

AMENDMENTS NOS. 924 AND 925

Mr. GAMBRELL. On behalf of Senator CHILES and myself, I submit for printing, but not to call up, amendments to the pending committee substitute, one being an amendment which seeks to limit the jurisdiction of the Federal district courts in respect to school busing orders, and providing that in the event that busing is provided for, it should be provided for in a uniform way throughout and across the country, and defining what is uniform adopted busing policy throughout the United States.

The second amendment that I send to the desk for printing is likewise an amendment to the pending committee substitute. This is a clarification and adaptation which was previously adopted by the Senate to the school desegregation bill when it was passed last spring. The bill at that time was amended by the Senator from Florida (Mr. CHILES), and Senator CHILES and I are offering this amendment to the pending legislation to be considered by way of clarifying the committee's report on that subject.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. GAMBRELL. Mr. President, I ask unanimous consent that the two amendments to the committee substitute be printed at this point in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 924

On page 699, line 20, strike out the words "a final" and insert in lieu thereof the word "any".

On page 711, strike lines 15 through 20, and insert in lieu thereof the following:

"(c) Notwithstanding any other provision of this title, sums appropriated pursuant to section 704, and apportioned to a State pursuant to section 705, shall be available for grants to and contracts with any local educational agency in such State which is eligible to receive financial assistance under section 706(a)(1)(A)(i) of this title, to assist such agency in carrying out programs or projects referred to in section 707 of this title, and as set forth in the plan of desegregation undertaken pursuant to order of court, and no further conditions

shall be established by the Secretary, or any other official of the United States Government in order to establish the eligibility of such agency to receive grants or contracts under this title."

AMENDMENT No. 925

At the end of the bill add the following new Section:

"Sec. —. (a) Notwithstanding any other law or laws, no court of the United States shall have jurisdiction or authority to enforce any order or judgment to the extent that it provides for the assignment or requirement of any public school student to attend a particular school because of his or her race, creed, or color, until—

(1) Appeals in connection with such order or judgment have been exhausted, or in the event no appeals are taken, until the time for such appeals has expired; and

(2) Plans, approved by competent judicial authority, providing for the racial desegregation of schools without regard to the origin or cause of existing segregation, shall have been adopted uniformly throughout the United States.

"(b) Plans referred to in Subsection (A) (2) hereof shall not be deemed to "have been uniformly adopted throughout the United States" until—

(1) Such plans have been adopted in school systems containing not less than 75 per centum of the public school population of the United States; or

(2) Such plans are in effect in not less than 75 of the 100 most populous school systems in the United States which have total minority student population greater than 15 per centum and such plans are in effect in 75 per centum of the States of the United States having a minority public school student population greater than 15 per centum.

"(c) The Attorney General of the United States is authorized to initiate appropriate actions in the Federal District Courts of the United States seeking the desegregation of public schools under plans as provided for in Subsection (A) (2) hereof, and no plan of public school desegregation shall qualify for consideration under Subsection (A) (2) hereof unless and until the Attorney General has been made or become a party to the action pursuant to which judicial approval of such plan has been given."

QUORUM CALL

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum

and I assume that this will be the final quorum call of the day.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

PROGRAM

Mr. BYRD of West Virginia. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 9:15 a.m. After the two leaders have been recognized, the following Senators will be recognized, each for not to exceed 15 minutes and in the order stated: Senators TUNNEY, GAMBRELL, and STENNIS.

At the conclusion of the unanimous-consent orders recognizing Senators, there will be a period for the transaction of routine morning business, not to extend beyond 10:30 a.m., with statements therein limited to 3 minutes.

At the hour of 10:30 a.m., the Senate will resume the consideration of amendment No. 923 by the distinguished majority leader and the distinguished minority leader—an amendment to the Allen amendment, No. 922. Under the limitation of time on amendments, time on amendment No. 923 will be limited to 2 hours. Rollcall votes tomorrow are very probable.

ADJOURNMENT UNTIL 9:15 A.M.
TOMORROW

Mr. BYRD of West Virginia. 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 9:15 a.m. tomorrow.

The motion was agreed to; and (at 4:53 p.m.) the Senate adjourned until tomorrow, Thursday, February 24, 1972, at 9:15 a.m.

HOUSE OF REPRESENTATIVES—Wednesday, February 23, 1972

The House met at 12 o'clock noon.

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

Peace be to the brethren and love with faith, from God the Father and the Lord Jesus Christ.—Ephesians 6: 23.

O Thou Kindly Light of our pilgrim way, we come confessing that in the rush of busy hours we often forget Thee and neglect to climb the stairs to the upper room where for awhile we may be alone with Thee and have our faith restored, our hope renewed, and our love be given new life. Forgive us, our Father, and make us mindful of Thy presence as we face the duties of this day.

We pray for our Nation. Help her to be strong in Thee and in the power of Thy might that justice may reign in the

minds of men and peace may rule in the hearts of our people.

"O God, may Thy spirit protect our dear land,
In mercy assist her to faithfully stand
For justice and honor through all of her days,
One people united to serve Thee in praise."

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.

WELCOME TO ROTC CADETS

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

Mr. SIKES. Mr. Speaker, I wish to take this opportunity to welcome ROTC cadets from all over the Nation to Washington this week. I am sure that the membership of the House joins me in this cordial welcome.

Some 250 young men, representing the various ROTC detachments on a number of college and university campuses have been selected by the Department of Defense to attend the Reserve Officers Association's 2-day conference, which also marks that major national organization's 50th anniversary.

This is the first assembly of its kind

for ROTC representatives. In Washington they will exchange views with national leaders such as Secretary of Defense Laird, with other Defense officials, and with Senate and House leaders. Included will be briefings on defense and national security.

They will lay a wreath on the Tomb of the Unknown Soldier, among many activities, all designed to further their knowledge of government and country.

The cadets will visit Capitol Hill for a breakfast under the sponsorship of Senator THURMOND, who is a past national president of the Reserve officers. They will also meet with other leaders in ROA.

These serious-minded young men will be a bulwark of tomorrow's Armed Forces and because of their conscientious dedication, they have already shown they will be among the Nation's leaders in industry and commerce.

Cadets, let this visit be among your most meaningful. Learn well the lessons that await you here. And again, a warm welcome from the Congress of the United States.

INCREASE IN SOCIAL SECURITY BENEFITS

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

Mr. MILLS of Arkansas. Mr. Speaker, I am today introducing a bill which would provide a 20-percent increase in social security benefits effective June 1, 1972, in substitution for the 5 percent that was contained in H.R. 1, as it passed the House last year.

On passage of H.R. 1 last year, I began to make a further analysis and study of the entire social security cash benefit program. I have concluded, as did the Advisory Council on Social Security, that on the basis of the tax projected in H.R. 1, we are overfinancing the fund, accumulating far too much of an excess amount of money. So my bill would reduce the rates of tax actually which are set forth in H.R. 1 as it passed the House, and at the same time increase the benefits by 20 percent across the board.

The trust fund will remain completely and totally sound actuarially.

This will mean an increase in the average benefit from \$133 a month to \$162 a month; from \$222 a month to \$269 a month for the aged couple; and from \$114 to \$153 a month for aged widows. These people will still be at or below a poverty level of income if this is the only source of income they have. I think they are the people most in need of our assistance and our attention.

I am very pleased it has developed that these kinds of changes can be made within the social security cash payments without jeopardizing the fund or without requiring 1 cent of money to be transferred from the general fund into the social security fund.

I hope this matter will be considered by the Senate in connection with the bill they now have in the Finance Committee, H.R. 1, and that this figure can be substituted for the 5 percent that is in the House-passed bill.

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

Mr. MILLS of Arkansas. I am glad to yield to the majority leader.

Mr. BOGGS. I should like to commend the gentleman for his statement. The gentleman probably knows more about this subject than any other Member of Congress, either in this body or in the other body.

I gather from the gentleman's statement that what he would like to see happen would be acceptance of this figure, 20 percent across the board by the Senate so that it may be accepted in the conference on the welfare bill.

Mr. MILLS of Arkansas. I should like for the Senate to use it as an amendment in lieu of the 5 percent, and let us face it in conference with them, which is the quickest way to enact it.

Mr. BOGGS. Which would expedite consideration of it?

Mr. MILLS of Arkansas. Exactly.

Mr. BOGGS. I thank the gentleman.

Mr. MILLS of Arkansas. Mr. Speaker, at a later point in the RECORD today I shall include a complete analysis of my proposal.

PROVIDING FOR CONSIDERATION OF H.R. 12931, RURAL DEVELOPMENT ACT OF 1972

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 829 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 829

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. 12931) to provide for improving the economy and living conditions in rural America, and all points of order against said bill for failure to comply with the provisions of clause 4, rule XXI, are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. 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.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 48]

Ashbrook	Bergland	Camp
Baring	Blatnik	Celler
Barrett	Brown, Ohio	Chappell

Chisholm	Kemp	Rees
Clark	Koch	Reid
Clay	Leggett	Roe
Collins, Ill.	Long, La.	Rooney, Pa.
Conyers	McCloskey	Sarbanes
Danielson	McEwen	Scheuer
Diggs	Macdonald,	Seiberling
Dowdy	Mass.	Stanton,
Dwyer	Martin	James V.
Edwards, La.	Metcalfe	Steed
Gallagher	Mitchell	Stokes
Goldwater	Mizell	Talcott
Gray	Monagan	Taylor
Gubser	Moorhead	Teague, Tex.
Hawkins	Murphy, N.Y.	Tiernan
Hébert	Nix	Wiggins
Heinz	Patman	Wilson, Bob
Hillis	Pryor, Ark.	Zablocki
Ichord	Rollsback	

The SPEAKER. On this rollcall 368 Members have answered to their names, a quorum.

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1746. An act to further promote equal employment opportunities for American workers.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 960. "An act to designate the Sycamore Canyon Wilderness, Coconino, Kaibab, and Prescott National Forests, State of Arizona".

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

S. 2515. An act to further promote equal employment opportunities for American workers.

S. 3197. An act to increase the dollar limitation on the cost for construction of Federal Reserve branch buildings.

The message also announced that the Vice President, pursuant to Public Law 84-1028, appointed Mr. PASTORE, Mr. CANNON, Mr. ALLOTT, and Mr. STEVENS to be members of the Board of Visitors to the U.S. Air Force Academy.

The message also announced that the Vice President, pursuant to Public Law 84-1028, appointed Mr. INOUE, Mr. HUMPHREY, Mr. YOUNG, and Mr. GOLDWATER to be members of the Board of Visitors to the U.S. Military Academy.

The message also announced that the Vice President, pursuant to Public Law 80-816, appointed Mr. MAGNUSON, Mr. BYRD of Virginia, Mr. PELL, and Mr. BOGGS to be members of the Board of Visitors to the U.S. Naval Academy.

PERSONAL EXPLANATION

Mr. BROWN of Ohio. Mr. Speaker, I missed the immediate preceding quorum call because I was in attendance at a meeting of a special study committee of the Committee on Government Operations with the Governor of Ohio with reference to a program on problems of the aging in which the people of that State are greatly interested.

I make this announcement for the benefit of my constituents who read the RECORD because I would like them to know that I was on the job and it was for that reason that I missed the quorum call.

APPOINTMENT OF CONFEREES ON H.R. 1746, EQUAL EMPLOYMENT OPPORTUNITY ACT OF 1971

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1746) to further promote equal employment opportunities for American workers, 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 Kentucky?

The Chair hears none, and appoints the following conferees: Messrs. PERKINS, DENT, HAWKINS, Mrs. MINK, Messrs. BURTON, CLAY, GAYDOS, WILLIAM D. FORD, BIAGGI, MAZZOLI, PUCINSKI, BRADEMANS, QUIE, ERLNBORN, BELL, ESCH, LANDGREBE, HANSEN of Idaho, STEIGER of Wisconsin, and KEMP.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED RE- PORTS

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

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RURAL DEVELOPMENT ACT OF 1972

The SPEAKER. The gentleman from Texas (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 829 provides an open rule with 2 hours of general debate for consideration of H.R. 12931, the Rural Development Act of 1972. Because sections 110, 111, 112, 117, and 201 of the bill violate the provisions of clause 4, rule XXI—appropriations in a legislative bill—points of order are waived for failure to comply with those provisions. The resolution also provides that the bill shall be read for amendment by titles instead of by sections.

The purpose of H.R. 12931 is to effect a program for rural America for better living conditions and employment opportunities in order to impede migration to metropolitan areas. The communities affected would have a population of not more than 5,500.

The authority of the Farmers Home Administration and the Soil Conservation Service would be expanded. Business type loans would be authorized for rural areas; farm properties would be appraised at market value rather than "normal value"; loans could now be made

for community facilities; the dollar limitation on authorizations for water and waste disposal grants would be eliminated, as well as the dollar limitation on planning grants. Planning grants would be authorized to State and local authorities without requiring that they be legally binding on the municipalities which benefit and planning grants would be permitted for solid waste disposal projects without the dollar limitation. In addition, the dollar limitation is eliminated on individual water and waste disposal loans.

The Farmers Home Administration would be authorized to make grants for comprehensive planning for the broader purpose of rural development.

The maximum amount of new unsold loans that may be held in the agricultural credit insurance fund at any one time would be increased from \$100 million to \$500 million.

The limit on the size of operating loans would increase from \$35,000 to \$50,000.

The Watershed Protection and Flood Prevention Act would be amended to broaden the authority of the Secretary of Agriculture.

It is estimated that the cost of the legislation during the current and 5 succeeding fiscal years could amount to \$280 million in additional grant authority annually.

This is very comprehensive and encompassing legislation which I will not go into further at this time, Mr. Speaker, and I urge the adoption of the rule in order that it may be considered.

Mr. HALL. Will the gentleman yield?
Mr. YOUNG of Texas. Gladly, Mr. Speaker.

Mr. HALL. Mr. Speaker, I wonder if the gentleman could tell us just a little bit more as to the background of why we should appropriate on a legislative committee's authorization bill, other than just the flat statement that that is the reason why points of order are waived?

Mr. YOUNG of Texas. Mr. Speaker, I will refer that question to the author of the bill, the chairman of the Committee on Agriculture.

Mr. POAGE. Mr. Speaker, I thank the gentleman for yielding.

We do not consider that this bill does make any appropriation. It does increase the number of authorizations, but we do not make any appropriations here.

Mr. HALL. I understood the distinguished gentleman from the Committee on Rules to say that that was the reason for the rule waiving all points of order.

Mr. POAGE. That was the reason.

Mr. HALL. Whether this is a transfer or whether it is just an authorization I do not know. Of course, there is no question that that is within the prerogative and the bailiwick of the Committee on Agriculture. I just want to know why points of order are waived.

Mr. POAGE. The reason is this: We do not think it involves any appropriation at all. However, the bill does involve bookkeeping within the Farmers Home Administration whereby they keep substantial sums of money in what we call the agricultural credit insurance fund. FHA brings in these notes that they buy and guarantee. This authorizes substan-

tially an increase of from \$100 million to \$500 million of unsold notes that they may hold in that fund. We do not consider that is any appropriation at all, because it is just a bookkeeping or housekeeping performance within the department. However, there is some question of the technicalities involved as to whether or not it complies with the rules. We thought it did, and our committee parliamentary thought we were safe, but there was a suggestion that we had better have such a rule. As I explained to the Committee on Rules yesterday, I did not think we needed it, but it cost nothing to ask for it, so we thought we would and be absolutely sure about it.

Mr. HALL. After all, this is all I was asking for that is exactly why the points of order are waived. I think I understand that now. Of course, the only cost of waiving points of order is the individual right of any Member of the House on the floor, also elected to the Congress, of making a point of order against a bill that does do this. I have no objection per se to a revolving fund of the Farmers Home Administration, which has a record of collections through the years of something over 106 percent of the taxpayers' money it uses.

To my mind, it is one of the good things that does need expanding under the watchful eye of this committee. But any time we repeatedly violate the rules of the House by waiving points of order, it represents a transgression against the Members' rights; and I think we have a right to that explanation on the floor, before voting on the rule proposing to make the legislation in order for consideration.

I thank the gentleman for yielding.

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

Mr. Speaker, let me say at the outset that I support this rule and that I support the bill.

Mr. Speaker, I concur with the statements just made by the gentleman from Texas (Mr. YOUNG).

There is one real good reason for supporting this bill. It is the increased authorization provided in section 104 for FHA grants for water and sewer facilities in small communities.

We hear almost daily in this Chamber about the tremendous burden the cities have been assuming due to the migration from our rural areas and small communities to the cities and that we must reverse this trend.

I agree that we should reverse this trend. However, in order to do this, we must give these small communities and rural areas help in providing the facilities and the jobs necessary to keep these people at home. To date, we have not been giving them this necessary assistance. We have placed increased burdens on these small communities in the area of pollution abatement. We have not, however, given sufficient thought to the fact that these communities do not have the resources or the tax bases necessary to carry these burdens.

Mr. Speaker, I just received a letter from the mayor of the small community of Oakwood, Ohio, a community with a population of 804 people, which sums

up the problems of small communities throughout America.

The mayor's letter reads, in part, as follows:

DEAR CONGRESSMAN: I need some information for a small town, like many other small towns in our country that have not progressed.

As you know, Oakwood has a railroad, two State highways and a river; yet we have very little industry and only a few business establishments. The essential ingredients needed to maintain and improve this town have always been cast aside. We now have a critical situation. This situation has caused me concern.

The State of Ohio has informed us that we must have a sewage plant, another fire truck, an ambulance service and changes in our water system. They failed to tell us how we are to pay for all this. So, you can see why I need information.

Mr. Speaker, there is not a Member in this Chamber from a rural area who has not received letters similar to this one by the score.

I understand that counsel has contacted FHA, and believe it or not, FHA estimates a potential backlog of \$12 billion worth of requests for help from small communities if funds are available. But, what has this Congress been doing about this need? Practically nothing; practically nothing. We have given these small communities too much lip service and too little financial assistance. It is high time that we gave them something to work with if we want to stop this migration to our cities.

Most of these people would like to stay on the farm or in their home communities where they know their neighbors and their neighbors know and care about them.

But we are forcing these people to move in search of employment. Industries will not locate in communities without water and sewer facilities. Without industries, there are no jobs. Today, we have an opportunity to help these small communities in their efforts to attract industry.

We have been doing far more in assisting our cities with their water and sewer problems than our rural areas. By comparison, last year this Congress appropriated \$500 million for sewer and water grants for the cities under HUD. In addition, \$200 million was carried over, making a total amount of \$700 million.

How much was appropriated for these rural areas, these small communities we talk so much about? Well, we appropriated \$100 million under the program, and the Bureau of Budget and Management released only \$44 million—\$44 million. This is a drop in the bucket when you have a potential need of \$12 billion.

We have outside my hometown, a little community called Portage, Ohio. Within the past few weeks the health department was checking on the wells of its inhabitants since the town is without a water system. Over 35 percent of the wells were found to be contaminated.

At the north end of my home county there is a little community called Perrysburg Heights, an unincorporated area, but they have 200 houses. A like percentage of these wells were found to have contaminated water.

They do not have the tax duplicate to support any kind of a do-it-alone bonding program. This community needs help from the Federal Government. It cannot turn to the State because the State needs help. Small communities, such as these, are calling on Congress for assistance. We can give them some additional assistance in this bill. We have an opportunity today to at least make a start toward helping these small communities help themselves. Today we can give them more than the hope and the lip service we have given them in the past.

Mr. Speaker, I think this is an important bill. I do not agree with every section in it, or with every amendment made by the committee, or with every amendment which will be proposed, but this one section is sufficient reason for every Member interested in rural America to vote for it.

I shall offer an amendment to increase the amount of money now provided for water and sewer grants for these communities. The committee has increased the authorization from \$100 to \$200 million. This amount is not enough when you have \$12 billion worth of potential requests. Why, we could use \$100 million in Ohio alone, and still not take care of our needs. So, let us make some minor adjustments in our spending priorities and help these communities fulfill some of their basic needs. Industry can then be attracted and jobs will follow. I am going to offer an amendment to increase this amount to \$500 million. If you are really interested in rural America you will support my amendment.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. TEAGUE).

Mr. TEAGUE of California. Mr. Speaker, I thank the gentleman for yielding me this time. I am not opposed to this rule, but I am opposed to some features of the bill. There are some bad sections and some good provisions which I like.

I might point out to the gentleman from Ohio (Mr. LATTI) that there are 17,000 Oakwoods throughout the country. If Oakwood gets its share of the total appropriations proposed under this bill it will get about \$8,000, so perhaps they can buy a second-hand ambulance because it will not be enough to build much of a sanitary system or provide those other requests or needs.

My objection to the bill is that it is a cruel hoax. We are raising unjust hopes throughout all the small communities of this country that they can come to the Federal Government and have all of their problems solved, and that simply is not correct.

I will speak more about this in general debate.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. POAGE. 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. 12931) to provide for improving the economy and living conditions in rural America.

The motion was agreed to.

The SPEAKER. The Chair appoints the gentleman from Georgia (Mr. FLYNT) to preside over the Committee of the Whole.

Will the gentleman from Michigan (Mr. O'HARA) kindly temporarily occupy the Chair as Chairman pro tempore.

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. 12931, with Mr. O'HARA (Chairman pro tempore) 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 pro tempore. Under the rule, the gentleman from Texas (Mr. POAGE) will be recognized for 1 hour, and the gentleman from California (Mr. TEAGUE) will be recognized for 1 hour.

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

Mr. POAGE. Mr. Chairman, I yield myself 15 minutes.

Mr. POAGE. Mr. Chairman, there was once a time in our Nation's history when the goal of great numbers of Americans was to leave our great cities and develop farms in the rural part of America.

When millions of people immigrated to this country during the 19th century and the early part of the 20th century, they were forced initially to settle in large cities like New York, Boston, and New Orleans. It is true that many of them have remained in those areas, but many were able to leave and to settle through our great land.

These good people have added immensely to the greatness of America. People of Czech, Irish, German, Polish, Scandinavian, Italian, and many other such backgrounds are not only found in our urban centers, but are found in virtually every village in America. America was truly a "melting pot" of culture and tradition.

There was a time when America was full of thriving small towns and these towns were, in a sense, the symbol of our Nation. But times have changed, and this change, while gradual, has been sad and tragic. Gradually, more and more Americans have concentrated in our major population areas until, at the present time, some 70 percent live on 2 percent of our land.

What has brought about this change? I believe that the simplest answer is that the opportunity to make a sufficient living in rural America has diminished dramatically. Basically, this means that farmers' income has not kept pace with that of the rest of the economy. During the past 20 years, wages have increased 340 percent, and pay of government employees has increased 430 percent.

Business and professional incomes have increased 200 percent. Stock dividends have increased 300 percent. During the same period farm food prices have increased only 7 percent.

It is true that farm efficiency has increased just as has the efficiency of labor,

but it is impossible for the increases in farm efficiency to have made up the difference between a 7-percent 20-year-food price increase when compared with a 340-percent wage increase. Yet today there are many bitter criticisms of farm food prices.

It was only last month that the price of live cattle equaled what it had been 20 years ago. Cotton, corn, and wheat are all selling for substantially less than they brought 20 years ago, and yet this very inequity in price has in itself accounted for a substantial part of the dislocation of farm families.

Obviously this insufficiency of income has resulted in further mechanization and the enlargement of our farms. While the development of complex tractors, reapers, and other farm machinery has in many ways been a blessing—a blessing to all of us—there is no doubt that it has eliminated a vast number of farm jobs.

The cotton economy, with which I have some familiarity, presents a stark example of this. Modern technology has virtually eliminated the need to chop or to pick cotton. Those two jobs in the past accounted for the biggest part of employment in our part of the country. This is true all over the country. New agricultural techniques and machinery have taken over many thousands of jobs. Those who once relied on this farm work have been forced to look for work elsewhere and, for the most part, they have turned to our great cities to find it.

Of course, the same thing has happened to all other crops. Great mechanical and technological advancements, including pesticides and fertilizers, have made it possible to grow a great deal more on a given amount of land. Not long ago 100 bushels of corn per acre was considered unheard of. Today it is something that is not at all unusual. This development means less acreage to cultivate, and therefore less labor.

Also, we must not overlook the fact that the American farmer has been severely hurt by the tremendous cost of the machinery he must have to compete with his neighbor. The number of American farmers has sharply decreased. Many have been forced to leave the farm for other jobs, again in the city. Many of those who remain on the farm will have to sell their farms before long because their children have no intention of continuing to operate the farm in view of the bleak prospects of success and the harsh living conditions thereon. They will probably try to find jobs in our cities.

When these people leave our farms, we see the local economy of our small towns suffering. What happens to the banker, the grocer, the doctor, the implement dealer, and even to the churches? They all suffer, and as a result we have today's situation. It is a most sad situation, and one who once knew a thriving town years ago, when he returns to it today, must have a feeling of sadness. Thousands of rural communities now exist simply upon old maps. Eventually they will be forgotten entirely and be but a shadow of the past.

Mr. Chairman, when rural Americans leave for our cities, it affects not only

rural America but it affects urban America as well, and just as severely.

A visit to the ghetto of any of our large cities will reveal that many of these residents once lived out in the country. When there was no work available in the country, they came to the city with the hope they could find work. In many instances they could not find it. Most came with good intentions but disappointment and despair awaited them. As a result our slums have grown, creating not only suffering for those who live there, but also for the entire city as well. Our welfare rolls have ballooned to astronomical heights. Poverty and frustration among those who are concentrated in our ghettos have contributed to crime and mistrust.

Mr. Chairman, at this point I want to commend the great efforts that have been made by our large cities and by their representatives. They have done their best to cope with the problem, but it appears that no solution is in sight. The answer cannot be to continually increase the welfare rolls.

This only adds to the problem. Obviously, we must try our best to halt the rush to the ghetto, and this is one of the goals of this bill we are bringing to the House today, this Rural Development Act of 1972.

Of course, it could be argued that at least some of these activities can be supplied by the urban agencies that are now in existence. The weakness is that too many of these agencies simply never get to the small towns and to the rural areas. They could provide some of the needed money but they have no organization in these areas and they have no plans to serve the country areas. On the other hand, the Farmers Home Administration and the Soil Conservation agencies already are present in the rural areas of the entire United States. There are some 4,700 offices all over the United States. They are not trying to displace anyone, and this bill does not displace any agency or take over the work of any existing agency. We are simply trying to let these existing agencies render needed service in areas where no other agencies now exist to fill the need.

Mr. Chairman, I will not take the time of our colleagues to discuss each section of this bill. The committee report contains what I think is a very good section-by-section analysis of the bill beginning on page 19 of that report, if Members care to read it, but I do think we should recognize just what we are doing.

As I see it, the first goal of the Rural Development Act is to stop the rural residents from leaving their homes because of poor living conditions. We cannot guarantee them a good income. That is not what this bill undertakes to do.

But it does attempt to give them better living conditions and to that extent make it practical to live in rural areas. If we can do this—make it attractive, and I think we can—we must try to make it desirable and possible for the people to return to rural America.

How does this bill try to deal with this monumental task? First, we propose to utilize the two agencies of the Department of Agriculture most familiar with the rural problems, the Farmers Home

Administration and the Soil Conservation Service. Between them these two agencies have, as I said a while ago, some 4,700 offices all over rural America. They have the employees who know the problems and the people of these communities. We feel that to utilize these existing agencies makes good sense. Our committee does not propose to create new agencies or departments. We feel this would be wasteful and it only creates more red tape and delay in attacking an emergency situation.

Briefly, we give the Farmer's Home Administration new areas of authority. We authorize loans to rural residents, including farmers, to establish and operate small businesses in rural areas, to try to create jobs in those areas.

We authorize loans to industry which will locate in rural areas, taking special care to prohibit industrial "pirating." These loans must be geared to improving the environmental climate of rural America by creating employment and otherwise improving life in rural areas.

Loans are permitted for community facilities and services, including fire houses, equipment, ambulances and rescue equipment. Civic centers will be built with these loans.

This legislation would permit grants to public bodies for the preparation of facilities designed to encourage rural development in areas such as industrial development. Again we take care to prohibit any industrial "piracy." Also, grants are authorized for the preparation of comprehensive plans of rural development.

Recognizing that it is vital that we should and must make every effort to combat and prevent the pollution of our environment, we authorize loans and grants for that purpose. We do not propose to reward those who do not sincerely try to fight pollution.

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

Mr. POAGE. Mr. Chairman, I yield myself an additional 2 minutes.

We do recognize that oftentimes the measures needed to prevent pollution are so costly that many farmers and businessmen simply cannot afford them and stay in business. One example of this can be found in the meatpacking industry today. Hundreds of small meatpacking plants are being forced to close their doors because they cannot afford the cost of improvements demanded by the fairly recently established Federal regulations. We feel that it is desirable to provide the type of financing which will enable such businesses to continue in operation and to meet the pollution and sanitary requirements of our Government. The alternative is for them to close and for additional rural residents to be without work.

We make other Federal programs, such as the Farmers Home Administration water and sewer programs under the Poage-Aiken bill and the Greenspan program, more flexible to meet the increased demands for program participation.

The small watershed and the resource, conservation and development programs of the Soil Conservation Service are made more flexible by providing assist-

ance in such areas as municipal and industrial water supply, water quality management, pollution abatement and control, and other areas such as rural fire protection and solid waste disposal.

We encourage joint participation with other Federal agencies such as HUD, SBA, and EDA. This is most desirable to avoid duplication and confusion.

We encourage additional participation of local banks and other financing institutions in these loans. This participation is needed and will be helpful to all concerned.

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

Mr. POAGE. Mr. Chairman, I yield myself 1 additional minute.

This bill will move much of the financial burden from the Government to private lending institutions. That is as it should be. It will do this by requiring the Federal agencies to guarantee private loans rather than making loans from appropriated funds.

We emphasize the need to locate new Federal institutions in rural America and call for accelerated progress in this area.

Mr. Chairman, I believe our committee worked long and faithfully on this bill. It does not take anything away from any city, but it does try to bring rural America more in line with urban America as far as Federal programs are concerned.

I hope the members of this committee will see fit to support this bill and vote down those amendments which, although they might be good on their own, would interrupt or defeat the purposes of this bill.

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

The CHAIRMAN. The time of the gentleman has expired.

Mr. POAGE. Mr. Chairman, I yield myself 2 additional minutes, and I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Mr. Chairman, I would like to say to the Members of this House something which I know is well known. The gentleman from Texas has been a Member of this House for many, many years. For the past 4 years he has served as the chairman of this committee. He has been exceedingly diligent in his efforts and in the interests of people from all sections of the country and more particularly those who live in rural areas, which, of course, is his assignment in the Congress. He has never been sectional in his efforts. He has devoted as much of his time to legislation which would benefit one section of the country as he has to another or to his own section.

We are proud of the service of Bob POAGE. We appreciate the exceedingly hard work he has done to bring this bill to the floor. I wish to commend him for his statement and would like to associate myself with the remarks he has made. I am proud to be a coauthor of the bill of which he is the chief author, and I commend the legislation to the further consideration of the Members of this body.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

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

Mr. SMITH of Iowa. Mr. Chairman, I want to second everything that the

gentleman from Mississippi said about the gentleman from Texas. The gentleman from Texas is certainly the most outstanding authority in this House in the field of agriculture.

I will not take any extended time to speak on this bill, because the gentleman from Texas has already said substantially everything necessary and some more, too. He made one of the best statements I have ever heard in this House on the real situation existing in this country concerning people moving from rural areas and into cities with almost all of the attention being put on the problems existing after they get there and not enough on the problems that caused them to go there.

I certainly want to commend the gentleman for his statement, and I am wholly in support of the bill.

Mr. POAGE. I thank my colleague from Iowa.

Mr. ALBERT. Mr. Chairman, would the distinguished chairman yield?

Mr. POAGE. I yield to the distinguished Speaker.

Mr. ALBERT. Mr. Chairman, I commend the distinguished gentleman from Texas and his great committee on bringing this bill to the floor.

The Rural Development Act of 1972 has been assigned a high priority for this session by the House leadership.

This legislation will fill a vacuum in national policy. The regrettable truth is that rural America, once the heartland of this Nation, has been in steady decline since World War II. Our national population has increased by more than 50 million during that period, but there are 23 million fewer rural dwellers than there were in 1945. Americans have been pouring into the cities at such an overwhelming rate over the last quarter of a century that 75 percent of us now occupy only 2 percent of the available living space. Our problem is not overpopulation, it is overconcentration of people and the need to disperse them over a land which can easily support our present populace and many more if necessary.

To those who say we cannot afford a rural development program at this time, I reply that we cannot afford not to initiate measures like the ones incorporated in this legislation. The movement of people into urban centers has not resulted merely in a shift of numbers, it has had a disastrous effect on the quality of life in rural America. As people have moved out, communities have eroded and local businesses have gone under. Unemployment is endemic in the absence of economic opportunity. More than 14 million of this Nation's 25 million poor live in rural America. Sixty percent of our inadequate housing is found outside city limits. There are 30,000 small towns without a water system, and more than 30,000 communities without adequate waste disposal.

In virtually every facet of day-to-day life, rural Americans lag far behind the rest of us. Be it education, health, jobs, power, transportation, or the amenities city dwellers regard as commonplace, rural people in general go without. Over 130 rural communities have been identified as having no doctor, and as a result

one-half of all maternal deaths in the United States are in small towns, the infant mortality rate is one-third higher, and there is a 30 to 40 percent higher rate of death and disability from accidents. It is little wonder that the Secretary of Agriculture has predicted we will have 40 percent fewer rural dwellers by 1980.

The question is: Where are they to go? Our cities are at the bursting point, choking in traffic, pollution, deteriorating housing, and mass humanity. Crime and drugs proliferate, as do all forms of aberrant behavior under the stress of overcrowding. Reversing the immigration to cities is in the national interest, and it could be crucial to our future to start the process now.

The bill reported out of the Committee on Agriculture is an important first step. It will authorize new loan and grant programs to finance the creation of new business, industry, and employment in rural America. Where jobs are, people go. And where industries locate, communities are formed. I am optimistic that the provisions of this bill will start a regeneration of America's countryside by making it economically feasible for industry to relocate and by providing a stimulus for new enterprises.

A broad enhancement of the quality of life in rural America is contemplated in this bill. It will help build community centers and provide needed fire and rescue services. It will double the present authorization for water and waste disposal construction grants. It will raise the loan limit in the agricultural credit insurance funds from \$100 million to \$500 million for expanded support for economic development, pollution control, watershed protection, flood prevention, and resources conservation and development. It will give the Secretary of Agriculture new authority to share the costs of water quality management, land utilization, and agricultural waste management. And it will give priority to the locating of new Federal facilities and offices in rural areas.

These programs may well be the catalyst for a long-overdue revitalization of rural America. They can help reverse the rush to the cities and hopefully bring new purpose and new hope for the future to the forgotten Americans scattered across the breadth of this country in communities scarred by decline and decay. The Rural Development Act will affect city and country dwellers alike. It will benefit all America, and I urge its speedy approval.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. TEAGUE).

Mr. TEAGUE of California. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I feel rather lonely down here, I might say.

Before telling you why I oppose this bill, I would like to join in the statements just made about the gentleman from Texas (Mr. POAGE). I have the greatest respect for him. While I disagree with him concerning many features of this bill, certainly there is no harder working or more sincere or more knowledgeable man in the field of agri-

culture than Mr. POAGE. Nevertheless I rise in opposition to H.R. 12931.

This is a bill that is both bitter and sweet; it is a bill that has some good features and some very bad ones. It is a bill that in many ways is well intentioned but in other ways raises false hopes that will surely be cruelly dashed in the future. This is a bill that I feel impelled to oppose because the negative aspects outweigh the positive aspects.

As the ranking Republican member of the Conservation and Credit Subcommittee, it has been my privilege to serve with the gentleman from Texas (Mr. POAGE) for a number of years. I know of his long-standing interest in and support of farm and rural legislation. I appreciate his authorship of the many important laws relative to soil and water conservation and waste control and abatement. Through the years I have been proud to have played a part in the development of a number of constructive and worthwhile programs in this area.

Thus I want to be constructive. There is no impediment against my support for the provisions of H.R. 12931 which—

First, use a market value appraisal in place of normal value appraisals for farm ownership loans.

Second, raise the \$100 million limit on the agricultural credit insurance fund—ACIF—to \$500 million.

Third, consolidate emergency and ACIF revolving funds.

Fourth, insure loans made in connection with Soil Conservation Service projects.

Fifth, increase the size of farm operating loans from \$35,000 to \$50,000.

Sixth, convert farm operating loans from an appropriated funding to an insured loan basis.

Seventh, remove the \$4 million ceiling on community water and waste disposal loans.

Eighth, provide for administrative improvements in FHA operations—bonding of employees, property disposition, and so forth.

Ninth, amend the Watershed and Flood Prevention Act to provide cost sharing for water quality management within the resource conservation and development areas.

Tenth, amend the Bankhead-Jones Farm Tenant Act to authorize cost sharing for water quality management within the resource conservation and development areas.

Eleventh, direct the Secretary to carry out a land inventory and monitoring program and report at not less than 5-year intervals on soil, water, and related resource conditions; and

Twelfth, authorize the Department of Agriculture to extend financial assistance to more desertland entrymen.

Yes, Mr. Chairman, these twelve items in the bill would make sound changes in existing law. They are all reasonable improvements and most importantly they are within the range of reasonable expectation of future funding.

Unfortunately, however, there are a number of other provisions in the bill which are either founded on unsound theory or are full of unrealizable dreams.

In our minority views on this bill, the gentleman from Oklahoma (Mr. BELCH-

ER) and the gentleman from Pennsylvania (Mr. GOODLING) and myself specifically questioned four new donation plans envisioned by this bill—plans, incidentally, which eventually will be measured in the billions of dollars, not in the millions described in the bill before us.

These four new grant programs should be thoroughly understood before the House votes upon this bill.

The first new grant authority would provide for pollution abatement and control grants to a great number of recipients including "public, private, or cooperative organizations organized for profit or nonprofit or to individuals." While the bill establishes an initial annual ceiling of \$50 million for these grants, the precedent established by this authority would be most unwise. Favored polluters would be rewarded for their action in a method diametrically opposite of the principle that when one goes into business and damages others, he should be required to pay for those damages—certainly the public should not be required to subsidize polluters.

I understand Mr. Dow of New York will have an amendment to correct this provision of the bill which certainly will have my support.

The second new grant authority would earmark \$25 million annually in grants to farmers and others for pollution abatement and control. This new authority would be vested in the Farmers Home Administration and would duplicate and overlap the existing rural environmental assistance program—REAP—currently being administered by the Agricultural Stabilization and Conservation Service. Unlike the REAP program which imposes a \$2,500 cost assistance ceiling, however, these new grants could be of unlimited size.

The third new grant authority would permit up to \$50 million per year to be donated to small towns, cities, or other public bodies for a host of rural economic development activities.

This may cut the potential benefit for Oakwood, Ohio, from \$7,000 to \$2,000. I seriously doubt that the proposed scope of these grants could ever begin to meet the anticipated demand for this new source of free money. There are over 16,000 small towns in the Nation. There are 3,000 counties and uncounted public bodies. Either most of these potential recipients will now seek a Federal grant or they will collectively collect billions of dollars, not millions.

There is not conceivably anywhere enough money to provide any meaningful amount of contribution to these thousands and thousands of eligible recipients.

The fourth new grant authority envisions \$10 million per year for planning. This, too, is in duplication of an existing program—in this case the "section 701" Housing Act grant authority that the U.S. Department of Agriculture now receives.

In addition to creating these four new grant programs, the bill also doubles the authorized level of two existing grant programs for the water and sewer program, liberalizes cost sharing on the small watershed and the resource con-

servation and development programs, and increases—by \$30 million annually—the authority for the Greenspan program of the U.S. Department of Agriculture.

In total, it authorizes in the neighborhood of \$300 million of new and unbudgeted donations by the Federal Government which simply does not have the money to give away.

On top of this, the bill would also expand low-cost Government-subsidized credit through the facilities of the Farmers Home Administration, and the loans would be at the rate of 5 percent. Again, this generosity must be tempered by realism.

I know, of course, that there is an "antipiracy" clause in the bill. It is designed to inhibit a rural area from raiding an urban area to entice business away. I wish those of you from urban areas would listen to this.

But do you believe such a provision can be effective? How can it possibly be enforced? And by whom?

Make no mistake about it, this bill has as its basic purpose the creation of favorable economic conditions in rural areas—economic conditions created by Government subsidy in a manner designed to engender greater business growth in rural areas. That policy is even more clearly articulated in section 401 of the bill which establishes a first priority for the location of Federal facilities in rural areas.

You Members from urban districts should fully understand that you are voting for a Government subsidy to transfer your jobs and your businesses to rural areas.

In conclusion, Mr. Chairman, I would make this one final point.

