclude that it is both feasible and desirable to analyze and report reasons for the loss of U.S. market shares so that government and industry can consider steps to enhance the U.S.'s position in given market areas.

In short, Mr. Speaker, there is no question that a lack of adequate data concerning export opportunities is a significant contributing factor to the United States continuing balance-of-payments problem. It is clear that the Government has done American business a great disservice by failing to provide meaningful, accurate, and timely data concerning opportunities for export. I sincerely hope and expect that immediate steps will be taken by both the Commerce and State Departments to correct this situation.

OBSERVATIONS ON THE EXPULSION OF SOVIET ADVISERS FROM EGYPT

THE SPEAKER. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 10 minutes.

MR. HAMILTON. Mr. Speaker, the dismissal of several thousand Soviet military advisers by the Egyptian Government represents the most significant development in the Middle East this year, but the precise meaning and potential results of this action are not likely to surface for several weeks. My hope is that this event will prove an impetus for further negotiations to reach peace in the Middle East.

This move could change the Middle East situation. It does reduce military options for Egypt in some ways, perhaps encouraging the Egyptians to consider more seriously negotiations. The move also could lessen the possibility of big-power confrontation and perhaps reduce Israel's claim to substantial U.S. military support. In addition, the removal of these advisers represents an apparent setback for Moscow in the Middle East and presents the Soviet Union a dilemma: Either the Soviets must furnish more offensive arms or else see their position erode.

SOVIET-EGYPTIAN RELATIONS

The increasing stresses and strains in the Egyptian-Soviet relationship have

been publicly evident for a little over a year now, dating from the dismissal in May 1971 of Ali Sabri and some of his associates with long experience in dealing closely with the Soviet Union. Since that time, it has become increasingly apparent that Egypt's desires for unlimited access to the Soviet Union's supplies of military hardware were not receiving favorable attention in the Kremlin. As has been frequently noted by witnesses before the Near East Subcommittee, the Soviet Union has shown some reluctance to give offensive weaponry to Cairo and instead has preferred to concentrate on Egypt's defenses—in its view so necessary after the deep penetration raids across the Suez Canal by the Israelis in the late sixties and early 1970.

The last year and a half have been very frustrating months for President Sadat and his dilemmas continue unresolved. Some of his speeches and tactics have tended to increase the immediate pressures on his position and that of his country. And many Egyptians have been urging Sadat for some time to reduce Egypt's dependence on the Soviet Union.

From his perception, he feels that he made a very important step toward some accommodation with Israel which was never adequately appreciated. In announcing in early 1971 that he was willing to sign a peace agreement with Israel, provided Israel withdraw from Egyptian territory, he thought that he had set in motion a series of indirect negotiations through Dr. Jarring, the U.N. mediator, but nothing happened. He blamed the Israelis for wanting to keep territory, the United States for not pressuring Israel to make greater concessions in light of his move and the Soviet Union for not backing up his diplomatic offensive with enough military bite so that his threat of a war alternative was credible.

PRESENT SITUATION

And so now many of the Soviet advisers in Egypt are leaving. The immediate context of this event is interesting. First, at a time when Sadat has been asking all Arabs to join ranks, Yemen, and perhaps the Sudan in the next few weeks, are establishing diplomatic relations with the United States, partially because immediate domestic economic concerns outweigh the utility of any united front now for a war they know the Arabs will lose and a war they believe will not occur, for some time at any rate.

Second, Secretary of State Rogers, perhaps on the basis of discussions in Moscow in May, recently, both in Kuwait and in Rome, stressed the theme that if the United States and the Peoples Republic of China, the United States, and Russia, and India and Pakistan can sit down and discuss their differences, Egypt and Israel can do the same. The Russians could likely be saying the same to the Egyptians.

A third factor in the present situation is the presence of U.N. Secretary-General Kurt Waldheim in Moscow and the announcement that Dr. Jarring will be in New York for 2 weeks to resume his indirect talks with the parties to the Arab-Israeli conflict. It is probable that Waldheim is spending much of his time in Moscow on the Middle East issue. As Sec-

retary-General Waldheim knows so well, the success of the Jarring mission is fundamentally important both for the Middle East and for the future of the United Nations.

ALTERNATIVES FOR FUTURE

It is difficult to delineate the alternative courses that President Sadat is considering at this critical juncture, but it is apparent that he intends to do something about the present no-war, no-peace situation. President Sadat may hope to accomplish one of several things by this move.

First, he may hope to bring enough pressure on the Soviet Union to get the equipment he desires, but it remains unlikely that the Soviet Union will comply if it has not to date.

Second, he may be telling the Soviet Union and the United States a "plague on both your houses," and now consider himself a free man to act as he wishes with little attention to either superpower. If boxed in a corner, it is hoped he will choose to come out through negotiations rather than war.

Third, he may hope to increase his leverage in any negotiations by removing some of the reasons for Israel not being willing to withdraw from the canal; namely, Soviet military presence.

Fourth, Sadat may have made this move to gain more time for his diplomacy and silence some of his sharpest domestic critics who fret over the position the Soviet Union maintains in Egypt. For many Egyptians, the saddest aspect of the Arab-Israeli conflict and the present stalemate is that Egypt may be coming close to mortgaging that independence for which it fought so hard.

In the last year or so, the United States and the Soviet Union have not been able to provide any significant impetus toward peace. If the present situation does not change, there is every reason to expect President Sadat to become a prophet of doom and perhaps to see strife and violence replace the uneasy cease-fire in the Middle East.

BOMBING THE DIKES

THE SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. ABZUG) is recognized for 10 minutes.

MRS. ABZUG. Mr. Speaker, in the face of numerous and well-documented reports by foreign journalists in North Vietnam, the Defense Department has twice changed its story on the question of whether our planes are bombing the dikes in North Vietnam. Originally, they insisted that we were not bombing the dikes at all. After the initial first-hand reports were made, they stated that the dikes were not targeted, but might occasionally be hit by stray bombs aimed at military targets. After further reports which indicated deliberate attacks on a number of dikes, the Defense Department has taken the position that the dikes are attacked only when military equipment is stored on top of them.

The Swedish ambassador to North Vietnam, Jean-Christophe Oberg, called our bombing of the dikes "methodical," and added that he has no doubt that they are deliberate and precise. Jean Thorval,

a French reporter in North Vietnam who observed an actual dike bombing on July 11, together with a number of other journalists who were also present, agreed that the attack which they witnessed was clearly directed against the dike system. Mr. Thoraval has also filed dispatches to the effect that numerous other bombed dikes have been seen by him, though he was not present when they were bombed.

The bankruptcy of our Vietnam policy and the need to withdraw all of our forces and materiel are clear to most of the American people as well as to our military leaders in the Pentagon. By engaging in a policy which is certain to cause thousands of civilian deaths through drowning and starvation, we are only compounding the shame of our involvement in Indochina, and spitefully seeking to deny to the people of Vietnam the right to live in peace if they do not want to live in the democratic peace which we claim to seek for them. As New York Times correspondent Anthony Lewis wrote recently:

No one should be in doubt about what systematic destruction of the dikes at this time might mean. It would bring into play, justifiably for once, that much-abused word genocide.

We in Congress must exercise our responsibility to the American people and indeed to all humanity. We must act to stop or forestall any bombing of the dikes by our military forces, to bring about the immediate withdrawal of all of our troops and equipment from Indochina, contingent solely upon an agreement for the release of our prisoners of war, and to cut off all military aid to the puppet government of President Thieu.