All the debate on this bill has presupposed we have some Federal resources to give. In fact, that is itself a cruel hoax. With a \$23 billion budget deficit last year, a \$39 billion deficit this year, and at least a \$26 billion deficit next year, I think it is most legitimate to ask that old question: "Where in the world are we going to get the money?"

In summary, Mr. Chairman, this bill has some good features. On the other hand, it contains enough unwise and unrealistic provisions to recommend its rejection.

Only in this fashion can we act responsibly to bring some true progress to farm and rural people while being fair to other American taxpayers as well.

Mr. TEAGUE of California. Mr. Chairman, I yield 7 minutes to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I too, want to join in the tribute paid to the chairman of our committee. In the entire field of agriculture there is no more knowledgeable man in this House.

Bos and I do not always agree but we have learned to disagree without being disagreeable. Good legislation is the result of divergent views.

Mr. Chairman, while I can agree with the objectives of this legislation to impart economic dynamics to rural America, I cannot agree with the use of grants to implement parts of this program. The use of grants is, considering our precarious financial position of the present, a resort

to fiscal folly, and this bad means defeats a good end.

In summary, this legislation authorizes at least \$300 million of new and unbudgeted donations by the Federal Government which simply does not have the money to hand out. I repeat that this is "unbudgeted" money, which would be superimposed upon a lopsided estimated \$40 billion fiscal 1972 deficit.

This whopping sum of money would be added to the vast sums of money the Federal Government already is handing out in the form of subsidies. Not too long ago, the House of Representatives—Senate Economic Committee issued a report which showed that various kinds of subsidies cost the Nation's taxpayers at least \$63 billion a year. That huge figure represents almost one-fourth of the total spending of the Federal Government, and it amounts to more than \$308 for every man, woman, and child in this country.

Let us look at the dismal financial picture which confronts us. The gross public debt of the United States currently is estimated to be in the area of \$425 billion. I would like to point out that when I came to Congress in 1961, that national debt figure was \$286 billion. This means that in 11 years, our national debt has skyrocketed by \$139 billion. I might add my voting record indicates I did not help create this debt.

It is a frightening prospect to realize that the Federal Government has to come up with over \$25 billion annually to meet the interest charge on this national debt figure. Translated into terms that are meaningful to the average person, the current gross national debt is a financial burden of \$2,031.80 for each man, woman, and child in the United States. In other words, for a family of four, the national debt bill for the current fiscal year stands at \$8,127.20. I would like to say, too, that those are conservative estimates.

We have gained the disreputable reputation in this Congress of being budget busters. Let us keep in mind that the budget deficit for the fiscal year ending June 30, 1971, was just under \$30 billion. The year before the deficit was \$13 billion. It is estimated that the deficit for the current 1972 fiscal year will be in the vicinity of \$40 billion. Those combined deficit figures are in excess of \$80 billion, and to my way of thinking this is something about which we should be gravely concerned.

Let us remember that inflation is America's No. 1 domestic problem today. The Congress enacted the Economic Stabilization Act of 1970 to place a harness on the wild horse of inflation. President Nixon is endeavoring to use the authority granted him under this act to put the rein on inflation. If, instead, we are going to use the spur, rather than the rein, then we will have a galloping inflation, which will take us down the road at a fast clip to fiscal insolvency.

For a moment think of this: Every minute that I stand here we are spending \$43,000 interest on our national debt. The grant features of this legislation before us would provide little assistance for the small farmer and would place a big burden on the taxpayer. Furthermore, it would add to the weight of the national debt millstone which undoubt-

edly will hang from the necks of our grandchildren unless we change our "wild spending ways." Let us delete these grants or defeat this bill.

In my opinion, proponents of this measure have an obligation to tell the Members of this House where they propose to acquire more than \$300 million of unbudgeted money.

I started my farming operation 50 years ago. It is difficult for me to stand here and oppose any bill designed to assist rural America, but is it not about time we forget emotional appeals and give some serious thought to the policy of fiscal folly we appear to have adopted in this Congress?

Mr. TEAGUE of California. Mr. Chairman, I yield such time as he may require to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Chairman, I am sure our colleagues in this Chamber today are well aware that I have long been an advocate of reversing the migration to our overcrowded urban centers. During the more than 9 years I have been privileged to serve in the Congress this has been one of the paramount priorities in my legislative program.

No social phenomenon has had a greater impact on the American style and standard of living than the wholesale abandonment of our rural areas. I think reasonable men will agree that the impact of this mass movement to the central city has not been beneficial either to the places from which these migrants have come or to the places where they have gone.

A growing number of rural areas are decaying while urban central cities are being choked from seemingly endless population pressures. Unfortunately, and inexplicably, the proposed solution for this universally recognized problem is to develop programs for the urban areas that, instead of discouraging immigration, have the effect of encouraging the continued flight from rural areas thus compounding both urban and rural problems.

The legislation before us today is helpful but hardly the answer to most related problems. The required solution must reflect a consideration of the total environment for future living not just a portion of the problem.

I am extremely hopeful that our Public Works Committee can develop a comprehensive legislative package that will coordinate all aspects of this issue to reverse the migratory trend toward large metropolitan areas.

First, any proposal should create the atmosphere for economic growth. The key to this is wise land use planning. Land use planning is of prime importance because it so closely affects people—all people. To my mind, land use planning involves the careful consideration, utilization, and conservation of all natural resources.

In addition, rural America desperately needs a balanced, integrated transportation system to reverse and redirect the imbalance in our population distribution and to promote and enhance economic growth.

Also, reform of the tax structure is desperately needed if we are to achieve the goal of rural development. Many goals are frustrated because of existing inequities in the tax structure at all levels of government and these must be removed.

In seeking to rebuild rural America and reduce the pressures on our great urban centers, Federal program must maximize the degree of coordination between the various political subdivisions at all governmental levels. Too many programs are formulated on the basis of Federal findings as to the national condition rather than on the local government decisions relating to the specific land problem at hand.

While I support the Rural Development Act of 1972, I feel strongly that we must do much more and that we must do it more rapidly. I shall continue to pursue this course.

Mr. TEAGUE of California. Mr. Chairman, I yield such time as he may require to the gentleman from North Carolina (Mr. MIZELL).

Mr. MIZELL. Mr. Chairman, I rise at this time to express my strong support for the efforts being made today to bring new life to rural America by providing new and enlarged opportunities for the millions of people living in our rural areas.

It is my privilege to serve as a sponsor of this legislation with Chairman POAGE and other members of the Committee on Agriculture, on which I serve.

Rural development has always been an issue of special interest to me, and I am most gratified to see this bill come to the floor with its promise of providing the greatest impetus to rural development in many years.

But I cannot let this debate be concluded without informing my colleagues of an effort I have made to incorporate the growing spirit of local initiative and the valuable asset of State planning into our new efforts to promote rural development.

Last November, I introduced my own comprehensive Rural Economic Development Act, which provided for a \$1 billion Rural Development Commission, patterned after the highly successful Appalachian Regional Commission but expanding the concept to a national scale to develop all of rural America.

The program I proposed encouraged the establishment of local rural development districts—multicounty areas pooling resources to plan and finance projects benefiting a large number of people.

In addition, the program would have provided for supplemental assistance funds to help local governments participate to a far greater extent in Federal grant-in-aid programs than their fiscal capabilities currently permit.

The entire \$1 billion authorization could have been used for supplemental assistance, with a potential investment-return ratio of up to 5 to 1 with effective use of available categorical aid.

Small communities and even metropolitan areas could have received limited assistance for projects, such as airport improvement, hospital construction, manpower training, and so forth, provid-

ing services and facilities with widespread use by the rural population.

The formula for State-by-State financial assistance was based on each State's percentage of rural population and level of personal income.

I regret that the committee bill does not include the innovative approach to rural development that I have proposed, but I intend to continue promoting my legislation as actively as possible, and hopefully gain additional support for this proposal which already has the endorsement of many of my colleagues.

For the present, however, we have before us a bill that goes a long way toward insuring more rapid progress and greater opportunity in rural America, and I strongly urge my colleagues to join me in voting for passage of this vital rural development bill.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. SKES).

Mr. SKES. Mr. Chairman, I strongly support H.R. 12931, the Rural Development Act of 1972, and I congratulate the distinguished gentleman from Texas (Mr. POAGE), the chairman of the Committee on Agriculture, and the members of that committee for bringing the bill to the floor. Not only should this bill be passed, it should have been passed years ago. For it attempts to deal with one of the most critical problems facing the Nation today—the revitalization of rural America.

I believe we can take effective steps toward solving the urban and environmental problems by embarking on a serious program to reverse the decay which has taken place in the rural areas of our country.

Recent statistics indicate 73 percent of our people live on only 2 percent of the land, a fact which is dramatic evidence of the problem of overcrowding and attendant problems of unemployment and crime. This statistic also gives us some insight into the reasons for concentrations of pollution of the air, water, and land.

But aside from these dangers, the real tragedy is that people are leaving the wide open spaces of the farmland and of rural America with clean air and sparkling waters for the virtual wasteland of the cities where too often the cancer of poverty spreads from parent to child and where moral stagnation breeds alarming increases in crime, drug addiction, and soaring welfare costs.

What is it that brings a man or woman to abandon the beauties and pleasures of rural America in exchange for the uncertainties of city life? Why is it that millions of Americans choose to walk away from a precious natural resource—the land—and pack themselves into what often become pockets of misery in urban areas?

Basically, people are leaving rural America because they cannot find the quality of life they desire for themselves or their children. In most instances, they simply cannot make a living. It is to this problem that we must address ourselves with all urgency.

We must view the problems of our age as directly traceable, at least in large measure, to the changing face of Ameri-

can society where many now look upon city life with all its shortcomings as more acceptable than a dead end rural life.

In short, Mr. Chairman, we must reverse the trend now upon us—not only for the sake of our cities and our ecology, but even more importantly for the continuation of this Nation's ultimate strength, the men and women who work and serve the land.

Therefore, we must develop legislation which will address itself directly to the problems of the rural areas.

First, we must provide necessary funding and program to bring about business and industrial growth in smaller communities in order to provide job opportunities as well as economic stability.

We must provide more and better schools and technical training centers which are accessible to those living in the towns and hamlets of our Nation. Those who desire to further their education or training should not be required to travel to a distant city in order to advance their knowledge or their basic skills.

We must provide more and better health care facilities so that those who choose to live in smaller communities have speedy access to hospitals and clinics which can meet their needs.

We must direct our attention to improved highway and transportation systems. The old concept of "farm to market" transportation is outdated and insufficient. Our Federal highway system of interstate highways, while serving the needs of those moving from major city to major city, tend to bypass the smaller communities rendering many of them virtually inaccessible to those who otherwise might choose to live and work there.

We must provide for critically needed housing. While we have created a massive agency to deal with urban housing problems, the situation with regard to rural housing has been sorely neglected. Those who want to move to and remain in smaller communities have the same needs as do those who are attracted by the bright lights of the cities. They want a decent house, electricity, a supply of pure water, sewage disposal systems, and police and fire protection.

We must make available new and modern libraries, recreation areas, and cultural attractions.

Certainly high on the list there must be improved opportunities for a livelihood. That means better business opportunities; it means cooperative enterprise; it means the development of small industries, preferably those which utilize rural products. It means assistance in marketing. This requires not only direct help from Government, it means educational programs which encourage those in rural America to take advantage of the opportunities which can be theirs for a better livelihood.

Finally, we must direct a massive effort toward encouraging those who are necessary to man these facilities—the skilled teachers, trained medical and dental personnel, experienced police and firemen, and specialists in the sciences to examine the myriad advantages of the small communities. I think it is within our power to help assure these services

and facilities. I think we have an obligation to do so.

We will never solve the problems of the cities—problems which recently have been awarded the highest priority—until we solve the problems elsewhere in the Nation which cause people to flee to the cities.

The agencies of Government which should be working to develop our cities are struggling instead to save them. Let us not make the same mistake again. Let us not wait to develop programs for rural America until a time when massive sums of money will be needed just to keep rural America from utter decay.

As I mentioned earlier, 73 percent of our people live on only 2 percent of the land. What we are here considering, Mr. Chairman, amounts therefore to 98 percent of America. With so much at stake, we cannot afford to delay further. The future of our Nation and its people will hang on the decisions which now are before us.

The President's proposal to rejuvenate rural America is to be applauded, not for its content but for its intent. It will not do the job. The committee plan is practical and purposeful. Notably, it will expand existing agencies, agencies which have been tried and tested and which enjoy the confidence of the people. Thus, we avoid a new bureau with all the problems which confront new and untried agencies. It will be much simpler and more effective to expand the Farmers Home Administration and the Soil Conservation Service than to begin a new program with the delays which would inevitably attend it.

The time to help rural America is now. Approval of the committee bill will demonstrate the will of Congress that this long standing cancer of rural decay must now be healed. Other proposals would harm, not help in this noteworthy effort, and they are too little and too late.

I am convinced that most of the people who leave the country want to stay. This bill can give many of them the opportunity to do so. Over half of those classified as poor in America live in rural areas. Nearly two-thirds of the substandard housing is in rural areas. Yet only one-fourth of the population of America live there. This shows the sad imbalance of rural living in America today.

Let us break this cycle of poverty and bring new life to unused and abandoned rural resources. I think we can provide no greater service to America than to reverse the flow of our population from the rural areas to the city slums, and to bring back to the rural areas the bright and happy promise which once the people knew in this great land. America will be the beneficiary.

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

Mr. SKES. I yield to my distinguished colleague from California (Mr. McFALL).

Mr. McFALL. I thank the gentleman for yielding.

Mr. Chairman, I support H.R. 12931. As I read the bill, I believe it would, if enacted, authorize the Farmers Home Administration to extend the kinds of loans contemplated in my bill, H.R. 8800. I appreciate the cooperation of the gentleman from Texas (Mr. POAGE) the

chairman of the Committee on Agriculture in this matter and his willingness to answer questions in this regard so that my understanding, if it is correct, will be a permanent part of the legislative history of this significant rural development legislation.

My bill, H.R. 8800, is very brief; it relates to loans to local cooperatives. It is very important throughout my State of California where rural people have made such a constructive and helpful use of the cooperative self-help technique of economic development.

I appreciate the attention and helpfulness of the chairman of the Committee on Agriculture. May I propound the following question:

Is it the understanding of the chairman of the Committee on Agriculture that the present wording of the bill before us, H.R. 12931, in section 103 and section 112, would authorize the making of loans to rural cooperatives as if the following language were included in the bill:

The Secretary may also make or insure loans to local cooperative associations furnishing farmers and rural residents services and facilities for harvesting, storage, processing (including preservation or preparation of edible products for market), transporting or services, or the processing or marketing of other products of farmers or rural residents. Such loans may include funds for the organization and establishment of the association, necessary land, buildings, and equipment, or for the repair, expansion, or enlargement of such services or facilities, for operating capital and for refinancing.

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

Mr. SIKES. I yield to the distinguished chairman of the committee.

Mr. POAGE. If the gentleman will read the sections he cited in H.R. 12931, he will find that the types of loans about which he inquires are authorized. The loan proceeds may clearly be used for the purposes about which he inquired so long as such loans provide for the orderly development of a rural area while improving its economic and environmental climate.

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

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

Mr. McFALL. Mr. Chairman, I thank the chairman of the committee.

I offer my commendation to the chairman of the committee and to the Members on both sides of the aisle for this very important legislation.

I appreciate the help of the chairman of the Committee on Agriculture. His reassurance will be most pleasing to local leaders in my district who are concerned with rural revitalization by using the cooperative technique of economic organization.

Mr. TEAGUE of California. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. MAYNE).

Mr. MAYNE. Mr. Chairman, I thank the distinguished gentleman from California for yielding.

Mr. Chairman, I want to say to my colleagues that this is an historic time in the deliberations of this House, because today we are going to be able to really do something to further rural develop-

ment in America. Rural development is a topic that has been much discussed in the press and by people in all walks of life. We all know rural communities have been neglected. All too often they have been the step child of the many programs which have been enacted in this country to give a stronger economic and social viability to the people. We have poured billions of dollars into programs for urban areas without even considering the plight of the rural areas. This has been one of the reasons—not the only reason, but certainly the primary reason—why our people have left the farms and rural areas and have flocked to the cities only to be confronted by the problems of urban decay and the other great crises in the ghettos of America.

This bill is not perfect. Most members of the Agriculture Committee, had they been able to select their own personally preferred vehicle for meeting this problem would have made some changes, and yet H.R. 12931 was reported from the committee with only four dissenting votes. It is a good bill, and a bill which I enthusiastically support. All Members should understand this is the only opportunity we are going to have this year to do something about rural development.

While some of us may have some personal reservations about certain aspects of the bill, we should make no mistake about it, in all likelihood, we are not going to have another rural development bill this year. All of us who are genuinely interested in doing something about bringing renewed prosperity to rural America and giving rural America a fair shake should support this bill.

This bill includes many programs aimed at increasing rural opportunities and the rural standard of living. Included are such things as raising the \$100 million limit on the Agricultural Credit Insurance Fund—ACIF—to \$500 million. This is a very practical forward step aimed at improving the functions of the Farmers Home Administration.

There is also the consolidation of the emergency and ACIF revolving funds.

The bill also contemplates insuring loans made in connection with Soil Conservation Service projects, which for the first time is real progress.

The size of farm operating loans is increased from \$35,000 to \$50,000, and they are converted from an appropriated funding to an insured loan basis. The \$4 million ceiling on community water and waste disposal loans is also removed.

The bill includes amendments to the Watershed and Flood Prevention Act to provide cost sharing for water quality management and to authorize agreements for cost sharing up to 10 years within watershed projects for land treatment measures, which is certainly something we should all support.

Other similarly beneficial measures incorporated herein are new authority amounting to \$10 million annually for rural development planning grants and new authority for pollution abatement grants to rural residents, farmers and communities of \$75 million annually.

The bill also provides for new authority for grants for business and economic

development of \$50 million annually, a doubling of the water and sewer grant authority under Poage-Aiken from \$100 million to \$200 million, and increased planning grant authority under Poage-Aiken from \$15 million to \$30 million.

One other provision which I certainly do not want to miss pointing out is the increase in the Greenspan authorization from \$10 million to \$40 million annually.

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

Mr. MAYNE. I am happy to yield to the distinguished gentleman from Minnesota, a member of the committee.

Mr. ZWACH. I should like to commend my neighbor from Iowa and my colleague on the committee for his constructive presentation, and associate myself with his remarks.

Mr. MAYNE. I thank the gentleman from Minnesota. It is a real privilege to sit beside the gentleman on the committee. He certainly has been one of the members of this committee, both Republican and Democrat, who have worked very hard to get this bill in its present excellent condition under the great leadership of our chairman.

The CHAIRMAN pro tempore (Mr. Brooks). The time of the gentleman from Iowa has expired.

Mr. TEAGUE of California. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MAYNE. Mr. Chairman, I want to pay tribute to the distinguished chairman of the committee, the gentleman from Texas (Mr. POAGE), who has taken such a great role in leading us to the result which we are about to achieve today.

I also pay tribute to the distinguished gentleman from Iowa (Mr. KYL), who has labored long in making a very noteworthy contribution to the development of this bill.

I call on all my colleagues to support this very workable and practicable tool to help the farmers and rural communities of America. This is the one opportunity we are going to have this year to take action, so let us rise to the occasion and pass this bill by an overwhelming vote.

Mr. POAGE. Mr. Chairman, I yield 7 minutes to the gentleman from New York (Mr. Dow).

Mr. DOW. Mr. Chairman, at the proper time I shall offer two amendments to the bill before us, H.R. 12931.

In general, I applaud the measure represented in the bill to elevate the economic conditions in rural America. And I applaud generally the remarks of my chairman of the Agriculture Committee. The bill is a very valid expression by those who represent rural America, that this critical segment of American society deserves Federal aid as well as our cities and our suburbs.

My concern with this legislation pertains to two rather obscure clauses which call for Federal grants to abate pollution. Under title I, subtitle A, a new section 310B(b) is included which allows grants within an authorization of \$50,000 annually "to eligible applicants under this section for pollution abatement and control projects." "Eligible applicants" are defined in the prior paragraph (a) as

"public, private, or cooperative organizations organized for profit or nonprofit, or individuals." I do not object to abating pollution. I am for it. But I do question the concept of endowing the private sector by use of Federal funds.

As an alternative to the array of eligibles named in the bill, which encompasses profit-making enterprises or individuals, I will offer an amendment to substitute the words "public bodies," in paragraph (b). That term is the one used in the next paragraph (c) of the section covering various grants for other purposes, so it is a consistent term to use.

Of course, we all admire private enterprise. I am sure that true friends of private enterprise would not want to see it corrupted by taking public welfare in the form of outright grants.

This novel provision for Federal grants to the private sector deserves close examination before it is accepted. It is a marked departure from the economic and political philosophy represented in our American system as we know it.

In the past we have observed various approaches to the concept of public funding for private benefit. The most obvious is public welfare; this, however, is granted to provide food and lodging to individuals as the final means of preserving literally their existence.

In the Lockheed case of recent memory, Federal accommodation was provided, not as a grant, not as a loan, but only as a guarantee of a loan. And that was bitterly and closely opposed.

In the case of the SST it was argued that Federal funding of private industry would provide jobs in a depressed area. Yet, even here the Federal funding was allotted under contract, with a quid pro quo in the form of a national benefit and royalties from the sale of the plane. Further, the SST financing was defeated here in this House.

Later in the bill, specifically in sec. 115, a paragraph (d) is provided to make pollution abatement grants out of an authorization totalling \$25,000,000 annually to eligible applicants under this subtitle. The definition of such applicants elsewhere under the subtitle is youths who are rural residents and individual farmers or ranchers. While the grants under this section would be somewhat more restricted, the principle of making grants to private enterprise remains the same. Since there is no intention expressed here to offer these grants to public bodies, as in the earlier section, on this paragraph (d) I will merely move to strike.

Some brief points should be made in closing, Mr. Chairman. One is that we should fully support loans to individuals and private enterprise wherever these appear at several places in this legislation. There is a vast difference between loans and grants.

Under a system of grants to individuals, it is possible that someone could, at one and the same time, be funded to curb his pollution, while being fined under the Refuse Act of 1899—33 U.S.C. 407, 411, 413 for creating it.

Finally, I could not afford to have any one believe, because I oppose the indicated grants for pollution abatement, that I have any quarrel with pollution

abatement. Of course not. I am very jealous of my proved record in strong support of environmental protection.

Mr. TEAGUE of California. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. ZWACH).

Mr. ZWACH. Mr. Chairman, I thank the gentleman for yielding me this time.

I would like to say that this is a happy occasion. I have spent 5 years in the Congress—this is the sixth—and we have always been considering urban renewal and housing and never the countryside. This year the President sent a rural development message to the Congress. This is historic. The Committee on Agriculture—and may I compliment the chairman and its other membership—are considering a historic bill, a rural development bill.

Mr. Chairman, I have spent much of my time in the Congress working on this subject.

You know, the good life is no longer in the big centers. The good life is in countryside America.

We have stacked more and more of our people on less and less of our land until we have reached the point where the problems are unsolvable, the problems of the big cities.

Mr. Chairman, urban renewal and rural development go together.

I found when I came to Congress that although we have 60 percent of the ill housing in the countryside, we were getting very little of the housing funds. In 1968 that figure was 4 percent. That is amazing.

We were getting very little of the Small Business Administration money in rural America. The urban centers with their mass media—the press, the radio and the TV—were able to zero in on their problems, and so it is historic that the Congress now has reached a crescendo for rural development. This is tremendously good.

Mr. Chairman, it would be grossly unfair for me to say that rural development as defined in this bill would do everything that we ought to do. It does give us some added money and opportunity. It does bring about some equity in housing, small business development, and FHA. However, the real problem of rural America is not more credit, but equity of income.

Mr. Chairman, what has driven the people from rural America has been the inequity of rural income. It will never be fully corrected until this Congress understands this and until we do what we can do here—we cannot do everything here but we can do more here for equity to countryside income.

Parity in January of this year was 72 percent of a fair return. Parity in January of 1969 when this administration took over was 72 percent.

We have made little, if any, progress. We have been up and down and in between. If we had parity of income in countryside America, \$15 billion additionally annually would be going out into rural America.

If we had equity of income, the problems of the countryside would, and the cities in the main, go away. Small business would thrive our ability to support

churches and schools, our ability to maintain our sewer systems and highways, and the economics of the countryside would be there if we had equity of income.

So, I am not standing here saying that this is the answer alone. However, it is an important step in that direction.

Mr. Chairman, it is because of this that I strongly support the Rural Development Act of 1972, H.R. 12931.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. I thank the chairman for yielding me this time. Let me preface my remarks by saying that the distinguished chairman of the House Agriculture Committee has perhaps been the most able advocate of helping small town America and helping rural America through his long years of service which have been of invaluable aid to the United States of America at every level of living.

I think it would be worthwhile to mention the fact that the end result of more than half of the legislation considered by the Committee on Agriculture is enacted for the betterment of not just rural America, but for the ultimate consumer and the people in the large cities of urban America. In the few instances that the legislation is enacted purely for rural America you cannot ignore the fact that it enhances the life in the urban parts of the United States nonetheless.

Mr. Chairman and Members of the Committee, I wish there were more of our urban colleagues here, because one should limit himself to speaking of that which he knows best, and my area happens to be an area that is part of rural America. This is the message that I would like to bring to my urban colleagues, and to my colleague from California who opposes this legislation, for reasons as legitimate as they might be, but the fact is that rural America does not have the basic resources or the basic facilities that urban America has, and that is what daily they have to live with. For those who live in the cities, their garbage is picked up as a governmental function. There is no such thing in the smaller towns of rural America.

In the cities we have grown accustomed to going to the drugstore, or even walking to the grocery store, but this becomes a major enterprise in rural America because you have to get in your pickup truck and go miles to town for your groceries. We used to do this every Saturday.

Also, sources of heat and power are not available in rural America as readily as in urban America.

What does this legislation do—and this is no emotional appeal, this is just an appeal for equity. It is to give the same governmental functions to rural America at least that we do to urban America.

We have people who still have to bring water to their homes in a tank in the back of their pickup truck from an irrigation ditch several miles away. We are trying to organize a rural water supply entity. Everybody is going to pay for the water to pay for the loan to the Farmers Home Administration but we found there was no grant available for the plant to

purify the water. There were no grants available for those who did not have the \$50 to sign up. So we are getting \$180,000 from a religious institution.

Now, you may say that that is proper that there be local support, but this does not happen in the city because the grant is there.

So all we are asking is that equity be established by giving us this allowance that we do not have in rural America.

The same way with planning, and the same way with pollution.

My colleague, the gentleman from New York, who says that he does not want to give aid to the individual, I would reply to him that there is no such entity in rural America. Rural America does not have resources the same as they have in the cities. They have no workers to collect the trash.

The stream that goes behind the town is polluted. There is no governmental agency through which to secure assistance. So it has to be an individual. It has to be the fellow who lives on that stream.

I have one instance I can cite where there is a plant that under our environmental legislation, unless they connect to a sewer, that plant will have to close, and there are about 300 jobs involved there.

This is in a locality that can provide no other jobs. They will lose 300 jobs. There is no governmental agency to build the sewer line that they can connect to. So how in the world are they going to keep those 300 jobs unless we provide means to help that plant?

You say why help the individual? Self-government, the individual contributes, and I agree with my colleague from California, but if that plant were inside the city limits they would get the aid they need through the municipal facilities, and even so, the small communities in rural America do not have the resources to provide these basic facilities.

Let me tell you, my colleagues, the people who live in rural America are the most patient, the least demanding, and oh how I know, the most independent—and the most self-supporting. But they are the first to serve—they are the first to love their country and they are the first to participate in every governmental function to the fullest of their ability to participate.

So why should we not treat them as equals when we afford the protections of government and give them the same kind of treatment—no more and no less than you give those in the urban areas.

So I ask you to support this legislation with us in giving at least a beginning of hope to the people of rural America. I know this is not the complete answer. I know it is not enough money. I know that a lot more things have to be done. But at least we can begin here to think of their plight.

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

Mr. TEAGUE of California. Mr. Chairman, I yield the gentleman 1 minute.

Mr. Chairman, will the gentleman yield for a question?

Mr. DE LA GARZA. I yield to the gentleman.

Mr. TEAGUE of California. Do you realize that your communities that ob-

viously do have serious problems, one with water problems and one with sanitation problems—do you realize that if each got its share of the money available in this whole bill—that each would get about \$8,000? I do not know how you build the water system or build the sewer system with \$8,000?

Mr. DE LA GARZA. It is the same with all the other programs, I will say to my colleague, the gentleman from California, there is not enough money to give everyone to do what needs to be done.

So this is a problem in urban America too, that there is not enough money for every city that wants it. There is not enough for every governmental entity that wants it.

So I say very sincerely, we ask for no more and no less—we want to be placed in line and, if some cities have to wait, we are willing to wait for our turn too.

I agree with the gentleman that there is not enough money to do what needs to be done, but somehow and somewhere we must begin and this is the opportunity that we have now. We must begin, we must take the first step, time will test the justness of our cause. We cannot, we must not turn our backs on rural America. I again urge my colleagues to support this legislation.

Mr. TEAGUE of California. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Chairman, I want to thank the gentleman from California for granting me this time to explain very briefly an amendment that I am offering today.

Let me first make the observation that I am in general agreement with the purpose of this bill.

I think we all recognize that the great concentration of population in our cities is creating and contributing to the deterioration of our cities. As a member of the Housing Subcommittee of the Committee on Banking and Currency, I am acutely aware of the problems that exist in our urban areas, particularly in the area of public housing. It has been my privilege in the last few weeks to have traveled to various cities throughout the country. I have a great concern about deterioration in the urban areas and therefore I support a move to create and encourage economic opportunities in our rural areas.

Mr. Chairman, I wish to use this time to explain the amendment which I am offering today.

Specifically, my amendment makes the terms of the Fish and Wildlife Coordination Act applicable to the small watershed projects performed by the Soil Conservation Service of the Department of Agriculture under Public Law 566, the Watershed Protection and Flood Prevention Act.

At the present time, in the process of assisting in the creation of municipal and industrial water supplies, water quality management, and pollution abatement and control, the Soil Conservation Service has contributed to severe environmental damage ranging from destruction of waterfowl production wetlands in the prairies to demolition of hundreds of miles of bottomland hardwood swamps in the Southeast.

This situation should be corrected. It is time that Soil Conservation Service projects are put in the same category as Bureau of Reclamation and Corps of Engineers projects with respect to fish and wildlife conservation.

My amendment is not designed to halt or even hinder the continued operation of the small watershed program. Rather, it is designed to provide for orderly modifications of small watershed project plans in behalf of fish and wildlife conservation.

When the Fish and Wildlife Coordination Act was being amended in 1958, the Department of Agriculture was just getting the watershed program well underway. Agriculture objected strenuously to having the small watershed program brought under the purview of the Coordination Act. Instead, a compromise was reached to amend the Watershed Protection and Flood Prevention Act.

It amended this act by adding section 12. This section generally outlines the policies under which the Department of the Interior and the Department of Agriculture are to operate in providing for fish and wildlife conservation in the small watershed program. Among other things, this present section 12 gives a veto power to local organizations who sponsor the projects—usually organizations of landowners with whom the Soil Conservation Service cooperates—over the inclusion in small watershed projects of fish and wildlife conservation measures recommended by the Bureau of Sport Fisheries and Wildlife and the State fish and game agencies. This built-in veto by local landowners gives them the opportunity to control a national program of fish and wildlife conservation in connection with a water program which is in large part federally financed. However, these landowners cannot be expected to have a balanced viewpoint on the need for fish and wildlife conservation in water resources projects; quite naturally, they are chiefly interested in maximizing the benefits to themselves.

By requiring the Soil Conservation Service to adhere to the provisions of the Wildlife Coordination Act, protection would be given to environmental values such as wildlife and fish resources and habitats which, under present procedures are not receiving the attention they deserve. Like all other agencies under the Wildlife Coordination Act, the Soil Conservation Service would work with the Department of the Interior in formulating mitigation measures and assuring that the fish and wildlife resources of any area are protected.

My amendment has wide support. The same conclusion was reached in a series of conferences held by the Bureau of Sport Fisheries and Wildlife with State fish and game agencies and national private conservation organizations in 1970 and 1971 on conservation of fish and wildlife resources in the national water resources program. The following organizations have expressed support for my amendment:

National Wildlife Federation.
Izaak Walton League of America.
Friends of the Earth.
Environmental Policy Center.
Environmental Action.

Citizens Committee on Natural Resources.

Sport Fishing Institute.

National Audubon Society.

National Rifle Association.

International Association of Game, Fish, and Conservation Commissioners.

There is another amendment which I shall probably offer during the amending process which would permit the Soil Conservation Service to assist in securing bottom lands or wetlands for park purposes to be held in order to preserve natural habitats, particularly in close proximity to our large urban areas. These areas today are being totally destroyed in some of our urban areas.

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

Mr. BLACKBURN. I am happy to yield to the gentleman from Texas.

Mr. PRICE of Texas. I thank the gentleman.

Mr. Chairman, as a cosponsor of the Rural Development Act, I can say that we foresaw livestock feedlot operators as one of the principal participants in pollution abatement and control projects. If the proposed amendment to limit participation to public bodies passes, they—along with small businessmen, farmers, and rancher—would be excluded from participation. Because I feel that small businessmen, farmers, ranchers, and especially feedlot operators should be permitted to participate in these programs of pollution abatement and control, I oppose the amendment.

As for the overall bill itself, I am, of course, in favor of its passage. It offers positive programs to encourage and assist the development of business, industry, community centers and services, and pollution abatement and control in our small towns and in the countryside. The bill encourages younger people to remain on the farms or in rural communities by making it easier to obtain loans for farms or in rural communities by making it easier to obtain loans for farming and rural development purposes.

It also gives added flexibility to our small watershed and resource conservation and development programs, providing Federal assistance in such projects as municipal and industrial water supply, water quality management, pollution abatement and control, and other purposes directly related to rural development.

In addition the bill incorporates two separate pieces of legislation which I introduced last year. The first would increase the size of farm operating loans from \$35,000 to \$50,000. The second, which is a continuation of the amendment I was able to add to last year's farm bill which raised homeownership loans from \$50,000 to \$100,000 would convert farm operating loans from an appropriated funding to an insured loan basis. This legislation takes the risk out of the local lender's making loans for purposes of rural development. Both these provisions will be of substantial assistance to farmers and ranchers in west Texas as well as throughout the country. I urge your support of this critical piece of legislation.

Mr. TEAGUE of California. Mr. Chair-

man, I yield 3 minutes to the gentleman from Illinois (Mr. McCLODY).

Mr. McCLODY. Mr. Chairman, I am generally interested in this legislation. I think it has a very worthy purpose and objective. Much of the area which I have the privilege to represent in the Congress is rural—and could benefit from portions of this legislation. I have been in communication with Mr. Kenneth Fiske, Director of the U.S. Department of Agriculture Soil Conservation Service, who indicated to me the importance of this legislation to the rural areas of McHenry, Kane, and Lake Counties.

I should like to make a statement and inquire of the chairman with regard to his interpretation or his understanding of the language in the bill. I refer particularly to the language on page 21 of the bill, beginning at line 4 down to line 17. The reason that I ask questions concerning this language is that we have recently had hearings before my subcommittee of the House Judiciary Committee, the Civil Rights Oversight Committee, in which we discussed at some length and had extensive hearings with regard to the location of Federal facilities, and particularly those that are constructed and managed by GSA, which I think is charged generally with providing for the construction and management of Federal facilities for the various executive departments.

It was emphasized in these hearings that it was important to locate structures in such a way that employees would have equal access to employment in the new Federal facilities. It seems to me that the language to which I have referred goes counter to the existing Federal policy and would require the location of new Federal facilities in rural areas without regard to the question of their ready access by persons without regard to questions of race or color. I notice that the existing statute has been revised in a way, and the very significant words "insofar as practicable" have been eliminated.

If this language is followed directly, it would deprive persons who are presently residing in the inner city and in other urban areas of possible opportunities for employment. It would put their places of employment at too great a distance from their residences for them to continue their employment there. Would the chairman be willing to comment and explain this change to me?

Mr. POAGE. I did not offer the present language. The change was made by the committee. I offered the language of the original bill, so I cannot explain to you the motives behind those who offered the change. But I think the language covers substantially the same thing. Rather than saying "insofar as practicable," the provision states "giving first priority to the location of new offices and other facilities—"

I do not think that either one is an arbitrary mandatory requirement and that under no circumstances could we locate the building any place else, but I think it does mean very clearly that where we can do so without doing violence elsewhere, we should give first priority to these rural areas we are trying to develop.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TEAGUE of California. Mr. Chairman, I yield the gentleman from Illinois 1 additional minute.

Mr. POAGE. Will the gentleman yield further?

Mr. McCLODY. Yes, I will yield, but let me make this statement. As I understand it then, this language is subject to the condition that the new facilities if located in a rural area are readily accessible to all persons who might find employment there without discrimination as to race or color.

Mr. POAGE. I think we have to take other things into consideration, but we just try, as hard as we can, to put some of these facilities in rural areas. We have placed Government buildings in Washington, D.C. and in large population centers all over the country. We tell these agencies that we want the Government services decentralized, and we want to give the Federal Government directions to do so.

Mr. McCLODY. In other words, this would not override existing policies with regard to fairness and equality of opportunity in Federal employment?

Mr. POAGE. I do not think it would override fairness at all, but this provision says this is one of the ways to get equality.

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

Mr. POAGE. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Chairman, I associate myself with the remarks of the chairman of the full committee. I appreciate his remarks on this fine piece of legislation.

The House of Representatives today has an unparalleled opportunity to squarely and positively confront the problem of rural decline which in the past has been dismissed with piecemeal programs and rhetoric empty of action.

As a member of the Rural-Urban Forum, which seeks to encourage mutual understanding among Members of vastly different constituencies, I ask that my colleagues from the great metropolitan areas resist the temptation to oppose this as a matter not involving their constituents. There is no rural problem; there is a national problem of population imbalance and inequity of economic opportunity. The problems of the city cannot be resolved without addressing the problems of the countryside.

The 1970 census dramatized a trend which has continued without interruption for the past 50 years: the movement of Americans from small towns to larger metropolitan areas, either the inner city or the suburban satellites. We now have some 70 percent of our population living on 2 percent of the land. In the past 45 years, some 25 million persons have moved out of rural America, resulting in the past decade in a net population loss in 500 counties, and over the long term straining the economic resources of the cities which receive them. The President has summed up the grim situation most succinctly:

Vast areas of rural America have been emptied of people and promise while our cen-

tral cities have become the most conspicuous area of failure in American life.

In the absence of a national policy on population distribution, the Congress must take the lead in enacting legislation to revitalize small communities and to stimulate economic opportunities to help struggling rural communities survive.

We have before us today a Rural Development Act which promises such a beginning.

Under the able leadership of Chairman POAGE, the House Agriculture Committee has produced a bill which will provide new grants and loan authority for a host of rural development projects, ranging from industrial planning to pollution abatement to water and sewer system construction. It creates new opportunities for credit, provides for cost sharing in water quality management, land utilization and agricultural waste management within watershed projects, and encourages young Americans to consider a career in small towns.

The committee has wisely refrained from creating a new super bureaucracy, preferring instead to enlarge the role of the faithful and familiar servants of rural life, the Farmers Home Administration and the Soil Conservation Service.

I take a personal pride in the committee's inclusion of title 5, which directs that the Federal Government locate new Federal offices and other facilities in rural areas, which in this bill include any cities or towns whose population does not exceed 10,000.

The Agriculture Act of 1970 required the Federal Government to give consideration to establishing new Federal facilities in areas of lower density population. The bill before us today is the strongest language yet written governing the policy on distribution of Federal complexes.

Having risen on a number of occasions urging such a policy, I am delighted to see it linked in this overall program of rural development, and I think that future generations of Washingtonians will thank us for sparing them any more congestion. As the recent extraordinary public hearing at the Greater New Hope Baptist Church by the Public Works Subcommittee on Public Buildings and Grounds indicated, the residents of this city are growing weary of an endless procession of costly building projects which obliterate neighborhoods, worsen traffic jams and displace tax-paying industries.

Title V makes Washington a microcosm of what needs to be achieved in the 12 large metropolitan areas which house over 70 percent of the population. It is time for a moratorium on new construction here in Washington and in the handful of super cities. If the economic opportunity were more equitably and rationally distributed, the 500 counties which experienced a net loss in population might hold their own and thousands of parents need not send their sons and daughters to distant cities because there are no jobs at home.

It has been observed that the population of this Nation could increase five times before it would equal that of Eu-

rope, so we can see that distribution is the all-important factor.

The inclusion of a mandate to the Federal Government to seek sites in communities of less than 10,000 population is not going to reverse this trend; it may have only a marginal effect. But, in symbolic terms, in terms of setting an example for the business executives of America to follow, it is of revolutionary potential.

I urge my colleagues from urban constituencies to make a common cause with those of us who represent constituencies of low density population because a pattern of rational and equitable national growth is mutually advantageous. If rural communities can maintain their population levels, the tax burden will be eased and the metropolitan areas will not suffer the migration of thousands more seeking jobs and homes. What we are seeking in large terms is the beginning of a conscientious effort to restore to community life some of the beauty, the peace, and the tranquillity which has made us envious of previous generations and apprehensive of the future. Nothing less than the environment of this and succeeding generations is at stake in this Rural Development Act and I urge my colleagues to assure its passage and continuing support of its goals.

Mr. BURLISON of Missouri. Mr. Chairman, today can be a significant point in the development of rural America. It has been my pleasure and coveted opportunity to join Chairman POAGE and some other members of the Agriculture Committee in sponsorship of this much needed legislation, to wit: H.R. 12931. I urge my colleagues to act favorably on it. It, of course, does not contain everything that some of us would like to see in a rural development program. At the same time, it contains some provisions that our city friends may feel unneeded and unnecessary. It should be noted that whatever rural America may receive from this legislation, comparable assistance has been already authorized and appropriated for the cities, and in proportionately greater amounts. Hopefully, our urban Representative colleagues will also be mindful that many of their problems have been precipitated or accentuated by the influx into their cities of our rural people who have been unable to achieve an acceptable standard of living on the farm lands of America.

Many of us have gone to great lengths to be sympathetic with the problems of urban America and have contributed our votes and support toward solution of those complex and diverse problems. Today is a day for soul searching which should culminate in accommodation and reciprocity by our city friends.

Mr. Chairman, our farmers should not be misled by the impact of this proposal on their farm income, however. Earlier action by the Congress relating to the commodity programs and the broad Federal farm credit system amendments are likely to have a greater potential in that area. However, this legislation, though of fairly minimal effect on farm income, should go a considerable distance in making rural living more rewarding and more comfortable.

I hope the House today will recognize its responsibilities to rural America and recognize the importance of our existence, as it relates to our friends in the city, and thus to our great Nation at large. H.R. 12931 should be passed.

Mr. TEAGUE of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Chairman, I rise in support of H.R. 12931, the Rural Development Act of 1972. Although there are several sections contained in the measure which could be improved or revised, the bill as a whole is perhaps one of the most significant pieces of rural development legislation to come down the pike in some time.

In recent years there has been a growing awareness that rural and urban problems are interrelated—that if we are to ultimately solve the staggering problems of the inner city we must begin to revitalize the small towns and countryside of America. My colleagues from the large urban centers in increasing numbers recognize the adverse consequences of continued rural outmigration and the heavy demand it places on already depleted community services and resources in the big cities. Therefore, H.R. 12931 provides us with common ground upon which we can all work to achieve a more balanced population growth and a better quality life for both urban and rural residents.

This bill proposes to build upon the very solid record of effective and efficient program delivery established by the Farmers Home Administration and the Soil Conservation Service. Instead of structuring some new bureaucratic spoke, as some have advocated, the committee has wisely chosen to expand the role and operating authority of FHA and SCS to take better advantage of their unique expertise and delivery mechanisms. I have worked closely with these people over the years and believe they are among the most talented and dedicated employees of the Federal Government. If the ultimate success of any new governmental undertaking is reflected in the kind of people who carry it out, then we should have little worry in making this expanded commitment to rebuild rural America through the Farmers Home Administration and Soil Conservation Service.

Mr. Chairman, I believe that if we do not move resolutely to enact a meaningful rural development this year we may not have another opportunity for some time. It is therefore important we approve this legislation, and show the way to the other body to adopt a similar approach to rehabilitate and rebuild rural America.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri (Mr. HUNGATE).

Mr. HUNGATE. Mr. Chairman, I rise in support of this legislation.

Mr. TEAGUE of California. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee (Mr. BAKER).

Mr. BAKER. Mr. Chairman, I thank the gentleman from California for yielding this time.

Mr. Chairman, I have to ask myself

and my colleagues a question. Is rural America a fading America? Many persons say yes. One-third of our counties have lost population. Many of our rural areas are being emptied of their people and their promise. Farming is an uncertain business in the best of times, and the complaint is heard time and time again in rural areas that too many people—especially our young people—are leaving the land.

We have begun to make progress in slowing this trend. Rural housing programs have been increased. The number of families benefiting from rural water and sewer programs is greater than it was in 1969. Yet, we must do more.

We must expand the quantity and quality of economic and social opportunities in rural America so that those who choose to live in our rural areas can do so and not be forced to move to our already overcrowded and overburdened metropolitan centers.

The rural development concept is directed toward reversing this trend of rural migration into congested metropolitan areas. This legislation, H.R. 12931, we are considering here this afternoon can help revitalize rural and small-town America and help us to achieve once more a healthy and prosperous rural and urban balance.

A great deal of money and effort is being directed by Federal, State, and local governments toward trying to solve the housing problems, the traffic problems, the pollution problems, the population problems, of our cities.

Meanwhile, thousands of rural communities are seeking more people.

Mr. Chairman, it seems to me that unless we work with the rural areas, unless we develop attractive opportunities in rural towns and in the countryside, we can never hope to solve the social ills of our cities even with the most ambitious multibillion dollar proposals.

Indeed, the Rural Development Act is an integral part of our growing commitment to deal with our Nation's urban crisis, and I urge my colleagues to support this legislation.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. Chairman, as a cosponsor of H.R. 12931, the Rural Development Act of 1972, I rise in support of the legislation. Together with the Sugar Act of 1971, this bill can be regarded as one of the two most important pieces of legislation to emerge from the Committee on Agriculture in this Congress. At the outset, therefore, I would like to commend its chairman, the gentleman from Texas (Mr. POAGE), for his extraordinary leadership in guiding the committee through many difficult weeks while this measure was being considered.

Considerable credit must also be given to my colleagues on the committee and to the committee staff for providing the generous support without which this landmark legislation would not have been possible.

H.R. 12931 would upgrade the quality of rural life in America with a three-pronged program. First, it would broaden the credit services of the Farmers Home

Administration; secondly, it would provide the means to achieve a rural development objective; and, finally, it would give greater emphasis to community development and environmental aspects of the Small Watershed and Resource, Conservation and Development programs of the Department of Agriculture.

The first part of the rural development program is particularly meaningful to Hawaii as the result of committee adoption of an amendment which I had offered. For many years, lessees of Hawaiian Home Lands were informed that they were ineligible under the Farmers Home Administration's financial assistance to rural residents program—title V of the Housing Act of 1949. This adverse administrative determination excluded Hawaiian homesteaders from one of the most important sources of rural housing loans.

The Hawaiian Homes program is the product of an Act of Congress commonly referred to as the Hawaiian Homes Commission Act of 1920. The act itself was a manifestation of the sincere desire on the part of many people, in Congress as well as in Hawaii, to preserve the native Hawaiian race from what was feared to be certain extinction. The main thrust of the 1920 Act, therefore, was to make possible the rehabilitation of the native Hawaiian race through a program of homesteading.

The dilemma of the rural Hawaiian homesteader who needed a home-improvement loan was that he was caught between two acts of Congress which effectively prevented him from obtaining one. On the one hand, the Hawaiian Homes Commission Act prohibited him from mortgaging his homestead. On the other hand, the 1949 Housing Act required a mortgage on fee simple real estate before a loan could be made under its provisions.

My amendment would provide a way out of this dilemma. In lieu of a real property lien, the State of Hawaii, through its Department of Hawaiian Home Lands, would give its guarantee that the borrowing Hawaiian homesteader would repay his loan. The amendment would authorize the Secretary of Agriculture to accept the State's guarantee and grant the loan to the Hawaiian homesteader.

The legislation we are considering today has many other noteworthy provisions which are designed to slow down or halt the migration of farm families to the cities, where so many soon find themselves on the relief rolls. To retard or reverse this trend, however, we must provide needed aid to improve the conditions of rural living. We must do something about these hard facts:

Sixty percent of the substandard housing in the United States is located in rural areas;

Per capita income in rural areas is lower than in cities by about 25 percent;

Services such as fire protection and ambulance are too often inadequate in rural areas;

Rural areas urgently need more water and sewer systems to meet urban standards.

H.R. 12931 should not be regarded as

an immediate panacea for these long-existing rural ailments. Rather, it should be regarded as the most significant cure that has been proposed in recent years. The program it provides is indeed one that is tailored to meet the urgent need for a better life in rural America.

The estimated cost of this legislation is \$280 million a year in additional grant authority over and above the amounts which are authorized under existing law. Once the desired objectives in the proposed program are achieved, a strong and healthy rural America will prove beyond any doubt that it was well worth the cost.

Mr. Chairman, I urge a favorable vote for H.R. 12931.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky (Mr. STUBBLEFIELD).

Mr. STUBBLEFIELD. Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, for decades we have seen a continuous trek of the population of this country from the rural areas to the cities. This has occurred to a large extent because of a lack of jobs in the rural areas and because the standard of living has been higher in the large metropolitan areas.

In the past few years we have awakened to the effects of this mass migration. Certainly thousands of small towns and communities throughout the country have been adversely affected, and a greater number have entirely disappeared from the map. Now we have come to realize that our cities also are losers by virtue of this social upheaval. Tens of thousands of men who have left the farms and small towns with their families looking for work in the cities have crowded into the ghettos and has been forced onto relief rolls.

Here we have a chance in this legislation, the Rural Development Act of 1972, to strike at one of the root causes of the troubles our Nation faces on the home front. Here we have a chance to help the rural and small town Americans with the same kind of governmental assistance we have provided urban Americans for years. Our studies show, for instance, that 60 percent of the substandard housing in America is located in rural America. We have spent billions of dollars on housing programs in the cities.

In this legislation we increase and expand the authority and capability of the Farmers Home Administration to carry on its fine programs. We authorize funds in this legislation for the development of facilities in small communities to help them attract industries which will provide jobs. We provide that the Federal Government shall give priority to small communities in the consideration of sites for the location of new Federal installations and agencies. We sharply increase the amount of funds authorized as grants to towns and villages of less than 5,500 population for construction of water and sewage systems. We authorize funds for pollution abatement and control projects, both those operated by public bodies and those such as dairies and feed lots operated by individuals.

This legislation is too broad to go into

details as to its provisions, but it was drafted and approved by the Committee on Agriculture after extensive public hearings and we on the committee believe it is a good bill. We believe it is a bill that will benefit all Americans, not just those who live in the rural parts of the country.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee (Mr. JONES).

Mr. JONES of Tennessee. Mr. Chairman, I rise in support of this legislation.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Chairman, I rise in support of this legislation. I want to commend the committee for bringing it out. It is badly needed.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from North Dakota (Mr. LINK).

Mr. LINK. Mr. Chairman, I rise in support of this legislation.

Mr. Chairman, as the Congressman from the most agricultural district in the United States, I am most keenly aware of the continuing erosion of the economic base in rural America and the need for corrective action. As a result of this erosion, my State of North Dakota was one of only three States to lose population in the decade of the 1960's.

Therefore, I am most pleased to support H.R. 12931, the Rural Development Act of 1972. As a member of the House Agriculture Committee, I cosponsored this legislation and have seen it develop over several months into its present form. I wish to commend the committee chairman, Mr. POAGE, for his capable, experienced leadership in bringing H.R. 12931 to the House floor.

I have said before that the problems of rural America cannot be viewed in isolation any more than the problems of urban America. The problems are interwoven and interconnected. On one hand, the migration of people from rural America to our already congested cities leaves an economic vacuum in rural America, and on the other hand it creates new problems for urban America, already weighted down with clogged traffic, pollution, crowded housing, and crime.

So rural development is not simply a way to alleviate the problems of rural America, it is a way to relieve the problems of our cities, too.

H.R. 12931 has many features that have good potential for breathing new life into rural America. Among other things, it would expand credit facilities of the Farmers Home Administration; give greater emphasis to community development; and authorize for the first time aid to finance pollution abatement and control programs in rural areas; and increased assistance for water and waste system projects.

Mr. Chairman, all of these features beamed at rural America are in the national interest. But I want to state clearly that they cannot provide, in themselves, renewed prosperity for rural America.

The most effective rural development measure would be to raise agricultural income to fair levels. We could do so with

microscopic effects on food prices, and in doing so we could restore buying power to the national levels thereby creating a favorable impact on the Nation's economy. In doing so, too, we could maintain small businesses, instill new life and hope in rural America, and halt the exodus from rural America to our cities.

I emphasize this point now only because I think we should not be diverted from the primary affliction of rural America: inadequate farm income. However, we must move in on the problem from all sides and I heartily approve the approaches taken in H.R. 12931. They would improve the conditions in rural America.

I commend H.R. 12931 to my urban and rural colleagues.

Mr. TEAGUE of California. Mr. Chairman, it appears that Mr. GOODLING and I will be the only Members voting against this bill. In the meantime, I yield 2 minutes to the gentleman from Minnesota (Mr. NELSEN).

Mr. NELSEN. Mr. Chairman, I support this bill. I wish, however, to note that a few moments ago the gentleman from Georgia (Mr. BLACKBURN) made reference to an amendment he would offer. He stated that it is not the intention that this amendment do damage to the program as proposed by this bill, and it was further stated that it was not the intention to cause any delays.

I emphasize the fact that he said it is not the intention, but it is not always the intention that finally evolves. Sometimes we run into a situation where bureaucracy becomes so cumbersome and so time-delaying that the projects suffer because of it. This amendment that will be offered would remove, in many respects, local sponsors from decisionmaking processes with regard to these measures in their own federally assisted projects. Actually, the money would be diverted to the Secretary of the Interior and it would be put under his control.

Mr. Chairman, I received a call this morning from the people who represent these small watersheds. They were alarmed at what this amendment would do. I am inclined to feel, if we want to move, we need to move with those sponsors closest to the people back home. Surely mistakes have been made in the past, but I think overall the effort that has been expended by these people has been commendable.

I believe if this bill is to pass, the so-called amendment that will be offered should be defeated and we should proceed with the machinery we have already set up to take care of the projects throughout the country.

An amendment to remove or modify section 12, Public Law 83-566 known as the Blackburn amendment would remove local sponsors from decisionmaking on these measures in their own federally assisted projects yet require them to finance part or all of the costs of decisions imposed on them by Federal and State agencies.

An amendment also would divert small watershed funds to the Secretary of the Interior with respect to its participation in watershed project planning.

Section 12, Public Law 83-566, already provides for adequate consultation with

fish and wildlife interests and accomplishes essentially the same objectives as the Fish and Wildlife Coordination Act.

Section 12 requires the Secretary of the Interior to make investigations and prepare reports on wildlife resources out of funds appropriated to the Department of the Interior. Any change would require the transfer of watershed funds to the Bureau of Sport Fisheries and Wildlife.

Mr. TEAGUE of California. Mr. Chairman, I yield one minute to the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I would like to commend our chairman and all of the members of the committee that worked so hard on this bill.

I would like to say I think the rural way of life is a wonderful one. If we can give rural America the adequate teeth of economic opportunity to go forward and to do more than just exist, it will be wonderful. One of the greatest benefits that we could give would be to see to it that grandparents will not have to travel as far to visit their grandchildren.

I appreciate the opportunity to comment regarding the Rural Development Act of 1972. I think it is most significant that the House leadership has recognized the importance of scheduling this legislation only 1 week after it was reported by the House Agriculture Committee. Rural development is truly a national and priority goal.

Mr. Chairman, in discussing this legislation, I think we should acknowledge the leadership and commitment on the part of the chairman of the House Agriculture Committee, the distinguished Congressman from Texas, the Honorable W. R. POAGE, who is the principal sponsor of the Rural Development Act of 1972. Those of us who are privileged to serve on the House Agriculture Committee know that this bill is being considered here today because of the chairman's longstanding commitment and effort to revitalize rural and smalltown America. I know I can speak for the farmers of the "Big First" District of Kansas in expressing our appreciation and thanks to the distinguished Congressman from Texas.

We who are concerned with agriculture have long been interested in the concept of rural development. I have been working for some time in cooperation with the senior Senator from Kansas, the Honorable JAMES PEARSON, in putting together legislation that would feature rural job development through tax incentives to private industry that would locate in our rural areas. I am extremely hopeful that we can consider this legislation at some future date.

The bill we are considering here today, H.R. 12931, offers an effective program to enable those who live and work in rural America to improve living conditions and economic opportunity, and, in doing so, perhaps halt the steady flow of rural citizens to our Nation's large urban centers. This legislation has a special sense of urgency, for it applies to both rural and urban America. Part of our urban problems stem from the decline of economic opportunity in our rural areas.

I think what is especially pertinent about this legislation is that it builds

upon established agencies within the Department of Agriculture rather than creating new bureaucratic authority and a new tax burden. This legislation will build on the success of two agencies—the Farmers Home Administration and the Soil Conservation Service. These agencies have an established record of success and service; and, of special importance to this legislation, they work through an effective network of offices and personnel throughout rural America. FHA and SCS employees know the problems of, and work with, our rural citizens. The task of revitalizing our rural areas is a task in which they are already involved and a field where they already have experience and expertise.

Through expanded FHA authority, this bill will encourage young citizens to stay in their home areas by making it easier to obtain loans for farming and rural development purposes. This should and will be done through joint financing using Federal agencies such as the Farmers Home Administration to complement local sources of credit. I feel very strongly that Federal funds should not be used to compete with local and private lending institutions. They should be used as a vehicle by which local bankers and savings institutions can increase their rural and community improvement efforts.

Another important section of this legislation would authorize the Secretary of Agriculture to enter into long-term contracts—up to 10 years—with landowners and farmers to share the cost of conservation plans within watershed projects. Experience in the Great Plains conservation program has demonstrated that an agreement between farmers and the Government based on a good conservation plan that allows the farmer assured cost sharing enables him to plan and program conservation activities without uncertainty and with improved results.

This provision would supplement, but not supplant, the cost sharing authorized under REAP, the Great Plains conservation program, and other programs that provide conservation cost sharing.

I know there has been much interest on the part of my colleagues regarding the proposed amendment to title II of this bill regarding Fish and Wildlife. I do not feel this amendment is necessary. The watershed programs authorized by Public Law 566, and carried out through local watershed leaders and SCS personnel, have been very successful in my district and have enhanced the growth and development of fish and wildlife resources and habitat. Moreover, I feel that burdensome reports and a transfer of existing authority from local SCS personnel and the USDA to the U.S. Fish and Wildlife Service would be costly and perhaps counterproductive to our efforts to incorporate fish and wildlife development in watershed projects.

Mr. Chairman, there are two other aspects of this legislation in which I have special interest. First, this bill strengthens title IX of the Agricultural Act of 1970 to provide mandatory priority in locating new Federal offices and facilities in rural areas. If we are going to provide Federal facilities and services closer to the people and make these services and

facilities more responsive, this authority must be given priority.

Second, I am most interested in the Greenspan program within this legislation. This program is designed to divert marginal farmland to conservation and pollution abatement uses, as well as recreation and beautification. Up to now, the authorization level has been too low to implement an effective program. The increase in the annual authorization from \$10 million to \$40 million will allow the USDA to designate specific programs to see if we cannot carry out the goals and objectives of Greenspan.

Mr. Chairman, again, I appreciate the opportunity to make these comments on the Rural Development Act of 1972. I want to assure my urban colleagues this legislation is not simply a program for rural America. This bill represents increased economic opportunity for our rural areas with the hope that at the same time we can bring needed relief to our overcrowded cities.

Mr. TAYLOR. Mr. Chairman, I rise in support of the Rural Development Act of 1972 and the strong promise it offers for both improving the quality of life in our rural areas and at the same time offering our established rural citizens a reinforced alternative to migrating to our Nation's large metropolitan centers.

I commend the distinguished chairman of the House Committee on Agriculture (Mr. POAGE) and the dedicated committee members who have labored these many months to hammer out the features of this important piece of legislation. I am convinced that they have tried to arrive at a formula which will help to revive rural America without the creation of a massive new Federal bureaucracy to handle the details. The chairman is entirely correct in his observation that the Farmers Home Administration and the Soil Conservation Service and other established agencies within the Department of Agriculture have well established records in which we have every reason to place continued confidence.

In recent years, it has been my feeling that too often our Government has overlooked the problems of rural America in its zeal to focus more and more attention on large city ghetto problems. Certainly, both merit attention. However, many of the housing and other social problems of our large cities would gradually evaporate if sufficient incentive could be provided to make it unnecessary for our rural citizens to move into the cities in order to make a living.

Statistics show us that far too many people are leaving the countryside. Far too many rural communities are folding up their streets. In fact, this grim trend has seen the exodus of some 20 million people from rural America into our large metropolitan centers since 1946—placing 70 percent of our population on 2 percent of the land.

The migration has left in its wake a crushed rural America with a countryside that provides to few economic and social opportunities for too few people. Sadly for the large cities, the migration has created a storehouse of additional problems which they did not need and, in most cases, have not been able to fully handle.

The price we are paying for this distorted rural-urban imbalance is far too high, even for a seemingly affluent nation such as ours.

This bill is a serious, important effort to change the pattern through a careful new investment in the future of our rural regions. It should not be viewed merely as an attempt to cure an ill through an injection of public funds. Rather, this legislation should be the springboard of new ideas and how they can be used to impede the flow of rural Americans to the cities and to eventually check it.

While the bill before us today does not embody all of the proposals contained in the President's proposed rural development financing bill, it does contain what I think is a sound approach to the problems involved.

I urge its favorable consideration.

Mr. GALIFIANAKIS. Mr. Chairman, the rural development bill that is before the House today is one of the most important pieces of legislation affecting rural America that will come before this body this session. This Committee on Agriculture has worked long and hard and I commend this committee and its members.

Mr. Chairman, we have talked about the need to revitalize rural America for many years now—but we have done very little. We have in many instances allowed the residents of rural America to be treated as second-class citizens with their faith in this Government shaken as a result of our inaction.

For many years, we have seen our rural communities robbed of their most vital resources, their young people and their hope for the future. We must demonstrate to our citizens in rural America that we care about them, and this bill is the first great step in that direction.

Mr. Chairman, the lights are burning low in rural America today, and it is incumbent upon us as representatives of the people to make those lights burn brightly again.

Mr. Chairman, I support this bill not as a perfect measure, or as a final answer, but as a step in the right direction—a direction away from despair and toward progress for rural America.

Mr. WAMPLER. Mr. Chairman, we are much concerned today with the need to revitalize rural America. For too long, our youth, born and reared in the countryside, have been attracted to the cities and urban areas by the promise of greater opportunity. The Rural Development Act of 1972, under discussion here today, is designed to improve the standard of living on our family farms, and to make our smaller towns and communities more attractive and more lucrative for our new families.

We are not asking you to establish a rash of wasteful and duplicative new Federal programs. Rather we are asking that you authorize a reasonable expansion of the programs that have proven themselves successful under the administration of experienced, already established agencies thoroughly familiar with the problems that face the areas they serve.

Basically, the legislation would broaden the credit services of the Farm-

ers Home Administration, aiding both farm and nonfarm rural people by making insured loans available to family farmers for operating expenses or the purchase, enlargement or basic improvements of their farms; by providing housing in rural areas, and in towns with a maximum population of 10,000; and by assisting in funding modern water and sewer systems. In addition, the legislation would provide \$75 million annually to help fund vitally needed pollution abatement and control projects in rural areas.

In my opinion, the whole country will benefit greatly from the development of rural America. The implementation of this legislation will go a long way toward equalizing the opportunity for employment and decent living conditions between urban and rural districts, and will encourage a redistribution of population as a result, thus easing the problems of both.

My colleagues on the Agriculture Committee worked long and hard to develop this legislation, holding extensive hearings and receiving volumes of expert testimony. We believe it reflects maximum effort to do a job that needs doing. Many concerned individuals and organizations have endorsed our efforts. Close to my own district, they include the Virginia Association of Soil and Water Conservation Districts and the Virginia Association of Electric Cooperatives.

I believe the Rural Development Act of 1972 is a good bill which will have a tremendous impact on the future growth and progress of the rural areas of this country.

Mr. PRICE of Illinois. Mr. Chairman, the Rural Development Act of 1972 is important to all Americans whether they live in rural or urban areas. The bill is designed to help restore the vitality of rural America which goes hand in hand in our meeting our urban crisis.

Solving our urban problems does not stop at the city limits. Urban America needs a strong and vital rural America. The two are partners. Over the years I have been a strong supporter of the rural electrification program because it provides services to our rural dwellers that are essential for their areas' development.

The bill H.R. 12931 is no different. It enables the Farmers Home Administration and the Soil Conservation Service to finance industrial and community development and pollution abatement in rural areas and its eases loan terms for farming and rural development programs. It provides operating loans to rural youth for activities under training programs and it authorizes small business operating loans in rural areas.

This bill is needed. The following facts bear this out:

Sixty percent of our Nation's substandard housing is located in rural areas.

The per capita income in rural areas is lower than that in our cities.

Services such as fire protection and ambulance service are often inadequate.

Rural areas urgently need more and better water and sewer systems.

Job opportunities are desperately needed in rural areas.

There are other disparities in rural America which underscore the severity

and the magnitude of the problem. Suffice it to say that if we expect to correct the population outflow from rural America we must take positive action to enhance the standard of living and opportunities of our rural dwellers. This bill represents a step in that direction.

Finally, I want to deal with the issue of whether we as a nation can afford this legislation. In reading the dissenting views in the report I noted the concern expressed over the cost of this legislation, its budgetary impact and the effects it would have on our economy. Let me try to put this argument in some perspective.

Based on the best available estimates this bill would cost approximately \$280 million annually over the next 5 years. I do not think there is any question that we can meet this requirement. If we can spend nearly \$100 million daily to support the South Vietnamese Government, I do not think there is any question about our being capable of spending money in our own Nation on our own people.

Moreover, the potential salutary effects of this legislation in creating jobs, encouraging economic and industrial development, and protecting our environment clearly belie the cost argument against this bill. If anything, this bill will help to improve our bleak economy and help generate additional revenues to offset the colossal public debt that present economic policies have produced.

Mr. Chairman, I strongly support this bill and urge my colleagues to vote for it.

Mr. CONTE. Mr. Chairman, one of the basic concepts of this Rural Development Act is the use of presently existing agencies to administer new and expanded programs. I strongly favor both the commitment to alleviating the serious problems faced by rural Americans and the concept of utilizing present agencies. There are already far too many arms on our bureaucratic octopus.

I must, however, inform my colleagues that the Farmers Home Administration cannot adequately administer the programs for which it is now responsible. Because of present employment ceilings and a questionable formula for allocating administrative funds, the Farmers Home Administration is unable to process loan applications already sitting in its county offices. While needy families waited, over \$90 million went unused last year. While young farming families in Massachusetts prayed for a loan, 550 applications gathered dust in the three overworked and understaffed Farmers Home Administration Offices in my State.

Massachusetts has come out on the short end of the stick as far as Farmers Home Administration programs go. During the last fiscal year, Massachusetts only received 0.1 percent of Farmers Home Administration funds. With a population of over 5 million people—over half of which are eligible under present Farmers Home income limitation—Massachusetts has only three county offices. Farmers Home Administration programs could benefit 208 towns in my State. At present, however, they cannot. Consequently, needy rural families are denied the benefits of valuable Farmers Home programs.

I said earlier that the Farmers Home

Administration has a "questionable formula" for allocation of administrative funds. Perhaps the best phrase would have been "no formula at all." In a letter I received last month, Administrator James V. Smith informed me that "past years' new-loan-making activity in each State has been a reasonably accurate guide to allocation of manpower for new-loan making." I am certain that all of my colleagues can recognize the fallacy of that argument; if our Massachusetts offices have no staff, they can make very few loans. If they make very few loans, then they are not entitled to an increase in staff for the next year.

Administrator Smith has promised me that he will take steps to change this situation, and relate manpower allocations to potential demand.

I mention this sad state of affairs for only one reason: If we commit ourselves to expanding the programs and services provided by the Farmers Home Administration, we must also commit ourselves to helping them meet that increased responsibility.

As a member of the Appropriations Committee, I pledge to fight for such an increase in Farmers Home Administration administrative funding. Only then can by constituents, and rural families throughout Massachusetts and the Nation take full advantage of these valuable programs. If we expect Farmers Home Administration to seriously help rural America, we must give them the men and the money to do that. I, for one, intend to try.

Thank you, Mr. Chairman.

Mr. KASTENMEIER. Mr. Chairman, I will support the amendment that will be offered by my colleague from Wisconsin (Mr. REUSS), and recall his earlier efforts of last summer to bring channelization work under greater public and environmental review. Although I supported the amendment of last June, I feel that efforts here today to bring the Watershed Act within the oversight functions of the Fish and Wildlife Coordination Act are more reasonable and thus more deserving of passage than the moratorium amendment. Today's amendment does nothing more than to insure that proper consideration and evaluation is given to the value of fish, wildlife, and our natural environment in all Federal resource projects.

Should my support for Mr. REUSS' amendment here today be misinterpreted by my good friends within the soil and water conservation districts of my State, I would remind them that Wisconsin statutes already require that the Wisconsin Department of Natural Resources review and grant permits for all channelization projects that might involve enlargement of waterways, changing of stream course, or removal of material from beds of navigable waters. This amendment is merely an attempt to bring Federal regulations up to the quality that Wisconsin residents have enjoyed for many years. And I would also like to stress further that a vote for this amendment is not a vote against the many valuable soil and water conservation projects that have been directed by local leaders over the years to the betterment of all U.S. citizens. It is an attempt

rather to bring about a small adjustment in a single soil and water conservation technique that can result in even greater benefit to the environmental future of our country. Finally, I would just like to add that over the years I have been a consistent and enthusiastic supporter of conservation work carried out by the soil and water conservation districts, and plan to continue to do all I can to insure that they get the necessary backing to carry on their vital work.

Mr. PURCELL. Mr. Chairman, if there is one primary objective among all others to the bill which we have under consideration today, it is to finance job-creating enterprises in rural areas. Words have echoed and re-echoed across this Chamber about the difficulty of solving urban America's crisis and what should be done about reversing a population migration from rural to urban areas which could ultimately choke the Nation to death. This bill is a direct, toes-on-the-line effect to knock the status quo off dead center. We must move from talk to solid action.

Last Friday, February 18, I sat with a half-dozen community leaders from my district before the top officials of the Office of Economic Opportunity seeking to find ways to secure no more than seed money for an industrial park in a four-county area which has suffered consecutive population losses of more than 30 percent for the last two censuses. We received looks of concern and expressions of "gosh we would like to help, but there is nothing we can do." It was a message which was heard earlier in the offices of the Economic Development Administration and the Department of Agriculture.

This was a group of men who have spent virtually their lifetimes trying to develop viable communities in northwest Texas. They were not up here on a lark. They came looking only for enough help to put a local industry base on its feet. That group returned to Texas Friday. They went home frustrated. Their story will frustrate their fellow townspeople. And without some real help in the very near future—help which we have the opportunity to provide—their children and thousands of others like them will continue to abandon rural America. By abandoning rural America they will automatically add to the population glut of urban America.

We are talking about one problem when we discuss overcrowded cities and opportunity-starved rural communities. Yet to this day, Mr. Chairman, the Federal Government has insisted on treating the symptoms of population migration as separate problems. There are on the books at this time more than 1,700 Federal programs designed to be of primary benefit to large cities; 350, a fifth as many, have been designed to be of primary benefit to rural areas. The amount of money spent in these two categories follows these numbers more than proportionally.

This bill is designed to put Federal emphasis upon solving what is one problem by working at its source—a rural America which offers less and less opportunity to a more and more mobile society.

Title I of this bill will provide authority for the Farmers Home Administration to finance industrial development in order to provide more jobs in rural areas. Ongoing industrial development programs have not made much impact—as my several visits with the Federal bureaucracy indicated just last week—because they have been limited in scope and in funding.

Section 112(a) of this bill would provide insured loans for the purpose of financing small- or medium-sized industrial or commercial establishments. Additionally, it would provide loans and grants to nonprofit local industrial development organizations for the purpose of financing facilities related to the development of industrial or commercial establishments. This authority is extremely important since it is likely that, in many instances, for an industrial development project to be a success a number of essential related facilities will be required such as access roads, parking lots, water supply and waste disposal facilities and even some initial operating capital.

Further, this section would provide authority for the Department of Agriculture to participate in joint financing with other Federal agencies such as the Economic Development Administration, the Small Business Administration, the Office of Economic Opportunity and the Department of Housing and Urban Development, as well as with State agencies and with private and public financial institutions. The provision would bolster the impact of all of the ongoing programs which—let me reemphasize—are sorely in need of muscle power.

Mr. Chairman, the entire country will benefit from the enactment of this bill. It contains four titles, and I have discussed only a part of one of them. Section 12(a), originally contained in my bill H.R. 10671, is of vital importance to the country. In it rural communities can find the seeds of their revitalization; and in it the huge cities can find a check upon the continuous influx of population.

This bill should be passed. It should be passed with a margin which will indicate to the Senate the degree of need which exists across this country for renewed economic opportunity away from the sprawling metropolitan centers and throughout the rural heartland of the Nation.

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of H.R. 12931, the Rural Development Act of 1972, and to express my profound hope that my colleagues in the House of Representatives will seize the opportunity which this legislation offers for improving the economy and living conditions in rural America.

Since it is my privilege to represent a district which makes up part of the rural America we are focusing on today, I am acutely aware of the many problems to which this legislation is addressed. As the House Agriculture Committee report on H.R. 12931 points out, for example, in the rural areas of America we find 60 percent of the Nation's substandard housing as well as much lower levels of per capita income, public services, water and sewer

systems, and employment opportunities, than those existing in the urban areas.

As the committee report also clearly points out, however, the problems of rural America are not isolated ones but are very much interrelated with the many problems facing our modern cities. We have, of course, long been aware of the steady migration from rural America to our Nation's large population centers and of the fact that this has led to many of the chronic problems now existing in these cities. For too long, however, this migration was merely looked upon as being an inevitable result of changes in our Nation's way of life—to be coped with somehow at both ends.

Part of this migration certainly was, and continues to be, an inevitable result of certain basic trends in our Nation, but we must recognize that a significant amount is attributable to the comparatively poor living conditions and employment opportunities in rural areas. By making improvements in these conditions and employment opportunities we can, I am confident, significantly check this migration and thereby alleviate problems facing both rural and urban areas in our Nation.

The House Committee on Agriculture is to be commended for the attention which it has given to this very important area and for the legislation which it has recommended to deal with these problems. I am in particular accord with the course taken by the committee in meeting the problems of rural America through an expansion of the roles of those existing Federal agencies already engaged in rural development. The fine work of the Farmers Home Administration and the Soil Conservation Service has substantially benefited many areas within my congressional district. With the long experience of such agencies in dealing with rural area problems, they would seem best suited to undertake an expansion of these efforts.

Among other things, H.R. 12931 provides a significant expansion in the amount and type of loans which the Farmers Home Administration is authorized to make in rural areas—including new authority for business-type loans and loans for community facilities. It gives added flexibility to the small-watershed and resource-conservation and development programs, providing needed Federal assistance in such areas as water quality management, municipal and industrial water supply, and pollution abatement. The legislation would also increase authorizations under the Bankhead-Jones Farm Tenant Act to assist State and local public agencies and local nonprofit organizations in such areas as water storage programs and programs of land inventory and monitoring.

As indicated, I fully support these provisions of H.R. 12931 and feel that the increased Federal assistance contained therein will be of great benefit to our Nation's rural areas. I am also in full support of an amendment which I understand will be offered today and which would increase the amount authorized in title I, section 104 for water and waste disposal grants under the Consolidated Farmers Home Administration Act from

the \$200 million provided for in the committee-approved bill to \$500 million. I am familiar with the great need for these grants in the Third District of Arkansas and hope that the House will see fit to provide for the above increase in funds.

Among other amendments intended to be offered today are two to which I would like to express opposition at this time. One of these amendments would bring the Watershed and Flood Prevention Act of 1952 under the provisions of the Fish and Wildlife Coordination Act. The effect of this amendment would be to add unneeded and unnecessary Department of Interior control of programs relating to fish and wildlife by adding the approval of the Secretary of Interior as a prerequisite for such projects. In my judgment, the Congress clearly intended to exclude the Watershed Act from the provisions of the Fish and Wildlife Coordination Act. To adopt such an amendment would do serious damage to the program, and would certainly be an injustice to the local sponsors. I will oppose it if offered.

Another amendment that may be offered would propose a moratorium on stream channelization projects of the Soil Conservation Service. Such an amendment has been offered in the House on several occasions before today and the arguments of its proponents and opponents should be familiar to all of us. At this time, therefore, I will merely indicate my judgment that the Soil Conservation Service's channel projects have been of great benefit to many areas of our country, including my own congressional district, and that I believe these benefits to far exceed the environmental dangers feared by supporters of this amendment.

Mr. BADILLO. Mr. Chairman, I am supporting the Rural Development Act of 1972 not so much because I believe it to be a comprehensive answer to the complex problems of rural America, but because it is both a modest step forward and at the same time a recognition that the economic and social difficulties experienced in the rural areas of our Nation bear directly on the problems of our cities.

In its report on this legislation, the Committee on Agriculture asserts that the basic purpose of H.R. 12931:

Is to provide an effective program to enable rural America to offer living conditions and employment opportunities adequate to impede the steady flow of rural Americans to our Nation's large population centers.

The committee observed that:

Once this outmigration is checked, this legislation proposes to make it desirable for Americans to actually return to our rural areas, thereby lessening the burdens and problems of the modern big city.

In my view, it is essential that this migration be checked and to the extent that this legislation can accomplish this, it has my full support. We cannot overlook the fact that the urbanization of America has aggravated the problems of poverty not only in our cities but in our rural areas as well. The recently formed Coalition for Rural America reported to the Senate Finance Committee not long ago that fully half of the citi-

zens living in rural areas are in poverty; that 60 percent of our Nation's inadequate housing is outside the metropolitan areas; that infant mortality in rural America is 20 percent higher than the national average.

As long as this remains the stark reality of life in our rural areas, we can except the migration to the cities to continue. And we must keep in mind that those who migrate to the cities without being trained and equipped to find employment there becomes an additional tax burden to some city, another statistic in the cycle of poverty and despair which afflicts our urban areas.

Through the legislation before us today and hopefully, through the various housing, health and education bills yet to be considered in the House, we will come to grips with the problem in its fullest dimensions.

Mr. SKUBITZ. Mr. Chairman, I rise in support of H.R. 12931.

This bill is a step in the right direction.

It is an effort to bring prosperity to rural America.

It is a bill which will make a number of needed improvements in existing law and will inaugurate some new efforts to improve the quality of life in rural America.

Earlier this year the President pointed out that all Americans have a stake in rural development. It is not just rural people. It is not just farmers. It is city people too. All Americans will benefit if our rural areas can prosper and grow.

The President pointed out that many of the problems which rural people now face are directly linked to those of our cities and suburbs.

We should recognize, Mr. Chairman, that the changing patterns of contemporary American life has resulted from increased mechanization of agriculture and other natural resource industries.

While employment is there, our very basic industries have declined or machines replaced men, many of those same men left the rural and remote areas of the nation to seek jobs and opportunities in the small and large cities.

In their wake, the declining rural population has left a situation where:

Sixty percent of the substandard housing is located in rural areas.

The per capita income of rural people is consistently lower than that of urban people.

Medical, fire, water, sewer, and other human needs are often inferior in rural areas.

In brief, the crux of the problem has been that poor opportunities in rural areas have caused many people to leave and move to the cities.

Of course I realize that all this has been said many times by many people. But today there is a difference, because today the House is ready to vote on a concrete proposal to do something about the problem.

The bill before us is divided into four separate titles, each of which is targeted toward the solution of various problems of rural people, main points include the following: Title I would help farmers get larger operating loans—from \$35,000 to \$50,000.

It would permit FHA to insure these loans, through making more credit available.

It would allow business and economic development loans and grants.

It would permit pollution abatement and control loans and grants and triple Poage-Aiken water and sewer grants.

It would beef up grants for community planning.

Under titles II and III the small watershed program and the resource conservation and development program would be improved.

Title IV establishes a priority for the location of Federal facilities in rural areas. It also increases the authorization for the Greenspan program from \$10 million to \$40 million per year—the Greenspan program permits small towns to receive a Federal grant for acquiring farms near the city if the farm was eligible for a land retirement program.

All in all, this bill is a conservative and concrete step toward building a better America—not just a better rural America, but a better America for all Americans.

Mr. FUQUA. Mr. Chairman, I would like to take this opportunity to commend the House Agriculture Committee for reporting out this excellent rural development bill. The rural-to-urban migration in this country has reached dramatic proportions representing the displacement of 30 million farmers and rural people since 1940.