Mr. Speaker, I include in the RECORD at this point several relevant news articles:

[From the New York Times, July 1, 1972]
VISITOR DESCRIBES NORTH VIETNAMESE DIKE AS BADLY DAMAGED

(By Jean Thoraval)

HANOI, North Vietnam June 30.—The dike at Phuly, a town about 40 miles from Hanoi, has been seriously damaged.

I was one of a group of foreign and North Vietnamese journalists who, in a convoy led by Phan My, Deputy Minister of Water Conservation, visited Phuly this morning and saw the damaged dike. According to the minister the dike was attacked three times this month by American planes.

We approached the town before dawn, headlights out. When we were about 10 miles from our destination, exploding anti-aircraft shells sent flashes into the dark sky at the nearby city of Nahmidinh. Seconds later there were bright bursts on the horizon. The attack lasted about 15 minutes shortly before daybreak.

Entering Phuly, which normally has a population of 20,000, we crossed a bridge that had been bombed and rebuilt twice. Bomb craters, some of them immense, were on both sides of the road. Telegraph poles were bent in two.

Then we came to the dike, with its system of sluice gates designed to hold back the muddy waters of the Songday, tributary of the Red River, and prevent them from flooding the 10 districts of Namha Province.

Here and there we saw craters that women were patiently filling by hand. Houses near the dike had been blown up by the bombs, while others were without roofs. An old

bunker dating from the French fighting in Indochina had been pierced.

SLUICES INOPERATIVE

The system of sluice gates no longer worked, for the six doors could not move up or down. The reinforced-concrete pillars had been destroyed or cracked. As for the dike itself, apart from craters in it, it was full of cracks, some of them about a foot wide.

Mr. My said that the Americans attacked the dike three times during June. On June 2, he said, fighter-bombers paralyzed Sluice Gate No. 3 and 10 days later attacked No. 1. Then, on June 21, he added, the entire system was attacked.

Trees all around had been felled or damaged. I saw one crater big enough to accommodate two trucks.

When we returned to Hanoi we were greeted by the sound of the second air-raid pre-alert in the capital since dawn.

U.S. REITERATES DENIAL

WASHINGTON, June 30.—A Pentagon spokesman said today in response to questions about the reported bombing of the Phuly dike that the Defense Department "will stand on the statements that we have made in the past and that were made yesterday by the President."

In his news conference last night President Nixon said that orders not to hit the dikes of North Vietnam were still in force and that reports of strikes were inaccurate.

The Agence France-Presse dispatch from Hanoi quoted a North Vietnamese official as having said that American planes last bombed the Phuly dike on June 21, but apparently newsmen did not visit the site until today. The dispatch gave no indication whether anything else in the area might have been an intended target.

Ronald L. Ziegler, the President's press secretary, reiterated the President's statement this morning, saying it was based on good information.

Mr. Ziegler was questioned about statements by diplomats in Hanoi that they had witnessed bombing of dikes. Asked if his remarks would leave open the possibility of accidental bombing, he replied: "I do not mean to leave anything open."

The Pentagon spokesman repeated the department's position that the dike system was not "targeted" in the bombing campaign, adding, "That doesn't mean that some of them don't get hit by stray weaponry."

FRENCH NEWSMAN AND UNITED STATES DIFFER ON BOMBING OF DIKES

(By Seymour M. Hersh)

WASHINGTON, July 12.—The Defense Department and a French correspondent in North Vietnam were in sharp dispute today over whether United States planes deliberately bombed dikes yesterday near a village 37 miles southeast of Hanoi.

A dispatch filed yesterday by Jean Thoraval, a Hanoi-based correspondent for Agence France-Presse, said that about a dozen United States jets staged an early-morning attack on a dike system outside the village of Namsach, in the fertile and heavily populated Red River Delta area.

Mr. Thoraval reported that he and other foreign journalists had been taken to Namsach to inspect bomb damage that the North Vietnamese said American planes had previously inflicted. The attack began, he said, soon after the party arrived.

"The jets went into a dive and released several bombs and rockets against the dikes on which we were standing," Mr. Thoraval wrote.

DENIES BOMBING OF DIKES

Daniel Z. Henkin, the Assistant Secretary of Defense for Public Affairs, confirmed that United States Navy planes repeatedly bombed

the Namsach area yesterday morning. But Mr. Henkin, in a statement supplied to The New York Times, denied that any dikes in the area had been assigned as specific targets. He said that the aircraft were attacking three nearby military targets—a surface-to-air missile site, a dispersed oil and petroleum area and an above-ground fuel pipeline.

Although the Agence France-Presse dispatch was received yesterday, The New York Times delayed publication while seeking further clarification from the agency and the Department of Defense. Today Agence France-Presse was unable to clarify questions raised by the original dispatch.

A 10-MINUTE RAID

In his dispatch, Mr. Thoraval said that "only two or three SAM missiles were fired at the attackers." He and his fellow journalists, he wrote, unanimously agreed that the attack was clearly against the dike system and that "the pilots dropped their bombs at random" during the 10-minute raid.

Among the questions left unanswered by the dispatch were whether the attack damaged any of the dikes in the neighborhood, how far from the spectators the bombs fell, the locations of the antiaircraft emplacements from which missiles were fired at the attacking planes, and how the newsmen could know that the jets were aiming at the dikes and not at the missile sites.

Mr. Henkin said that his office had made an extended effort to obtain details of the bombing mission. "Normally, I do not discuss special military targets," he said.

"The pilots on top can see 25 to 30 miles, and he's got orientation," he said. "He knows what he's going after."

Speaking of Mr. Thoraval, Mr. Henkin said: "You can be sure nobody told him that there was a pipeline or a SAM site there."

Mr. Henkin also suggested that the random bombing mentioned by the French journalist might have been an attempt by the pilots to destroy the oil pipeline.

ALWAYS A POSSIBILITY

Asked specifically whether any dikes had been attacked—inadvertently or otherwise—in conjunction with the bombing raids on the three military targets, Mr. Henkin said: "We have stated that there is always a possibility that dikes may be hit."

He added that he had not seen any after-action photographs of the targets at Namsach.

Mr. Thoraval's dispatch yesterday was the third within three weeks on bomb damage to the North Vietnamese dike system. On June 24 he wrote that he had visited bombed-out dike sections near the city of Namdinh, and on June 30 he filed a similar account of dike damage ground Phuly, Both are south of Hanoi.

Similar reports were made by Jean-Christophe Oberg, Sweden's Ambassador to North Vietnam, during his home leave last month.

In addition, North Vietnam's official press agencies and radio services have repeatedly described alleged United States bombing attacks on the dike system. On June 30, for example, The Phan My, North Vietnam's Deputy Minister of Hydraulics, was quoted in official newspapers as saying 20 bombing attacks were made on dikes during the month. More than 40 specific allegations were made by the North Vietnamese in April and May.

CONCERN IS EXPRESSED

In interviews today, officials in both the State Department and White House expressed concern over the bombing reports. "We're taking a pasting on this thing," one said.

Another official said: "We're taking a beating around the world. It's depressing," another official said, "but we know we're doing all we can and we're going to just ride it out."

In what seemed to be an attempt to counter the adverse publicity, State Department

officials recently distributed copies of a Hanoi newspaper article in which the citizens were exhorted to take part in dike repair and rebuilding operations. They explained that much work was needed to repair portions of the dikes that were damaged or destroyed by the 1971 floods, described them as the worst in more than 25 years.