The committee has recognized the need to offer effective programs to assist the rural communities in impeding this outward migration and H.R. 12931 is an ideal mechanism for providing this rural development assistance. Certainly the large cities have an important interest in this legislation as improved living conditions and employment opportunities in the rural areas will provide a catalyst for reversing the rural-to-urban migration thus lessening the glut of our major metropolitan areas.

In the State of Florida this outward migration was vividly illustrated by the 1970 census statistics. In 1960, 73.9 percent of the citizens of Florida lived in urban areas of the State. By 1970 this figure had increased to 80.5 percent. The rural figure had decreased during this same time period from 26.1 to 19.5 percent. Recognizing the continued impact of this outward migration from the rural areas, it is most timely that this legislation be brought to the House floor. Although there is a great need for new programming capabilities and rural development leadership, I am pleased that the committee did not choose to create still another Federal agency to administer these new efforts. The Department of Agriculture, through the Farmers Home Administration and the Soil Conservation Service has served the needs of rural people well and is in a position administratively to address the increased need for rural development programs without overhauling the present network of offices and personnel throughout rural America.

The urgency of providing rural America with opportunities to make living conditions and job opportunities more nearly comparable to those available in

our cities is apparent. I wholeheartedly support this measure and encourage its favorable consideration today.

Mr. NELSEN. Mr. Chairman, because I have lived in the country all my life and represented rural areas in the Minnesota State Legislature and here in the House of Representatives, I have taken a great interest in the subject of rural development. The fact that we are now actively considering a bill that would economically aid rural America means that some solid action is likely to be taken to boost opportunities in the countryside.

The Rural Development Act of 1972, as reported out of the House Agriculture Committee, has been criticized, but I believe the enactment of those workable committee recommendations that can be financed would be an important step forward.

Let us first recognize that today there is no such thing as equal opportunity for those in rural America. Our cities receive an inordinate amount of governmental aid but at the same time the needs are often greater in rural areas. Seventy percent of our Nation lives in urban areas, but 60 percent of our substandard housing is in rural areas. Major public services are often inadequate or nonexistent in the country. Most important, the economic opportunities on which to base sound community growth are often lacking in the countryside.

Without this basic economic foundation, rural citizens cannot hope to achieve equal status with city residents.

In his message to the Congress on the problems of rural America, the President pointed out that the three decades since 1940 have seen half of our counties, though not always the same ones, lose population. In fact, 40 percent of our Nation's counties have lost population in each of the three decades. President Nixon said:

Our rural areas are being emptied of their people and their promise.

The answer must first be in a recognition that the balanced growth of this Nation is important to the longrange interests of every American. The problems we face domestically are compounded by rural out-migration. Our cities can barely keep their heads above water now, without having to incorporate added thousands from the countryside. Yet, farm people are being forced to move into the city along with their problems because of a lack of economic opportunities in rural communities.

This migration is bad sociologically, politically, and economically. Fifty-six percent of all Americans would prefer to live in the country or small towns. We have allowed economic circumstances to bring about the conditions we have today, so their preferences are denied. There are roads and places to build homes and businesses. There are stores and local governmental institutions that can easily expand to meet growing needs. Rather than spend added billions to solve the problems of tomorrow's cities, let us invest a few dollars in the future of tomorrow's rural America.

I urge my colleagues to recognize that the only solution to rural problems and a major answer to our cities' problems is

a rural development program which will encourage capital investment in rural America to create jobs and a new sense of optimism in 98 percent of the land area of this Nation.

Mr. DORN. Mr. Chairman, the Rural Development Act now before us is a splendid step forward toward the goal of rural renewal. We will continue to spend billions for urban renewal. Yet the problems of urban housing, pollution, unemployment and crime continue with little apparent improvement. We must move toward a more positive approach. We must attract our people back to the great rural areas. Ours is a tremendous, spacious land, yet 70 percent of our population is crowded into only 2 percent of our land surface. Since 1940, the period when the overcrowding of our metropolitan areas quickened, half of the Nation's counties have actually lost population. There can be no higher national priority than to reverse the stream of people into the metropolitan areas.

There can be no ecology or environment to speak of in a crowded ghetto or in a rush-hour traffic jam. For too many there is only the despair and loneliness. Too many were forced to leave the country because of economic decline and find even less opportunity in the city. This is a natural breeding ground for higher welfare rolls, drugs, and crime. We must encourage a return to less populated areas of the country.

The bill now before us, as well as other measures now pending in the Congress, show the determination of the Congress to improve the quality of rural life. The Rural Development Act would greatly improve existing loan programs. Loans would be available for establishment and operation of small business enterprises in rural areas and for essential community facilities. Especially commendable, Mr. Chairman, is the provision authorizing loan assistance to young people for business enterprises being carried out in connection with agricultural training programs. There are also important new programs authorizing grants for pollution abatement and industrial planning.

We are especially pleased, Mr. Chairman, that these splendid new programs would be carried out by the dedicated and devoted people of the Farmers Home Administration and the Soil Conservation Service. Mr. Chairman we do wish to commend the great Committee on Agriculture for their outstanding, diligent work in bringing forth this legislation. Under the leadership of Chairman POAGE of Texas and our own JOHN McMILLAN, the committee has reported a great bill. I enthusiastically support it and urge its overwhelming approval.

Mr. RANDALL. Mr. Chairman I rise in support of H.R. 12931 because in my judgment we are engaged today in a legislative effort that is as important as any we have embarked upon, during this second session of the 92d Congress and even most likely one of the most innovative, far-reaching and generally beneficial pieces of legislation that will be considered during the entire 92d Congress.

It would be difficult to recite the total number of bills of a similar nature with substantially the same objectives as H.R.

12931, that have been introduced in Congress within the past several years. Suffice it to say there have been many such bills very much like the Rural Development Act of 1972 which unfortunately have expired at the end of each Congress without being approved by either the appropriate committee or by either body of Congress.

Those of us who represent rural areas and, indeed, the entire membership of the House should be indebted to the Committee on Agriculture for reporting out and bringing to the floor H.R. 12931, with its announced purpose to provide for improving the economy and living conditions in rural America. What an important objective. What a worthwhile objective. How can one imagine a purpose more needed for all of us to try to accomplish or a more urgent goal to try to achieve, as soon as possible.

Mr. Chairman, whatever the terminology or whatever words may be used to describe a bill with substance such as this one, it should merit the support of not only those who are privileged to represent the rural areas but our colleagues from the big cities as well. It should not take any great word artist to make it clear that if we do not take some prompt and rather determined steps to prevent this continued migration from the rural areas to our cities, then we will very soon reach an imbalance in our population that will leave us, on the one hand, with a vast wasteland in the rural areas and, on the other hand, not just cities but a series of megalopolis so large and unwieldy as to be almost unmanageable with problems of a scale that will become truly insoluble.

Should it develop that there is a record vote on this measure, it is my sincere hope that when and if the roll is called, we will not find any who represent the big cities in opposition to this bill because it happens to bear the title of the Rural Development Act. If I may, let me point out that this bill is of just as much value and importance to our colleagues who represent the overcrowded cities of America as it is to those of us who represent areas that frequently decline in population from one decennial census to the next. Why can we believe this is a fair and reasonable statement of fact? The answer is that for all the money that we authorize and spend on welfare in our great cities—under the poverty program, model cities, urban renewal, public housing, low-income housing, rent supplement and all the others, it will be to little or no avail as long as this migration from the land to the cities continues as thousands upon thousands of men and women, unskilled, but seeking jobs continue to crowd into our cities. They will create unemployment on such a massive scale that no social welfare program that we can pass in this Congress can hope to cope with.

Someone has aptly expressed himself to the effect that all the money that is spent on housing, urban renewal and elimination of ghettos, if this migration continues, will be money that will demonstrate little visible results. The reason is that as soon as one ghetto is eliminated, another will spring up right be-

side it unless the crowding into our cities year after year is somehow arrested and/or hopefully somehow, some way reversed through some of the inducements provided in this legislation. Those who are now in our cities, unemployed, and on welfare, and living in poverty may hopefully notice this inducement to return to the rural areas, as being a better place to live and as a place where they can find some kind of employment which will be extended through the provisions of H.R. 12931.

Mr. Chairman, I have long been on record that a comprehensive rural development program is absolutely essential for the well-being of this Nation. To this end, early in the present Congress I introduced H.R. 1510 which would encourage and aid the revitalization of rural America. Our bill took a different approach to the problem than the legislation which is before us today. It attempted to stem the forced migration from rural areas and to reduce the population pressures in urban centers by providing tax incentives for the establishment of new or expanded job-producing industrial and commercial facilities in rural areas.

Of course our proposed type of rural revitalization measure came under the jurisdiction of the Committee on Ways and Means. Nevertheless, it is refreshing to see that the concept of industrial and commercial job-producing expansion in rural areas which my bill would have operationalized in a different manner has been accepted and endorsed by the legislation now reported by the Committee on Agriculture.

Mr. Chairman, we cannot think in the anachronistic terms of rural versus urban interests. We can find many examples of disparities which exist between rural and urban America, but if any progress is to be made toward the goal of providing a better quality of life for all Americans, that progress can only be made through the cooperative efforts of both rural and urban America working together.

An excellent case can be made for the contention that it will cost far less to save rural America than it will cost to fight the losing battle against poverty in our urban slums. This is not to suggest that we should take money away from the cities, nor to suggest that the poverty war should be abandoned. But it does assert that the benefits to be realized from concerted attention to the needs of our deteriorating countryside can be instrumental in alleviating some of our urban problems. It is altogether possible that much of the so-called hard-core poverty-stricken population in the big cities is in this condition because of an inability of people with deep rural roots to cope with the noise, congestion, aggressiveness, and tensions found in metropolitan areas. A massive rural development program may give many of these people something to come back to in the countryside they left, and in many cases still call home.

Mr. Chairman, the revitalization of rural America may very well become the first step toward a revitalization of all America. Establishment of a rural development program will fulfill a commitment already made by this Congress

in the Agricultural Act of 1970 which declared that a sound balance between rural and urban America was "so essential to the peace, prosperity and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas."

True this is a first step but let us take that first step.

Mr. Chairman, today we embark on an effort that will hopefully have far reaching consequences. During luncheon today in discussing some of the problems of our rural areas with our counterparts, the Norwegian Parliament, I happened to mention this bill. For their part, they thought this bill contained an excellent idea. However, some of our own colleagues who were present at this luncheon expressed the thought that while we were proposing a lofty ideal and espousing a meritorious cause, nothing might ever come or happen as a result of our enactment of the Rural Development Act of 1972. This kind of pessimism struck me as being a sort of self defeat even before we have ever given this proposal a chance to succeed. I hope that this kind of view is not shared by very many in this body. If we adopt this kind of attitude in advance about the program before it has a chance to work then we are really in trouble.

So frequently, we hear about the application of the cliché, "action speaks louder than words." Well, may I most respectfully suggest to my colleagues in the House what we are trying to do today is translate the context of all the bills introduced over the past 3 years into some kind of action through the passage of this bill. It is always well to be cautious. It is all right never to be overly optimistic. For my part, I prefer to regard myself as the kind of a moderate pessimist who also applies the yardstick of realism to a given situation without admitting defeat before the battle has ever begun.

In the area where we fight for rural revitalization we simply must not, we cannot admit that it is a losing battle. The facts are if we do not enter this contest to save our rural America in a crusading spirit and resolve not to take no for an answer then truly the problems of rural America will be compounded beyond our capacity, or ability to solve. In the kind of a fight we face to save rural America it may be all right to be realistic. For the good of our country, we cannot become pessimistic. We must be optimistic.

Mr. ANDERSON of Illinois. Mr. Chairman, over the last three decades, half the counties in the United States have been losing population; during that same period, the population of the United States has increased by 63 percent, from 130 million people to 205 million people. According to the interim report of the Commission on Population Growth and the American Future, when our Nation was formed, 95 percent of the people lived in rural areas; today, over two-thirds of our people live in metropolitan areas and many more in outlying cities and towns. During the decade of the sixties, three-fourths of our Nation's growth occurred in metropolitan areas, with the suburbs absorbing most of it. And during

that same period, the farm population dropped from 15 million to 10 million. According to James L. Sundquist, senior fellow at the Brookings Institution, if these trends continue, by the turn of the century 77 percent of our Nation's 300 million people will live on 11 percent of the land—excluding Alaska and Hawaii—and only 12 percent of the people will live outside urban areas of 100,000 or more population. If current chaotic growth patterns are allowed to go unchecked, Sundquist predicts that by the year 2000, 60 percent of our people or 187 million people will live in four huge urban agglomerations along each of our seaboard strips and around the Great Lakes. The problems presently confronted by our urban areas will be nothing in comparison with those which will face these sprawling megalopolis.

The bill which we are considering today—the Rural Development Act of 1972—is far from being the final answer to reversing this dangerous trend. Obviously a more massive and comprehensive approach will be required if we are to abort this megalopolitan monster, and hopefully the final report of the Population Growth Commission will give us detailed guidance in planning for future growth. Nevertheless, I do consider this legislation an important first step in breathing new life back into our decaying rural areas. This bill is designed to provide adequate living conditions and employment opportunities in these areas by encouraging and assisting the development of business, industry, community centers and services, and pollution abatement and control in our small towns and in the countryside.

Rather than creating new bureaucratic organs to administer these new rural development programs, this legislation wisely, I think, builds upon the time tested capabilities of existing agencies—the Soil Conservation Service and the Farmers Home Administration which currently have 3,000 and 1,700 offices respectively across the Nation.

While I intend to support certain amendments to this legislation, particularly those offered by Congressmen Dow, BLACKBURN, and REUSS, I think for the most part this is a sound and workable bill and most importantly, an urgently needed one. I urge my colleagues to join with me in voting for the Rural Development Act of 1972.

Mr. MATHIS of Georgia. Mr. Chairman, the Rural Development Act of 1972 is an important first step toward bringing new life to rural America.

It is the purpose of the bill to make it not only possible but also desirable for people to return to the Nation's small towns and cities and open spaces. It is our hope that this bill will help stem the tide of rural to urban migration which continues at the rate of 500,000 a year.

Members of the House Agriculture Committee has worked long and hard to report a bill designed to improve the employment opportunities and living conditions for rural Americans.

Chairman BOB POAGE is especially deserving of praise for his efforts to bring an effective, nonpartisan rural development bill to the House floor. I am pleased

to be associated with the gentleman from Texas as a cosponsor of this legislation.

Chairman POAGE is one of the most knowledgeable men I know in the field of agriculture, and he has done an outstanding job of explaining H.R. 12931 and the effect we hope it will have on rural areas throughout the country.

No one has been so foolish as to claim that this bill will solve all the ills that plague our countryside and our cities where millions have fled in a fruitless search for jobs and better living conditions.

My fellow members of the House Agriculture Committee see this legislation as a beginning. There has been too much talk and not enough action in the past. The time has come to show the people of rural America that their Congress and their Government intend to take some concrete action toward helping solve the problems that have mushroomed as a result of neglect.

I feel that the committee acted wisely in choosing not to create yet another Federal agency to administer rural development programs. The Department of Agriculture, through the Farmers Home Administration and the Soil Conservation Service, is best qualified to serve the needs of our rural people.

It is very important that every Member of Congress and every taxpayer realize that rural development legislation will benefit all America—city and country dwellers alike.

Today, 800,000 people a year are migrating from rural areas to the cities. Between 1960 and 1970 more than half of our rural counties suffered population decline.

Yes, hundreds of thousands of individuals and families have been forced off their land for a multitude of reasons. Most of them have packed their well-worn suitcases and left the countryside as fast as their old cars or the first bus would take them to Atlanta, New York, or Washington. When they start looking for a job at the end of the line—they discover something. They find they are victims of a cruel hoax. There is no job, no decent housing, no land of milk and honey. They become locked in a way of life that is totally alien. They are pulled down into a whirlpool of frustration. They all too often become a statistic, another number on the welfare rolls, a victim of crime, a pawn, if you will, in the great chess game of power and politics over which they have no control.

The predicament of the unwilling urban dweller is all the more sad when you stop and realize that this cruel and costly dislocation of fellow human beings is not really necessary.

Something can and must be done to stem the tide of out-migration from rural America which leaves behind deserted towns, depleted resources, empty institutions and people without hope for the future. Yes, these are results of the greatest out-migration in history—400 million to the cities in 50 years.

To me it seems deplorable that this trend should continue. But it is continuing.

I want the people who live in our cities and who control the destiny of this country at the ballot box to realize that all

of their problems stem from a common source. Yes, all urban problems—pollution, congestion, crime, traffic, poor housing, and on and on and on—have resulted from the neglect of rural America. I think more and more of our fellow Americans are beginning to see that the urban problem has its roots in our rural areas. What this bill attempts to do is deal with the problem at its source, instead of attacking it only at the point of its greatest visibility.

I say again that this legislation does not offer the final solution I feel strongly that we must start. And this bill is a beginning.

Mr. TEAGUE of California. Mr. Chairman, I have no further requests for time, and apparently no one is coming forth to support Mr. GOODLING and myself, so I yield back the balance of my time.

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

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the bill by titles.

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 "Rural Development Act of 1972".

TITLE I—AMENDMENTS TO THE CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961

SEC. 100. The Consolidated Farmers Home Administration Act of 1961 is amended as provided in this title.

SUBTITLE A—REAL ESTATE LOANS

SEC. 101. Section 304 is amended by—

(1) inserting "(a)" before the first sentence and striking out "(a)" and "(b)" in the first sentence; and

(2) adding at the end of the section a new subsection as follows:

"(b) Loans may also be made or insured under this subtitle to residents of rural areas without regard to the requirements of clauses (2) and (3) of section 302 to acquire or establish in rural areas small business enterprises to provide such residents with essential income."

SEC. 102. Section 305 is amended by striking out "normal" in the first and second sentence and striking out the last sentence.

SEC. 103. Section 306(a)(1) is amended by striking out "and recreational developments" and inserting in lieu thereof "recreational developments, and essential community facilities including necessary related equipment."

SEC. 104. Section 306(a)(2) is amended by striking out "\$100,000,000" and inserting in lieu thereof "\$200,000,000".

SEC. 105. Section 306(a)(6) is amended by—

(1) striking out "\$15,000,000" and inserting in lieu thereof "\$30,000,000";

(2) striking out "official"; and

(3) striking out "sewer" and inserting in lieu thereof "waste disposal".

SEC. 106. Section 306(a) is amended by striking out paragraph (7) and inserting in lieu thereof the following:

"(7) As used in this title, the terms 'rural' and 'rural area' shall not include any area in any city or town which has a population in excess of ten thousand inhabitants.

SEC. 107. Section 306(a) is amended by striking out paragraph (5) and renumbering the subsequent paragraphs accordingly.

SEC. 108. Section 306(a) as amended by section 107 of this Act is amended by adding at the end thereof a new paragraph as follows:

"(10) The Secretary may make grants, not to exceed \$10,000,000 annually, to public bodies or such other agencies as he may select

to prepare comprehensive plans for rural development or such aspects of rural development as he may specify."

SEC. 109. Section 309(f) is amended by—

(1) changing "\$100,000,000" to "\$500,000,000" in paragraph (1); and

(2) striking out "section 335(a) in connection with insured loans." in paragraph (5) and inserting in lieu thereof "in connection with insured loans, including the difference between interest payable by borrowers and interest to which insured lenders or insured holders are entitled under agreements with the Secretary included in contracts of insurance."

SEC. 110. Section 309 is amended by adding at the end thereof the following new subsections:

"(g)(1) The assets and liabilities of, and authorizations applicable to, the Farmers Home Administration direct loan account created by section 338(c) and the Emergency Credit Revolving Fund referred to in section 326 are hereby transferred to the fund, and such account and such revolving fund are hereby abolished. Such assets and their proceeds, including loans made out of the fund pursuant to this section, shall be subject to the provisions of this section, section 308, the last sentence of section 306(a)(1), and the last sentence of section 307.

"(2) From time to time, and at least at the close of each fiscal year, the Secretary shall pay from the fund into the Treasury as miscellaneous receipts interest on the value as determined by the Secretary, with the approval of the Comptroller General, of the Government's equity transferred to the fund pursuant to the first sentence of this subsection plus the cumulative amount of appropriations made available after enactment of this provision as capital and for administration of the programs financed from the fund, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration the current average yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of loans made or insured from the fund, adjusted to the nearest one-eighth of the 1 per centum. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest. If at any time the Secretary determines that moneys in the fund exceed present and any reasonably prospective future requirements of the fund, such excess may be transferred to the general fund of the Treasury.

"(h) The Secretary may provide financial assistance to borrowers for purposes provided in this title by guaranteeing loans made by any Federal or State chartered bank, savings and loan association, cooperative lending agency, or other legally organized lending agency."

SEC. 111. Subtitle A is amended by adding at the end a new section as follows:

"SEC. 310A. Loans meeting the requirements of the Watershed Protection and Flood Prevention Act or title III of the Bankhead-Jones Farm Tenant Act may be insured, or made to be sold and insured, in accordance with and subject to sections 308 and 309, the last sentence of section 306(a)(1), and the last sentence of section 307 of this title."

SEC. 112. (a) Subtitle A is amended by adding at the end thereof, after section 310A as added by section 111 hereof, a new section as follows:

"SEC. 310B. (a) The Secretary may also make and insure loans to public, private, or cooperative organizations organized for profit or nonprofit, or to individuals for the purpose of improving, developing, or financing business, industry, and employment and improving the economic and environmental climate in rural communities, including pol-

lution abatement and control. Such loans shall be subject to the last sentence of section 306(a)(1), but no such loan nor participation agreement shall be made in connection with the relocation of any industrial establishment employing more than twenty-five persons from a location outside the rural area to be served by the facility or installation.

"(b) The Secretary may make grants, not to exceed \$50,000,000 annually, to eligible applicants under this section for pollution abatement and control projects. No such grant shall exceed 50 per centum of the development cost of such a project.

"(c) The Secretary may also make grants, not to exceed \$50,000,000 annually, to public bodies for purposes including the planning, development, construction, or acquisition of land, buildings, plants, equipment, access streets and roads, parking areas, utility extensions, necessary water supply and waste disposal facilities, refinancing, services and fees. No such grant shall be made in connection with the relocation of any industrial establishment employing more than twenty-five persons from a location outside the rural area to be served by the facility or installation.

"(d) The Secretary may participate in joint financing in rural areas with the Economic Development Administration, the Small Business Administration, and the Department of Housing and Urban Development and other Federal and State agencies and with private and quasi-public financial institutions, through joint loans to applicants eligible under subsection (a) for the purpose of improving, developing, or financing business, industry, and employment and improving the economic and environmental climate in rural areas or through joint grants to applicants eligible under subsection (c) for purposes including the planning, development, construction, or acquisition of land, buildings, plants, equipment, access streets and roads, parking areas, utility extensions, necessary water supply and waste disposal facilities, refinancing, services and fees."

(b) Section 333 is amended by—
(1) inserting "except for loans under section 310B," after "(a)" and "(c)" respectively; and

(2) inserting "310B," in paragraph (b) after "306."

SEC. 113. Subtitle A is amended by adding at the end thereof, after section 310B as added by section 112 hereof, a new section as follows:

"Sec. 310C. (a) Applicants who receive rural housing loans under section 517(a)(2) of the Housing Act of 1949, as amended to provide dwellings in rural areas for their own use shall not be subject to the requirements of section 501(c) and 502(b)(3) of such Act.

"(b) For the purposes of title V of the Housing Act of 1949, as amended, a guarantee of payment given under the color of law by the Department of Hawaiian Home Lands (or its successor in function) shall be found by the Secretary reasonably to assure repayment of any indebtedness so guaranteed."

SUBTITLE B—OPERATING LOANS

SEC. 114. (a) Section 311 is amended by—

(1) inserting "(a)" before the first sentence; and

(2) adding at the end of the section a new subsection as follows:

"(b)(1) Loans may also be made under this subtitle without regard to the requirements of clauses (2) and (3) of subsection (a) to youths who are rural residents to enable them to operate enterprises in connection with their participation in 4-H Clubs, Future Farmers of America, and similar organizations and for the purposes specified in section 312.

"(2) A person receiving a loan under this

subsection who executes a promissory note therefor shall thereby incur full personal liability for the indebtedness evidenced by such note in accordance with its terms free of any disability of minority.

"(3) For loans under this subsection the Secretary may accept the personal liability of a cosigner of the promissory note in addition to the borrowers' personal liability."

(b) Section 312 is amended by inserting "(a)" after "311".

SEC. 115. Section 312, as amended by section 114(b) hereof is amended by—

(1) inserting "(a)" before the first sentence; and

(2) adding at the end of the section new subsections as follows:

"(b) Loans may also be made under this subtitle to residents of rural areas without regard to the requirements of clauses (2) and (3) of section 311 to operate in rural areas small business enterprises to provide such residents with essential income.

"(c) Loans may also be made to eligible applicants under this subtitle for pollution abatement and control projects.

"(d) The Secretary may make grants, not to exceed \$25,000,000 annually, to eligible applicant under this subtitle for pollution abatement and control projects. No such grant shall exceed 50 per centum of the development cost of such a project."

SEC. 116. Section 313 is amended by changing "\$35,000" to "\$50,000".

SEC. 117. Subtitle B is amended by adding at the end thereof a new section as follows:

"Sec. 317. Loans meeting the requirements of this subtitle may be insured, or made to be sold and insured, in accordance with and subject to sections 308 and 309 and the last sentence of section 307 of this title."

SUBTITLE C—MISCELLANEOUS

SEC. 118. Clause (c) of the second paragraph of section 331 of the Consolidated Farmers Home Administration Act of 1961 is amended by inserting after "Act;" the following: "may obtain fidelity bonds protecting the Government against fraud and dishonesty of officers and employees of the Farmers Home Administration in lieu of faithful performance of duties bonds under section 14, title 6, United States Code, and regulations issued pursuant thereto, but otherwise in accordance with the provisions thereof;"

SEC. 119. Paragraph (a) of section 333 is amended by inserting after "In writing" the following: ", and the Secretary shall determine,"

SEC. 120. (a) Section 331 is amended by adding at the end a new clause as follows:

"(g) Consent to the transfer of property securing any loan or financed by any loan or grant made, insured, or held by the Secretary under this title, or the provisions of any other law administered by the Farmers Home Administration, upon such terms as he deems necessary to carry out the purpose of the loan or grant or to protect the financial interest of the Government."

(b) Subsection (c) of section 335 is amended by—

(1) striking out "subtitle A" in the first sentence and inserting in lieu thereof "the provisions of any law administered by the Farmers Home Administration";

(2) striking out "the provisions of subtitle A" in the second sentence and inserting in lieu thereof "such provisions";

(3) striking out in the fourth sentence "of at least 20 per centum" and "not more than five annual"; and

(4) adding at the end of the fourth sentence before the period the following: ", but not in any event at rates and terms more favorable than those legally permissible for eligible borrowers".

SEC. 121. Section 343 is amended by inserting at the end thereof before the period the following: ", and (4) the word 'insure' as used in this title includes the meaning of

guaranteeing the payment of a loan originated and serviced by a private financial agency or other lender approved by the Secretary, and (5) the term 'contract of insurance' includes a contract of guarantee".

SEC. 122. Section 307(b) is amended by changing "shall" to "may" in the second sentence.

Mr. POAGE (during the reading). Mr. Chairman, I ask unanimous consent that title I 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 committee amendments to title I.

The Clerk read as follows:

Committee amendments:

Page 3, line 8, strike the words "ten thousand inhabitants," and insert in lieu thereof the words "5,500 inhabitants."

Page 3, line 25, after the quotation marks delete the word "in".

Page 5, line 7, delete "the" before "1".

Page 8, line 2, change the period to a semicolon and add the following: "and inserting 'other than Section 310B' after 'and for loans under said sections'."

The committee amendments were agreed to.

AMENDMENT OFFERED BY MR. DOW

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

The Clerk read as follows:

Amendment offered by Mr. Dow: Page 6, line 20, strike out "eligible applicants under this sec-" and line 21, strike out "tion", and insert in lieu thereof on line 20, "public bodies".

Mr. DOW. For the benefit of the Members who did not hear the general debate I will summarize the amendment.

My first amendment would alter title I, subtitle A, section 310B(b) of the bill. As the section now reads, it permits grants, not loans, for pollution abatement up to \$50 million annually to public corporations organized for profit or to individuals. My amendment would change this provision by making grants available only to public bodies such as counties or municipalities and thereby prevent the Federal Government from giving outright, unencumbered grants to members of the private sector to clean up their own pollution.

I offer this amendment because it is my feeling that to so casually open the door for Federal grants to organizations organized for profit and individuals involves a principle of economic and political significance that should be carefully weighed before acting. The circumstances are even more objectionable if the Federal Government is to provide grants which, in effect, reward individuals for creating pollution problems.

Further grounds for objection to this section of the bill are:

It would open the door to favoritism of the grossest sort by allowing the Government to hand out money with no strings attached to its special friends either in private or corporate life.

The bill would permit private beneficiaries to take Government funds into

their balance sheet, thereby affecting their earnings and profit position. Potentially it could affect competing corporations in a most dangerous way.

The bill would put the individual or corporate entity in the anomalous position of being punished for creating pollution under the Refuse Act of 1899 while accepting rewards for cleaning up the very same pollution. Indeed, one could pay off his fine with the money the Government had given him to clean up his pollution.

The politics and the philosophy which underlie this provision represent a radical departure from the traditional operation of the Government separate from the private sector.

As a proved defender of our environment, and an enemy of pollution, I respectfully urge that we adopt an amendment which will limit pollution abatement grants to public bodies rather than to the private sector.

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

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

Mr. Chairman and members of the committee, this amendment strikes out what I think is a sound policy that is adopted by this proposed legislation.

This proposed legislation is based on the assumption that if the Government imposes an obligation in behalf of all of society, that society should at least share in the cost of improving the environment.

We do not ask and would not even authorize society to pay all of the bill, but we recognize that society is going to impose tremendous burdens on all livestock growers and I just cannot feel that we should deny these people any help.

I have never understood the argument by my colleague from New York that somebody could make a profit on this deal because, as a matter of fact, he could not get more than 50-percent assistance in the cost of any antipollution abatement. He would still have to pay a large share of the cost.

I think it is unfair to charge all of that cost to the individual who gets no benefit from it. I think it is unfair to provide this help in the cities and withhold it as this amendment would do, in rural areas.

The practical effect of this thing goes to those who have dairies, those who have chickenhouses, those who have feedlots, those who grow turkeys, or any kind of livestock. Any of those kinds of operations are going to create pollution. Any of them are going to adversely affect the environment. Any of them can become terribly expensive in trying to take care of that pollution.

Our committee is not suggesting that we should not deal with this pollution problem or should not enforce all the regulations against pollution.

But we are saying that where the Government, for the benefit of society, imposes a requirement, that the Government should properly share in part of that cost. The maximum cost the Government could share would be 50 percent under the bill. The owner of the property would have to pay at least 50 percent, and we know as a practical matter that it means he would probably pay 75 percent.

If this pollution abatement is going to cost \$50,000 to provide for the sanitary arrangements for a dairy—and that is about what I have been led to believe it is going to cost in most of these cases—that means that the man will always be out at least \$25,000, and probably a good deal more.

We are merely suggesting that it is sound to say that we want to help those people who are helping society clean up. It is utterly unfair to say, as my colleague—I am sure inadvertently—said, that this was rewarding people for being polluters. This rewards no one. You cannot pay more than half of what he is out, and if a farmer puts out \$2 and only gets \$1 back he is not being rewarded very heavily.

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

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. NELSEN. Mr. Chairman, I received a call from the city attorney of a small town in my area, and he said that there they were fearful that this proposed amendment would make it difficult for the small towns in rural America to attract industry because of the complications involved. I want to compliment the gentleman on his statement, and I believe this supports the fear that I received in that respect. I thank the gentleman for his statement.

Mr. POAGE. I agree entirely with the gentleman from Minnesota, and with the gentleman's constituents. But I am not so concerned about industry, although I think industry should be treated as fairly as agriculture. I am basically concerned about the dairymen all over the United States, about the chicken growers all over the United States, about the feedlot operators all over the United States, the turkey growers, the hog growers, and about those who have any livestock about their premises, because you cannot have livestock without having a pollution problem.

I think it is nothing but fair to provide, as this bill does, an opportunity for the Government to assist all of those people.

The Government is assisting those who live within the big cities. Everyone who lives in a large city gets the benefit of Government assistance. But if you live outside of the city limits you are denied any opportunity to share in these kinds of payments.

I know that the gentleman from New York is trying to do something which he thinks is fundamentally sound, and that is to see that this does not enrich any individual. But, as I see it, his efforts may well prevent doing anything for any individual. I think he is going to destroy a great many individuals. He is going to destroy a great deal of the business in rural areas, and it is going to destroy a great many agricultural activities that we think are beneficial and essential to the welfare of our country. That is the reason we have this provision in the bill. We hope you will support the bill as written.

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

Mr. TEAGUE of California. Mr. Chairman, I move to strike the last word, and

I rise in support of the amendment offered by the gentleman from New York (Mr. Dow).

Mr. Chairman, I have poultry operations, feed lots, and similar projects in my congressional district. But, Mr. Chairman, I think the gentleman from New York (Mr. Dow) is correct in this instance. It seems to me it is somewhat analogous to the man who starts a bonfire in the backyard and negligently and carelessly lets it get away, and burns down a whole block, through his own fault, and then expects the taxpayers of the United States to bail him out for his negligence. To me this is exactly the same situation, and I therefore rise to support the Dow amendment.

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

Mr. Chairman, I would just like to ask the gentleman from New York, on this amendment, and I am not that familiar with it—but what this does, in fact, is to take the taxpayers' money and pay up to 50 percent to private industry to clean up water pollution which it is or has been causing; is that not correct?

Mr. DOW. That is correct, I will say to the distinguished gentleman from New Jersey. I would like to offer an observation about the remark by the distinguished gentleman from Texas, the chairman of the committee who said that we would destroy these individuals.

For goodness' sake, in the whole history of the United States for 200 years or so, they have never had this kind of benefit and the mere withholding of it now is certainly by no stretch of the imagination a destruction of anybody whatsoever. I do not think that implication should be put upon my amendment.

Mr. HOWARD. I feel that certainly water pollution control is a major problem, or one of the major problems in this country and the Committee on Public Works deals with water pollution legislation and the Water Quality Act over the past several years and realizes that we have to spend billions and billions of dollars. What we are trying to funnel the taxpayers' money into is to municipalities to build adequate sewage treatment plants. I feel that if we were to follow this proposal in our general water-control legislation where we would find we have steel companies that may need to spend hundreds of millions of dollars probably. There is one steel company in Cleveland itself that could use over four times the total amount of money in this bill to try to clean up its pollution and we would just bankrupt the entire program.

I feel it is very unwise.

Mr. DOW. May I ask the chairman another question?

Mr. Chairman, is there any precedent in the history of American legislation to provide grants to private corporations and individuals by the Government aside from welfare which is a very special situation and which certainly has nothing to do with business.

Can the gentleman cite any precedent that would help us in debating this amendment?

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

Mr. HOWARD. I yield to the gentleman.

Mr. KYL. Responding to the question that was just propounded, I am sure the gentleman from New York who is a member of the Committee on Agriculture and is very knowledgeable, is fully aware of the REAP program which has for many years provided up to 80 percent matching to individuals to clean up pollution. That certainly is a precedent which is all the gentleman asked for. We could give him more.

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

Mr. HOWARD. I yield to the gentleman.

(Mr. HAYS asked and was given permission to speak out of order.)

Mr. HAYS. Mr. Chairman, I know the rules of the House and I do not want to violate them. But if I were permitted to do so, I would tell you that there is a very distinguished group of Norwegian parliamentarians in the vicinity, a contingent of the Defense Committee of the Norwegian Parliament.

They are our staunch allies and our staunch friends. I know that the rules prohibit my saying that they are here, but if I were allowed to, I would tell you they are in the diplomatic gallery.

Mr. HOWARD. I thank the gentleman for not violating the rules by telling us that.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman.

Mr. SMITH of Iowa. A gentleman on the Public Works Committee, to use an example from that committee in the way of sight pollution, which is billboard and junk yards, we are going to pay 100 percent there and not 50 percent.

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

Mr. HOWARD. I yield to the gentleman.

Mr. DOW. In response to the question of the gentleman from Iowa about the REAP program which evidently provides \$2,500—I would say that limitation takes a certain amount of the sting out of the possibility of subsidizing private individuals and corporations. But certainly if I had been on this floor when that provision was passed, I think I would have raised the same objection to it that I raise now to this subsidy for private industry.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

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

Mr. Chairman, I, too, think something ought to be done about this particular title, but I do not want to eliminate the program entirely. I think there should be some limitation, and I would support some limitation, as I did in committee with an amendment which I offered. The amendment under consideration does not do the job.

I want to say here that Chairman POAGE has been most patient with me. As I remember I achieved adoption of 14 different amendments in the committee. But I decided after looking at the host of amendments which have been presented at the table here that I may be forced to oppose every one of these

amendments so we can get a bill passed. Above all, I want to get this bill passed.

We labored a long time on this bill in committee and out of committee. The other body is working in a different direction on another bill. There will be many opportunities to modify provisions of this bill.

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

Mr. KYL. Not at this time. I will if I have time remaining.

I think you ought to know the possibilities which this title does involve. It is possible that we can make grants to clean up pollution of an oil mill, to a corporate feedlot, to a gin. To a gin? Which one? Do we start with the biggest polluter because that is the biggest problem? I think inherently the title is defective. We will not get the kind of continuous funding we ought to have and could get if we used a revolving or long-term approach, or if we set some kind of reasonable limitation.

There is another title which is again subject to some reservation, so far as I am personally concerned. I do not find a pending amendment to this particular title. I tried to get one in the committee. This provision actually creates a new Small Business Administration, with grant authority. This bill includes anti-piracy language to prevent a town in Missouri from pirating a business from a town in New Jersey. But with the new kind of grant system which is applied here, I think we could develop a piracy within a community. For instance, here is a plant which a person or a group has built over long years with blood, sweat, and tears, without any help from the Government, and having paid considerable taxes to the Government, he makes a certain product. Somebody else, in order to create some jobs in a community, gets a grant from Uncle Sam to go into the same business, and if there is unfair competition, he builds that second business at the expense of the first. You then have created new jobs, but you have not created additional jobs, and you have created some pretty serious public relations problems in addition to violating some basic premises of this Government.

I will now yield to the gentleman from New York for a question.

Mr. DOW. I am surprised the gentleman would be so fearful of amendments. There is no reason why the bill cannot be amended and then passed. I do not think that here in the House it is entirely appropriate to suggest that the passage of one or two amendments would be a tactic for barring the passage of the bill.

Mr. KYL. If the gentleman will give me back my time I should like to repeat what I said in the first place. I believe this title needs amendment, but the kind of amendment which the gentleman has offered does not remove the defects as I see them, and I do not think it contributes to the purpose of the bill.

Mr. ROBERTS. Mr. Chairman, I rise in opposition to the Dow amendment.

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

Mr. ROBERTS. Mr. Chairman, I am not a member of the Committee on Agriculture, but I think we ought to put in proper perspective the amendment of-

fered by the gentleman from New York (Mr. Dow). I think he has a good basis for his amendment. However, I think he has not taken into consideration some of the legislation which undoubtedly we will act on before this session is over. As practically all of you know, the Senate has passed Senate bill 2770 by a vote of 78 to 0. A somewhat different bill has been acted upon by the Public Works Committee, and the basic philosophy of this bill is that we will change our water quality requirements and the no-effluent or the effluent-control program.

If we are going to require dairy farmers, chicken farmers, and cattle feeders to put in sewage treatment facilities which would be the equivalent in effluent quality of the best coming out of the small towns and cities, then it only makes sense that we make some provision to assist them. I am not sure that this is the best way, but I do not know of any other way.

I certainly suggest that we turn down the Dow amendment, and let us see how this thing works.

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

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

Mr. TAYLOR. Mr. Chairman, as I understand the situation—and I am not on the committee—the purpose of this legislation is to promote the rural economy and to slow down the movement of the people from the rural areas to the cities. This movement has left our rural areas impoverished and with too few people and too few opportunities, while it has caused problems on top of problems as the rural people have crowded into the cities.

We are living in a new day as far as pollution and pollution control are concerned. Every dairy man, every poultry operator, and every man who has livestock is going to have to face new regulations, and it will be expensive for those who have to comply. If aid is not granted to the farmers, it will result in just forcing more of them off the farms and hastening the movement of people into the cities and increasing the problems in the cities which have already been mentioned.

Mr. Chairman, I think this is an important section of this bill, and I hope it will be retained.

Mr. ROBERTS. I thank the gentleman from North Carolina. I appreciate his remarks.

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

Mr. ROBERTS. I yield to the gentleman from New York.

Mr. DOW. Mr. Chairman, I would like to say that some of these speakers with the best of intentions are taking a very narrow view of my amendment. They look on it as a benefit which is very limited, merely providing pollution control to poor farmers and others in the country. I do think we should look on it with a broad vision, which reveals that we are opening the gates to public money for private industry, for private individuals, and for government entry into the private sector, and opening questionable opportunities to private individuals.

Mr. ROBERTS. We have done this for

the cities through urban renewal and other arrangements for those areas for a great many years. I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Dow).

The question was taken; and on a division (demanded by Mr. Dow) there were—ayes 16, noes 45.

TELLER VOTE WITH CLERKS

Mr. DOW. Mr. Chairman, I demand tellers.

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

The CHAIRMAN. 105 Members are present, a quorum.

PARLIAMENTARY INQUIRY

Mr. HOWARD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOWARD. May I make a parliamentary inquiry without jeopardizing the effort of the gentleman from New York to demand tellers?

The CHAIRMAN. The next order of business is the demand for tellers. The gentleman will state his parliamentary inquiry.

Mr. HOWARD. The Chair has just stated that a quorum of over 100 Members is present. May I ask the Chair to repeat the result of the vote we had just prior to that, on the division?

The CHAIRMAN. The Chair will state that is not a parliamentary inquiry.

The gentleman from New York has demanded tellers.

TELLER VOTE WITH CLERKS

Tellers were ordered.

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

Tellers with clerks were ordered; and the Chairman appointed as tellers Messrs. Dow, Kyl, Poage, and Teague of California.

The Committee divided, and the tellers reported that there were—ayes 150, noes 224, not voting 58, as follows:

[Roll No. 49]

[Recorded Teller Vote]

AYES—150

Abzug	Delaney	Hays
Addabbo	Dellums	Hechler, W. Va.
Anderson, Ill.	Devine	Helstoski
Archer	Diggs	Hicks, Wash.
Arends	Dingell	Hosmer
Badillo	Donohue	Howard
Belcher	Dow	Jacobs
Bennett	Drinan	Jarman
Betts	du Pont	Johnson, Pa.
Blaggi	Eckhardt	Jonas
Blester	Ellberg	Kastenmeier
Bingham	Erlenborn	Keith
Blackburn	Fascell	Kuykendall
Bolling	Findley	Landgrebe
Bow	Ford	Latta
Bray	William D.	Lloyd
Broomfield	Forsythe	Long, Md.
Burke, Fla.	Frelinghuysen	Lujan
Burke, Mass.	Frenzel	McCulloch
Burton	Frey	McDade
Byrne, Pa.	Gallagher	McDonald,
Camp	Gibbons	Mich.
Carney	Grasso	McEwen
Chamberlain	Green, Pa.	McKevitt
Clancy	Gross	Madden
Clawson, Del.	Grover	Mann
Cleveland	Gubser	Martin
Collier	Hall	Mazzoli
Conable	Halpern	Michel
Corman	Harsha	Mikva
Cotter	Harvey	Miller, Ohio
Coughlin	Hastings	Minish
Crane	Hawkins	Mink
Daniels, N.J.		

Mollohan
Moss
Nedzi
O'Hara
Pelly
Pettis
Pike
Podell
Poff
Powell
Rallsback
Reid
Reuss
Riegle
Rodino
Rogers
Rosenthal

Roussetot
Roybal
Ruth
Ryan
Sarbanes
Saylor
Scherle
Schmitz
Schneebell
Schwengel
Selberling
Shoup
Smith, Calif.
Smith, N.Y.
Staggers
Steiger, Wis.
Stokes

Teague, Calif.
Thompson, Ga.
Van Deeren
Vanik
Ware
Whalen
Whalley
Wiggins
Williams
Wolf
Wyatt
Wyder
Wyllie
Wyman
Yates
Young, Fla.

Heinz
Hillis
Ichord
Karth
Keating
Kemp
Leggett
Long, La.
McCloskey
Macdonald,
Mass.

Mailliard
Metcalfe
Miller, Calif.
Mitchell
Monagan
Morse
Mosher
Murphy, N.Y.
Nix
Patman
Pryor, Ark.

Rangel
Rhodes
Roe
Scheuer
Springer
Stanton,
James V.
Steed
Talcott
Terry
Tiernan

So the amendment was rejected.

AMENDMENT OFFERED BY MR. LATTA

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

The Clerk read as follows:

Amendment offered by Mr. LATTA: Page 2, lines 21 and 22, strike out the figure "\$200,000,000" and insert in lieu thereof the figure "\$500,000,000".

The CHAIRMAN. The gentleman from Ohio (Mr. Latta) is recognized.

Mr. LATTA. Mr. Chairman, as I mentioned earlier during the consideration of the rule, I would offer this amendment.

This amendment proposes to give the Farmers Home Administration more authority for making grants to small communities of under 5,500 for sewage and water treatment facilities. I think it is important that we face reality. I pointed out earlier, we are constantly heaping more and more burdens on the small communities and saying to them: "Stop polluting, have clean water, stop sending people to our crowded cities," and so forth. We then fail to follow through with any meaningful financial assistance. They do not have the tax duplicate necessary to float a bond issue to build their own water treatment facilities or their sewage treatment facilities.

As a consequence, they cannot build them.

On checking with the Farmers Home Administration Administrator, the Agriculture Committee Counsel learned there are some \$12 billion worth of needs and potential requests from these small communities for grants for water and sewage treatment facilities. Certainly with an authorization and an appropriation of \$100 million, which was reduced this year to \$44 million, we cannot begin to touch the problem.

By comparison, in 1972, \$500 million was appropriated from our cities and HUD had a carryover of \$200 million—which makes \$700 million available for similar grants.

People can pollute our rural areas as well as they can pollute our urban areas, and if we really mean to do anything about pollution—if we really mean to do anything about keeping people on the farms and in our rural areas—if we really mean to keep them from migrating to the cities by providing jobs for these good people—if we mean all of these things—then you will vote for my amendment.

I have discussed this amendment with the chairman of the committee.

I will now yield to the gentleman from Texas, the chairman of the committee.

Mr. POAGE. I find I am in a rather strange position. When I introduced this bill, I said without hesitation I think we needed a much larger amount than the amount that is in the bill. My original bill had no limit.

The committee did cut it down to \$200 million.

NOES—224

Abourezk
Adams
Albert
Alexander
Anderson, Calif.
Anderson, Tenn.
Andrews
Annunzio
Ashley
Aspin
Aspinall
Baker
Barrett
Begich
Bell
Bevill
Blanton
Boggs
Boland
Brademas
Brasco
Brinkley
Brooks
Brotzman
Brown, Ohio
Broyhill, Va.
Buchanan
Burleson, Tex.
Burlison, Mo.
Byron
Cabell
Caffery
Carter
Casey, Tex.
Chappell
Clausen,
Don H.
Collins, Ill.
Collins, Tenn.
Conte
Culver
Curlin
Daniel, Va.
Davis, Ga.
Davis, S.C.
de la Garza
Dellenback
Denholm
Dennis
Dent
Derwinski
Dickinson
Dorn
Downing
Duncan
Edmondson
Edwards, Ala.
Edwards, La.
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fish
Fisher
Flood
Flowers
Flynt
Foley
Fountain
Fulton
Fuqua
Gallfianakis
Gaydos
Gettys

NOT VOTING—58

Abbitt
Abernethy
Ashbrook
Baring
Bergland
Blatnik
Brown, Mich.
Broyhill, N.C.
Byrnes, Wis.

Peyser
Pickle
Pirnie
Poage
Preyer, N.C.
Price, Ill.
Price, Tex.
Pucinski
Purcell
Quile
Quillen
Randall
Rarick
Rees
Roberts
Robinson, Va.
Robison, N.Y.
Roncallo
Rooney, N.Y.
Rooney, Pa.
Rostenkowski
Roush
Roy
Runnels
Ruppe
St Germain
Sandman
Satterfield
Scott
Sebellius
Shipley
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Spence
Stanton,
J. William
Steele
Steiger, Ariz.
Stephens
Stratton
Stubblefield
Stuckey
Sullivan
Symington
Taylor
Teague, Tex.
Thompson, N.J.
Thomson, Wis.
Thone
Udall
Ullman
Vander Jagt
Veysey
Vigorito
Waggonner
Waldie
Wampler
White
Whitehurst
Whitten
Widnall
Wilson, Bob
Wilson,
Charles H.
Winn
Wright
Yatron
Young, Tex.
Zablocki
Zion
Zwach

Cederberg
Celler
Chisholm
Clark
Clay
Colmer
Conyers
Danielson
Davis, Wis.

Dowdy
Duiski
Dwyer
Ford, Gerald R.
Fraser
Garmatz
Goldwater
Hagan
Hébert

I think the gentleman is correct that it will take at least \$500 million to actually have the impact he suggested. But as chairman of the committee, I cannot state that the committee accepts this amendment. I personally expect to vote for it because I think it is a good and desirable amendment.

Mr. LATTA. I thank the gentleman.

Mr. TEAGUE of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I pointed out earlier in the debate, the present bill would provide, if every eligible small community and water district and sanitation district and flood control district and so forth, applied, about \$8,000 to each.

If this pending amendment were adopted, we might double that figure to about \$16,000. But you cannot build much of a sanitation system or do the other necessary civic works for \$15,000 or \$16,000. This is just going to raise further false hopes in the minds of the governments of all the small cities, communities and counties in this country.

If we want to do it right, we might as well make it \$5 billion or \$12 billion. But we do not have that kind of money. We do not even have the kind of money proposed in this bill. Therefore, I am opposed to the amendment.

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

The CHAIRMAN. The gentleman from New Hampshire is recognized for 5 minutes.

Mr. CLEVELAND. Mr. Chairman, later on I may offer an amendment to the bill that will reflect the following situations. I would appreciate it if the sponsor of the amendment would yield for a question that will arise from what I am about to say.

Mr. Chairman, the Senate has passed water pollution legislation that provides a Federal matching grant of up to 70 percent under certain circumstances. At the present time the House Public Works Committee has reported legislation that provides for Federal matching grants up to as high as 75 percent. The present bill we are considering provides a matching grant of only 50 percent.

My question of the sponsor of the amendment and also the chairman of the committee is this: How effective is it going to be under this bill to have 50 percent matching money for pollution abatement facilities when with another hand the Congress is going to pass legislation that is going to let the EPA make grants up to as high as 75 percent? It seems to me we are on something of a fool's errand here. I support the amendment offered by the gentleman from Ohio, but I think he would have to admit that we are going to act in vain if the matching funds are only going to be 50 percent under this legislation. A rural town would be certainly very severely criticized by the taxpayers of those towns if they came in for 50 percent matching funds when under the EPA they can get matching funds up to 75 percent.

So my question to the sponsor of the amendment and to the chairman of the committee is this: Would they view with favor an amendment which would permit the matching funds under this bill to re-

fect what the matching funds would be under the legislation we are now working on, and wherein we expect the percentage to be either 70 or 75 percent?

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

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

Mr. LATTA. Let me say at the outset that I would support such an amendment, but out our way we are begging and pleading Washington to get 50 percent or even 25 percent. These small communities do not have the wherewithal to build sewage treatment or water facilities we are urging them to build. They will take whatever they can get. We will not quibble whether it is 50 percent or 70 percent. We have a long waiting list of small communities. They will take 50 percent. They will take 70 percent. All they want is some help.

Mr. CLEVELAND. I thank the gentleman. Do not feel too badly because you had a town wait 7 years. I have some that have been waiting 8 or 9 years. So to the extent that misery loves company, your people have plenty of company. I wonder if the chairman of the committee would respond to the point I raised about percentage.

Mr. POAGE. I will whenever we reach that point, but I have never found it helpful to pass judgment on something that could happen when I do not know the circumstances, and I do not know what the circumstances would be at the time it would come up. I am inclined to agree with the gentleman from Iowa (Mr. KYL) who suggested a few moments ago that if we want to pass a bill here, which would be helpful to rural America, we had better get about passing the bill. A great multitude of amendments submitted will not really help to pass the bill. I certainly would want to see the situation before I would commit myself on your amendment.

Mr. CLEVELAND. I appreciate the comments of the gentleman.

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

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

Mr. Chairman, I want to point out to the Members that 30 percent of the housing units in rural areas do not have inside plumbing and that includes towns of 5,500 and under. Also, in the past 30 years, during the time when we have accumulated more than \$100 billion of risk to the Federal Government on housing programs, people in these towns and smaller cities have been denied the right to participate in most of the housing programs. Lending companies do not want to lend money on housing that is in a town or small city which does not have public sewerage and water. They have for practical purposes been excluded from the benefits of housing programs. When a young couple with \$500 or \$1,000 wants to buy a house they are told they must go to the city to buy the house. If they are going to buy it in the smaller city without public sewers, where perhaps they can buy it for half the money, they will have to put 50 percent down because the Government guarantee is

not available. That is more money than they have. So we have in effect run these people into the cities, people who did not want to go there.

We in the Congress to some extent have been at fault for the countryside being vacated. It is basic that the towns must have water and sewage facilities in order for the towns to be able to even hold the population they have now.

Mr. Chairman, this is a most important part of this bill.

Of course, the same thing applies to small industry. They cannot go into some of the local areas and set up an industry, even though qualified employees are available.

So, Mr. Chairman, this is a most important part of this bill.

Two years ago the administration asked for \$24 million for this program. I proposed an amendment on the floor which passed, which gave them \$100 million. They finally spent \$44 million that year.

Last year the administration asked for nothing at all, but they did agree to use the \$56 million left over from the year before. Last year they were again given another \$100 million, but used only \$42 million of that amount. They have not been spending the money that has been appropriated, but, nevertheless, there have been statements made recently wherein the White House has indicated they may now see how important this program is, so I think we ought to give them the additional authority in this bill. I think the water and sewer program is basically a most important part of this whole bill. I urge adoption of the amendment.

Mr. RUPPE. Mr. Chairman, I enthusiastically and wholeheartedly support the amendment offered by my distinguished colleague, the gentleman from Ohio. Certainly we in Congress recognize the 1972 appropriation for FHA participation in water and sewer grants as far too little to enable thousands of the small towns across America to offer basic services. The withholding of \$58 million of this appropriation by the Office of Management and Budget simply compounds the severity of a crisis that is now of tremendous proportions.

Basic FHA legislation provides the agency with authority to advance grant moneys to qualified communities to the extent of 50 percent of project costs. The fact of the matter is that in Michigan, the Farm Home Administration has a mere \$1 million for grant participation in water, sewer and solid waste disposal projects.

Consequently this agency in our State does not decide in terms of a full 50 percent participation, but rather its goal has got to be that of keeping local water rates below the usury level of \$10 per month. In some towns across my district individuals are paying as high as \$13 or \$14 per month for these basic services. I have several cases here which I can cite specifically as pinpointing the agency's problem. In three sewer projects the FHA has provided in one instance 20 percent of Federal participation in grant form, and in another 33 percent, and fortunately in a third case,

66 percent. As for water projects, in two instances, again in my own district, FHA grant participation as part of the local grant package was 9 percent in one case and zero percent in another. This does not take into account the local government share of the entire project, so if we total the government share and the local cost together, it means that FHA grant participation has been at a meager percentage of total project cost.

I might say, however, that the record of this administration, the Nixon administration, is an excellent one by comparison.

In my own State of Michigan, in the past 3 years, FHA participation in housing, farm loans, and water and sewer projects has risen from \$18 million a year to a \$75 million level this year. For next year the projected rate of expenditure should reach \$90 million. It is simply not a question of this administration not demonstrating its commitment but rather the problem being of such proportion that we in the Congress must lead the national response.

Certainly the goal of rural development is jobs, new industry and job opportunities for our young Americans. But this challenge can only be met by providing basic facilities—water, sewer, waste disposal facilities—to the thousands of rural communities across our country.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

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

Mr. STEIGER of Wisconsin. I appreciate the gentleman's yielding. I want to commend the gentleman for his excellent statement. I join with him in support of the Latta amendment and urge its adoption by the House.

Mr. RUPPE. I thank the gentleman.

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

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

Mr. DON H. CLAUSEN. I rise in support of the amendment.

Mr. Chairman, I rise to support the amendment offered by the gentleman from Ohio (Mr. Latta) to increase the authorization for the Farmers Home Administration to provide water and waste treatment or disposal project funds for smaller communities and small political subdivisions.

There is a very great and growing demand for these types of facilities in those rural areas that have a very limited tax base and economic ability to construct water and sanitary facilities.

While I realize the administration has offered to assist rural communities through revenue sharing, rural and community development, I am a political realist and recognize that we have no real assurance that these legislative proposals will be enacted in time to be responsive to the backlog of needs as compiled by the Farmers Home Administration.

Therefore I support this increase in authorization in order to provide us with a legislative vehicle that will permit the Appropriations Committee to address themselves to the funding problem.

I hope the Members will vote for the Latta amendment.

Mr. MILLER of Ohio. Mr. Chairman, I support the amendment offered by my distinguished colleague from Ohio (Mr. Latta) to increase the Poage-Aiken water and sewer grant authority to \$500 million. Originally in H.R. 10867, the committee lifted the dollar limitation on annual water and waste disposal project construction entirely. Later when it re-imposed certain limits, the existing authorization level for Poage-Aiken was raised from \$100 to \$200 million. Although certainly an improvement, this new level contained in H.R. 12931 is far from adequate. The proposed \$500 million ceiling is a much more realistic figure in accommodating the present backlog in funding requests. In my home State of Ohio, 20 project applications had to be turned away for the coming year, because of lack of funds. Thirteen of these projects requested grant moneys totaling \$2,317,000, about the same amount the FHA hopes to be able to fund in the coming year. Water and sewer systems are essential to any community improvement program and we cannot possibly hope to rebuild rural America if we cannot lay down basic facilities. By making a commitment to authorize more water and sewer grant moneys, I hope we can follow through to appropriate the additional money to get the job done.

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

Mr. Chairman, I have no quarrel with the amendment offered by the gentleman from Ohio. My big concern is that last year we did increase the appropriation to \$100 million. However, the thing which does bother me is that the administration has \$58 million tied up in OMB. These funds should be released for usage in water and sewer grants.

This afternoon we are gathered here discussing a bill for rural America. It is difficult for me to comprehend the reason why the administration does not release the \$58 million to which I feel these small towns are entitled.

We stand here arguing, debating issues of rural development for rural America. We need that money. I suggest that we should make a better effort to get the money released at this time and give those people back in our general localities an opportunity to spend this money, rather than provide an increase once again which probably will be tied up by OMB.

I certainly hope that the administration will release the money and provide the opportunity for our small towns, applying for water and sewer grants, to help themselves and to keep the people in their own small communities. Do not force them into the cities. I believe a supreme effort should be made along that line.

Well known to those who live in rural areas but hitherto largely unpublicized outside of them is the fact that the American farmer constitutes an economically disadvantaged minority group. Although only a quarter of the U.S. population lives in rural areas, half of the country's poverty-stricken citizens—

about 14 million—live there. In the cities, 1 person in 8 is poor; in the suburbs, 1 in 15; but in rural America, 1 in every 4 is poor. The rate of unemployment in nonmetropolitan areas often exceeds by two or three times the rate of metropolitan areas. Jobs in rural America pay less. In health care, housing, and most other community services, the resident of America's countryside suffers by comparison with his city counterpart.

These facts are all the more ironic in view of the farmer's contribution to American life. He provides more and better food at a comparatively lower cost than the producers of any other country in the world. Agriculture is the Nation's largest industry, with assets totaling \$307 billion. Farm people spend over \$38 billion a year on goods and services needed for food and fiber production, and another \$12 billion on the same consumer items that city dwellers buy. Three out of every 10 jobs in private industry are related to agricultural production.

The farmer's costs are high—and growing. His production expenses rose from \$26.4 billion at the beginning of the last decade to \$38.5 billion near its end. Total farm mortgage debt more than doubled, and the interest rate on loans—when available—increased steadily. Meanwhile, the parity ratio plummeted to its lowest level since the depression, and the farmer's share of the consumer's food dollar dropped from 41 to 37 cents. No other sector of our economy consistently earns such a poor return on its investment. By all acceptable standards of reason, justice, and economic equity, the present deficiencies of the income structure for people who till the soil is unacceptable.

As a result of this deplorable situation, rural areas are quickly being depopulated. Half a century ago, the population was equally divided between countryside and city. Today close to three-quarters of the Nation live in metropolitan areas, and the migration continues at the rate of about half a million a year. The cities neither want nor need this influx of people, nor can they provide an adequate environment for them. Thus it is essential that we direct our national effort to the critical task of restoring the balance between rural and urban America. Our efforts should be channeled toward two basic goals: Fairer returns from farming to allow those who wish to continue farming a reasonable chance of doing so, and wider nonagricultural job opportunities in rural areas. I support this legislation.

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

The question was taken; and on a division (demanded by Mr. TEAGUE of California) there were—ayes 91, noes 9.

So the amendment was agreed to.

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

Mr. Chairman, I would like to advise the House that I had a second amendment pending to this bill which is essentially the same amendment as that just defeated. This second amendment would apply to section 115 and would strike out

a paragraph in that section. However, I am not going to offer that amendment because I think the principle was settled on the earlier vote in some respects.

Section 115 is less objectionable than the section which the House voted to retain, so it would be idle for me to offer my amendment.

AMENDMENT OFFERED BY MR. CLEVELAND

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

The Clerk read as follows:

Amendment offered by Mr. CLEVELAND: On page 6, line 14, change the comma to a period and strike all thereafter through and including line 18, and insert in lieu thereof the following: "Such financial assistance shall not be extended to assist establishments relocating from one area to another or to assist subcontractors whose purpose is to divest, or whose economic success is dependent upon divesting, other contractors or subcontractors of contracts theretofore customarily performed by them: *Provided, however*, That such limitations shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary finds that the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment of the area of original location or in any other area where such entity conducts business operations, unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations."

Mr. CLEVELAND. Mr. Chairman, this amendment is known as an antipiracy amendment. It makes little sense to lure or steal an industry into a rural area if all you are doing is depriving a suburban or urban area of that same industry.

The Committee on Agriculture recognized this problem, and on page 6 they do say:

No such loan shall be made in connection with the relocation of any industrial establishment employing more than 25 persons.

There are many industries, I might say, that employ less than 25 people that might be pirated under this legislation. In addition to that it is quite conceivable a corporation can split.

A third problem that appears very readily apparent would be the situation where an industry that wanted to flee from a suburban or an urban area would simply layoff everybody and be down to the hard core of the managerial staff of 15 or 20 and then go into the rural area and get their grant or loan.

I have no particular pride of authorship in the language of my amendment. It grew out of our experiences in the Committee on Public Works first with ARA and then with the Economic Development Administration.

This language has been tested by 6 years experience. This language has met the approval of organized labor and of industrial development corporations.

This language and the history behind it of interpretation under the Economic Development Act stretches over a period of 6 years, with added background experience under the ARA.

I do not think this Congress, neither consciously nor unconsciously, wants to

pass legislation that would result in the pirating of industry from one part of the country to another, from a suburban area to a rural area. It would not be fair to use the taxpayers' money to take a company employing less than 25 people or a company with a staff of less than 25 people, and finance its move to another part of the State or Nation.

My language has been in the Economic Development Act for almost 6 years and has been tested in court and proven.

I think, if the committee does want to do what they appear to want to do on page 6, they might be willing to accept this amendment, because we seem to be trying to accomplish the same purpose.

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

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

Mr. BURTON. I would like to commend the gentleman in the well for this sorely needed clarifying amendment.

Mr. Chairman, I would urge its adoption.

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

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

The committee, at least in my own judgment, tried rather diligently to do just what the gentleman says in his amendment and what he says it is equipped to do.

This language is adopted from existing agency language. Frankly, I have checked in the last few minutes—and I am not able to put my hand on the specific source of the language to be perfectly frank—but there were great pains taken to be sure that there was not the kind of piracy carried on about which the gentleman speaks.

I was assured, both at the time the amendment was adopted and considered by the committee, and since then by organized labor—that this is not in violation of any of their desires.

Mr. Chairman, it is my own judgment that the language—the effect of the language—is very similar. However, the language as contained in the bill was carefully drawn.

Therefore, Mr. Chairman, I would urge the defeat of the amendment.

Mr. CLEVELAND. Mr. Chairman, would the gentlemen yield?

Mr. PURCELL. I would be glad to yield to the gentleman from New Hampshire.

Mr. CLEVELAND. The gentleman from Texas heard my remarks during my discussion of the amendment.

Is it not perfectly true that under the committee amendment, the committee section, an industry employing 200 or 300 people could lay everyone off and if they only had 24 people left—and these could be management—that industry could have its move financed under the provisions of this legislation and they could move, say, either from a city, out to the country, to a suburban area, or from one State to another or one labor market to another? Would not that be possible under the committee amendment?

Mr. PURCELL. If there were people in Government who were willing to take that kind of dire action—and assuming that there were those who were considering loans or grants were willing to

be a party to such a dastardly act—I would never say it is impossible. However, it is my judgment that no responsible Government agency would become involved in such a sham as that.

Mr. CLEVELAND. Mr. Chairman, if the gentleman will yield further, this is precisely the experience we had with the former ARA. We found that that was exactly what was happening. People were so anxious to get new industries that they did not look into the true situation and as a result of that we had this pirating. We had that experience under the ARA, which was finally voted down and then we went into the EDA. That explains this language I have offered which has precisely this history and background.

Mr. PURCELL. We were assured in the committee by those who are as nearly related to the problem in Government functions now as will be under the enactment of this legislation, that they would be extremely careful not to let this happen.

No one, I am sure, can say absolutely that there cannot be some kind of a bootleg operation, some kind of collusion, at least theoretically, worked out. I think that the unfavorable publicity and the unfair handling of these types of things in the past will in themselves prohibit these types of things from happening again.

The gentleman will please understand that this is my amendment, although I am not trying to seem as though I have pride in its authorship, but we did go to a great deal of trouble in trying to find the proper way of saying just what the gentleman is trying to accomplish in his amendment. It may well be that the language the gentleman proposes would be a little more sure on this, but not having seen the language before now and not having heard any testimony on it, I feel as though the language in the bill that at least has been tested through the testimony of the witnesses who appeared before us, will also accomplish what the gentleman's language seeks to state better.

Mr. CLEVELAND. Mr. Chairman, if the gentleman will yield further, let me say that my amendment is also your language, this is the language of the House of Representatives. This language is not my language, it is the language in the present Economic Development Administration, law language which we enacted, and have reenacted on several occasions. It has been tested. It has met the test on precisely the type of problem I am talking about.

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

Mr. DON H. CLAUSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment because, just as the gentleman from New Hampshire has stated, we went through this in our hearings on the Economic Development Act, and we took great pains to make certain that we would not have the kind of industry or business piracy that had taken place heretofore, which has proven protective capability as enunciated in the language of the gentleman's amendment. I believe

it will strengthen the legislation before us, and therefore I support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire (Mr. CLEVELAND).

The question was taken; and the Chairman being in doubt, the committee divided, and there were—ayes 35, noes 44.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CLEVELAND

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

The Clerk read as follows:

Amendment offered by Mr. CLEVELAND: Page 6, line 22, strike all after "per centum" through and including line 23, and insert in lieu thereof the following: "or the maximum federal participation rate allowed for construction of such type facilities under law existing at the time of approval of such grant and administered by the Environmental Protection Agency, or its successors, at such time of approval, whichever is the larger."

The CHAIRMAN. The Chair recognizes the gentleman from New Hampshire (Mr. CLEVELAND).

Mr. CLEVELAND. Mr. Chairman, this amendment is one that I have already referred to.

This bill has a section (b) on page 6 where you will find the following words, and this is in connection with pollution abatement control projects:

No such grant shall exceed 50 per centum of the development cost of such a project.

As I pointed out previously it seems rather odd that we are now legislating in an effort to strengthen rural America and we come up with a 50-percent matching formula when the Senate has already passed by a unanimous vote an up to 70-percent matching formula.

It seems regrettable that there is not a little bit more cooperation between the two committees, particularly when both are dealing generally with the same areas. But the House Committee on Public Works has already reported a bill where Federal participation can be as high as 75 percent. So we are either going through an exercise in futility here of raising false hopes saying that we are going to have all of this money as amended by the Latta amendment, going into rural America, when before this year is out probably even in the next 2 or 3 months, there will be a new participation rate under EPA programs which will be at least 70 or 75 percent.

My amendment is designed to meet that problem. If we do enact up to 70 percent participation rate, then the FHA can use its funds for grants not to exceed that new rate.

I would hope that the chairman would accept this amendment.

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

Mr. CLEVELAND. I yield to the gentleman.

Mr. POAGE. As chairman I cannot accept in behalf of the committee any amendment not proposed by the committee. But, personally, I can see no objection to the proposal that the gentleman makes. It seems to me perfectly

clear and equitable. Certainly, we are not seeking to secure a rate, a participation rate, on the part of the Government higher on one side than on the other.

It seems to me, it would work out quite equitably.

As I told the gentleman from Ohio, I personally expect to vote for it, but I cannot accept it on behalf of the committee, but I do expect to vote for it.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. CLEVELAND. I yield to the gentleman.

Mr. TEAGUE of California. I cannot accept it either for myself or for anybody on this side of the committee. They can speak for themselves.

I do not want to ask what might be considered to be an improper or rude question, but it seems to me I have read—and is it correct—that New Hampshire has no State income tax and no sales tax?

Mr. CLEVELAND. We have no broad based tax. We do have a tax on interest and dividends.

Mr. TEAGUE of California. Then it seems to me it is not too much to expect a local community to pay half of the cost of these projects.

Mr. CLEVELAND. I think a local community, if I may respond to the gentleman's very penetrating question—I think any local community, particularly in New Hampshire would under no circumstances pay for 50 percent of a project when the Congress in its infinite wisdom has decreed by other legislation that they only had to pay 25 percent.

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

Mr. CLEVELAND. I yield to the gentleman.

Mr. COLLIER. Is it not possible, however, in light of the tremendous deficit that we are facing that there may be a new look at the percentage of participation and we may well find that we cannot afford to do anything more than match rather than to go as high as 70 percent?

Mr. CLEVELAND. This can well be a problem. But I can tell you right now, before 2 or 3 months have passed, there will be legislation in the water pollution abatement field and we will have Federal matching funds at least as high as 70 percent, and that is as certain as the fact that night follows the day.

Mr. COLLIER. It may be as certain only so far as what the majority of the committee does. But I have heard a great deal of alarm expressed and properly so, that with the fiscal situation that we find ourselves in, and I think after the exercise in verbiage that we have heard here, we ought to remember for the rest of the year that this problem is not going to go away and it might well get worse.

Mr. CLEVELAND. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from New Hampshire (Mr. CLEVELAND).

The question was taken; and on a division (demanded by Mr. CLEVELAND) there were—ayes 27, noes 37.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. CLEVELAND

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

The Clerk read as follows:

Amendment offered by Mr. CLEVELAND: Page 7, line 23 strike the quotation marks. On page 7, after line 23, insert the following new subsection (e):

"(e) No financial assistance under this section shall be extended to any project when the result would be to increase the production of goods, material, or commodities, or the availability of services or facilities, when there is not sufficient demand for such goods, materials, commodities, services, or facilities, to employ the efficient capacity of existing competitive commercial or industrial enterprises."

Mr. CLEVELAND. Mr. Chairman, this is another amendment that I am offering, based again on the experience of the 6 or 7 years we have had in the Public Works Committee with economic development. We found that when the ARA was first operating to develop rural America—we found that a good many examples came up where somebody would apply for a loan—for example, to help construct a pulp mill—and it would be in an area where there were already existing pulp mills and there was an oversupply or overproduction of pulp. We found there were situations where loans were being granted to develop a hotel or motel facility in an area where the actual count of vacancies showed that there was an unused capacity. We had the situation, in other words, where the Federal Government was coming in with either ARA money or, in some instances, with EDA money, and directly competing with existing industries with unused capacity.

This language was adopted on the floor of the House, and it was adopted to prevent precisely that type of situation. I think it would be very unwise of us not to have this type of language in the bill. When the committee turned down my suggestion for tightening up the piracy laws, the gentleman from Texas said he had great confidence in administrators. All I can say is that I do not share his confidence in Federal administrators because I have dealt with too many of them. I think in some of these cases we must have clear congressional expression that will make the type of laws that will cause people to have more confidence in their Government.

If you have had the opportunity to try to explain to workers in a pulpmill in your district why the Government is building a brandnew pulpmill when they are on half time, or if you have had the opportunity of trying to explain to a hotelman or motelman with half of his rooms vacant why the Federal Government is building a nice, new facility across the street from him, I think you would understand why we want language like this written into the law. I might say that even with this language in the EDA law we had some problems that were looked into by our Oversight Committee. I would hope that this amendment at least could be adopted.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment. I supported the gentleman's last amendment, which was not adopted, but I feel that

this amendment, while its purpose is clearly good, is so impractical it would simply add to the confusion that we always have with the bureaucratic operation of things.

We cannot say how anybody else is going to interpret a law providing for a judgement as to the need for further goods or services of a certain type. We simply have to allow people to exercise some business judgment. Possibly I have been taken in, but I believe the agricultural agencies are running a better house than that described by the gentleman from New Hampshire. I believe they are doing a better job. Somehow or other I think the services will be better off, and we had better leave them this degree of freedom, rather than to try to write off something I do not believe Old King Cole and all his fiddlers could ever figure how to carry out. So I hope we will turn down this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire (Mr. CLEVELAND). The amendment was rejected.

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

Mr. Chairman, the Committee on Agriculture, under the able leadership of its chairman, the gentleman from Texas, has brought to the floor of the House of Representatives a fine piece of legislation which I believe the Congress should enact without weakening amendments.

The need for positive action in rebuilding rural America is urgent and cannot be denied or ignored. Rural areas are continually losing people. The 1970 census indicates that during the last decade, half of all the counties in the Nation lost population while another third of the counties just held their own—neither gaining nor losing.

Recent census reports show that during the 12-month period ending October 30, 1970, U.S. farm population decreased by some 600,000 people. The population now has fallen to less than 10 million people. It should be noted that this 600,000 annual reduction in farm population continues an average experienced during the past 5 years. During the period from 1960 to 1965 the average net outflow of people off the farms totaled 800,000 a year. There is no question but what these people are moving to the cities.

As a result our cities are straining, bulging, hurrying, and—too often—ugly. By the year 2000, if present trends continue, 80 percent of all people in the United States will live in four small areas of the country. They will be concentrated along the east coast from Washington, D.C., to Boston, on the west coast from San Diego to San Francisco, near the Great Lakes from Milwaukee to Pittsburgh and on the Florida peninsula.

When so many people live in so little space, problems arise. Problems that sometimes seem to defy solution.

You have read about it and seen it yourself: Our great cities are beset by pollution problems, transportation paralysis, housing blight, increasing crime and crowding. Our great megalopolises, if left to grow unchecked, will soon become socially intolerable, politically unmanageable, and economically inefficient.

If this flight from the country to the cities continues, we are on a collision course with disaster.

What is the lure of the cities?

The answer, of course, is jobs. A man will live where he can earn the money to provide for his family and it is popular, but not always true, to believe there are more jobs in the cities. If we are to halt the migration of people from rural areas, we must have jobs and income in rural communities. What is needed is to locate new industries in rural areas—not transplanted industries, but new industries—to help maintain a balance of opportunity between rural and urban areas. There is also a need in many rural communities for certain amenities that are available elsewhere and might tend to draw people away; such things as libraries, good schools, hospitals, recreation areas, better communications systems, and other facilities that many of us take for granted.

To achieve these goals people must become involved. For instance, the youth of the Nation must be involved and their interests served. The same can be said for minority groups and the disadvantaged. The factors of social, political, human, and physical resources must be brought together and made to function in a process that will bring about a new prosperity and a quality environment in thousands of rural communities across the Nation. The people and government at all levels working together can make rural communities the type of place that will attract more people to work and live.

We need new and better marketing programs, programs to stimulate agribusiness and other economic enterprises including farm credit and business credit, and programs to provide incentives to private landowners to improve management of their forest, land and water resources. Transportation systems in rural areas need further consideration as well as industry tax incentives. This overall accomplishment will be a balanced rural/urban economy, and a quality environment for all Americans.

I am especially pleased that the Committee on Agriculture saw fit in reporting its legislation to this House to emphasize the work of the two existing agencies of the Department of Agriculture, the Farmers Home Administration, and the Soil Conservation Service. These are fine, old-line people and farm-oriented agencies with broad experiences in accomplishing great things with limited funds and authorities. I hope that through enactment of this legislation we can broaden the scope of their work to better achieve the goals we all seek.

In conclusion, Mr. Chairman, I want again to commend the Committee on Agriculture for its wisdom and foresight in drafting this legislation and urge my colleagues to support it as recommended by the committee. There are some. I know, who question the basic wisdom of farm legislation of this type. May I once again remind you the consequences of continued migration to our already overcrowded cities whose mayors already are struggling with seemingly insurmountable tasks of providing adequate services and in the face of continuing population

explosions are turning to the Federal Government for help.

Would it not be wiser and far more economical to stop this migration to the urban areas? Could this bill, properly titled: "The Rural Development Act of 1972," also be thought of as the "Save Our Cities Act"?

AMENDMENT OFFERED BY MR. HATHAWAY

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

The Clerk read as follows:

Amendment offered by Mr. HATHAWAY: Page 9, line 20, strike out "(2)" and insert in lieu thereof "(3)", and immediately after line 19 insert the following new paragraph:

"(2) further amending subsection (a) (as so designated by paragraph (1)) by striking out "and (9) for loan closing costs." and by inserting in lieu thereof the following:

"(9) loan closing costs, and (10) for assisting farmers or ranchers in effecting additions to or alterations in the equipment, facilities, or methods of operation of their farms or ranches in order to comply with the applicable standards promulgated pursuant to section 6 of the Occupational Safety and Health Act of 1970 or standards adopted by a State pursuant to a plan approved under section 18 of the Occupational Safety and Health Act of 1970, if the Secretary determines that any such farmer or rancher is likely to suffer substantial economic injury due to such compliance without assistance under this paragraph."

Mr. HATHAWAY. Mr. Chairman, the sole purpose of this amendment is to expand the Farmers Home Loan Authority to farmers and ranchers so they may be able to comply with the conditions set under the Occupational Health and Safety Act. When we took up the Occupational Health and Safety Act, we did provide for small businessmen to be able to borrow funds to make the necessary renovations in their businesses to comply with the act, but we neglected to include farmers and ranchers. This provision simply remedies that defect.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

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

Mr. STEIGER of Wisconsin. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, I join with the gentleman in support of this amendment. At the time the Committee on Education and Labor considered the Occupational Safety and Health Act, it did, in fact, authorize loans through SBA to small businessmen, but we neglected to authorize the same opportunity for farmers and ranchers. I think this amendment is a sensible amendment. I urge its adoption. I thank the gentleman for having offered it.

Mr. HATHAWAY. Mr. Chairman, I thank the gentleman for his comments, and I thank him for cosponsoring the amendment with me.

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

Mr. Chairman, there have been a great many pieces of legislation passed in this honorable body, but I think the loudest legislation this House has ever passed has been the Occupational Health and Safety Act.

I would ask, so far as the farmers and ranchers are concerned, that the Mem-

bers of this House vote down this amendment.

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

Mr. SCHERLE. I am happy to yield to the gentleman from Maine.

Mr. HATHAWAY. I, of course, do not agree with the gentleman that the Occupational Health and Safety Act has been lousy. I believe it has had a good effect.

If the gentleman urges voting down this amendment, he is urging making it even worse, because the farmers are required to comply, and many of them have been unable to get the money to comply with the act. This amendment will allow them to borrow funds under the FHA to comply.

It would just be making it worse for the farmers for the Members to vote down this amendment.

Mr. SCHERLE. By the same token, this legislation forces them to comply with the act and in essence provides them with the opportunity to borrow money so that they in turn can comply with the act.

I would suggest we pass separate legislation we have introduced, that all employers with fewer than 25 employees be allowed to be exempt from the Occupational Health and Safety Act. It is a real deterrent and is a real problem for small business.

If this inherently dangerous legislation is enforced to its ultimate, we are going to see a lot of small businessmen ruined, literally put out of business, because some inspector walking into some plant, depending upon a whim as to whether or not he can find some flagrant violation, in his estimation, and force that business to close their doors.

I do not want that to happen to my ranchers or the farmers.

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

Mr. SCHERLE. I am happy to yield further.

Mr. HATHAWAY. Under the terms of the Occupational Health and Safety Act every farmer must comply with the mandates of the Federal or State safety requirements. And they may be forced to close down if they cannot comply with the act by making certain changes in their business operations. This amendment would allow them to prevent themselves from being closed down, by being able to borrow money so that they can comply with the act.

This does not force them under the act; they are already under the act.

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

Mr. SCHERLE. I yield to the gentleman from Wyoming.