"There is not much time before the torrential rainy season," the article said. That season is expected to reach its peak sometime between July and late September.

In interviews at the Pentagon, a number of high-ranking military officers heatedly reasserted that dikes were not targets of Air Force or Navy attacks. "If we wanted to go after them, we'd go after them," an officer said.

A senior Navy pilot who recently returned from duty with the Seventh Fleet said that "It has been emphasized and reemphasized to the pilots that dikes are not authorized targets."

Details on the current rules of engagement are highly classified, but military sources agreed that Navy and Air Force pilots could legitimately attack—as so-called "targets of opportunity"—enemy missile sites or antiaircraft batteries on top of dikes.

Similarly, pilots are apparently authorized, without obtaining clearance, to attack supply convoys or equipment stockpiles on roads on top of dikes.

"A military target is targeted and if it happens to be near a dike," a military source said, "then it gets hit."

One high-ranking officer who has access to much of the daily bombing information said: "Given the number of irrigation systems up there, and given all the ordnance being dropped, there's always the possibility of an accident."

TEXT OF COMMENTS BY THE SWEDISH AMBASSADOR TO NORTH VIETNAM, JEAN-CHRISTOPHE OBERG

EYEWITNESS REPORTS BY WESTERNERS OF BOMBING OF DIKES IN NORTH VIETNAM BY U.S. MILITARY

"What frightened the Swedish Ambassador to Hanoi, Jean-Christophe Oberg, more than anything else, was the methodical bombing and rocket attacks against dams, dikes and locks. A whole series of attacks, in one region after another, show clearly that the United States is trying to cause a flood catastrophe with everything that will mean in mass deaths, and famine with more mass death. He has seen dam constructions which have been bombed with precision, with smart bombs. This gives him the impression that American pilots who now have a much greater possibility of hitting targets, and direct destruction against them, do not make mistakes.

"Jean-Christophe Oberg says he has no doubt whatsoever that these attacks are deliberate and precise. The attacks on the dams, the bombings which could cause a water catastrophe in a few weeks' time when the river rises, for him are the climax—the ultimate atrocity."—*Dagens Nyheter*, June 29, 1972

"Practically all industry in North Vietnam has been destroyed. But the greater danger just now is the bombing of dams and locks. If there are further attacks, there may be an enormous catastrophe, with villages submerged, and famine. The intention seems to be to weaken North Vietnam economically for a long period to come and to transform it into a second or third class nation in Southeast Asia. It is a typical policy of annihilation. The bigger the defeats of the U.S. and Saigon troops in the South, the more bombing in the North.

"Now, the dams and dikes are the greatest worry for the Vietnamese. The Red River has already started to rise; it reaches its highest level in July and August. If the river rises

as high as last year, there may be an enormous catastrophe.

"Everyone, even diplomats, must react as human beings, particularly those of us who have the advantage of being on the spot. Diplomat or not, I have no intention of witnessing passively what is happening. I am free to do this because we have a government which calls things by their correct names."—The Swedish Ambassador, quoted in *Aftonbladet*, June 28, 1972.

"I am not the only one to have seen it. The Americans are now beginning to speak of the inability of the North Vietnamese to maintain their system of dikes. For someone who has seen the work carried out by the North Vietnamese continually to improve and reinforce the dikes, this looks like an attempt to provide an alibi for what may happen if the dikes break, and if the bombings continue at the same level. If a catastrophe occurs in a few months, at the time of the monsoon, we shall know who is responsible. But this must not be allowed to happen. The lives of millions of people are in jeopardy, and an unprecedented famine could occur in the north. This is perhaps what the Americans want when they talk of bombing North Vietnam back into the stone age."—Ambassador Oberg addressing a conference in Sweden.

DIKES IN HANOI AREA REPRESENT 2,000-YEAR EFFORT TO TAME RIVERS

(By Seymour M. Hersh)

WASHINGTON, July 13.—For more than 2,000 years the peasants of northern Vietnam have been locked in unending battle against nature, trying to stem and control the annual high waters of the Red River with an intricate system of dikes.

The river, spawned in the mountains of Yunnan Province in southern China and fed by monsoon rains, races through narrow gorges in its annual summer drive to spill along the vast and fertile plains of the Red River Delta, where more than 15 million Vietnamese live and farm.

The terrain along the 300-mile route from China to the rich farmlands can most simply be described as a huge drainboard, tilted down from northwest to southeast.

To meet the crest of the Red River and its tributaries, which usually peak between July and late September, Vietnamese societies have constructed about 2,500 miles of earthen dikes with sluice-gates and dams. It is this system that the Hanoi Government charges is under United States aerial attack.

MENTIONED IN 11TH CENTURY

The first written mention of the elaborate system is in Chinese chronicles of the early 11th century. Some Vietnamese scholars also have found archeological evidence of dikes as far back as the second century.

The dikes have been expanded in length perhaps 50 per cent in the last 20 years and have also grown in width and height, vastly complicating the problems of maintenance and control. The growth is constant because the Red River carries along millions of tons of silt that are deposited in the river bed.

In other areas, particularly in the rice-growing regions near Hanoi, the river flows on its own progressively rising mud bed that is often five or six feet above the level of the fields. A similar situation exists in areas along the Yellow River in China.

Working on the dikes and repairing them is a constant preoccupation of the North Vietnamese. During a visit by this correspondent to Hanoi in mid-March, hundreds of workers—often led by military men—seemed to be constantly hauling earth to reinforce the vast system near Hanoi.

At that point, as in many parts of North Vietnam, there were actually two separate networks of dikes roughly a quarter of a mile apart. The purpose obviously was to provide a back-up system.

The pressure on the dikes at the height

of the flood season is immense. Specific data on the flow of the Red River near Hanoi was impossible to obtain, but last month *Le Monde*, the Paris newspaper, published a dispatch predicting that the flow of the Black River, a main tributary, would reach 32,500 cubic meters a second at Sontay, about 25 miles northwest of Hanoi (a cubic meter is about 35 cubic feet). The dispatch also noted that the peak flow of the Seine in Paris during the floods there in 1910 was 2,500 cubic meters a second.

In addition to the river system there are a number of sea dikes to prevent the seepage of brackish water from the Gulf of Tonkin into crop-growing areas. North Vietnam also has charged that these sea dikes have been bombed by United States aircraft.

FLOOD LAST YEAR RECALLED

Many experts believe that the river dikes system northwest of Hanoi is highly vulnerable to bombing attacks. Last year flood waters broke through a 30-mile section of the dikes in the delta and destroyed much of the 1971 autumn rice crop.

The flooding, which forced North Vietnam to import food from the Soviet Union and China, was described as the worst since 1944. In that year the dikes along the Red River were breached in 25 areas and thousands of acres of rice were destroyed.

The repeated North Vietnamese charges of bombing of dikes have been buttressed in recent weeks by a number of news dispatches from Hanoi filed by Jean Thoraval, the resident correspondent there for *Agence France-Presse*.

Until recently most Administration spokesmen in Washington generally denied that dikes had been chosen as targets or inadvertently bombed. An Air Force general, asked in mid-June whether some dikes could have been accidentally struck, said, "Anything is possible, but I think it's highly improbable."

The official United States position was modified by Secretary of Defense Melvin R. Laird in a news conference last Thursday.

"Some of the dikes and dams may be on roadways that are being used or they may be in a position where antiaircraft weaponry is placed and, of course, our pilots are given the opportunity and they should have this capability to attack North Vietnamese gun emplacements."