Mr. RONCALIO. I rose to personally applaud the observation the gentleman made a minute ago. This is the worst piece of legislation with which I am familiar. I spoke of it at noon today, under the 1-minute rule.

The reason why, is that it delegates, again, the right to make law to an administrator downtown, who is not responsible to the small businessmen or the farmers to whom the law applies. Consequently, he has promulgated the

rules and regulations Congress asked them to promulgate, but in the form of a 400-page booklet to be given to the ranchers and farmers of our country.

When our constituents call the Labor Department officials and say, "Please come to tell us what this is all about," they say, "No, we will not. We will come to arrest you if you violate them, but we will not help you understand them."

I was not a Member of the House at the time the law was passed, thank heaven, but it is the worst piece of legislation with which I am familiar.

How can we pass a law exempting anybody from maintaining safe premises for employees? We cannot do that. Everybody has to maintain safe premises for employees.

But what did the Secretary of Labor do? He put out regulations including the gem, that every rest-room shall have hanging in it a coat hanger. That is what the people received through the Occupational Health and Safety Act. That is a joke. We have a duty to do something about it, or we are going to be laughed out of our chamber if we acquiesce in this sort of thing.

Mr. SCHERLE. As I said before, Mr. Chairman, the Occupational Health and Safety Act is lousy legislation. I hope we can change the basic content of that law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. HATHAWAY).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—AMENDMENTS TO THE WATERSHED PROTECTION AND FLOOD PREVENTION ACT, AS AMENDED

Sec. 201. The Watershed Protection and Flood Prevention Act (68 Stat. 666), as amended, is amended as follows:

(a) Section 1 is amended by striking out the words "the purpose of preventing such damages and of furthering the conservation, development, utilization, and disposal of water, and thereby of preserving and protecting the Nation's land and water resources" and substituting therefor the words "the purpose of preventing such damages, of furthering the conservation, development, utilization, and disposal of water, and the conservation and utilization of land and thereby of preserving, protecting, and improving the Nation's land and water resources and the quality of the environment."

(b) Section 2 is amended by substituting a comma for the word "or" after the clause (1) and adding after the phrase "(2) the conservation, development, utilization, and disposal of water" a comma and the words "or (3) the conservation and proper utilization of land."

(c) Section 3 is amended by changing the period at the end of paragraph (5) to a semicolon and adding the following: "(6) to enter into agreements with landowners, operators, and occupiers, individually or collectively, based on conservation plans of such landowners, operators, and occupiers which are developed in cooperation with and approved by the soil and water conservation district in which the land described in the agreement is situated, to be carried out on such land during a period of not to exceed ten years, providing for changes in cropping systems and land uses and for the installation of soil and water conservation practices and measures needed to conserve and develop the soil, water, woodland, wildlife, and recreation resources of lands within the area included in plans for works of improvement,

as provided for in such plans, including watershed or subwatershed work plans in connection with the eleven watershed improvement programs authorized by section 13 of the Act of December 22, 1944 (58 Stat. 887), as amended and supplemented. Applications for assistance in developing such conservation plans shall be made in writing to the soil and water conservation district involved, and the proposed agreement shall be reviewed by such district. In return for such agreements by landowners, operators, and occupiers the Secretary shall agree to share the costs of carrying out those practices and measures set forth in the agreement for which he determines that cost sharing is appropriate and in the public interest. The portion of such costs, including labor, to be shared shall be that part which the Secretary determines is appropriate and in the public interest for the carrying out of the practices and measures set forth in the agreement, except that the Federal assistance shall not exceed the rate of assistance for similar practices and measures under existing national programs. The Secretary may terminate any agreement with a landowner, operator, or occupier by mutual agreement if the Secretary determines that such termination would be in the public interest, and may agree to such modifications of agreements, previously entered into hereunder, as he deems desirable to carry out the purposes of this paragraph or to facilitate the practical administration of the agreements provided for herein. Notwithstanding any other provision of law, the Secretary, to the extent he deems it desirable to carry out the purposes of this paragraph, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of any crop; or (2) surrender of any such history and allotments."

(d) Paragraph (1) of section 4 is amended by inserting after "without cost to the Federal Government" the words "from funds appropriated for the purposes of this Act."

(e) Clause (A) of paragraph (2) of section 4 is amended by striking all words after "fish and wildlife" and substituting therefor the words "development, recreational development, water quality management, or the conservation and proper utilization of land: *Provided*, That works of improvement for water quality management shall consist primarily of water storage capacity in reservoirs for regulation of streamflow, except that any such storage, and water releases shall not be provided as a substitute for adequate treatment or other methods of controlling waste at the source, and shall be consistent with standards and regulations adopted by the Water Resources Council on Federal cost-sharing for water quality management, and."

(f) All that part of clause (B) of paragraph (2) of section 4 which follows the word "*Provided*," is amended to read as follows: "That, in addition to and without limitation on the authority of the Secretary to make loans or advancements under section 8 the Secretary may pay for any storage of water for present or anticipated future demands or needs for municipal or industrial water included in any reservoir structure constructed or modified under the provisions of this Act as hereinafter provided: *Provided further*, That the cost of water storage to meet future demands may not exceed 30 per centum of the total estimated cost of such reservoir structure and the local organization shall give reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment within

the life of the reservoir structure of the cost of such storage: *Provided further*, That the land organization shall, prior to initiation of construction or modification of any reservoir structure including water supply storage, make provision satisfactory to the Secretary to pay for not less than 50 per centum of the cost of storage for present water supply demands, and all of the cost of storage for anticipated future demands: *And provided further*, That the cost to be borne by the local organization for anticipated future demand may be repaid with the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for anticipated future water supply demands, except that (1) no payment on account of such cost need be made until such supply is first used, and (2) no interest shall be charged on such cost until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be determined in accordance with the provisions of section 8."

(g) Subsection (4) of section 5 is amended to read as follows: "(4) Any plans for works of improvement involving an estimated Federal contribution to construction costs in excess of \$250,000 or including any structure having a total capacity in excess of twenty-five hundred acre-feet which includes (a) works of improvement reclamation, irrigation, or which affects public or other lands or wildlife under the jurisdiction of the Secretary of the Interior, (b) Federal assistance for floodwater detention structures, (c) features which may affect the public health, or (d) measures for control or abatement of water pollution, shall be submitted to the Secretary of the Interior, the Secretary of the Army, the Secretary of Health, Education, and Welfare, or the Administrator of the Environmental Protection Agency, respectively, for his views and recommendations at least thirty days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, the Secretary of the Army, the Secretary of Health, Education, and Welfare, and the Administrator of the Environmental Protection Agency if received by the Secretary prior to the expiration of the above thirty-day period, shall accompany the plan transmitted by the Secretary to the Congress through the President."

Mr. REUSS (during the reading). Mr. Chairman, I ask unanimous consent that title II 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 Wisconsin?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment to title II.

The Clerk read as follows:

Committee amendment: Page 15, line 19, delete the comma after "storage".

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. REUSS

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

The Clerk read as follows:

Amendment offered by Mr. REUSS: Page 17, line 9, strike out "(g)" and insert in lieu thereof "(h)", and immediately after line 8 insert the following new subsection:

(g) Section 4 is amended by striking out "and" at the end of paragraph (5), by striking out the period at the end of paragraph

(6) and inserting in lieu thereof "; and", and by inserting immediately after paragraph (6) the following new paragraph:

"(7) provide, or provide assurance satisfactory to the Secretary, that landowners and water users will acquire such rights, pursuant to State law, as may be necessary in order to provide public access to such work of improvement for the purpose of fishing, hunting, or other recreational use, if the Secretary of the Interior determines that such work of improvement has potential value for any such use."

Mr. REUSS. Mr. Chairman, this is a simple, and a perfecting and a protecting amendment. It provides that where the taxpayers and the public build a reservoir-lake which is determined by the Secretary of the Interior to have real potential value for recreation, there be public access to that reservoir-lake.

Precisely this is accomplished by all of the lake-building agencies of the Government—TVA to its credit, the Corps of Engineers, bless it, the Bureau of Reclamation, hallelujah—they all provide this. It is only the Soil Conservation Service which somehow balks at letting John Q. Public, under appropriate circumstances, in to visit the body of water which he has contributed to the building of with his taxpayer dollars.

I, and other members of my Conservation Subcommittee, took a little walk down here in the neighboring State of Maryland a few months ago. We visited a beautiful 57-acre lake in St. Mary's County. It was a beautiful lake for swimming and beautiful for fishing. There were people swimming in it and fishing in it. Yet we found there a sign which read "No trespassing. No fishing. No visitors allowed."

Well, that is a sorry note for the taxpayers who have paid for that lake. And the owner of that lake then profits by giving exclusive rights to it and cutting it up for lots.

All this amendment asks is that the same be done with regard to the larger watershed lakes as is done by the Corps of Engineers and the Bureau of Reclamation and the TVA.

All the great organizations are for this amendment: The National Wildlife Federation, the Isaac Walton League, the Friends of the Earth, Environmental Policy Center, Environmental Action, the Citizens Committee on Natural Resources, the Sports Fishing Institute, the National Audubon Society, the National Rifle Association, the International Association of Game, Fish, and Conservation Commissioners.

The Rifle Association today, in a telegram to the leadership on both sides of the aisle, over the signature of Maj. Gen. Maxwell Rich, executive vice president of the National Rifle Association, urged that the amendment be enacted as in the public interest.

I, as a city congressman, have always voted for farm legislation. I want to vote for this bill.

So, I hope and pray that my friends and leaders on the Agriculture Committee will say, "Hurrah for the Reuss amendment and we accept it."

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

Mr. REUSS. Yes; I am glad to yield to the gentleman from Texas.

Mr. WRIGHT. Does the gentleman's amendment apply to these upstream soil conservation dams that are erected on the private property of individual farmers? Would his amendment require those farmers to let the public onto their property if the Secretary of Interior said they had to do so?

Mr. REUSS. The amendment does not apply to the small farm ponds constructed under the Soil Conservation Act. It will not result in any additional burden to the landowner. It only applies where the reservoir will provide potential recreational opportunities. It does not require the local sponsors to provide sanitation or other facilities. It simply says that where the public helps pay for the lake or reservoir, the public has a right to go onto it.

Mr. WRIGHT. If the gentleman will yield further, the gentleman is saying it would not, then, apply to the individual farmers' upstream dams constructed under the Soil Conservation Act?

Mr. REUSS. Oh, yes; that is precisely what it does apply to.

In other words, it is the purpose of this amendment to say to the farmer, "God bless you, we love farmers and we are delighted to pour out the money from the people who live in the cities and small towns to help you put this lake on your property, but if it is a large lake, a lake with recreational potential as determined by the Secretary of Interior, then, frankly, in this day when we desperately need public access to such areas, we are trying to assure that the people will be able to take advantage of it."

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

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

Mr. Chairman, of course, I am somewhat confused in taking the floor in opposition to this amendment. There have been so many contradictory statements made as to what it does, I would appreciate it if the gentleman from Wisconsin would undertake to clarify it.

May I have the attention of the gentleman from Wisconsin, because I have not been able to understand this amendment and I do not want to criticize an amendment unfairly. However, did the gentleman say, in answer to a question from the gentleman from Texas (Mr. WRIGHT), that this applied only to those structures that were built for recreation and so designated by the Secretary of Interior?

Mr. REUSS. Mr. Chairman, if the gentleman will yield, I am glad the gentleman raises this question because I do not think I said that.

Mr. POAGE. Probably not.

Mr. REUSS. If I did, what I said has been misunderstood.

As I tried to say to my friend from Texas (Mr. WRIGHT), this amendment is no patsy. It does apply to all of those Public Law 566 lakes and reservoirs where there is appreciable recreational potential. However, I would not touch one of the tanks or feedlots of the gentleman's beloved Texas country nor would I touch the little farm ponds of my friend from Iowa (Mr. SMITH). However, where a person, whether he be a farmer or a city slicker speculator has

the public build him a lake, I want the public to have an opportunity to go there to pick a daisy, to catch a black bass, or go swimming.

Mr. POAGE. I think from what you say, it is clear that this does apply to the reservoirs built under Public Law 566.

Mr. REUSS. Yes.

Mr. POAGE. That being true, I think that the Members of the House should understand how those reservoirs are built and who pays the costs.

One of the features that has been very disturbing since we established this program has been the question of who bought the rights-of-way for the reservoirs.

We have held out in our committee, against a great deal of pressure, to require that the Federal Government not contribute to the cost of the right-of-way. That right-of-way is given by the landowners or else the dam is not built. The people can get up money and buy it, but the Federal Government does not contribute the money to buy that place for that reservoir.

The reason we do not do that is that we know once we establish the policy of having the Federal Government buying those rights-of-way, the cost would become so staggering that instead of building 23 of these projects per year, when we ought to build 100, we would build only two or three a year.

That is all we would get money for. So what we are trying to do is to maintain a program that will enable us to keep a number of these projects going each year. We cannot do it if we let the cost go clear out of the ceiling. You cannot hold the cost down if the Government is going to buy these rights-of-way.

The Government does not buy these rights-of-way; the individuals or the neighbors pay for those rights-of-way, and they are not something that is given by the Federal Government.

Now, the Federal Government does pay the cost of building the structure itself, but that is built on private land and not on Government land. I think we ought to keep that clearly in mind.

There is also a provision in Public Law 566 that provides that for every 75,000 acres within a watershed that you have in one of these projects that the Government can buy a site for a recreational project. And we are doing this. If there are between 75,000 and 150,000 acres, then the Government can buy two. If there are more acres than that the Government can put up three of these recreational dams. And in those instances the Government does pay for the land, and does pay for the land surrounding it, and they are open to the public, and the law requires that they be open to the public. You cannot build them with Government money buying the land without making them open to the public; but when the Government does not spend the money—and the Government does not spend the money on most of these Public Law 566 projects—it seems to us to be utterly unfair to say you are going to require the farmer or the rancher to admit an unlimited number of people to his pasture.

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

(By unanimous consent, Mr. POAGE was

allowed to proceed for 5 additional minutes.)

Mr. POAGE. Mr. Chairman, as I was saying, it seems to be utterly unfair to require the landowner who furnished the land to open it up and give the public free access to it.

I do not know how many of the Members are actually familiar with farming and ranching, I presume most of you are not, of course, and I live in town too, but I do know enough about farming and ranching to know that no one can maintain a livestock operation very successfully if he is going to let the public come in there and use it, because when the public goes out, then the cows are going out too, because half of these people from town do not either know how to fasten a gate, or do not bother to fasten a gate, and you simply cannot operate a livestock operation that way.

And when you allow these hunters to come in there without any supervision, most of them do not know the difference between a Holstein cow and a panda fresh from China. They seem to think that the cows are bears and they shoot them. They are afraid of them, and they shoot them. The losses are so substantial that no one can stay in the livestock business that way.

That is why we made provision for public recreation, for every 75,000 acres that is in one of these projects. And that is not a tremendously large area. But we do provide for a recreation dam, and we do provide for access to it, and we do provide for the Government owning the land around it, and to put up shelters and to put up fireplaces, and all those sorts of things that go along with it. We are providing that under the present law.

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

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

Mr. HALL. Mr. Chairman, the gentleman gave us a good example, but that is not as good an example as the Black Angus bull getting in with the Guernsey heifers.

Mr. POAGE. You are right; that will really result in pandas—at least the calves will look like pandas.

But the situation is such that it is just not practical to do the thing the gentleman from Wisconsin is suggesting. It would set back our upstream watershed program by many, many years were we to do this sort of thing.

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

Mr. POAGE. I yield to the gentleman.

Mr. PURCELL. Mr. Chairman, I would ask the gentleman from Texas would it also not be true if we were to follow the gentleman's recommendation that we would in effect be taking private property for public purposes without any payment? And is that not one of the objections?

Mr. POAGE. It would if it is retroactive. Frankly, I do not know whether it is retroactive or not.

Mr. REUSS. Let me be quite clear—it is not retroactive. It simply applies to the future.

Mr. POAGE. But if it is merely prospective, it would just stop the develop-

ment of these projects and we just would not build new ones because none of us are not going to give a place on his ranch to build these things if it means opening our place to a flow of strangers.

Mr. PURCELL. Is there any provision under this amendment that would say who is going to police a private road access or provide guards or whatever might be required?

Mr. POAGE. No, and there is no provision for plowing fire guards to keep the place from burning up either. And burn it sure will on one of those dry falls. That sort of thing just ignores the practicalities of ranching and livestock farming.

I am sure the gentleman offers the amendment with the best intent, but he offers it out of an abundance of ignorance. I think this House should show it has more understanding of the problems of rural areas than is shown by the gentleman from Wisconsin. I hope this House will turn this amendment down and let us maintain a good program, and a program that I think most all of our people recognize as being one of our better programs. We should maintain a good program when we have it rather than try to destroy it.

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

Mr. Chairman, first, this amendment would apparently involve the Secretary of the Interior for the first time in what has been a province of the Department of Agriculture.

What we are apparently saying here is that after the Agriculture Department has had its technicians study the area and made its recommendations, and the engineering studies are completed, then we are going to get an equal group or perhaps a greater group out from the Department of Interior to look the same thing over to see if there is some recreational potential; is that correct?

Mr. REUSS. That is correct. But the purpose, I will say to the gentleman from Iowa, is simply this. The Secretary of the Interior is charged with the whole problem of outdoor recreation and rather than have him spend further millions in acquiring new land—why should he not team up with his friend, the Secretary of Agriculture, and together let them help both the farmer and the city folk?

Mr. KYL. The answer to that question, I think, is a basic misunderstanding of what is involved in watershed programs.

Why does the farmer build a pond? He builds that pond because it is a part of the soil conservation project, of a watershed project.

What does the Federal Government contribute to creation of the impoundment? An amount that will make the farmer happy? No—the Federal Government contributes on the basis of the downstream benefit of public benefit. The Federal Government does not contribute money to that farmer—it is contributing Federal funds for the benefit of the public.

We are talking about watersheds here. We are talking about flood protection. We are talking about the prevention of siltation—we are talking about the silt carrying, piggyback, pesticides, and herbicides, and fertilizers, and other undesirable materials. The farmer has tried

for more than 30 years to stop the worst polluter of water. Just now the public is becoming aware of the necessity.

The money that the Federal Government puts in is for the public benefit and I think the public is getting its dollar's worth out of the program.

As a matter of fact, these projects are good for the fish and wildlife and that is of concern to the gentleman from Wisconsin and myself and the chairman of the committee.

As a matter of fact, the chairman and I introduced legislation a few years ago that included recreation benefits in these projects. But as the chairman points out so graphically, you have to recognize the practicalities and you have to recognize the facts of life. At this moment we are trying to find out who is responsible for accidents on a man's farm when the public has access. If somebody goes to a farm to seek recreation, who is responsible under the law if the recreationist is injured?

One of the reasons the farmers do not like to have unannounced visitors is that if the visitors hurt themselves—get themselves involved with livestock or fence or anything else—you can have a pretty good case in court against the farmer, and it is a very serious matter.

On the other side, if an individual is on this farmer's land and does damage, what is the means of recapturing for the loss that is sustained by the farmer who has agreed to let people come to this land?

Mr. REUSS. The House Government Operations Committee addressed itself to that very point and found that the provision of public access would not result in any additional burden to the land owner or be a substantial liability for public use of the land. An action would simply not lie in common law or under the statutes, so there is no liability on the part of the farmer.

Mr. KYL. Was that the decision of the Public Works Committee or the courts of the United States?

Mr. REUSS. That was the decision of the House Committee on Government Operations, one of the finest.

Mr. KYL. I must repeat to the gentleman that we have some very serious problems involving responsibility for people who are on lands when the farmer has had some reason for granting public access, or even if there are "No Trespassing" signs in place, even if there is a sign saying "No Hunting." The liability does not always disappear, the Public Works Committee or not.

As you know, we have serious court cases involving the maintenance of an attractive nuisance. A farmer has a pond at the side of his property. Someone comes along and perhaps drowns. The farmer possibly could be sued for maintaining an attractive nuisance.

I wish this thing were simple. It is not. But I do wish to say this for the edification of the gentleman. In spite of all the uses of chemicals for agriculture today and in spite of all alleged damage to wildlife, in my own State we have the finest game picture we have ever had, and I think the reason for it is the presence of the Soil Conservation's Pond and Watershed program.

By creating more and better habitat,

the conservation practices have more than compensated for today's multiple hazards to fish and wildlife, thus, there has been a stimulus to recreation choices from harvesting game to the most esthetic appreciations.

You will find, too, that the careful, courteous recreationist is welcomed by most farmers.

Knowing the gentleman from Wisconsin, I venture to say he would certainly be welcome and I hope I can someday have an opportunity to demonstrate the hospitality.

The CHAIRMAN. The time of the gentleman has expired.

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

The CHAIRMAN. The gentleman from New York is recognized.

Mr. DOW. I should like to ask the distinguished gentleman from Wisconsin a question. I have the highest admiration for the gentleman, as he knows, I hope. Yet I have received outcries from my conservationist friends up on Hudson River about his amendment. I have not had a chance to go into all the ins and outs of it, but I would like to find out from him why there would be an issue here and what kind of explanation he would offer to simon-pure conservationists who have raised questions about his amendment.

Mr. REUSS. I will answer the gentleman by saying that there must be some failure in communication. Conservationists are for the Reuss amendment, not against it. The Wildlife Federation, the Izaak Walton League, the Friends of the Earth, Fishing Institute, the National Audubon Society, the National Wildlife Association, the International Association of Game Fisheries, conservationists, commissioners, and all the rest are specifically on record in favor of this amendment, because they want to strike harmony between the interests of farmers and the interests of people who also want to enjoy the great outdoors.

Mr. DOW. There must be some misunderstanding, but I appreciate the gentleman's explanation.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

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

Mr. TEAGUE of California. The misunderstanding might be explained by the fact that probably the conservationists who have communicated with him have ponds of their own while those who have communicated with the gentleman from Wisconsin do not.

Mr. DOW. They come from very good people.

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

Mr. Chairman, I rise in support of the Reuss amendment. I certainly think the gentleman has performed a valuable public service by calling to the attention of the members of this committee that what we are dealing with are matters of broad, public policy as well as the question, "For what purposes will public funds be spent?" I will have to reaffirm the observations of the gentleman from California (Mr. TEAGUE) to the effect that if you will look into the communications that have come from the "conservationists" who are in opposition to the Reuss amendment, you will

find they are "Soil Conservation Service" conservationists. They are not generally from the conservation groups which the gentleman from Wisconsin mentioned earlier in his dialogue.

I think we have to clarify one thing about the objections made by the chairman of the committee (Mr. POAGE) as to the contribution of the landowner to these projects.

What the landowner actually contributes to the lake is the land the lake stands on. We are considering that. We are being told this is a very valuable contribution on the part of the landowner. What else could be contribute? He could not contribute any less. The lake has to back up on something. We are told by the Agriculture Department he is making a very valuable contribution. It is a happy circumstance for him the land happens to back up on his own land. In many instances the beneficiaries are not the farmers who are trying to feed their farm animals, but rather the speculators who are taking very sizable lakes which have valuable contributions for recreational purposes, and after the lakes are built, are turning them into recreation areas; and then we see the ads in the newspapers about "Come to Lake Happy Lot." The land which was formerly \$5 an acre has been turned into land which is \$500 to \$2,000 a lot, very valuable recreational space.

What the gentleman from Wisconsin is saying is this. If the land is of sufficient size and attractive enough to have utility and value for recreational purposes, whether for boating or fishing or swimming, then, since we will use public funds for this purpose, it is only fair that we say the public shall have access to the lake. That does not involve taking any land from the landowner.

Mr. KYL. If the gentleman will yield, is the gentleman trying to tell the House the Federal Government pays all the expense of building this lake on the farmer's land?

Mr. BLACKBURN. I am happy to say in the projects I have looked into—and I am not qualified to pass judgment on all the projects in the country, because there are numerous ones—I can say the Federal Government certainly pays the great bulk of the actual cost of building the dam and other things that are necessary. What is added into the contribution figure are the value figures for the land which is being contributed by the landowner.

Mr. KYL. Is the gentleman trying to tell us the Government does this to help the farmer?

Mr. BLACKBURN. I think the gentleman is making a very valuable contribution. It is obvious that we consider the national purposes involved in these projects, or we would not be using national funds. The gentleman correctly pointed out that we are considering as part of these national purposes such things as flood control and soil erosion and general conservation purposes, as some of the national purposes for which we contribute national funds, but we are saying there is an additional national purpose, that is, to insure the general public with access to these recreational facilities.

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

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

Mr. DENHOLM. Mr. Chairman, pursuing the gentleman's theory, that the National Government contributes money for a national purpose function, does it follow that money invested in homes under public authority should require the homes to be open to the public? We realize the farm is the home of the farmer.

Mr. BLACKBURN. I understand the gentleman's point, and it is well made. I think the gentleman from Wisconsin has made a very valuable contribution though by distinguishing between those lakes that would have recreational values from those that do not.

If we are going to say a man's livingroom should be open to public access, because it happens to be financed under FHA loans, I do not go along with that, because a man's livingroom has very little recreational value.

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

Mr. Chairman, I would like to make one clarification. I have been all over the State of Georgia, and I have no idea how many watersheds there are in the congressional district represented by the gentleman who just left the well, but I have watersheds in West Virginia. The Conservation and Watershed Development Subcommittee of the House Public Works Committee has made six trips through the United States and covered eight States. Through our entire experience without exception we have not found a question of the property owner failing to do his part in giving the ground. He has to give the right of entry for construction, and he also has to guarantee the Government against any damage loss. I should like to make that point in the RECORD.

Mr. McMILLAN. Mr. Chairman, I move to strike the last word. As coauthor of the pending Rural Development Act of 1972, H.R. 12931, I am extremely pleased that the House is taking final action on this bill today. The House Agriculture Committee held extensive hearings during the first session of the 92d Congress on this proposed legislation. I am of the opinion that if this bill is enacted into law, it will certainly greatly improve the living conditions on the farm.

We all fully realize that we must revive rural America since millions of our farmers have been unable to compete with their city brethren who depend on industry for their livelihood. Millions of our good farmers have left the farm and secured lucrative positions with industry. This great exodus from the farm has created terrific problems in the city and in the rural areas where so many of our good schools and churches have closed their doors since there were not enough farmers left in the community to retain the schools and churches.

This bill does not create any new Government agency; however, it does greatly expand the duties and authority of the Farmers Home Administration and the Soil Conservation Service. After testimony from farmers and other interested citizens from all 50 States, we feel that it is the duty of the Congress to make the living conditions and job opportunities more readily comparable to those available in our cities.

We are experiencing a great difficulty in our large cities at this time concerning law enforcement and overcrowded public welfare and unemployment payrolls.

We hope that if this bill becomes a law and is enacted that we will set a massive comprehensive rural development effort in motion and millions of farmers will return to the farm.

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

Mr. Chairman, I am concerned that some of the sponsors of this amendment are not operating from a base of total information and complete understanding of the problem, and that they are unaware of the fact that the people who live out in the country on the farms are cooperating in every way with the conservationists.

There was a tour made of the United States, to which the gentleman from West Virginia just referred, and we asked conservation groups repeatedly, everywhere, if they had any quarrel at any time with the conservation efforts of those who promoted the small watersheds. Always the answer came that there was no quarrel and the public had access to almost all facilities.

This is in good hands now, Mr. Chairman and my colleagues, and we ought not deviate from the committee recommendation. We ought to vote this down, and let those most interested in and most aware of the problem, who are better acquainted with the total problem, to contend with the problem and make some recommendations. They will be forthcoming from our committee and from other sources. The public interest will be served, conservation will be protected, and wildlife will be promoted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. REUSS).

The question was taken; and on a division (demanded by Mr. REUSS) there were—ayes 12, noes 80.

Mr. REUSS. Mr. Chairman, I demand tellers; and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

One hundred and forty-eight Members are present, a quorum.

Mr. REUSS. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. BLACKBURN

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

The Clerk read as follows:

Amendment offered by Mr. BLACKBURN: Page 18, insert immediately after line 6 the following:

(h) Section 12 is amended to read as follows:

"SEC. 12. This Act shall be administered in accordance with the provisions of the Fish and Wildlife Coordination Act (16 U.S.C. 661). Construction and operation measures for the benefit of fish and wildlife resources, including measures for the mitigation and compensation of project related losses to such resources, will be incorporated into works of improvement authorized under this

Act if joint approval of such measures is given by the Secretary, the Secretary of the Interior, and the State fish and game agencies."

POINT OF ORDER

Mr. POAGE. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Georgia on the grounds that it is not germane under rule XVI, clause 7.

The gentleman from Georgia proposes an amendment to this bill with language that incorporates the terms and conditions of the Fish and Wildlife Coordination Act. Nowhere in this bill is there a reference either direct or indirect to the Fish and Wildlife Coordination Act, yet the gentleman's amendment would, and I quote, require that:

This Act shall be administered in accordance with the provisions of the Fish and Wildlife Coordination Act (16 U.S.C. 661).

The CHAIRMAN. Does the gentleman from Georgia desire to be heard on the point of order?

Mr. BLACKBURN. I do, Mr. Chairman.

Mr. Chairman, this is a very simple amendment. We are dealing with title II which relates to four amendments to the Watershed Protection and Flood Prevention Act. That is the bill under consideration here.

What I seek to do in this amendment is make this act subject to the provisions of another act presently on the books and in the law.

The CHAIRMAN. The gentleman from Georgia offers an amendment which would require that this act be administered under the provisions of a separate act, to wit, the Fish and Wildlife Coordination Act, appearing in title 16, United States Code 661.

The gentleman from Texas makes a point of order against the amendment on the grounds that the amendment is not germane to the legislation pending before the Committee of the Whole House on the State of the Union. The gentleman from Texas (Mr. POAGE) cites as his authority for his point of order rule XVI, clause 7, and makes the statement that the Fish and Wildlife Coordination Act is nowhere referred to in the basic legislation pending before the Committee.

It appears that the Fish and Wildlife Coordination Act cited as title 16, United States Code, section 661, is not an act under the jurisdiction of the Committee on Agriculture of the House of Representatives which reported the pending legislation. There is no reference in the pending legislation to the provisions of the bill to which the amendment offered by the gentleman from Georgia (Mr. BLACKBURN) refers.

The Chair therefore is constrained to rule that the amendment is not germane to the bill under consideration.

The Chair sustains the point of order made by the gentleman from Texas.

AMENDMENT OFFERED BY MR. BLACKBURN

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

The Clerk read as follows:

Amendment offered by Mr. BLACKBURN:

Page 18, insert immediately after line 6 the following:

(h) Adding at the end thereof the following new section:

"Sec. 13. The Secretary of Agriculture shall not grant any funds for engineering or construction of any stream channelization measure under any program administered by him under this Act unless construction of such channelization began prior to the effective date of this section or unless the Secretary of Agriculture, the Secretary of the Interior, and the Administrator of the Environmental Protection Agency publish in the Federal Register their determination that such channelization would be in the public interest."

Mr. BLACKBURN. Mr. Chairman, I appreciate the ground swell of support that I sense here.

Mr. Chairman, the previous amendment which was stricken on a point of order would have required the Department of Agriculture and the Soil Conservation Service to comply with the provisions of the Fish and Wildlife Coordination Act. This act was designed to insure that environmental concerns were given consideration when the Soil Conservation Service and its subagencies—the various State and local committees—were planning a soil conservation watershed project. This possibility for cooperation from the very beginning and from the very inception of a project has now been decisively eliminated.

Now, Mr. Chairman, we have to fall back to another position which may not be desirable and which may be even more undesirable from the standpoint of the Soil Conservation Service. However, I see no alternative.

I say to the members of the Committee on Agriculture as well as to the members of the Committee of the Whole House on the State of the Union that the public of the United States is becoming more and more concerned about the protection of the natural environment and natural habitat of both fish and wildlife which today are becoming increasingly scarce in our country, not to mention in our urban areas.

Now, gentlemen, we have demonstrated on several occasions what I thought were concerns about the environment.

Mr. Chairman, I have sensed throughout the deliberations on this bill a certain proprietary interest on the part of the members of the Agriculture Committee relative to this bill which I do not sense relative to a bill coming out of the Banking and Currency Committee.

Certainly, the Members of this body have shown no reluctance on many occasions to amend bills coming out of my own committee. Yet I find that in offering amendments which we feel will protect the public interest, since we are representing our constituents with the same degree of sincerity as the members of the Agriculture Committee are representing their constituents, we find ourselves faced with an attitude, "Look, we know all there is to be known about public policy in this bill in this regard and, therefore, you ought to accept our version of the bill. After all, we are experts in this area."

You are experts in this area, but I feel very jealous of my obligation to introduce and support amendments which I feel are right and which I feel my constituents would like to have me introduce.

So, Mr. Chairman, I make no apology for having intruded upon this philosophy

of the Agriculture Committee. I have very dear friends on the Agriculture Committee and I know they will respect my responsibilities just the same as I respect theirs.

All I am saying is that this amendment would say that no soil conservation project could be carried out unless it had been approved, in effect, by not only the Secretary of Agriculture but by both the Secretary of Interior and the Administrator of EPA.

Mr. Chairman, I would urge the Members to adopt this amendment as being in the best interest not only of the Agriculture Department, because after all, if this bill should not pass today, I dare say it will pass, because of the very provincial attitude which has been demonstrated up to this moment.

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

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

Mr. REUSS. Mr. Chairman, I commend the gentleman from Georgia (Mr. BLACKBURN) in offering his amendment, and I fully support it. It has the full and unqualified support of the National Wildlife Federation, the Isaac Walton League, the American Friends of the Earth, the Environmental Policy Center, Environmental Action, the Citizens' Committee on Natural Resources, the Sports and Fishing Institution, the National Audubon Society, the National Rifle Association, and the International Association of Game, Fish, and Conservation Commissioners. It is a moderate and sensible amendment. It simply says that if the Secretary of the Interior says that a given project is against the public interest, or if the administrator of EPA says, because of its pollution-making qualities it is against the public interest, then we ought not to spend the taxpayers' money building it.

I hope the gentleman's amendment will be adopted.

Mr. BLACKBURN. Mr. Chairman, I appreciate the observations of the gentleman from Wisconsin (Mr. REUSS). I want to conclude with this observation, and that is, I say to you that I believe the Bureau of Reclamation and the Corps of Engineers must give full consideration to the environmental concerns before those projects are constructed. That is the only thing I say.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Georgia (Mr. BLACKBURN).

Mr. Chairman, I recognize that the hour is getting late, and everybody wants to vote, but I hope they understand what they are voting on.

If you vote for this amendment you vote to give the Department of the Interior an absolute veto power over projects that are financed and approved by the Department of Agriculture, that is over agricultural projects.

This involves mainly the proposition of drainage. It basically involves the Mississippi Valley and the coastal areas, who are most vitally concerned with this. And if you give an agency that has its base and its thinking situated out in the arid area of the west, and that is where the Department of Interior has its bases of

thinking, you are placing, it seems to me, a veto power in some very dangerous hands.

At the present time, under the existing law, the Secretary of the Interior must review all of these projects, and the Environmental Agency reviews them too. If they find that there is anything wrong with these projects they have the authority and the responsibility right now to bring that to the attention of the Secretary of Agriculture. And if they present a convincing case I cannot think of a situation where the Secretary of Agriculture would not go along with them.

But the gentleman from Georgia is not satisfied with their making a case. He insists that an outside agency must have an absolute veto over essential actions of the Department of Agriculture.

To me that does not seem to be a matter of comity. That seems to be a matter of destroying the Department of Agriculture, and subordinating it to the views of these other agencies.

The other agencies now can and do present their case, and if they have a good case it will be recognized by the Secretary of Agriculture.

But let me give you an example; I just left home the day before yesterday, and I had an example there where there is a creek outside of Waco called Tehuacana Creek and there are some 23 watershed dams on that creek.

Now, I have farmed on that creek since 1928, and I know that that creek goes dry every summer. The Environmental Agency sent word that we should not go ahead with any channelization there because it would disturb the beavers. Well, there has not been a beaver on that stream up there since old George Bernard closed his trading post out there 155 years ago.

They also said that it would kill some of the fish. Well, if the creek goes dry every year, then the fish die every year. But we have established some 23 upstream dams that do not go dry, and those 23 dams have fish in them. We have added tremendously to the availability of wildlife in that area. Now they say we should not go ahead and complete the project because they do not want us to kill those fish that could not be more than 8 months old. You do not get big fish in a creek that goes dry, but you do in the dams that we build. They have water the year around.

The question is, Do you want to try to improve the ecology by building more reservoirs where you do get fish, or do you want to deny the construction of a project of that kind, and hold back the whole program?

I think what we are doing is far more in the interest of ecology and in the interest of wildlife than in the interest of maintaining our environment than this idea of denying to the Department of Agriculture the right to go on with these projects because the Department of the Interior decides that they want to put their veto on it.

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

Mr. POAGE. I yield to the gentleman.

Mr. EDMONDSON. Mr. Chairman, I thank the gentleman for yielding. I join

the gentleman in opposing this amendment.

I have served on the Committee on the Interior for many years and have a high regard for the Department of the Interior, but I do not believe they should have the veto power over these projects.

Mr. POAGE. I thank the gentleman.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. TEAGUE of California. I have served for many years on the Subcommittee on Conservation and I fully agree with the gentleman's statement in opposition to this proposed amendment.

Mr. POAGE. I thank the gentleman.

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

Mr. POAGE. I yield to the gentleman.

Mr. GRAY. Is it not a fact under the present law, under Public Law 566, before a project could be approved in Georgia or Texas or anyplace else, the Governor of that State must approve the project before it is submitted to the Congress?

Mr. POAGE. Yes.

Mr. GRAY. So the fears of the gentleman from Georgia are unfounded because the Governor of that State has the right to veto this.

Mr. POAGE. Yes, it would not even get to Washington if the Governor disapproves it.

Mr. GRAY. That is right. I thank the gentleman.

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

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

The question about channelization was asked. We had testimony from all groups that the gentleman from Wisconsin cited as supporting his amendment, where we had hearings on the watershed and the conservation needs of the Midwest—I think 14 different States—and invariably when they complained about channelization, we asked them for examples where the public interest was not served and maybe where this kind of amendment would be justified. We have yet to find an example presented to the committee or in the report.

Mr. Chairman, this amendment is not needed. I support the gentleman from Texas and hope we can vote this down and get on with the legislation.

Mr. DINGELL. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, I think the House ought to have clearly before it the issue at stake here.

You know, when Government bureaucracy and agencies become highhanded and arrogant and when they fail to regard the wishes and intentions of the people of the United States and when they do things that are foolish and environmentally unwise and ecologically hurtful, they bring down upon themselves the wrath of the people concerned.

I want to express some sympathy to my good friend, the chairman of the Committee on Agriculture, and the members of the committee for being stuck with a bad situation here, because the Department of Agriculture on these matters has behaved in a most highhanded and arrogant fashion.

Mr. Chairman, the amendment addresses itself to one thing and that is channelization. That is, taking a beautiful river or a stream and converting it from a river or a stream into a straight ditch. The result of this should be very plain.

First of all, no fish and no wildlife can exist where a river has been converted into a ditch.

Second, the downstream flood problems are magnified—and there is more and more need for more dams and things of this kind. A good part of the flooding that has been going on in some parts of the country recently has been directly related to the fact that these channelization projects have gone forward converting rivers into ditches.

In some instances the duck production on rivers and streams that have been done this way have fallen as much as 86 percent of total production.

In Michigan they are doing this to the trout streams. No one—the author of the amendment or myself or anybody else—says that this ought never be done. There are certainly instances where channelization is wise and necessary and desirable and where it does not have environmental hurtful effects and where it has no adverse effects on the fish and wildlife.

But the evidence is here—in Michigan they are doing it in trout streams. In Michigan they are doing it where a majority of the people in the area are opposed to the project. We have had litigation going on in Michigan where the citizens who live in the area, where the majority of the citizens who are affected are opposed to the project.

What the amendment says is that they are going to take a look at the whole project and see whether it is environmentally sound, to see whether it hurts fish and wildlife.

The gentleman from Georgia, I think wisely and properly so, says that where the Department of Agriculture has behaved so poorly, and so arrogantly, and so haughtily for so long that they will be compelled to submit to the judgment of another agency—the Department of the Interior—to scrutinize and review the effect of the actions the Department of Agriculture has proposed, to see whether they have an environmentally hostile and detrimental effect, and to see whether the actions of the Department of Agriculture are hurtful from the standpoint of fish and wildlife. Certainly that is not too much to ask.

If you want to engage in some correspondence with a haughty and arrogant agency—and I am chairman of the Subcommittee on Fish and Wildlife and have some reason to know—I have engaged in correspondence with the Department of Agriculture with regard to these projects, and the Department of Agriculture even refuses under the National Environmental Policy Act to submit a report as required under the National Environmental Policy Act indicating the environmental impact of these projects. That kind of behavior is not the kind which would justify the trust or affection of the Congress, and the amendment would say the Congress feels it is time that we bring this agency under control.