Mr. Laird went on to say, however, that "the real damage to the dams and dikes of North Vietnam is the damage that was suffered in weakening those dams and dikes last year during the very, very heavy flooding of North Vietnam."

"I believe," he went on, "that the North Vietnamese are carrying on this campaign in order for them to relieve themselves from the responsibility with their own people for their failure to adequately repair this system since the major flooding of last year."

State Department analysts have said that major flooding is expected again this year and characterize the wave of North Vietnamese complaints as a propaganda war.

For its part, North Vietnam has repeatedly charged that the United States has been bombing the dike systems for the last three months "in a very wicked design to destroy or weaken dikes and, thereby, to cause floods."

AN AMERICAN SUCCESS STORY

The SPEAKER. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, America is still the land of some amazing success stories. A perfect example is the meteoric career of J. Terrence Murray, a young banking executive who grew up in the same city as I, Woonsocket, R.I.

Sixteen years ago Terry Murray dropped out of high school and worked for a year in a textile mill. Today he is the executive vice president of the Industrial National Bank in Providence, one of the largest banks in the country.

An article I am including from the Woonsocket Call shows how his loving and determined parents instilled character in their son. By more than words they taught him the value of the dollar and the importance of hard work. In that year out of school he learned from experience the value of an education. Early responsibility and self-reliance laid the foundation for the later achievements of this remarkable young man.

The article follows:

FROM HIGH SCHOOL DROPOUT TO BANK EXEC
IN 16 YEARS

(By Leonard S. Edgerly)

When J. Terrence Murray was 16 he lived in Woonsocket and dropped out of high school. That wasn't unusual.

But during the next 16 years he went on to do something very unusual.

He became an executive vice president of one of the nation's leading banks.

During a recent interview, Murray talked—reluctantly, at first—about what had happened during those 16 years.

"I'd really rather talk about Woonsocket than myself," he said at the outset, but eventually his modesty succumbed to the telling of a lively tale of success.

The interview was held in Murray's luxurious, high-ceilinged office at the Industrial National Bank in Providence, where he holds the position of executive vice president. An athletic-looking, informal man, Murray was celebrating his 33rd birthday.

What factors accounted for his rapid success?

"My father and mother had a lot to do with it," Murray explained. "They really pushed hard."

Mrs. Florence Murray lives at 93 Spring St., and the late Joseph W. Murray, who worked in the former U.S. Rubber Co. plant here, died in 1965. It soon became clear that they had a lot to do with Murray's career, as well as that of his older brother, Joseph T., now working for the DuPont Co. in Wilmington, Del.

One summer, Terrence Murray related, the two brothers found themselves without jobs when school was over, but their father had ideas for them other than lounging at home. He drove Terrence to Cape Cod, where he told him to get out of the car and not return home until September. He then drove Joseph to New Hampshire and made him get out there with the same instructions.

Both found work that summer and the summers afterward, too.

But after his first year at Mount St. Charles Academy, the younger Murray found himself in disfavor with his father. "I came home with some less-than-desirable grades," Murray recalled, so he dropped out of school.

He went to work on the night shift at the former Bonin Spinning Co. for a year. "My father thought I was kind of a wise guy, I guess," Murray confessed.

Working nights at the mill started a new phase in his life, however.

"There had to be better things than that," Murray decided, so he entered Providence Country Day School in East Providence with a renewed enthusiasm for education.

When things went well at the private boys' school, he related, his father again prodded him on, suggesting that he apply to Harvard.

"The suggestion was kind of foreign to me, particularly after the night shift at Bonin," Murray said. But he took his father's advice

and applied to Harvard. He was admitted with scholarship help and went on to graduate in English with the class of 1962.

Another force in his career appeared while Murray was at Harvard. He married Suzanne Young of Providence during his sophomore year, and, within two weeks after graduation, the family included two baby girls, Colleen and Paula.

"That was reason to get serious quickly," Murray explained, and he went job hunting without delay.

What he found was that "most banks at the time didn't have that much depth in management and there was lots of opportunity for young, fresh people."

"After joining Industrial National, Murray worked in several departments, but real estate was his prime interest. His efforts were rewarded in rapid stages, culminating in his April promotion to one of three executive vice president positions.

He and his family now live in Warwick, but Murray fondly remembers Woonsocket.

"Growing up there was an enjoyable experience," he said. "We were just typical of the people who live there. You do know most of the people in the city, but nothing came easy."

One high point of Murray's boyhood, he said, was his Woonsocket Call newspaper route in the North End. He had about 160 customers, he noted.

Murray's political outlook was framed substantially by his experiences in Woonsocket and at Harvard.

"I was 17 years old before I even met a Republican," he said. And then, at Harvard, he became enthusiastic about John F. Kennedy's bid for the presidency.

"One winter morning about 6:30 or 7, I bumped into John Kennedy," he recalled. "He was all by himself in front of Widener Library, and we talked for about 15 minutes about his chances. It was dark and cold, but he was still talking to me. So after that I was very enthusiastic."

Murray said he also met Robert F. Kennedy once while they were both sitting in whirlpool baths nursing athletic strains and that he later met Edward M. Kennedy. Moreover, Murray recently hosted a reception at his home for Sen. Edmund S. Muskie during one of the senator's campaign visits to Rhode Island.

The Murrys now have four children, including two sons, Terry and Christopher. In thinking about the lives they'll lead, Murray has some definite hopes.

"I see myself placing responsibility on them at an early age," he said. "I don't see them hanging around a golf course running up tabs." He doesn't plan to push his children towards careers in business, however. "To certain types it might get boring," he explained.

Murray's philosophy on child rearing is a reflection of the experiences he's had since boyhood. "The kid whose head is screwed on right, once given proper exposure—he's going to be all right," he said.

THE ROAD TO REVOLUTION IN LATIN AMERICA

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

Mr. PEPPER. Mr. Speaker, on June 23 at the Inter-American Center luncheon in Miami, the Honorable Sol M. Linowitz, former U.S. Ambassador to the Organization of American States, delivered a magnificent address on Latin America and relations between the United States and Latin America. Ambassador Linowitz with his deep and broad

understanding of Latin America set out the need for a U.S. policy of understanding, cooperation, and compassion with Latin America. He emphasized how vital the proper U.S. policy toward Latin America is to the well-being of the United States. Ambassador Linowitz spoke eloquently and courageously of the need for the revision of the present policy of the United States toward Latin America. I hope my colleagues and my fellow countrymen will have an opportunity to read Ambassador Linowitz' outstanding address and to profit by the wise counsel which he has given us in the formation and implementation of what should be the right American policy toward Latin America.

Mr. Speaker, I include Ambassador Linowitz' able address following these remarks in the body of the Record:

THE ROAD TO REVOLUTION IN LATIN AMERICA

Today I am going to talk to you about Latin America—in the context of the kind of times in which we live and the kind of world in which we live. Too often we have looked at Latin America in isolation—as an area apart—rather than as an integral part of the world we all share.

As a point of departure, let's recognize we are at a very difficult, anxious uncertain moment in world history. The Irish poet, Arthur O'Shaughnessy, once wrote: "Each age is a dream that is dying, or one that is coming to birth". The age that is coming to birth—indeed, it is with us already—is so changing and dynamic that no one can know how it will be to live in its time. We only know that the habits of the past will not suffice for the challenges of tomorrow.

We also know that at no time in history has it been more important to reach for a world of peace and freedom. Never before has it been so urgently necessary to try to create a world united for the betterment of the human condition—a world made safe for people.