We would see to it that they act in a responsible way, that they cease to destroy our precious treasury of clear water, streams, and things like that when swamps and other land is drained, affecting the water table of the people in the area, and not only a few landowners.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

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

Mr. TEAGUE of California. Does the gentleman realize that the subcommittee on which I serve has held hearings on the matter to which he has referred?

Mr. DINGELL. I would suggest, then, that your committee look further into some of the things I am discussing, because it is apparent to me that it is needful.

Mr. POAGE. Mr. Chairman, I understand it is snowing. I wonder if we can move forward, and to that end I wonder if we can agree that all debate on the amendment and all amendments thereto close at 5:20 p.m.

The CHAIRMAN. Is the gentleman asking unanimous consent that all debate on the amendment and all amendments thereto close at 5:20 p.m.?

Mr. POAGE. That is my request, Mr. Chairman.

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

Mr. BLACKBURN. Reserving the right to object, do I correctly understand that the time limitation applies only to my amendment and any amendments to my amendment?

The CHAIRMAN. To the pending amendment and any amendments thereto.

Mr. BLACKBURN. Not to the bill as a whole?

The CHAIRMAN. That is the way the Chair understands the unanimous consent request.

Mr. BLACKBURN. It would not apply to the bill as a whole?

The CHAIRMAN. It does not apply to the bill.

Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. KEE).

Mr. KEE. Mr. Chairman, in view of the time limitation, I have asked to extend my remarks.

In response to a rash of criticism of channel work on small watershed projects on the part of fish and wildlife interests, the Soil Conservation Service last year undertook a careful review, State by State, of all pending projects involving channel work. As a result of this review, SCS determined that a portion of the work should be redesigned to mitigate or eliminate entirely the possibility of any adverse effects to fish or wildlife. The SCS administrator, Kenneth E. Grant, also reiterated an invitation of long standing to all types of State and local groups—and fish and wildlife groups in particular—to participate in watershed project planning from the very beginning.

But a number of opponents of small watershed projects took no notice either

of the SCS review or the invitation. In fact, they continue to attack the small watershed program as if SCS had taken no action at all. One is forced to conclude that nothing less than abandonment of the Public Law 566 program will satisfy this special interest group.

The proponents of small watersheds are accused of trying to channelize every natural stream in large areas of the country.

The truth is that only a small percentage of proposed channel work is on natural streams, and only a part of that has a substantial fishery resource.

Watershed planners have been accused of keeping fish and wildlife interests off their committees.

The truth is that fish and wildlife interests have long been encouraged to participate in planning, but that, all too often, by their own volition, they wait until plans have been made to enter the picture and complain and criticize.

Farmers have been accused of promoting watershed projects to enable them to bring more land into production.

The truth is that watershed projects normally result in a net reduction of land used for crop production.

Watershed sponsors have been accused of increasing sedimentation through channel work.

The truth is that any increase in sediment which takes place during construction is temporary and drops quickly as banks are seeded. It is one of the objectives of these projects to reduce sediment in waterways. This reduction is obtained through the increased number of soil protection measures installed by landowners in the watershed as a part of each project.

Frankly, in this age of unprecedented concern for the environment and for the improvement of rural areas, it is a mystery to me why there should be such a concerted attempt on the part of one special interest group to wreck one of the most successful environmental improvement programs in the history of our Nation.

The channel project moratorium was defeated by a vote of 278 to 129 last year—specifically on June 23, 1971.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. MAYNE).

Mr. MAYNE. Mr. Chairman, I am opposed to the Blackburn amendment. I consider it to be a very dangerous amendment which could seriously inhibit very important soil and water conservation work which is going on in this country. The language in it is so sweeping that it would be a real threat to many ongoing projects undertaken after much intelligent planning.

Something has been said about officials of the Department of Agriculture here in Washington allegedly being arrogant in these matters. I am not concerned about them, but I am concerned about the many letters and telephone calls I have received from soil and water district commissioners in Iowa who are very alarmed by this so-called antichannelization amendment and think it will greatly imperil the accomplishment of their work. I think we should vote this amendment down, just as

we did last year, by an overwhelming vote. As I said of the similar amendment which was offered by the gentleman from Wisconsin (Mr. REUSS) on June 23, 1971, this amendment, if adopted, may well jeopardize our entire watershed program in the name of ecology. The amendment would deny funds for the engineering or construction of any "stream channelization." But what is the meaning of "channelization" in this context? I submit to my colleagues that the language of the amendment is so broad and imprecise that it might well be interpreted, if enacted, to stop the construction of terraces, grass waterways, and other soil and water practices which have proved their worth. Inasmuch as they, too, channel or divert the flow of runoff water, who is to say they are not included in the prohibition against "channelization"? This would seriously cripple the work of the Soil Conservation Service.

Watershed projects include a combination of terraces, grass waterways, dams and levees all designed and engineered to fit the topography of the individual watershed. As a member of the Agricultural Subcommittee on Conservation and Credit, which has jurisdiction over watershed approvals, I have had the opportunity to review the plans for a good many watershed projects. Judgments must be made on a project-by-project basis depending on local conditions and the needs of the local people.

The watershed organization is locally organized and controlled but has available the expert assistance of many governmental and private organizations. The local sponsors have official working relationships with most agencies of the Departments of Agriculture and Interior. Many work closely with the Corps of Engineers and other key Federal agencies. They have memorandums of understanding with State health departments; fish and game commissions; and State departments of agriculture, highways, commerce, natural resources, water resources, forestry and economic development. The Soil Conservation Service is without question one of this country's major natural resources agencies. It is indeed a tragedy that its great contribution to preserving our environment and the work of our soil and water conservation districts is so grossly underrated and misunderstood in some urban sectors of our society.

The substantial progress against pollution under Public Law 566 since 1954 is largely unknown to city folk, who are belatedly now swept up in a tremendous upsurge of ecological concern. The farmers of America welcome their urban compatriots to the battle against pollution, but they plead with us as responsible legislators: "Don't let Johnny-come-latelys to the ecology movement destroy years of solid achievement by our soil and water conservation districts." The farmers and landowners actively planning and coordinating conservation in such districts should be encouraged to continue their important work free from harassment. They deserve our protection from this obstructive antichannelization amendment,

which would severely curtail the entire watershed program.

I urge my colleagues to join me in voting no on the amendment now before us.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. GRAY).

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

It is important to remember that watershed projects are initiated by local people, planned by local people, and built by local people with the help of Federal funds. Not all the construction costs, however, come from Federal sources. Local funds are used for land rights and cost sharing of structures which will serve purposes other than flood prevention. Many local organizations already have raised their share of project funds, although the channel improvement work contemplated may not have been started.

It should be kept in mind that in all watershed projects, channels are not considered unless dams cannot be built or cannot by themselves give the protection that local people want and need. These projects are on small drainage areas less than 250,000 acres, and some of the planned channel work are on dry streams which flow only after a heavy rainstorm.

During project development, local sponsors have sought technical help from many sources to develop a plan which will fit their needs. These projects include purposes of watershed protector, flood prevention, irrigation, drainage, recreation, fish and wildlife development, industrial and municipal water supply, and others. In many of these projects, sponsors have solved other local problems before they could complete the development of their plans. In many watersheds, the overall justification is dependent on the channel improvement; therefore, if the channel is not built, other structural measures may not be built and entire multipurpose projects will not be developed. These plans are plans of the people, by the people, and for the people. The Soil Conservation Service in southern Illinois and the Nation are doing a great job and I for one do not want to do anything to impede their work in behalf of the people.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. THOMSON).

Mr. THOMSON of Wisconsin. Mr. Chairman, I think this is a dangerous amendment. The Soil and Water Conservation Authority has been the pioneer in the saving of the soil and water in this Nation. Mistakes have been made, but come out to Wisconsin. Look at Mill Creek, which is 6 miles of channelization, with the trout back in the stream and the banks solid, and with shrubbery; it is a model which is not to be seen anywhere else in America.

Let us not kill that off and smother it with three layers of bureaucracy—and that is the purpose of this amendment. It is not to improve it, but to kill it, and I think we ought to recognize it for what it is. This amendment should be defeated.

The CHAIRMAN. The Chair recognizes

the gentleman from Missouri (Mr. RANDALL).

Mr. RANDALL. Mr. Chairman, I rise in opposition to the amendment. A moment ago it was described as a dangerous amendment. In my judgment it is worse than that. It is a most inconsistent amendment. If we adopt this amendment we will find ourselves going in two directions at the same time. The opponents say they are worrying about the big Federal bureaucracy. As I understand it, all projects under Public Law 566 cannot come before us in Congress for consideration unless they are approved by the Governor of the State where the watersheds are to be built. If we adopt this amendment then what we are doing is injecting bureaucracy into the program. We are really adding more bureaucracy by adding not one but two more agencies—the Department of the Interior and the EPA or the Environmental Protection Agency. If there is anything wrong with the watershed program then it must be at the local level.

Now as to the practice of channelization, I thought the purpose was to assist in soil conservation or to assist in flood control.

Mr. Chairman, when the House considered the Agriculture appropriation bill on June 23, 1971, the intent of Congress seemed to state that the use of funds in the bill for any stream channelization project not already underway before July 1, 1971, would not be subject to question. By a teller vote of 278 to 129 the House rejected an amendment to forbid funding of any stream channelization project administered under the Secretary of Agriculture unless the project was in the construction stage before July 1, 1971.

Should this amendment pass it would violate the spirit and intent of Congress when the Fish and Wildlife Coordination Act was passed. The Watershed Act was not excluded through any oversight. Legislative history makes it very clear that Congress, having considered such proposals, has rejected them.

Mr. Chairman, we should not hamper or interfere with the continued development and progress of our watershed projects. This amendment should be defeated.

Mr. Chairman, as to this particular amendment we do not have to engage in the current controversy raging over the Corps of Engineers, which involves the protest by the environmentalists against some 15 projects of the Corps. While the increasing opposition to the work of the Corps of Engineers is a serious matter, in this amendment before us now, we are not talking about either a flood-control project or any kind of drainage or navigation project. Instead, Mr. Chairman, we are considering a soil conservation program which is best known as Public Law 566 or the watershed program.

Let me repeat and reemphasize that under present law none of these projects ever come to consideration by Washington unless they have been previously screened, carefully analyzed and previously approved by the Governor of the State in which they are located. In re-

sponse to those who say that this program is already beleaguered by the Federal bureaucracy, it is most surprising that today by your amendment you offer to submit these programs to further bureaucratic approval by both the Department of the Interior and the Environmental Protection Agency either of which could literally smother a good soil conservation program under these two additional layers of bureaucracy. I do not believe that those of our colleagues who subscribe to the concept of a Federal-State partnership will relish this kind of amendment. I hope this amendment may be decisively defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. HUNGATE).

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

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. POAGE) to conclude debate on the amendment.

Mr. POAGE. Mr. Chairman, I yield back my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. BLACKBURN).

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

Mr. BLACKBURN. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

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

Mr. Chairman, apparently we are going to get this battle over channelization back on the floor at least annually, and probably more often than that. I should like to make a suggestion.

For those people who are interested in improving what they consider a bad situation, may I suggest that they contact the members of the Committee on Agriculture, which has primary jurisdiction over this matter, so that those individuals and members of the Committee on Agriculture can consult with the Agriculture Department and the Soil Conservation Service, so that we can work out the kinds of guidelines which will accomplish the broad purpose which is sought and still prevent any of the deleterious actions which are suggested from time to time.

This is not a matter of having one part of the House lined up against another. It is time we got together and tried to do something constructive, rather than fighting the matter out on the floor of the House, as we have been doing from time to time.

The CHAIRMAN. If there are no further amendments to be proposed to title II, the Clerk will read.

The Clerk read as follows:

TITLE III—AMENDMENTS TO THE BANKHEAD-JONES FARM TENANT ACT, AS AMENDED

SEC. 301. Section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011), is amended by adding at the end thereof the following:

"The Secretary shall also be authorized in providing assistance for carrying out plans developed under this title:

"(1) To provide technical and other assistance, and to pay for any storage of water for present or anticipated future demands or needs for rural community water supply included in any reservoir structure constructed or modified pursuant to such plans: *Provided*, That the cost of water storage to meet future demands may not exceed 30 per centum of the total estimated cost of such reservoir structure and the public agency or local nonprofit organization shall give reasonable assurances, and there is evidence, that such demands for the use of such storage will be made within a period of time which will permit repayment of the cost of such water supply storage within the life of the reservoir structure: *Provided further*, That the public agency or local nonprofit organization prior to initiation or construction or modification of any reservoir structure including water supply storage, make provision satisfactory to the Secretary to pay for not less than 50 per centum of the cost of storage for present water supply demands, and all of the cost of storage for anticipated future demands: *And provided further*, That the cost to be borne by the public agency or local nonprofit organization for anticipated future demands may be repaid within the life of the reservoir structure but in no event to exceed fifty years after the reservoir structure is first used for the storage of water for anticipated future water supply demands except that (1) no payment on account of such cost need be made until such supply is first used, and (2) no interest shall be charged on such cost until such supply is first used, but in no case shall the interest-free period exceed ten years. The interest rate used for purposes of computing the interest on the unpaid balance shall be the average rate, as determined by the Secretary of the Treasury, payable by the Treasury upon its marketable public obligations outstanding at the beginning of the fiscal year in which the advancement for such water supply is first made, which are neither due nor callable for redemption for fifteen years from the date of issue.

"(2) To provide, for the benefit of rural communities, technical and other assistance and such proportionate share of the costs of installing measures and facilities for water quality management, for the control and abatement of agriculture-related pollution, for the disposal of solid wastes, and for the storage of water in reservoirs, farm ponds, or other impoundments, together with necessary water withdrawal appurtenances, for rural fire protection, as is determined by the Secretary to be equitable in consideration of national needs and assistance authorized for similar purposes under other Federal programs."

SEC. 302. In recognition of the increasing need for soil, water, and related resource data for land conservation, use, and development, for guidance of community development for a balanced rural-urban growth, for identification of prime agriculture producing areas that should be protected, and for use in protecting the quality of the environment, the Secretary of Agriculture is directed to carry out a land inventory and monitoring program to include, but not be limited to, studies and surveys of erosion and sediment damages, land use changes and trends, and degradations of the environment resulting from improper use of soil, water, and related resources. The Secretary shall issue at not less than five-year intervals a land inventory report reflecting soil, water, and related resource conditions.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. Section 901(b) of the Act of November 30, 1970 (84 Stat. 1383), is amended to read as follows:

"(b) Congress hereby directs the heads of all executive departments and agencies of the Government to establish and maintain

departmental policies and procedures giving first priority to the location of new offices and other facilities in rural areas as defined in section 306(a)(7) of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1926). The President is hereby requested to submit to the Congress not later than September 1 of each fiscal year a report reflecting the efforts during the immediately preceding fiscal year of all executive departments and agencies in carrying out the provisions of this section, citing the location of all new facilities, and including a statement covering the basic reasons for the selection of all new locations."

SEC. 402. Section 16(e)(7) of the Soil Conservation and Domestic Allotment Act, as amended, is amended by striking the figure "\$10,000,000" the second time such figure appears in such section and inserting in lieu thereof the figure "\$40,000,000".

SEC. 403. (a) the first sentence of the Act entitled "An Act to enable the Secretary of Agriculture to extend financial assistance to homestead entrymen, and for other purposes", approved October 19, 1949 (63 Stat. 883; 7 U.S.C. 1006a), is amended by striking out "homestead entry" and inserting in lieu thereof "homestead or desertland entry".

(b) The last sentence of the first section of such Act is amended by striking out "reclamation project" and inserting in lieu thereof "reclamation project or to an entryman under the desertland laws".

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

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

There was no objection.

The CHAIRMAN. Are there any amendments to be proposed to title III? Are there any amendments to be proposed to title IV?

Under the rule, the Committee rises. Accordingly, the Committee rose; and the Speaker having resumed the chair (Mr. FLYNT) Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee having had under consideration the bill (H.R. 12931) to provide for improving the economy and living conditions in rural America, pursuant to House Resolution 829, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

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

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

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

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

MOTION TO RECOMMIT OFFERED BY MR. TEAGUE OF CALIFORNIA

Mr. TEAGUE of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TEAGUE of California. In its present form I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TEAGUE of California moves to recommit the bill H.R. 12931 to the Committee on Agriculture.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

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

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to extend their remarks in connection with the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas? There was no objection.

LEGISLATIVE PROGRAM

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

Mr. BOGGS. Mr. Speaker, I have asked for this time to inform the House that on tomorrow we will call up the conference report on H. R. 12067, the foreign aid appropriation bill for 1972. It will be called up under a rule which was granted today waiving points of order against the 3-day rule.

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

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

Mr. GROSS. Has the report on the foreign aid appropriation bill been filed?

Mr. BOGGS. The report will be filed this evening.

Mr. GROSS. I thank the gentleman.

OSH ACT NEEDS EDUCATION, THEN ENFORCEMENT

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

Mr. RONCALIO. Mr. Speaker, no single labor of the preceding 91st Congress has yielded such a harvest of confusion and discontent as the Occupational Safety and Health Act of 1970.

I was not a Member of Congress when the House took final action by approving the conference report on this legislation on December 17, 1970. I believe, however, that some of the ambiguities and frustrations attendant to this law may well make this issue the concern of the 92d Congress as well.

In the course of 3 years, a variety of proposals were advanced to implement a national on-the-job safety program, based on the universal awareness that occupational accidents have reached appalling rates. The Bureau of Statistics report on the 1970 incidence provides grim confirmation: on-the-job accidents that year caused the death of 14,500 workers, the injury of 2.2 million, the loss

of \$1.5 billion in wages and \$8 billion to the gross national product.

The comprehensive legislation enacted in the last Congress addressed this problem generally, and while I know that no one questions the need to implement a national safety program, a number of our colleagues believe some perfecting amendments are in order. Mr. Thone of Nebraska has some 100 cosponsors for his amendment to require the Department of Labor to distinguish the requirements of light residential construction industry from those of the heavy construction industry in promulgating safety standards. He has observed that under this law, each house will be considered a separate construction site, multiplying the problems of small contractors. The Labor Department, for example, will require builders to put bars in front of each window opening more than 4 feet above ground until glass is installed. A fire extinguisher is supposed to be on every floor of a house under construction, and temporary handrails have to be installed before steps are finished.

If a house has a second floor, the law requires that a chute be provided for waste disposal. In this kind of blanket coverage, affording no distinctions in the magnitude of a construction project, the cost of an average residence will increase by about \$1,500.

In another area, roll bars are being required. While this might be in order for all new tractors, this law requires retroactive installation, which will cost the construction industry an estimated \$1.2 million on equipment purchased before 1969 because frameworks on older tractors are not strong enough to hold the roll bars which must be added. The regulation apparently will also apply to any farmer who employs one or more persons.

Mr. SEBELIUS of Kansas has an amendment to exempt all small farmers from this act and Mr. FISHER of Texas an amendment to exempt employers with 25 or fewer employees. I also understand that Senator CURTIS of Nebraska is drafting four amendments, several dealing with defense mechanisms.

Under the law passed by the last Congress, an employer must seek judicial review from the Court of Appeals after conviction, and yet the Secretary of Labor may use the District court. The cost to a small employer or farmer for appeal in the circuit court is another hidden cost in this act, and, as lawyers in Wyoming have complained, it is far easier for the Federal Government to get into court than for the ordinary farmer.

This law must be amended, not to compromise safety, but to require the Secretary of Labor to precede compliance with an educational program, at least letting citizens know by example and counseling what is expected of them and not besieging them with the maddening plethora of promulgated regulations as done under this act. Once again, Congress has legislated away its power to write law by delegating it to an administrator, this time the Secretary of Labor.

To illustrate the need for counseling, consider the consternation of an employer who picks up the Federal Register of May 29, 1971, to review the nearly 400

pages of regulations. Among other items, he will find a requirement to keep a coat-hanger in the lavatory.

To make matters worse, the Department of Labor has unfortunately conveyed to employers the impression that enforcement of the law comes first, education afterward.

There is no provision in this act for a courtesy inspection, designed to alert employers to possible hazardous equipment. Last week, I received a telephone call from a small businessman who had called the regional office in Denver, asking that a representative meet with him to explain and clarify the regulations. He was told that inspectors could visit his premises, but that there would be no warnings and that citations would be issued. Surely we can agree that such a policy breeds contempt for us all.

As Herbert Manig, executive secretary of the Wyoming Farm Bureau Federation, explained in a letter to me, the more realistic approach, inviting cooperation, would be to provide farmers, ranchers, indeed all employers, with education and assistance in comprehending this complicated law. If after the groundwork has been properly established and employers would not meet the standards, then enforcement should be executed. In short, the emphasis should be on education, then on enforcement.

I believe a small start has been made in the scheduling of 10 regional meetings in Wyoming during this month where the Wyoming Department of Labor and Statistics will explain the impact of the law. This is an encouraging indication of the State's willingness to move ahead toward its own administration of the standards. Wyoming is working with a planning grant to develop the regulations which will be reviewed by Federal officials to insure that national standards are met. After 1 year of full operation under Federal surveillance, Wyoming will then administer its own safety and health standards through inspection and enforcement, probably achieving total responsibility in 1974.

The State officials in Wyoming have assured employers that education and engineering are keys to their plan, stressing willingness to help operators resolve problems so that a citation can be prevented.

In section 9 of the act, investigators are directed to issue a citation in writing to any employer who he believes has violated a requirement and to set a reasonable time for abatement of the violation. Within a reasonable time after the inspection, the employer will be notified of the penalty imposed by registered mail. As other amendments are considered, it might be appropriate to weigh the merits of permitting an initial no-citation inspection of sites for the purpose of explaining the law and issuing warnings. It would go a long way toward reconciling employers to a law which at this time has aroused anger and resentment.

During the first 6 months of the administration of this law, the Labor Department announced that 8,165 inspections were made, resulting in the discovery of 18,699 violations, which gave rise to the issuance of 5,308 citations and

the assessment of \$349,375 in penalties. Therefore, although Wyoming employers are being advised that the only personnel in the field are taking a sampling, the report indicates that inspections are being conducted in other areas.

Although the volume of citations seems to vindicate a policy of enforcement first, I would suggest that many of the violations during this confusing interim period might be of a minor nature and could have been reduced if greater stress had been placed on informative measures.

I know that the Department of Labor is aware of the need to provide promotional literature and I would urge an intensified effort.

I am pleased to note that the Department is contemplating a special advisory committee on agricultural standards which would include representatives of the major farm organizations. I believe the greater the involvement of operators in determining workable regulations, the greater the compliance, avoiding the issuing of thousands of citations and the possibility of placing an even greater strain on the courts in handling appeals.

At a time when the ordinary citizen finds himself increasingly alienated from a Federal Government whose operations he imperfectly understands and whose officials seem remote and indifferent, the Department of Labor could perform an invaluable service by intensifying its instructional groundwork with a view to helping employers understand the law that they might not violate it.

I would ask my colleagues to give serious considerations to an amendment specifying that the Department accelerate educational programs and permit field personnel to visit sites for a first-time review and counseling session without issuing citations.

With this shift in priorities from enforcement before education to education before enforcement, the Department could ease the transition to the time when the law will be administered by the States.

I know that in Wyoming, the Occupational Health and Safety Commission is a responsive body, sensitive to the requirements for safety and eager to do everything possible to provide for safe and humane conditions for all who labor there. If the groundwork of counseling has been properly laid, the Commissions' task will be far easier, and the results far more satisfying.

THE 100TH ANNIVERSARY OF MILITARY SCIENCE TRAINING AT AUBURN UNIVERSITY

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

Mr. NICHOLS. Mr. Speaker, last Saturday, it was my great privilege to attend ceremonies commemorating the 100th anniversary of Military Science Training at Auburn University.

Military training has been an important part of Auburn since the school was designated as a Land-Grant College in 1872.

Since 1921, when the first ROTC commissions were awarded, over 8,000 graduates have been commissioned as officers in our Nation's military forces, including 44 who have attained the rank of general or admiral. Auburn is one of only 32 universities in the United States to have all three branches of ROTC service—Air Force, Army, and Navy.

Among Auburn's graduates who received commissions are the late Lt. Gen. Holland M. Smith, considered the father of amphibious warfare, the late Gen. Franklin Hart, commandant of the Marine Corps and Lt. Comdr. Ken Mattingly, the command module pilot on Apollo 16 which is due to be launched in April. Recently, Auburn conferred an honorary degree on Adm. Thomas Moorer, Chairman of the Joint Chiefs of Staff and a native of Alabama.

During the 100 years of military training at the school, Auburn University has made a lasting contribution to the future of our great Nation.

Mr. Speaker, in connection with this event, I would like to submit for my colleague's study, a history of the military at Auburn University, written by Lt. Col. John H. Napier in 1960 and updated by Col. Andrew LaMar, professor of military science, Army ROTC at Auburn:

HISTORY OF THE MILITARY AT AUBURN UNIVERSITY

(By Lt. Col. John H. Napier)

(NOTE.—The following history of military instruction at Auburn was written by Col. Napier in 1960. It has been continued and updated by Col. Andrew LaMar, PMS, AROTC at Auburn, West Point, '46.)

To trace the military associations of Auburn University, one can go back to the formation of the Auburn Guards, under Captain George W. Dixon in 1861, which supposedly included numbers of students from East Alabama Male College, Auburn University's ancestor. President Jefferson Davis reviewed them at the Auburn Railroad Station February 16, 1861.

During the War Between the States, there were two training camps, Camps Winston and Johnson, in the Auburn vicinity. Wilson's and Rosseau's Yanks pillaged the town twice. The College's main building and other houses in town served as a Confederate Hospital.

Actually, 1872 marks the beginning of the military science instruction at Auburn, for in that year, EAMC became the A&M College of Alabama, and was required by the Morrill Land Grant Act of 1862 to furnish military instruction to its students. While the first president, Dr. Isaac T. Tichenor was a Baptist minister, he had been a Confederate chaplain.

The first Commandant, George P. Harrison, Jr., was the youngest Confederate Brigadier at 22, the third president, David F. Boyd, a Confederate Lieutenant Colonel in charge of munitions department of the Confederate Ordnance Corps. The second Commandant, Lt. Col. Robert A. Hardaway, is remembered as one of the most brilliant artillerymen in Lee's Army of Northern Virginia.

The first available college catalog, that of 1875, outlines the military instruction. In those days, cadets had to buy their own uniforms which consisted of a cadet gray frock coat with three rows of college buttons, grey trousers, black kepi and black facings as well as a fatigue uniform. The total cost was about \$43.00, a lot of money in those days. Students were required to wear the uniform at all times. They learned to drill, stand guard and picket (scouting and patrolling)

duties. The State provided breech-loading cadet rifles, swords and accoutrements.

There were initially two companies of cadets, but this was expanded to a battalion in 1898. Governor's Day is not new—in 1875 and in 1882, the Governor of Alabama was scheduled to review the cadet corps, and in the latter year, this was followed by a dress parade and levee, or ball. Formations were held on the grounds in front of the Main Building, Samford Hall's predecessor, for an 1881 engraving shows the corps drawn up there. Later, however, and for many years well into this century, the drill field was where Ross Square is now. Before World War II, drill was held on Bullard Field, south of the Women's Dining Hall.

In 1885, the appearance of the corps was spruced up by the prescription of a white helmet for dress occasions. This is the same era when the U.S. Army adopted Prussian style spike helmets, apparently influenced by German military prowess after the War of 1870. In 1887, Main Building burned and the cadet arms were destroyed, but were replaced rapidly in time for the school's re-opening. In 1891 Auburn's long association with St. Barbara began when two pieces of three-inch field artillery with carriages and limbers were added to the armory. The corps of cadets stood honor guard at the Auburn railroad station in May 1893 when Jefferson Davis's body was moved from New Orleans to Richmond.

An early feature of the cadet corps was Co "K," mentioned in the first Glomerata of 1897. It should be explained that in those days, students had to "take military" all four years, not just for their first two years, as they do now. Obviously, not all seniors had the capacity and/or inclination to be cadet officers, nor were there sufficient "slots" for them. They were placed in Co "K," where apparently most were "gentleman privates" going through the motions of "playing soldier" yet unofficially given some latitude in observing cadet regulations.

Around the turn of the century, there were no barracks nor dorms. Cadets boarded with townspeople, and one would be designated monitor, or NCO-in-Charge, for that house. He would report absences and other infractions periodically to the Commandant, as the PMS (Professor of Military Science) was then known.

Cadets were required to rise at the beat of a drum at 5:30 and if living within a mile of the campus, had to report for roll call. They then returned to their lodgings to eat, and had to meet a second muster on campus at 7:45. Classes ran until 1 p.m. when there was another roll call, followed by lunch. Classes resumed at 2:00 and from then until 4:00, cadets could not be seen on the streets of the village. After 6:00 they had to return to their rooms, could not retire before 9:30 and had to go to bed at 10:00. They could not go off the campus on weekends—leaves were allowed only at Christmas or in an emergency.

Church parade on Sunday was compulsory, and cadets were marched to the church of their denomination, and here hangs a tale, the legend of the founding of Sacred Heart Roman Catholic Church, Auburn. In those days, there was no Roman Catholic Church here, and few "R.C.'s" among the students. Some of the bright lads realized that if they set down their religious preference as "R.C.," they would not have to go to church. It worked. However, the statistics showing an increase in Catholics at Auburn reached the bishop of this diocese. The right reverend gentleman reasoned that a mission here was needed to attend to these members of the faith, and the church was founded. At first however, they found few actual Roman Catholics. So goes the story, anyway.

There were at least 30 Auburn-trained officers in the Spanish-American War. The

son of the third President, D. F. Boyd, Jr., was on the Maine when it was blown up.

In 1899, the same year A&M became API, the Auburn Military Band was organized, the oldest of our existing supplementary military organizations. Apparently in 1905, uniforms were no longer obligatory on all occasions, and Spanish-American war style slouch, or campaign hats, were worn for fatigue. In the next year, the cadet kepi gave way to the bell cap, fore-runner of today's service cap, but with a smaller crown. Also, in 1905, the first sponsor of the cadet corps, Miss Louise Vass, was chosen battalion sponsor, beginning a pleasant custom still with us. From that time on, feminine grace has softened the military's Spartan ways.

In 1916, the Reserve Officers Training Corps was established here, as a result of the National Defense Act of that year. This was one of 37 Land Grant colleges in the US where ROTC began. Briefly, the replacement of the old cadet structure by the ROTC made it possible for a graduated cadet to obtain a reserve second lieutenantcy for the first time, and provided more Federal supervision, uniformity and funds.

Two thousand Auburn Alumni served in World War I. In 1919, the ROTC here was re-organized into Field Artillery, Engineers and Infantry. Artillery has been emphasized ever since.

The Infantry unit was discontinued in 1926. In 1928, Will Rogers was initiated here into Scabbard and Blade as an honorary member. Two years later, long trousers again replaced breeches and puttees as part of the uniform. By 1932, the cadet corps had grown to such an extent that it was necessary to group the Field Artillery into a brigade of two regiments and the Engineers into another regiment. The Army ROTC increased steadily. Before World War II, it was rather larger than today, because there were no NROTC nor AFROTC units, as at present.

In 1942, at the outbreak of World War II, 17 officers (13 of them Auburn alumni reserve officers) and 28 enlisted men were assigned as instructors. While not part of the ROTC, the CPT (Civilian Pilot Training Program) in 1941 had given flying instruction to many students. In 1943, the seniors were commissioned, and fortunes of war demanded that the juniors be enrolled in the Enlisted Reserve Corps and go to officers' candidate school before being commissioned. The Advanced course was discontinued, although about 200 cadets who were too young for military service continued in basic ROTC. Scabbard and Blade was inactive between 1943 and 1946. There were numerous soldiers assigned here in the ASTP in 1944 taking certain technical courses. These did not necessarily lead to a commission.

No sooner was World War II won than a new uniform appeared on the Auburn campus—the Navy ROTC was established in the fall of 1945. At this point, it becomes necessary to treat the military at API in terms of three separate armed services.

The NROTC after World War II had a strong string to its bow with adoption of the Holloway Plan (named for V/Adm. James "Lord Jim" Holloway), which provided a subsidized education—tuition, books, uniforms, retainer pay, etc.—for four years for selected "regular students." The latter agreed to accept commissions as regular ensigns, USN or Second Lieutenants, USMC and serve on active duty at least three years. The first Midshipman was commissioned in September 1947.

In the meantime, the Army ROTC was re-organized for the second time following World War II. In 1946, in addition to Field Artillery and Engineers, it included Armored Cavalry (now Armor), Signal Corps and Air Corps. The pattern of the present four Army ROTC branches was set—Artillery, Engineers, Armor and Signal. With this set-up arose

honorary and professional organizations for each branch.

After World War II, the so-called "ROTC Hangar" was built on the new drill field (Morris Field) at West Magnolia and Wire Road, and this hangar includes garage and Armory facilities for all three services, rifle range and certain ROTC and NROTC classroom facilities. In 1958, a new pre-fabricated metal AFROTC Supply Building was erected just south of the hangar. At the present time, the NROTC offices, Army ROTC Supply and classrooms for all services are in Brown Hall, Army ROTC and AFROTC offices are housed in the military (erstwhile Electrical) Building adjacent to the rear of Langdon Hall.

Although the Army Air Forces were autonomous during World War II, as previously stated, the Army ROTC included the Air Corps in 1946. The United States Air Force came into being in 1947, and gradually the AFROTC split from its parent. In July 1949, it was separated and headed by the first PAS&T, as he was then called.

This short history cannot claim to be a definitive one, and more detailed information has been omitted. One is left with the conclusion, however, that API, which became Auburn University in January 1960, has certainly done its share in turning out military leaders in peace as in war. The accent has been on college graduates who do not necessarily choose the service as a career, but on a large pool of reserve military officers to furnish leadership in an emergency. AU alumni have demonstrated their loyalty and efficiency to a country from which they have received more advantages than the average citizen.

CONTINUATION, WRITTEN BY ARMY ROTC, IN
1971

On January 3, 1962 the advanced program of Army ROTC at Auburn changed from a branch-oriented instruction in Armor, Artillery, Signal, and Engineer branches to a General Military Science program. In the new program, under which the University still operates, all cadets receive general instruction and receive their branch assignments during their senior year.

Fall quarter of 1969 marked the end of ROTC as a requirement for graduation. No longer were two years of the basic program mandatory. As a result, basic drill was revamped to make the program more attractive. Training in the field of first aid, rappelling, hand-to-hand combat, survival, voice and command, and quick-fire were added to the program. Basic drill was reduced to one drill weekly and class meetings to two per week. The new program enabled the cadets to receive closer, more supervised instruction, resulting in better officers for the military.

Figures reveal that, even though ROTC has become the subject of controversy at many colleges and universities across the country, the number of cadets commissioned each year at Auburn has increased dramatically since 1967.

In 1966-67, there were 80 cadets commissioned. In 1968-69, there were 165 cadets commissioned. This is just five shy of 170, the all-time Auburn record.

ENACTMENT OF APPROPRIATIONS BILLS BEFORE THE FISCAL YEAR

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

Mr. WYMAN. Mr. Speaker, in recent years the Congress has fallen far short of its responsibilities for sound fiscal management. One of the problems that we have experienced is the frequent delay in the consideration of appropriations

bills past the beginning of the fiscal year—July 1—causing much of the Government to be operated under continuing resolutions. The delay in passing appropriations has been attributable in large measure to the failure of the authorizing committees to complete their hearings and pass necessary authorizing legislation prior to the beginning of the fiscal year.

There are no valid reasons, in most instances, why authorizing legislation cannot be completed in the 5-month period between January and June 15 in future years for the operation of the Federal Government and its agencies for the ensuing fiscal year. The hang up on appropriations is squarely due to the provisions of the rule that prohibits bringing appropriations bills to the floor of the House until a separate authorization has been passed. This is not a matter of statutory law. It is merely a rule of this body and it ought to be modified to the extent of allowing the House of Representatives to get its appropriations measures through before the beginning of the fiscal year.

Some have suggested changing to a calendar year basis and this suggestion may have merit. But such a change involves an amendment to the United States Code. It would also create the specter of possible delay on appropriations action until November and December in future years and for this reason could further protract and stretch out our already virtually annual sessions of Congress. In election years it might even require postelection sessions that would invariably for one reason or another include a number of members in the "lame-duck" category. For these and other reasons, changing to a calendar year for the entire Federal Establishment is a big subject and ought to be separately considered.

In the meantime this resolution would break future logjams in this body and would go a long way toward expediting the handling of authorizing legislation as well as appropriations. I want it to be understood that I am by no means proposing the abolition of the function and power of authorizing committees after June 15 of each year. An authorization subsequent to appropriation may well be in order if the Rules Committee sees fit to amend the rule to so provide. But it should be made clear, in this event, that the subsequent authorization cannot exceed the amounts appropriated although the authorizing committees would continue to have the authority to deny authorizations by categories in which event the appropriation would abort for that item as of the date of passage of such subsequent authorization.

Such a procedure would materially expedite the appropriating process and materially assist the House in getting its work done in each session of Congress. It would also have the happy effect of informing the various departments and agencies of the Government what their appropriation is going to be for the fiscal year ahead perhaps subject to reduction by authorizing committees that have not acted prior to June 15 or the date of passage of the appropriation whichever is subsequent. It would virtually eliminate the vexatious device of the so-called

continuing resolution that for agencies having appropriations that vary substantially from year to year presently find the continuing resolution confusing and often wasteful.

Sponsorship of this proposal is bipartisan. It would be a substantial and constructive reform that would demonstrably improve both the efficiency and the quality of the legislative process. I sincerely hope it will have the prompt approval of this body. The text of the resolution and the names of Members cosponsoring follow:

H. RES. 775

Resolved, That (a) rule XXI of the Rules of the House of Representatives is amended by adding at the end thereof the following new clause:

"7. The Committee on Appropriations shall, to the maximum extent practicable in the determination of the Committee, take such action as may be necessary to report all general appropriation measures for each fiscal year (other than measures for supplemental and deficiency appropriations) to the House for its consideration by such time before the beginning of that fiscal year as will permit the enactment of all such measures into law before the beginning of that fiscal year."

(b) The second sentence of clause 2 of rule XXI of the Rules of the House of Representatives is amended by adding at the end thereof the following: "Provided further, That after June 15 of each calendar year appropriations measures providing funds for the operation of any branch of the Federal Government or its independent agencies for the ensuing fiscal year shall be in order for consideration notwithstanding the provisions of this rule."

LIST OF COSPONSORS

Mr. Walter Flowers, Mr. John J. Rhodes, Mr. Thomas M. Rees, Mr. Craig Hosmer, Mr. Donald G. Brotzman, Mr. J. Herbert Burke of Florida, Mr. Edward J. Derwinski, Mr. Robert McClory, Mr. Elford A. Cederberg, Mr. Bill Frenzel, Mr. Charles Thone, Mr. James C. Cleveland, Mr. John E. Hunt, Mr. Charles W. Sandman, Jr., Mr. Edwin B. Forsythe, Mrs. Shirley Chisholm, Mr. Howard W. Robinson of New York, Mr. John H. Terry, Mr. Barber B. Conable, Jr., Mr. David N. Henderson, Mr. Samuel L. Devine, Mr. Wendell Wyatt, Mr. John Ware, Mr. Albert W. Johnson of Penna., Mr. John J. Duncan, Mr. O. C. Fisher, Mr. J. Kenneth, and Robinson of Virginia.

SOCIAL SECURITY REFORM NOW

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

Mr. BURKE of Massachusetts. Mr. Speaker, many of the Members will no doubt remember my coming before this House on several occasions in the past to urge a complete reappraisal of this Nation's social security system. Since then, other matters, some of the highest importance, have intervened to occupy the attention of the Members of this body. However, before any more time goes by, I wanted to take this opportunity to remind the Members of both the seriousness of the situation and the sincerity of my conviction that something must be done and done soon to completely restructure the social security system, as we know it today.