For this is not only an uncertain, anxious time, but also a time of paradox—a time when man has learned to achieve most and to fear most, when he seems to know more about how to make war than how to make peace, more about killing than he does about living, a time when great achievements in science and technology are overshadowed by incredible advances in instruments of destruction. It is a time when we fear not the primitive and ignorant man but the educated and technically competent one who has it in his power to destroy civilization. We are at a time when we can send men aloft to walk the sky, yet recall Santayana's frighteningly timely words that men have come to power who "having no stomach for the ultimate burrow themselves downward toward the primitive."

So in such a world and at such a time, we have to determine what we can do to move mankind toward peace and plenty, how we can both attain and share in the great social opportunities of our lifetime. And there is no escape from facing front and asking the hard questions. For in this nuclear age we can't hide and we can't drop out. We can only choose where we can best take our stand.

One of the greatest of our challenges before us is the terrible disparity in living standards between the so-called "developed north" and the "underdeveloped south" between the "haves" and the "have nots" of this earth—a gap which has been described by Barbara Ward as "inevitably the most tragic and urgent problem of our day". The tragedy is in the economic despair and emptiness that marks the lives of all too many in the developing countries; the urgency is in preventing a political reaction that could be,

and is damaging international peace and security.

We are learning today that we cannot live in a world more than half enslaved by poverty with only the minority free from want and the fear of want; and that there is no security for anyone in such a world of injustice and resentment, a world in which the future balance of power will ultimately be decided by men and nations now lumped together under that convenient and misleading label "underdeveloped".

Not so long ago we could talk about the have-nots of the earth as a sociological phenomenon, people who required sympathy and even charity; but they were far away—and lacked the immediacy of proximity. They lack it no longer. Science and technology have stripped away our comfort now as surely as they have stripped away the mysteries and the defenses of time and distance. The "have-not" people are no longer far away in some Godforsaken jungle or even more Godforsaken slum of civilization; they are a transistor's-length right down the runway. They are our neighbors, and they have come to understand that we are mortals even as they, weak and gullible and prone to all the ills and foibles and petty quarrels of mortal men. They know, too, that we all share this planet—yet while we of the developed world share its benefits and promises, they share its deprivations and hardships.

Let's take a moment to look at them—not in millions or billions, but in microcosm. Here they are:

During the next 60 seconds, 200 human beings will be born on this earth. 160 of them will be colored—black, brown, yellow, red. About half will be dead before they are a year old. Of those who survive, approximately half will be dead before they reach their sixteenth birthday. The survivors who live past 16 will have a life expectancy of about 30 years. They will be hungry, tired, sick most of their lives. Only a few of them, if that many, will learn to read or write. They will till the soil, working for landlords, living in tents or mud huts. They—as their fathers before them—will lie naked under the open skies of Asia, Africa and Latin America—waiting, watching, hoping.

These are our fellow human beings in a world of alarm and strife, a world which appears not to have quite made up its mind whether it is too primitive for peace or too advanced for war.

If one thing is clear, it is that we must find answers, not by denying their existence, or by permitting our interest in them and their problems to swing from too much to too little and back again. For that is the way to disaster, and if we would avoid it we must master ambivalence or it will master us.

We now know—or should know—that there is no such thing any longer as a separate or isolated area of concern; that what threatens peace and stability in one part of the world—in Latin America, the Middle East or Southeast Asia—threatens peace and stability everywhere.

It is against this backdrop that I ask you now to look at Latin America with me.

Unhappily Latin America is an area of the world largely overlooked, ignored or disregarded in the United States. James Reston once said that Americans will do anything for Latin America except read about it and I'm afraid he's too accurate. Ask most Americans today about Latin America and you get a glazed look. Few can name as many as one of the twenty two countries in Latin America. To all too many Americans, Latin America is a homogeneous glob—peopled by sombreroed Latinos lurching from siesta to fiesta. Too few recognize that Latin America consists of individual nations at a critical point in their history determined to fulfill their destiny in their own way. Too few seem

to remember that the great international crisis for President Kennedy was Cuba—in Latin America; and that except for Vietnam, the greatest challenge to President Johnson was the Dominican Republic—also in Latin America.

So it is in that perspective that I want to set forth my own convictions about Latin America today and our stake in what happens in Latin America tomorrow.

My first conviction is one I held when I originally undertook the assignment as United States Ambassador to the Organization of American States and which has since been strongly reinforced. It is that the future of international peace and security in our time will depend in large measure on what we are able to achieve here together in the Americas. I believe that we have, for too long, allowed this fact to be overshadowed by dramatic developments elsewhere; and that we as a nation cannot continue being ambivalent about the urgencies that exist in our own hemisphere.

Over ten years ago under President Kennedy we joined with the people of Latin America in launching the Alliance for Progress—a peaceful revolution to overthrow poverty, underdevelopment, inequity and despair. We said to the people of Latin America that they had reason to expect a better life—better housing, better education, better health, greater hope. And we promised them that we would work with them as a partner in helping them to achieve this better life.

As we have learned in our own country, the most devastating thing you can do to a human being is to raise his expectations and then to frustrate them. We were responsible for raising expectations in the hemisphere. A few of them have been fulfilled, but the overwhelming majority of them have not. So today the people of Latin America are confronted with a choice of adhering to the path of peaceful revolution or turning to violence to achieve their aims and fulfill their hopes. And if we in the United States continue to focus on the Far East, the Middle East, or Europe while we pay only lip service to these danger spots here in our own hemisphere, I believe we may find explosions on our doorstep—indeed we may find future Vietnams in our own hemisphere.

My second conviction is that in Latin America we are confronting all of the problems of the have-not world which I have described. Everything that comes to mind when we think about underdevelopment—unfulfilled agricultural and industrial potential, soaring birth rates, high mortality rates, illiteracy, disease—all these conditions exist right here in Latin America. And if together we cannot learn to deal wisely, maturely, realistically with these crises in a hemisphere where we share common bonds of history, geography, and tradition, surely there is little reason to expect that we can deal better with them elsewhere.

My third conviction is this: At a time when the entire concept of international cooperation at the United Nations and elsewhere is confronted with serious challenge, here in the Western Hemisphere we have the opportunity to establish a precedent not only for other regions, but perhaps universally. For the OAS and IDB seek to deal with the entire sweep of relationships among nations—economic, social, cultural, political and educational—and the inter-American system has the potential to give new strength and meaning to all international organizations—to further the concept of international cooperation in a way that can move us toward the ultimate goal of world cooperation. And a great deal will depend on how wisely, sensitively and cooperatively the United States plays its part.

On these premises, it is crystal clear that our stakes in Latin America are high—just about the highest for which we have ever played. And in taking stock, we have to face the hard facts of what it will take to rid Latin America of the social and economic inequities that still darken too much of its almost unlimited potential.

Too much in Latin America must still start from the ground up; and the ground itself must first be cleared of jungle, the trail must be cut through the mountain, civilization itself introduced before new farms can be laid out and made productive. Factories must be built along with homes, hospitals and schools. Disease must be stamped out; people must be trained; institutions must be built; attitudes and policies must change; and a whole new tradition and way of life must be established.

In the final analysis, our policy in Latin America will and must be judged by how closely and how successfully we identify ourselves with the search of the great mass of people in Latin America for economic and social justice. For these are the yearnings of a people seeking to live in freedom and dignity.

Yet there is precious little dignity to life if a man cannot have enough food to eat, if he cannot educate his children, if he cannot be healthy, if he cannot provide the bare element of self-respect in his everyday life.

A student at the University of Chile once put it to me this way: "The United States is always talking about the value of political democracy. We agree that it is essential; but we also feel that you would accomplish more if you put more of your weight behind the concept of economic democracy".

What he was saying was that city slum dwellers denied hope and illiterate rural Indians denied even a glimpse of the Twentieth Century neither comprehend the meaning of political democracy nor offer any foundation to sustain or to nurture it. They will either remain mute or give their sullen support to the demagogue or "leader" who elbows his way through the masses offering them protection and food. These are the staple commodities they want and need, and no promise of a better life made possible by democracy can vie with them. As former Senator Paul Douglas once said: "When you offer a starving man a choice between four freedoms and four sandwiches, he always chooses the four sandwiches".

But when attention is given to questions of basic order, when roads and streets are made safe, when food, clothing and shelter are made available, when attention is given to living conditions, when the masses discover they can rear, educate and marry off their children and leave them an opportunity for a better life, political democracy becomes not only possible, but imperative. For as living standards rise, that is the only system through which that better life can be sustained and advanced.

In the United States we have learned that the bedrock for civil rights is nothing less than economic rights; that even school integration and the right to vote—indispensable as they are—will not assure equality in themselves. That comes only when every citizen has an equal right in the marketplace—in the factory—in the professions. And so it is in Latin America. Political democracy must remain the goal. Economic democracy is the basis on which it must rest.

There is no question that Latin America has a long way to go before it can begin to accomplish goals. There is no question that potential for violent revolution is present in the sordid slums, in the backward villages where the heritage of centuries of neglect remains greater than the effort to overcome it. This effort will demand searching economic and social changes—changes that will create dislocations. We must learn not only to live with this kind of change,

but to encourage it to its fullest expression. For only as its tempo increases will the potential for violence decrease.

Yet this lesson is a hard one for us to learn and in the past several years I am afraid we seem to have forgotten much of the little we had learned.

We have heard a great deal about the need to maintain a "low profile" in Latin America. But what this kind of approach overlooks is that in Latin America our profile is there, whether we want it to be seen or not. The only question is whether our face is turned toward Latin America or away from it.

For the real fact is that in Latin America we are like a giant in a crowded room. We cannot move without stepping on someone's toes; and if we do not move we may find ourselves standing on someone's toes. And to the Latin Americans it all too often appears as though the so-called "mature partnership" the administration has in mind in its rhetoric about Latin America is one which avoids any responsibilities, undertakes no commitments, rejects any involvements.

Let me speak about one area of particular concern to many of you here—the trade relationship between the United States and Latin America.

I do not have to remind you that a central goal of the Alliance for Progress from the outset was the industrial development of the continent and the stimulation of exports. Consistently since its inception the United States sought to encourage the growth of Latin American industry and the development of regional and common markets. A primary incentive was the promise that one day the United States might grant trade preference to manufactured products from Latin America.

Early in 1969, in his only major speech on Latin America, President Nixon placed great emphasis on a proposal to work for such tariff preferences from the United States and other developing areas. Thereafter the OECD and Japan adopted such preferences, while the United States remained at the starting line.

Last August 15, when he announced his new Economic Game Plan, the President had an extraordinary opportunity. Accepting the fact that a surtax on foreign imports from Japan, Europe and other developed areas might have been considered necessary, this would have been the moment for the President to state our clear recognition that our foreign economic problems do not arise from Latin America and the other developing areas and to reassert his firm intention to make effective a tariff preference for manufactured and semi-manufactured products from Latin America and other developing areas. Such a move would have demonstrated that the nation which had done so much to help bring the Alliance for Progress into being was still deeply aware of its responsibilities and commitments to Latin America and other less developed areas of the world.

But instead of a redemption of the promise, Latin Americans found themselves confronted with an export surtax affecting 22 percent of their exports to the United States. And its effect reverberated throughout the continent. Only a few days ago in Washington, the President of Mexico bitterly commented on Latin America's disappointment with U.S. inaction on tariff preferences.

Similarly, the inclusion in the President's August 15 program of a 10 percent cut in our already severely reduced foreign aid program had very profound implications for Latin Americans. Ironically, the day after the President's announcement—on the Tenth Anniversary of the Alliance for Progress—the President issued a statement reaffirming the

United States commitment to "the noble principles" of the Alliance for Progress.

Not surprisingly the effect of these moves in Latin America was to reinforce the widespread skepticism about the seriousness of our professed interest in their problems. And the sudden United States decision a few weeks later to announce that the foreign aid cut would, after all, not be applied to Latin America hardly overcame the strong Latin American resentment which had already been built up.

Then, this past January 19th, President Nixon took another step which aroused Latin America. He announced that the United States would not approve economic aid to nations that expropriate American property without reasonable compensation, and that the United States would also oppose granting of loans of those countries by such international agencies as the World Bank or the Inter-American Development Bank.

It was, of course, obvious that these statements were aimed particularly at Latin American countries such as Chile and predictably the reaction in Latin America reflected this recognition.

On its face, this approach sounded reasonable since the United States has traditionally—and properly—demanded that property belonging to its citizens be reasonably compensated when that property is nationalized by a foreign government. However, Latin Americans have criticized three aspects of the January 19th statement; first, the fact that the United States would apparently decide unilaterally what international law applies to expropriation; secondly, that the standard of judgment as to what constitutes fair and reasonable compensation would be left to the United States alone; and third, that the principle of multilateralism would be undermined by interfering with decisions of institutions such as the World Bank and the Inter-American Bank.

Where, then, do we go from here? How can we move toward a better relationship between us and Latin America? Last year a brilliant young Colombian economist and friend of the United States wrote: "It is doubtful that any new Inter-American initiative can be undertaken until after the Vietnam tragedy has come to an end." But I'm afraid we don't have time. Latin America's problems won't wait and its people won't wait. In one way or another—with or without the United States—Latin Americans will have to come to grips with their problem. This is going to require change and some of it—perhaps most of it—we will not like but we will simply have to learn to accept.

As we look ahead we can be certain that there will be disappointments for the people of Latin America and for ourselves. There will be many upheavals and dislocations. A number of times we will certainly not like what we see. But we have no choice in the matter. If we turn our backs now we invite catastrophe for the hemisphere. Intrude where we are not wanted and we risk grave consequences. Above all else, we must always remember that the job of fulfilling the vision of Latin America must be done primarily by Latin Americans for Latin Americans and in a Latin American way.

The Spanish poet Antonio Machado some time ago wrote words that are today recalled by Latin Americans as they grope for solutions to their long-standing social and economic problems: "Traveler, there is no path. Paths are made by walking".

The 270 million people of Latin America are today trying to make their own path. We in the United States can help them find it with assurance of our cooperation and understanding and support.

This is no time for bargain basement tactics on our part. This is no time for diplomatic doubletalk. This is no time for turning our backs on our own hemisphere or for allowing other concerns to interfere with hemispheric goals.

Rather, this is the time for us to express our strong commitment to the people of Latin America, in recognition of how much depends on our support and cooperation. If we do this—if we reject the recipes offered by the cynics and the do-nothings and the know-nothings—if our actions are guided by our faith in the power of international cooperation—then I am confident that we can move forward together toward a brighter tomorrow in a hemisphere free from war and free from want.

DISASTER RELIEF

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

Mr. GROSS. Mr. Speaker, I am today introducing legislation which would permit parcels to be mailed free of postage from any post office within the United States to any area designated a major disaster area by the President.

The parcels could be addressed specifically to individuals or to the Office of Emergency Preparedness in the locality of delivery for use as the OEP deems appropriate. Provision is made for the OEP and the Postal Service to issue regulations and to assure that the contents of the parcels would be suitably and reasonably related to disaster efforts.

Historically, the American people have opened their hearts and their purses to their fellowmen in time of need and in time of major disasters. Generally, while governmental agencies are geared up to provide assistance, help from friends, neighbors, and concerned citizens around the country is already on the way in the form of packages of food and clothing, and these are usually the items which are first needed.

From reports I have received, particularly from the Wilkes-Barre and Harrisburg areas of Pennsylvania, food and clothing parcels from all over the country were already in the mails before the floodwaters had started to recede.

The bill I have introduced would permit people to mail these packages for a limited period of time at no cost to themselves and would, I think, encourage fuller participation by the American people in aiding the victims of major disasters. The bill provides that the Postal Service would be reimbursed for the cost of handling these parcels through a separate appropriation from the Congress.

The President has called upon the Congress to appropriate large sums of money to help assist the present victims of the widespread disaster caused by hurricane Agnes. The enactment of my bill, I believe, would enable each American citizen to participate more completely in relief efforts of this kind.

I think it is fair and reasonable and hope it can be enacted so that its provisions can be put into effect in future disasters.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ASPINALL, from 4 p.m., July 20, 1972, until noon, July 24, 1972, on account of official business.

Mr. DULSKI (at the request of Mr. Boggs), for today through Friday, July 21, on account of death in his family.

Mr. ROONEY of New York (at the request of Mr. O'NEILL), for Wednesday, July 19, 1972, on account of illness—smog infection in eyes.

Mr. SHIPLEY (at the request of Mr. O'NEILL), for July 17 through July 20, on account of official business.

Mr. SEIBERLING (at the request of Mr. O'NEILL), for today and Thursday, July 20, on account of illness.

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. HOWARD, today, for 60 minutes, to revise and extend his remarks, and to include extraneous matter.

Mr. HARSHA, for 10 minutes, today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. CARLSON), to revise and extend their remarks, and to include extraneous matter:)

Mr. DON H. CLAUSEN, today, for 10 minutes.

Mr. FREY, today, for 10 minutes.

Mr. KEMP, today, for 15 minutes.

Mr. FINDLEY, today, for 5 minutes.

Mr. FRENZEL, today, for 10 minutes.

(The following Members (at the request of Mr. MAZZOLI) and to revise and extend their remark and include extraneous matter:)

Mr. FAUNTROY, for 5 minutes, today.

Mr. GONZALEZ, for 10 minutes, today.

Mr. BEGICH, for 10 minutes, today.

Mr. ASPIN, for 5 minutes, today.

Mr. HAMILTON, for 10 minutes, today.

Mrs. ABZUG, for 10 minutes, today.

Mr. ST GERMAIN, for 5 minutes, today.

Mr. WAGGONER, for 60 minutes, on July 24.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BARRETT, immediately following Mr. PATMAN's remarks during general debate in the Committee of the Whole today.

Mr. VANIK, during his special order of today, to revise and extend his remarks, and to include extraneous matter, notwithstanding it exceeds two pages of the CONGRESSIONAL RECORD and estimated by the Public Printer to cost \$1,530.

(The following Members (at the request of Mr. CARLSON) and to revise and extend their remarks and include additional matter:)

Mr. ERLNBORN.

Mr. DUNCAN.

Mr. LANDGREBE in five instances.

Mr. SCHWENGEL.

Mr. QUIE.

Mr. SHOUP in two instances.

Mr. DON H. CLAUSEN.

Mr. KEATING.

Mr. PETTIS.

Mr. THONE.

Mr. ROUSSELOT.

Mr. HOSMER in two instances.

Mr. WYMAN.

Mr. SCHERLE.

Mr. WHITEHURST in two instances.

Mr. DU PONT.

Mr. CLEVELAND.

Mr. ZWACH.

Mr. DAVIS of Wisconsin.

Mr. HUNT.

Mr. HOGAN in 10 instances.

Mr. BELCHER.

Mr. WINN.

Mr. BELL.

Mr. RAILSBACK.

Mr. QUILLIN.

Mr. ANDERSON of Illinois.

Mr. SCHMITZ in five instances.

Mr. BRAY in two instances.

Mr. SMITH of New York.

Mr. STEIGER of Wisconsin.

Mr. RUPPE.

Mr. COUGHLIN.

(The following Members (at the request of Mr. MAZZOLI) and to revise and extend their remarks and include additional matter:)

Mrs. HICKS of Massachusetts in two instances.

Mr. BEGICH in two instances.

Mr. GONZALEZ in three instances.

Mr. GRIFFIN.

Mr. MEEDS.

Mr. WALDIE in three instances.

Mr. O'NEILL.

Mr. CHAPPELL.

Mr. DINGELL.

Mr. TIERNAN.

Mr. HATHAWAY.

Mr. HARRINGTON.

Mr. RARICK in three instances.

Mr. ECKHARDT.

Mr. SYMINGTON.

Mrs. ABZUG in 10 instances.

Mr. DOW.

Mr. HUNGATE.

Mr. DANIEL of Virginia.

Mr. STOKES.

Mr. PICKLE in two instances.

Mr. COTTER.

Mr. NICHOLS.

Mr. PIKE.

Mr. BEVILL in two instances.

Mr. DE LA GARZA.

Mr. POAGE.

Mr. MOORHEAD in five instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 387. An act for the relief of Uhel D. Polly; to the Committee on the Judiciary.

S. 1076. An act to provide for the striking of medals in commemoration of Jim Thorpe; to the Committee on Banking and Currency.

S. 2441. An act to authorize the Secretary of the Interior to conduct a study to determine the feasibility and desirability of protecting and preserving the Great Dismal Swamp and the Dismal Swamp Canal; to the Committee on Interior and Insular Affairs.

S. 2475. An act for the relief of Robert J. Ebbert and Design Products Corp., Troy, Mich.; to the Committee on the Judiciary.

S. 2750. An act for the relief of the estate of Albert W. Small; to the Committee on the Judiciary.

S. 3545. An act to amend section 7 of the Fishermen's Protective Act of 1967; to the Committee on Merchant Marine and Fisheries.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1997. An act for the relief of Joseph F. Sullivan;

H.R. 3751. An act for the relief of Albert W. Reiser, Jr.;

H.R. 5237. An act to carry into effect a provision of the Convention of Paris for the Protection of Industrial Property, as revised at Stockholm, Sweden, July 14, 1967.

H.R. 6739. An act for the relief of Cpl. Michael T. Kent, U.S. Marine Corps Reserve; and

H.R. 7829. An act for the relief of Stephen H. Clarkson.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2359. An act for the relief of Willard O. Brown.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on the following days present to the President, for his approval, bills of the House of the following titles:

On July 18, 1972:

H.R. 15869. An act to extend for 90 days the time for commencing actions on behalf of an Indian tribe, band or group.

On July 19, 1972:

H.R. 1997. An act for the relief of Joseph F. Sullivan;

H.R. 3751. An act for the relief of Albert W. Reiser, Jr.;

H.R. 5237. An act to carry into effect a provision of the Convention of Paris for the Protection of Industrial Property, as revised at Stockholm, Sweden, July 14, 1967;

H.R. 6739. An act for the relief of Cpl. Michael T. Kent, U.S. Marine Corps Reserve; and

H.R. 7829. An act for the relief of Stephen H. Clarkson.

ADJOURNMENT

Mr. MAZZOLI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly the House adjourned until tomorrow (at 6 o'clock and 49 minutes p.m.), Thursday, July 20, 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:

2175. A letter from the Secretary of Labor, transmitting a draft of proposed legislation to amend the Age Discrimination in Employment Act of 1967 to extend the act to State and local governments; to the Committee on Education and Labor.

2176. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of proposed legislation to promote the effective administration of Federal employee insurance and annuity compensation; to the Committee on Education and Labor.

2177. A letter from the Acting Assistant Secretary of the Interior, transmitting a copy of a proposed concession contract for the continued provision of medical, dispensary, and hospital facilities and services for the public within Yellowstone National Park, Wyo., for a 5-year term ending March 31, 1976, pursuant to 67 Stat. 271 and 70 Stat. 543; to the Committee on Interior and Insular Affairs.

2178. A letter from the Commissioner, Immigration and Naturalization Service, 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.

2179. A letter from the Federal Cochairman, Ozarks Regional Commission, transmitting a copy of the Ozarks Regional Action plan, pursuant to section 503(a)(2) of the Public Works and Economic Development Act of 1965; to the Committee on Public Works.

RECEIVED FROM THE COMPTROLLER GENERAL

2180. A letter from the Comptroller General of the United States, transmitting a report containing suggestions for changes in U.S. funding and management of pacification and development programs in Vietnam, administered by the Civil Operations for Rural Development Support organization, Department of Defense, Department of State, Agency for International Development; 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. MORGAN: Committee on Foreign Affairs. S. 3645. An act to further amend the U.S. Information and Educational Exchange Act of 1948 (Rept. No. 92-1225). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARING: Committee on Interior and Insular Affairs. H.R. 7295. A bill to authorize and direct the Secretary of Agriculture to classify as wilderness the national forest lands known as the Lincoln Back Country, and parts of the Lewis and Clark and Lolo National Forests, in Montana, and for other purposes; with amendment (Rept. No. 92-1226). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN (for himself and Mr. WIDNALL):

H.R. 15935. A bill to provide additional relief to the victims of Hurricane and Tropical Storm Agnes, and to the victims of the South Dakota Flood Disaster, and for other purposes; to the Committee on Banking and Currency.

By Mr. ADDABBO:

H.R. 15936. A bill to permit collective negotiation by professional retail pharmacists with third-party prepaid prescription program administrators and sponsors; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H.R. 15937. A bill to provide for the promulgation of Federal standards of performance for emission control devices or systems designed to prevent or reduce air pollution emission from used vehicles; to the Committee on Interstate and Foreign Commerce.

H.R. 15938. A bill to amend the Internal Revenue Code of 1954 to impose an excise tax on fuels containing sulphur and on certain emissions of sulphur oxides; to the Committee on Ways and Means.

By Mr. BURLISON of Missouri:

H.R. 15939. A bill to amend the Soil Conservation and Domestic Allotment Act, to provide for an Ozark Region environmental conservation program; to the Committee on Agriculture.

By Mr. CHAPPELL:

H.R. 15940. 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. CURLIN:

H.R. 15941. A bill to amend certain provisions of the Federal Food, Drug and Cosmetic Act; to the Committee on Interstate and Foreign Commerce.

By Mr. FRENZEL:

H.R. 15942. A bill to authorize the National Science Foundation to conduct research, educational, and assistance programs to prepare the country for conversion from defense to civilian, socially oriented research and development activities, and for other purposes; to the Committee on Science and Astronautics.

By Mr. GUDE:

H.R. 15943. A bill to amend the Public Health Service Act and the Federal Food, Drug, and Cosmetic Act to assure that the public is provided with safe drinking water, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LUJAN:

H.R. 15944. A bill to authorize grants to the Deganauidah-Quetzalcoatl University; to the Committee on Education and Labor.

By Mr. PATMAN:

H.R. 15945. A bill to amend title 38 of the United States Code to provide that certain beneficiaries of national service life insurance policies may elect lump sum settlements after attaining age 65; to the Committee on Veterans' Affairs.

By Mr. STEIGER of Arizona:

H.R. 15946. A bill to amend Public Law 87-279 to permit the Secretary of the Interior to administer electric utility systems constructed and operated as a part of an irrigation system; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of Texas (by request):

H.R. 15947. A bill to amend title 38 of the United States Code to provide for the automatic guaranty of mobile home loans; to the Committee on Veterans' Affairs.

By Mr. BARRETT (for himself and Mr. FLOOD):

H.R. 15948. A bill to provide additional relief to victims of Hurricane and Tropical

Storm Agnes, and for other purposes; to the Committee on Banking and Currency.

By Mr. BELL:

H.R. 15949. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended; to the Committee on Interior and Insular Affairs.

By Mr. BLATNIK:

H.R. 15950. A bill to amend section 125 of title 23, United States Code, relating to highway emergency relief to authorize additional appropriations necessary as a result of recent floods and other disasters; to the Committee on Public Works.

By Mr. BLATNIK (for himself, Mr. JONES of Alabama, Mr. WRIGHT, Mr. CLARK, Mr. JOHNSON of California, Mr. ROBERTS, Mr. KEE, Mr. DON H. CLAUSEN, and Mr. SNYDER):

H.R. 15951. A bill to authorize the Secretary of the Army to undertake a national program of inspection of dams; to the Committee on Public Works.

By Mr. FLOOD:

H.R. 15952. A bill to provide additional relief to victims of Hurricane and Tropical Storm Agnes, and for other purposes; to the Committee on Banking and Currency.

By Mr. GROSS:

H.R. 15953. A bill to provide free postage for parcels mailed to disaster areas; to the Committee on Post Office and Civil Service.

By Mr. GRAY (for himself Mr. COLMER, Mr. WHITTEN, Mr. GRIFFIN, and Mr. MONTGOMERY):

H.R. 15954. A bill to provide that the Federal building to be constructed in Aberdeen, Miss., shall be named the "Thomas G. Abernethy Federal Building"; to the Committee on Public Works.

By Mr. HECHLER of West Virginia:

H.R. 15955. A bill to provide for the conversion of dam No. 5 on the Big Sandy River in Kentucky to a fixed-type structure, and the repair of the same, in the interest of water supply and other benefits to local interests; to the Committee on Public Works.

By Mr. HUNT:

H.R. 15956. A bill to amend section 1331 of title 10, United States Code, in order to make certain persons eligible for nonregular retired pay if such persons served on active duty during the Vietnam era; to the Committee on Armed Services.

By Mr. ZWACH:

H.R. 15957. A bill to amend the feed grain and soybean programs to adjust price supports and payments to reflect increases in the cost of living, to remove transportation differentials in establishing price supports, and to provide price support premiums on grain with less moisture content; to the Committee on Agriculture.

By Mr. BEVILL:

H. Con. Res. 646. Concurrent resolution to collect overdue debts; to the Committee on Ways and Means.

By Mr. BIESTER (for himself, Mr. FRENZEL, Mr. MIKVA, Mr. ALEXANDER, Mr. RODINO, Mr. SHOUP, and Mr. YATES):

H. Res. 1044. Resolution authorizing employment of senior citizen interns for Members of the House of Representatives to the Committee on House Administration.

By Mr. MOORHEAD:

H. Res. 1045. Resolution authorizing employment of senior citizen interns for Members of the House of Representatives; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. MOSS introduced a bill (H.R. 15958) for the relief of Charles S. Gordon; to the Committee on the Judiciary