Since refiling my proposal to increase social security benefits across the board

by 50 percent, while at the same time devising a new tax formula for financing the system; namely, one-third from the employer, one-third from the employee, and the new feature, one-third from general revenue—since refiling that legislation with a most impressive list of cosponsors, several important developments have occurred which make me more convinced than ever that now is the time to bring social security reform front and center, to the top of the list of this Congress unfinished business. Since refiling my legislation and announcing the social security honor roll with 64 names, the White House Conference on the Aging has come and gone. While it was in session, the attention of the Nation for 1 fleeting week was focused every day on the elderly and their problems. It is a sorry thing to admit, but I detect memories fading quickly, and it is becoming increasingly difficult for busy Members in this city of conventions and conferences to recall too much of what was said or done during that Conference. One thing, however, emerged quite clearly and that is that adequate income is probably the No. 1 problem facing the elderly of this Nation. Another fact which emerged from my consultations with the elderly is that for many their sole means of support is their social security benefits. Maybe this is not what the designers of the system intended, but it is a fact of life, and to ignore it is to be heartless and cruel to those unable to fend for themselves and earn their way in life because of their years. They look to us and we cannot look away to anyone else to help them. The buck stops here, as they say, and we have failed to come to grips to date with either the problem or the solution. Another major development is that the Senate is still hopelessly tied up with maneuverings, some call them hearings, on H.R. 1. Consequently, even that meager sop to the needs of the elderly, a 5-percent increase in benefits supposed to have been effected as of January 1, is still awaiting action. One of the most pathetic experiences of my congressional career is returning to my office each day and reading the hundreds of letters from the elderly across the Nation asking me to find out what happened to their 5-percent increase that they were supposed to get in January. When people are this concerned about a pathetically small 5-percent increase in their monthly social security check that they will take pen in shaking hand and plead with their Congressman for what, in most cases, is no more than a dollar or two a month extra, then I, for one, do not have to look any further for reasons to reform, or to score a major breakthrough, in the present system.

Perhaps the most important development is the revelation since refiling my bill that the Social Security Advisory Council has concluded that the present methods of accounting in the social security system has unduly tied down the system's possibilities because of a slavish attachment to outdated conservative accounting methods. It is now clear that by abandoning the sinking fund approach, Congress has within its power to dramatically increase the benefit level and at the same time reduce the tax

burden which would normally result from such an increase. When accountants, that most conservative of all professions, start discovering ways of improving the lot of the elderly in life, then I think it is time we, the elected representatives of the people, at least caught up to them and seized the opportunity to move decisively in this field. If my new tax formula were adopted at the same time, then not only could the benefits be increased even further, but the tax burden would be even further reduced. I am not engaging in slight of hand in saying this. I am not bankrupting the Treasury in proposing this. I am not grandstanding today. Instead I am addressing myself to a serious situation which can no longer be ignored. The elderly do not have an adequate income today. Something must be done to alleviate their suffering and done soon and we have at our disposal the means to remedy the situation. A price tag accompanies all good things, it seems, and I am not trying to conceal the price for 1 minute. I am simply saying that there is a better way of sharing the cost of the extra increase and that in redistributing the pressure more evenly throughout our society that we will find that the extra burden on the taxpayer for doing what is right by our elderly is not an unbearable burden at all. For too long the fiscal conservatives have been able to discourage any dramatic improvement in social security benefits, because of the way the tax burden was distributed solely on those presently working and presently employing, and also because conservative accounting methods required a sinking fund which had to be maintained at an inordinately high level before anyone could receive any increased benefits.

Mr. Speaker, today I renew my appeal for action on social security reform. I know that the Ways and Means Committee has a full docket of important business. However, I am convinced that if the leadership of either party made this the number one issue it deserves to be, that room would be found to tackle this problem while this Congress is in session. In the past few days I have personally contacted by letter and telephone all my colleagues on the committee as well as the leadership of this House to move this problem to the center of their attention. Attached to each letter, I enclosed copies of an article which recently appeared in the Boston Globe. I feel its message is so compelling that I want to include it for all the Members to read at this time. In conclusion, just let me say there is, in fact, a job each and every Member in this House can perform and that is, simply to contact their leaders and push for genuine social security reform. I am convinced that in doing so time will be found and both parties will be able to return to the electorate in November with their heads held just that much higher than otherwise would be the case.

BURKE MAKES GOOD CASE FOR 50 PERCENT SOCIAL SECURITY INCREASE
(By Joseph Levin)

Farm state Sen. Frank Church of Idaho has offered the elderly a very small and cold potato—a 12 percent average increase in Social Security benefits. His bill, filed this week, would hardly be worth mentioning

except for the fact that he happens also to be chairman of the Senate's Special Committee on Aging.

As such he has been spending thousands of the taxpayers' dollars (including the elderly taxpayers') holding hearings up and down the country—to what ends, one may ask. He seems to have learned nothing. One wonders, also, whether Church's bill reflects the views of his committee, which includes Bay State Senators Kennedy and Brooke? If it does not, they should speak out quickly.

Church's views may indeed prevail if we judge the Democrats by the yardstick of the five percent SS increase in HR-1, the bill framed by Chairman Wilbur Mills of the House Ways and Means Committee and passed by the House.

But if a 12 percent increase is the most the majority party can offer in 1972 the case for elderly voter support of President Nixon in the election is already made. The Social Security Advisory Council headed by Mr. Nixon's appointee, Dr. Arthur Flemming, has already opened a door that could lead—perhaps by simple administrative action—to a 20 percent increase.

The Advisory Council said that if actuarial philosophy governing the accumulation of Social Security trust funds (now nearing \$50 billion) is changed, SS benefits can be upped 20 percent without increasing employer-employee contributions.

Present actuarial policy builds up the funds on the basis that wages and payrolls will remain stationary. But experience shows that in fact wages and payrolls rise with the years. That means SS taxes can also rise, in order that Social Security benefits can keep pace with the increasing productivity and income of the nation.

In a series of powerful speeches in the US House last fall, Representative James A. Burke of Milton, who is a member of the House Ways and Means Committee but does not share the conservative views of Chairman Mills, argued for an immediate 50 percent increase in Social Security.

"We must recognize and accept that for the overwhelming number of Americans over 65, Social Security checks have become essential to their financial security and well being," he said.

"Statistics, while incomplete, give every indication that more than 50 percent of our population over 65 is totally dependent on income received from Social Security checks . . . I have concluded that what is needed is a 50 percent across-the-board increase in Social Security benefits." As of now, he said, 63 other members of the House are supporting.

"Of course," Burke continued, "I realize that what frightens most people about my proposal is the price tag. Already the Social Security taxes are slated to increase dramatically. My answer to these men of more fear than vision is that they have not studied my proposal in its entirety."

"I am fully cognizant of the cost that a 50 percent increase will mean for the Social Security system. It is for this reason that I have proposed a new formula for tax assessment which would change the present method of assessing the employer 50 percent and the employee 50 percent. Under my proposal one-third of the cost would be borne by the employer, one-third by the employee and one-third by the general revenues."

Burke's plan makes sense but whether its time has come is hard to say. It offers the Democrats a way to win over to them solidly the 20 million elderly voters whose ballots may well decide the 1972 election. It offers justice to the elderly. The plan also has the advantage of being conservative and time tested in Western Europe. It would also create a vast market for services which financial writers say is the economic growth area for the 1970's and the 1980's.

Senior Set welcomes signed letters from readers but cannot promise individual replies.

MAJ. GEN. GEORGE V. WILLIAMS RETIRES

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

Mr. HANLEY. Mr. Speaker, there are, across the North American continent, a series of important air defense centers designed to provide protection from air attack to the American people. One of the most critical of these is the 21st North American Air Defense Command (NORAD) region at Hancock Field in Syracuse, N.Y. a measure of its importance can be seen when it is pointed out that New York, Boston, and Buffalo lie within Hancock's area of responsibility.

Since November 1969, the commander of this strategic defense center has been Maj. Gen. George V. Williams. Speaking as one who has known the general personally, I can say that the American people are indeed fortunate to have had a man of this caliber in this sensitive area of our military defense.

General Williams retired February 4, 1972, after 32 years of active military service. Born in New York City on June 6, 1919, he was graduated from Hyde Park High School in Chicago, Ill. He entered the aviation cadet program at Randolph Field, Tex., in 1940 and received his pilot wings and a commission as a second lieutenant in the Army Air Corps in May 1941.

During World War II, General Williams served in the European-African-Middle Eastern and Asiatic-Pacific theaters of Operations as a fighter pilot, squadron commander and finally, deputy group commander. He flew Spitfires in North Africa, Sicily, and Italy on 150 missions for a total of 200 combat hours. He was awarded the Silver Star and the Distinguished Flying Cross for action in the Mediterranean area. Later, he flew 50 missions in P-47 aircraft totaling 200 combat hours in the Western Pacific area.

After World War II, General Williams served in a number of assignments in the United States, including commander of two fighter squadrons. From 1951 to 1953 he was director of training and operations and later deputy commander of the 12th Strategic Fighter Wing at Bergstrom Air Force Base, Tex. In 1953 he assumed command of the 58th Fighter Bomber Group at Osan Air Base, Korea, and the following year assumed command of the 51st Fighter Interceptor Group on Okinawa.

General Williams returned to the United States in 1956 to become deputy for operations on the 37th Air Division at Truax Field, Wis. In January 1959 he became director of tactics, training, and evaluation, Eastern Air Defense Force, Stewart Air Force Base, N.Y., and in August became assistant deputy for Operations. He next was assigned to Dobbs Air Force Base, Ga., as deputy of operations of the 32d Air Division and in May 1961 became vice commander of the division.

He was assigned to Ent Air Force Base, Colo., in August 1961 as director of operations, Headquarters Air Defense Command—ADC—and in August 1963 became Assistant Deputy Chief of Staff for

Operations. He assumed command of the Detroit Air Defense Sector in July 1964.

General Williams became vice commander of the Northern North Air Defense Command—NORAD—Region in January 1966 and assumed command of The United States Logistics Group—TUSLOG—with headquarters in Ankara, Turkey, in July 1967. He returned to Headquarters Aerospace Defense Command as Deputy Chief of Staff, plans, in August 1969. He assumed command of the 21st North American Air Defense Command Region with headquarters at Hancock Field, Syracuse, N.Y., in November 1969.

His military decorations include the Silver Star with one oak leaf cluster, Legion of Merit with three oak leaf clusters, Distinguished Flying Cross, Air Medal with 17 oak leaf clusters, and Air Force Commendation Medal. He is a command pilot with more than 8,550 hours flying time in conventional and jet aircraft.

General Williams is married to the former Kitty Touchberry of Florence, S.C.

On February 4, 1972, command of the 21st NORAD Region was turned over to Maj. Gen. James L. Price by General Williams, who retired the same day. To this dedicated airman, may I extend the heartfelt thanks of the people of the 35th New York Congressional District.

CONFERENCE REPORT ON FOREIGN ASSISTANCE AND RELATED PROGRAMS APPROPRIATIONS (H. REPT. NO. 92-849)

Mr. MAHON submitted the following conference report and statement on the bill (H.R. 12067) making appropriations for foreign assistance and related programs for the fiscal year ending June 30, 1972:

CONFERENCE REPORT (H. REPT. NO. 92-849)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12067) "making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1972, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 8, 9, 28, 32, 38, 41, and 42.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 6, 7, 10, 11, 13, 16, 17, 19, 21, 24, 25, 26, 29, 33, 35, 36, and 37, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$160,000,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$127,000,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "\$10,000,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "\$200,000,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$200,000,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$500,000,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$550,000,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows: "Overseas Private Investment Corporation, reserves: For expenses authorized by section 235(f), \$12,500,000, to remain available until expended."

And the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$72,000,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$24,250,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$211,760,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$123,050,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 5, 23, 27, and 40.

OTTO E. PASSMAN,
JOHN J. ROONEY,
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WM. D. HATHAWAY,
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HIRAM L. FONG,
EDWARD W. BROOKE,
MILTON R. YOUNG,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12067), making appropriations for foreign assistance and related programs for the fiscal year ending June 30, 1972, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—FOREIGN ASSISTANCE ACT ACTIVITIES

Funds appropriated to the President

Economic Assistance

Amendment No. 1: Worldwide, technical assistance: Appropriates \$160,000,000 instead of \$150,000,000 as proposed by the House and \$165,000,000 as proposed by the Senate.

Amendment No. 2: Alliance for Progress, technical assistance: Appropriates \$80,000,000 as proposed by the Senate instead of \$75,000,000 as proposed by the House.

Amendment No. 3: International organizations and programs: Appropriates \$127,000,000 instead of \$41,000,000 as proposed by the House and \$138,000,000 as proposed by the Senate.

The managers agreed that of the funds appropriated under this title, not to exceed \$86,000,000 shall be available for the United Nations Development Program.

Amendment No. 4: Provides that \$15,000,000 shall be available only for the United Nations Children's Fund as proposed by the Senate.

Amendment No. 5: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which would make the provision a sense of Congress provision instead of only the Senate and require a progress report to also be sent to the Foreign Affairs and Appropriations Committees of the House of Representatives. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 6: Programs relating to population growth: Appropriates \$125,000,000 as proposed by the Senate instead of \$50,000,000 as proposed by the House.

Both the House and Senate adopted separate line item appropriations for the population programs, based on the authorization for such appropriations contained in section 292 of the Foreign Assistance Act of 1961, as amended.

Amendment No. 7: American schools and hospitals abroad: Appropriates \$20,000,000 as proposed by the Senate instead of \$17,200,000 as proposed by the House.

Amendment No. 8: Deletes language proposed by the Senate which would have limited the funds appropriated under the title "American schools and hospitals abroad" to finance only such projects enumerated in the reports of the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate covering the authorizing legislation.

Amendment No. 9: Deletes language proposed by the Senate which would have provided that the maximum amount of funds allocated to any nonbudgeted project should not exceed \$2,000,000.

Amendment No. 10: Deletes language proposed by the House which would have allocated funds to specific institutions.

Amendment No. 11: Changes section number to conform with the authorizing legislation as proposed by the Senate.

Amendment No. 12: Indus Basin Development Fund, grants: Appropriates \$10,000,000 instead of \$7,500,000 as proposed by the House and \$15,000,000 as proposed by the Senate.

Amendment No. 13: Indus Basin Development Fund, loans: Appropriates \$12,000,000 as proposed by the Senate instead of \$6,000,000 as proposed by the House.

Amendment No. 14: Refugee relief assistance (East Pakistan): Appropriates \$200,000,000 instead of \$175,000,000 as proposed by the House and \$250,000,000 as proposed by the Senate and deletes language proposed by the Senate which would have allowed the appropriation to remain available until expended and which would have restricted the availability of funds for obligation under this appropriation to not to exceed an amount equal to 40 percent of all contributions provided for such assistance.

The managers recommend that every effort be made to obtain contributions from other countries to help share in the burden of this tragedy. If reasonably possible, the United States share of the total contributions received for this relief and rehabilitation from all sources should not exceed 40 percent.

Amendment No. 15: Development loans: Appropriates \$200,000,000 instead of \$250,000,000 as proposed by the House and \$150,000,000 as proposed by the Senate.

Amendment No. 16: Administrative expenses, AID: Appropriates \$50,000,000 as proposed by the Senate instead of \$54,600,000 as proposed by the House.

Amendment No. 17: Administrative and other expenses, State: Appropriates \$4,221,000 as proposed by the Senate instead of \$4,255,000 as proposed by the House.

The managers agreed that the funds appropriated under this title should be allocated to the various programs, with regard to specific amounts, by the Department.

Military Assistance

Amendment No. 18: Appropriates \$500,000,000 instead of \$552,000,000 as proposed by the House and \$350,000,000 as proposed by the Senate.

Security Supporting Assistance

Amendment No. 19: Changes section number to conform with the authorizing legislation as proposed by the Senate.

Amendment No. 20: Appropriates \$550,000,000 instead of \$575,000,000 as proposed by the House and \$400,000,000 as proposed by the Senate.

Amendment No. 21: Provides that of the funds appropriated under this paragraph, not less than \$50,000,000 shall be available for obligation for security supporting assistance for Israel only as proposed by the Senate.

Overseas Private Investment Corporation

Amendment No. 22: Appropriates \$12,500,000 instead of \$25,000,000 as proposed by the House. The Senate deleted this item.

Inter-American Foundation

Amendment No. 23: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which would place a limitation on obligations during the current fiscal year of not to exceed \$10,000,000 instead of \$11,000,000 as proposed by the Senate and which would change the name of the organization. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The name of this organization was changed by the Foreign Assistance Act of 1971 from the "Inter-American Social Development Institute" to the "Inter-American Foundation" and the managers agreed to change the name in the bill to conform with the authorizing legislation.

GENERAL PROVISIONS

Amendment No. 24: Section 111: Changes section number to conform with the authorizing legislation as proposed by the Senate.

Amendment No. 25: Deletes language proposed by the House which would have made

funds appropriated under the bill available notwithstanding the provisions of section 10 of Public Law 91-672.

Amendment No. 26: Section 112: Conforms section number.

Amendment No. 27: Section 113: Reported in technical disagreement. The managers on the part of the House will offer a motion to restore the original House language deleted by the Senate which would provide that no part of any appropriations contained in the bill may be used to provide assistance to Ecuador, amended to provide that the President may waive this provision if he determines that the furnishing of such assistance is important to the national interest of the United States. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 28: Deletes language proposed by the Senate which would have provided that none of the funds appropriated or made available pursuant to the bill to carry out part I of the Foreign Assistance Act of 1961 should be used for continuing public safety programs of the Agency for International Development.

In view of the concern evidenced in many quarters over the priorities assigned continuation of the Public Safety Program, the managers agreed to examine the program carefully in the fiscal year 1973 hearings in an effort to reassess the Agency for International Development's commitment to its continuation.

TITLE II—FOREIGN MILITARY CREDIT SALES

Amendment No. 29: Appropriates \$400,000,000 as proposed by the Senate instead of \$510,000,000 as proposed by the House.

The managers agreed that of the aggregate ceiling of \$550,000,000 on foreign military sales credits authorized for fiscal year 1972, not less than \$300,000,000 of this amount shall be made available to Israel only.

TITLE III—FOREIGN ASSISTANCE (OTHER)

Funds appropriated to the President

Peace Corps

Salaries and Expenses

Amendment No. 30: Appropriates \$72,000,000 instead of \$68,000,000 as proposed by the House and \$77,200,000 as proposed by the Senate.

Amendment No. 31: Provides that of the amount appropriated, not to exceed \$24,250,000 shall be available for administrative expenses instead of \$24,000,000 as proposed by the House and \$24,500,000 as proposed by the Senate.

Department of the Army—Civil functions

Ryukyu Islands, Army, Administration

Amendment No. 32: Appropriates \$4,216,000 as proposed by the House instead of \$4,564,000 as proposed by the Senate.

Department of Health, Education, and Welfare

Assistance to Refugees in the United States

Amendment No. 33: Appropriates \$139,000,000 as proposed by the Senate instead of \$100,000,000 as proposed by the House.

The managers recommend that the Executive Branch exert every effort in bringing about the termination of this program as soon as reasonably possible.

Funds appropriated to the President

International financial institutions

Inter-American Development Bank

Amendment No. 34: Appropriates \$211,760,000 instead of \$150,000,000 as proposed by the House and \$261,760,000 as proposed by the Senate.

Amendment No. 35: Allocates \$75,000,000

of the total amount appropriated for the Bank for paid-in capital as proposed by the Senate instead of \$13,240,000 as proposed by the House.

Amendments Nos. 36 and 37: Delete the word "solely" in two instances as proposed by the Senate.

Amendment No. 38: Deletes the amount and the language proposed by the Senate which would have allocated \$50,000,000 for the Fund for Special Operations of the Bank.

International Bank for Reconstruction and Development

Amendment No. 39: Appropriates \$123,050,000 instead of \$246,100,000 as proposed by the Senate. The House deleted this item.

The managers agreed that this appropriation should be allocated as follows: \$12,305,000 for paid-in capital and \$110,745,000 for callable capital.

TITLE V—GENERAL PROVISIONS

Amendment No. 40: Section 504: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment which would provide that not to exceed \$1,200,000 of the funds appropriated under title I of the bill and for the Peace Corps under the bill may be used to reimburse the expenses of the Inspector General, Foreign Assistance and a provision would be added which would validate all obligations incurred during the period beginning February 23, 1972 and ending on the date of approval of the bill for projects or activities provided for in the bill. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Unemployment Trust Fund—Extended Benefits

Amendments Nos. 41 and 42: Delete the provisions added by the Senate to appropriate such sums as may be necessary (as repayable advances) to the extended benefit account in the Federal Unemployment Trust Fund on account of Public Law 91-373 and Public Law 92-224.

Supplemental fiscal 1972 budget estimates for these purposes, contained in the President's 1973 Budget, are now pending consideration in the Congress. The urgency of these items, as well as other unemployment compensation funding requirements mandated by basic legislation, is such that a special supplemental will need to be considered shortly. The conferees have dropped the provisions from the pending bill on the firm assurance that such a supplemental resolution will be presented for consideration in the two Houses within the next three weeks.

Conference Total—With Comparisons

The total new budget (obligational) authority for the fiscal year 1972 recommended by the Committee of Conference, with comparisons to the fiscal year 1971 total, to the 1972 budget estimate total, and to the House and Senate bills follows:

New budget (obligational) authority, fiscal year		
1971	-----	\$3,812,257,000
Budget estimates of new (obligational) authority, fiscal year 1972		
House bill, fiscal year 1972	-----	4,342,635,000
Senate bill, fiscal year 1972	-----	3,003,461,000
Conference agreement, fiscal year 1972	-----	3,076,535,000
Conference agreement compared with:		
New budget (obligational) authority, fiscal year 1971		
1971	-----	—622,820,000
Budget estimates of new (obligational) authority, fiscal year 1972		
fiscal year 1972	-----	—1,153,198,000

House bill, fiscal year	
1972	+\$185,976,000
Senate bill, fiscal year	
1972	+112,902,000

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Managers on the Part of the Senate.

THE LATE HONORABLE CARL HAYDEN

The SPEAKER pro tempore (Mr. MATSUNAGA). Under a previous order of the House the gentleman from Arizona (Mr. UDALL) is recognized for 60 minutes.

Mr. UDALL. Mr. Speaker, on January 25 of this year Carl Hayden died after a remarkable life of 94 years.

This unusual man had served in the Congress from the day that Arizona became a State, beginning in the year 1912. He broke all records for length of service—continued length of service—having served in the House of Representatives for 15 years and the Senate 42 years before his retirement in 1969.

Mr. Speaker, on January 26 Representative RHODES, my colleague from Arizona, and I announced to the House the death of Senator Hayden and a number of tributes were paid to this great man by my colleague and I, by the Speaker and the minority leader and others, all of which are to be found in the CONGRESSIONAL RECORD, volume 117, part 1, page 1044.

Mr. Speaker, my colleague (Mr. RHODES) and I took this special order this evening in order to afford our colleagues in the House an opportunity to join us in paying further tribute to the remarkable life of this distinguished man.

I have had a number of requests for extensions of remarks in connection with this special order.

Mr. RHODES. Mr. Speaker, when Arizona's former Senator Carl Hayden died on January 25, Arizona lost one of her most beloved and dedicated pioneers. His every thought was for his State and her people, and his every effort was directed toward her advancement and development. Senator Hayden was also one of America's greatest statesmen and public servants—his name is indelibly imprinted on the annals of our Nation for his leadership and unselfish service to all her citizens.

Over the nearly 57 years in which he represented Arizona in the Congress of the United States, Americans in all areas and walks of life knew him as their friend, and were aware of the kindness and understanding and wisdom which made him the great man he was. I think the following tribute to Senator Hayden,

sent to me by a very thoughtful lady, Mrs. Fran Lewis, Librarian of Administrative Services of the Arizona Highway Department, and written by Mr. Fred H. Rosenberg, an employee of the Arizona Highway Department, upon receiving word of his death, is a very moving expression of the affection and esteem in which the Senator was held by all:

THE LORD SAID

Welcome, Carl to Paradise.

You have filled your mission on earth and accomplished your task;

You have led the Congress and Senate well, gave your all for these United States and the State of Arizona you loved so much; in wisdom and direction to achieve peace and good will on earth. You gained the respect of the peoples of the entire world.

You have served your country for 57 long years.

You have smiled often and loved your fellow man, you looked for the best in others and gave the best you had to all.

You never expected others to accept whatever was distasteful and hateful to you; Carl you left behind the true meaning of Brotherhood.

Your humility and compassion for others must have been quite rewarding and pleased me much.

You saw beauty in all I created, In Arizona, its unbelievable magnificence and never failed to express it in your prayers.

Your prayers and concern about Arizona were always acceptable, for you lived by the Ten Commandments and the Bible as you were taught.

You have left the world better than you found it.

Welcome home, Carl!

Carl Hayden's career covered service as a member of the Tempe Town Council from 1902 to 1904, treasurer of Maricopa County from 1904 to 1906, sheriff of Maricopa County from 1907 to 1912, Member of the U.S. House of Representatives from 1912 to 1927, and Member of the U.S. Senate from 1927 to 1969—a total of 67 years. Few men can match such service to his fellow men, particularly when all of it was rendered with honor and integrity. The goal of his service was always the improvement of our country—and the American West shows particular evidence of his success in attaining those goals of reclamation, power, highways, parks, and irrigation. Most notable, of course, is the central Arizona project, which hopefully and properly will bear the proud name of the Carl Hayden project.

Senator Hayden married Miss Nan Downing in 1908 and cherished her until her death in 1961. Although most of their life together was spent in Washington, their home was always Arizona, and upon Carl's retirement he returned to Tempe, the town where he was born 94 years before. Until his death he went almost daily to his office in Arizona State University's Charles Trumbull Hayden Library, named for his father, where he worked with the papers of his past days in the Congress and on his personal interests, including the history of Arizona.

All who knew Carl Hayden are the richer for their friendship and association with him. He will long be remembered as a patriot and gentleman and statesman who represented the people of his State and Nation with dedication and

ability. Certainly, the words "Well done, good and faithful servant" most fittingly describe his life.

Mr. GERALD R. FORD. Mr. Speaker, I am proud to join my colleagues in this memorial tribute to one of the remarkable men ever to serve in the Congress of the United States, the late Carl Hayden.

Carl Hayden was remarkable in many ways—not only because he served in Congress for 57 years, a record for consecutive years of service. He was remarkable because he was most wise, most patient, and a master in the art of compromise which marks a great lawmaker.

Carl Hayden was remarkable not only because his congressional career spanned the transformation of the old West into the new West and the incredible growth of the world's most powerful Nations. He was remarkable because he was a man of sterling character and a profound devotion to doing what was right for the Nation.

Carl Hayden was also remarkable because he believed, like the very best Americans, that hard work was a virtue. And hard work and patience paid off for him in the greatest achievement of his amazingly long career—the flowering of Arizona through enactment of the central Arizona project.

I knew Carl Hayden through many years of association with him as a member of the House Appropriations Committee. He left his mark on every Federal program involving irrigation, power, and reclamation projects in the West. He was a quiet man, but his actions bespoke his power as chairman of the Senate Appropriations Committee.

Carl Hayden loved his country and was ever alert to a threat to the United States and to world peace. He was a strict internationalist in world affairs and a dedicated friend of those who have served their Nation in time of war.

Mr. Speaker, today we salute a man who served with—not under—10 Presidents, a truly remarkable man, Carl Hayden of Arizona.

Mr. SISK. Mr. Speaker, I should like to join my colleagues in paying tribute today to a great American. Although Carl Hayden has departed from our midst his great works will long survive him.

He was truly a man of the American West. He descended from pioneer stock that first settled Arizona, and was elected to Congress in 1912 when Arizona was first admitted to the Union. He then served his country and State here for 57 consecutive years.

While his first interests were always in his native State, he was the leading figure in Congress for many years in the development of that commodity which is most important to all the West—water. I had the distinct privilege of working with him on water matters vital to California, and he gave unstintingly of himself to California water problems as well as Arizona's, since they were so intertwined.

Quietly, industriously, he worked in the service of his country. Through his efforts this is a greater nation.

Mr. SCHWENGEL. Mr. Speaker, it is a great privilege for me to join with my colleagues at this time in paying tribute

to a truly distinguished American. Carl Trumbull Hayden's life spanned nearly a century of our National history, a century filled with momentous and shattering events in which this country became the single greatest power in the free world community. For over half of that time—56 years, to be exact—he served in the Congress of the United States, 42 years in the Senate and 14 years in the House.

To a unique degree, his life reflected the transformation of America which marked the end of the Civil War and the passing of the frontier. His roots were deep in that frontier life, with its values of courage, initiative, and perseverance. He bore the distinction—among many—of being the first U.S. Congressman from Arizona, a State he loved and served throughout his remarkable career.

It has been truly said of him that no one else in Congress wielded greater influence with less oratory. Self-effacing to a fault, reticent, and prudent with words, he commanded the respect of all. At the time of his retirement, some 4 years ago, he was commended as one unaffected by the "arrogance of power." It would be difficult to find a finer tribute to the character of his life and achievement.

I first met Carl Hayden as a fellow member of the Capitol Historical Society, an organization whose deep concern for American history and tradition in this, the Capital City of our Nation, always won his interest and support. His dedication to the traditions of both Senate and House was a byword among those who knew him. I can bear witness to the dignity, warmth, and quiet intelligence which gave special value to his friendship.

As was said of Christopher Wren, so may it be of Carl Hayden: If you would seek his monument, look around you. He was instrumental in literally transforming the American landscape—in irrigation projects, roads and highways, bridges, dams, railways, and national parks. Reclamation and the development of power resources were areas in which his accomplishments helped reshape the life of the West.

Yet, in the end, his most enduring memorial will be his own life—a monument to his character, a life of integrity, conscientious fulfillment of duty, and faithful service to State and Nation. He will not soon be forgotten, not in this House nor across the land. The memory of his life will continue to inspire and sustain not only those who knew him but generations yet to be who will see in him an example of the shining reality behind that saying which speaks of public office as a public trust. The story of his life and career has become a part of the American dream.

Mr. ASPINALL. I am most appreciative that our colleagues from Arizona, (Mr. RHODES and Mr. UDALL) have secured this time for the Members of the House who desire to do so to pay their tributes to the late Carl Hayden, great Senator from the State of Arizona.

It was my privilege to know this outstanding public servant for almost one-half a century. First, in his early days on the problems of the Colorado River,

and then for almost a quarter of a century in our relationships as Members of the Congress. Many Members have had an influence upon my approach to the responsibilities which I have had here in Congress and the labors which I have performed in response thereto. However, no one among my colleagues in Congress has had more influence in these respects on me than the late Senator Carl Hayden. I like to think that I had his confidence right from the beginning of my work here on Capitol Hill, and I know that he had mine.

He was a quiet, constructive and dedicated servant not only to his State, but to all the rest of the Nation as well. He was as effective as any leader we have had during this century and far more effective than most. He performed his duties without seeking the limelight or without any endeavor to intimidate his colleagues. These have been outstanding attributes of many public servants of our Nation, but in these days, I think they are more highly prized than perhaps at any other time.

No one has ever excelled Carl Hayden in his personal dedication to his patriotism and loyalty to his country. The late Adlai Stevenson in one of his outstanding speeches made reference to such values much better than I. He said:

What do we mean by patriotism in the context of our times? . . . A patriotism that puts country ahead of self; a patriotism which is not short, frenzied outbursts of emotion, but the tranquil and steady dedication of a lifetime. There are words that are easy to utter, but this is a mighty assignment. For it is often easier to fight for principles than to live up to them.

Simply stated, our country is a much better Nation and its place in the councils of the world is much more secure because of the service of this great American.

Mr. SIKES. Mr. Speaker, I join with my colleagues in paying tribute to one of the great leaders in service to Congress and the Nation, the late Carl Hayden of Arizona, who died on January 25, 1972.

His was a colorful career that began at the very grassroots of the American political scene. He was first a member of the Tempe Town Council—the town in which he was born—then served in Maricopa County as treasurer and, later, sheriff. When Arizona was admitted to statehood in 1912, Mr. Hayden came to Washington as a Member of the House of Representatives where he served from 1912 to 1927. He was then elected to the Senate and served as a Member of that body from 1927 to 1969. The span of years that Carl Hayden served is the longest in the history of the Congress—and every one of those nearly 57 years was a year of dedicated service to his State and country. He retired at the end of the 90th Congress in 1968 at the age of 91.

It is my privilege and pleasure to be one of Carl Hayden's friends. Through my membership on the House Appropriations Committee, I had frequent occasion to be associated with him in his role as chairman of the Senate Appropriations Committee. He was a man of wisdom, knowledge, vision, and integrity. He possessed the qualities of sound judgment

and clear understanding to a remarkable degree.

Carl Hayden was not only an institution in the Congress; he was an institution in the Nation. He was one of the great figures of our generation and also of the generation that went before us. He will be long remembered as one of the most outstanding men in the history of the Congress of the United States.

Mr. EILBERG. Mr. Speaker, it was with great regret that I learned of the passing of our esteemed former colleague, the Honorable Carl T. Hayden, Representative from Arizona from 1912 to 1926; and Senator from 1926 to 1968.

A friend of good government, liberal reform, and Federal services for persons and areas in greatest need, Carl Hayden became an institution here in Washington. He was an early supporter of social security legislation, in a period when the program was judged as revolutionary. He was an early advocate of Federal aid to education. Against the protests of powerful mining interests in his own State, he championed reform measures in the areas of mining, reclamation, and the public lands. He was ever in the forefront of the fight for ethical distribution of the Federal weal, and on that basis was designated chairman of the powerful Senate Committee on Appropriations. In that capacity, he came out firmly for continued and increasing expenditures in the public interest. An expanding population required expanded Federal services; so he believed, and his policies as chairman of Appropriations mirrored that belief. He was never bullied into economy ventures at the expense of those Americans in need.

Carl Hayden spent 14 years in this Chamber before entering the Senate, establishing a record for quiet, hard-working effectiveness that rendered him a favorite on both sides of the aisle. Neither here nor in the Senate was he given to speechmaking, but in both Houses he was known as a most effective legislator, with dramatic powers of persuasion.

Taking office initially at the close of the horse and buggy era, Carl Hayden became the champion of the macadamized road, and was largely instrumental in establishing the modern formula for the vast Federal highway aid program. Without proper transportation facilities, Arizona would remain forever isolated from eastern wealth, and Carl Hayden was anxious to provide the transportation required to alter that arrangement. The Federal highway program did the job, and Carl Hayden was gratified.

He also was a leading advocate of Federal irrigation programs looking to the benefit of agricultural regions habitually visited by drought. The Colorado River Basin bill, enacted into law in the final year of Carl Hayden's congressional career, was a glowing tribute to his many years of labor in behalf of Federal irrigation aid. President Johnson marked the occasion of the signing of the bill by declaring Carl Hayden Day at the White House, and praising Carl Hayden for his service in this regard.

The highest ranking position ever held by Carl Hayden—in the official sense—was Acting Vice President of the United

States, under Lyndon B. Johnson, following the assassination of John F. Kennedy. Yet, from the outset of his congressional career, the standing of this remarkable man—Carl T. Hayden—was head and shoulders above the great mass of his contemporaries. He was always one of the best, in every aspect of his political performance.

Mr. DERWINSKI. Mr. Speaker, I am pleased to join my colleagues from Arizona, the Honorable JOHN J. RHODES, the Honorable MORRIS K. UDALL, and the Honorable SAM STEIGER, in paying tribute to the great career, and especially the historic congressional service, of the late Senator Carl Hayden of Arizona.

Representing a State that still retains the pioneering spirit, Senator Hayden was, in fact, the pioneer legislator of his State, having served as its territorial delegate to Congress, the first Member of the House from that State, and having had a remarkable career in the Senate. Senator Hayden was a great citizen of Arizona and on behalf of his State made a great contribution to the Nation.

It has been my privilege to be closely associated with the present Arizona Senators, the Honorable BARRY GOLDWATER and the Honorable PAUL J. FANNIN, and I know from my personal conversations with them of the great respect in which they held Senator Hayden. Throughout his career, Senator Hayden symbolized the ruggedness, perseverance, and individualism which typifies the people of the great State of Arizona.

Senator Hayden continually rose above partisanship when working on the complex problems he encountered in the course of his illustrious career. He was especially respected and revered by his colleagues in the Congress. They knew him to be a man of his word and he was truly a "legislator's legislator."

The fact that Arizona is no longer a remote and a barren area, but is one of our most rapidly growing States, is certainly, in large measure, due to the efforts, leadership, and perseverance of Senator Hayden.

Mr. MAHON. Mr. Speaker, I am pleased to join with my colleagues in paying tribute to the memory of the late Carl Hayden, of Arizona. For years we enjoyed a close relationship. Long before I became chairman of the House Appropriations Committee in 1964, Senator Hayden had become chairman of the Senate Appropriations Committee. We had a close and delightful working relationship from the time I became a junior member of the House Appropriations Committee in 1939 until Senator Hayden retired from Congress in December of 1968.

Measured by any standard, Senator Hayden was a great American. He typified the West. He was a man of few words, but of great wisdom and effectiveness as a legislator. He had charm and all of those assets which are so typical of the wide open spaces which he represented so well.

Arizona and the Nation were enriched by the long and effective labors of this man in the Congress of the United States.

Mr. ROONEY of New York. Mr. Speaker, the passing of Senator Carl T.

Hayden, of Arizona, sadly marks the end of an era both for the people of that State, whom he served so faithfully and well, and for the people of our entire country. For 57 years, from the time that Arizona was admitted to the Union in 1912, Carl Hayden served here; first for seven terms as a Member of the House of Representatives and then for 42 years as a Member of the other body. He was a master of the legislative process and as hard a worker as either body has ever seen. He was a man respected and admired by all his colleagues in both Houses, on both sides of the aisle.

I had the privilege of working with him innumerable times over the years on matters before the Appropriations Committees and of knowing him as a warm and sincere friend. He was truly one of the great ones. And what a remarkable life—from frontier sheriff to the House of Representatives to the U.S. Senate—a lifetime of service to his fellow Arizonans and to his country. Men like Carl Hayden do not come along often; he will be sorely missed. His family has my deepest sympathy.

Mr. CARTER. Mr. Speaker, hot roads stretch across the desert. The pavement melts into the hills, all just an arm's length away, the hills of many browns melting into a falling sun.

Out of the ground slips a narrow stream, downhill, between, away from the blue-hot sky and the bubbling brown earth. The cool flow runs down. The water spreads its fingers through other earth seeps through the hot soil, finds the planted roots. From the warm brown soil a green shoot rises, reaches to the blue heat of the air.

Brown earth becomes gray. The gray of buildings and the grace of glass rise from the Arizona earth. Trucks haul the green grain of the valleys; gray planes climb into the blue.

Much of this Carl Trumbull Hayden knew as a young man in an infant place called Arizona. Much more of this Carl Hayden left behind when he departed a last time from the land he knew so well—the land he had seen grow into a great State.

A chapter in the history of the United States is closed with the death of Carl Hayden, who was himself a landmark in American political history. Let us today pause to reflect upon his contributions to the people of his Nation and his State.

Living standards, agriculture, transportation, the Nation's stature in the eyes of the world—all these grew in Carl Hayden's time, until the Nation into which he helped join his land had grown to be the most powerful country in the world.

All this Carl Hayden saw; he called it "a great piece of history."

Carl Hayden's death marks the end of another part of his Nation's lifetime. The land from which this Nation grew cannot support the whole weight of megalopolis much longer. The point is about reached where the brown earth Carl Hayden knew so well will sag and break beneath the steel of America.

I join my colleagues today in paying tribute to Carl Trumbull Hayden. He gave us leadership and a sense of his-

tory, as he represented Arizona from the time of Statehood.

No record of service in Congress equals his, and not just in the sense of duration. Indeed, he was one of the grandest pillars in the halls and history of the Congress. Those of us who had the privilege of knowing him have touched our true heritage.

But his legacy will be incomplete if we do not care for his land. We must continue in the spirit of his great devotion to his country, and in his efforts to make one of the most breathtaking landscapes in the world not only accessible but livable for his people.

If we do not, we dishonor the legacy of Carl Trumbull Hayden, in the State he helped build, in the Nation he helped guide, and in these Chambers he helped dignify.

What remains is a large order from a large man.

Mr. WHALLEY. Mr. Speaker, I would like to join my colleagues in paying tribute to the late Carl Hayden, former Senator from Arizona and one of the greatest men of our time. Born in 1877, his lifetime spanned the emergence of the West from frontier territory to modern society and the growth of the United States into a great industrial and international power. In a very real sense, the story of his life is the story of America in the past century.

Carl Trumbull Hayden was born in Tempe, Ariz., but at that time the town was called Hayden's Ferry. It was founded by his father, an Arizona pioneer, and was later to become the home of Arizona State University. Carl attended Stanford University, but his father's illness and sudden death during his junior year forced him to return home to take on responsibility for the family business. Very soon he began to show the interest and the talent for political affairs that led to his outstandingly successful political career.

In 1902, when he was 25, Carl Hayden was elected to the Tempe City Council. He won the post of treasurer of Maricopa County in 1904, and that of sheriff in 1906. In the fall of 1911, while training with the National Guards at Camp Perry, Ohio, Carl read in a newspaper that President Taft had declared that as soon as Arizona adopted a constitution, it could become a State. He decided immediately to seek Arizona's single congressional seat, and thus was launched a career of more than half a century of leadership and dedicated service to Arizona and the Nation.

Carl Hayden came to Congress in 1912 and had served, first in the House and then in the Senate, under 10 Presidents when he retired in 1968 at the age of 91. In the Senate he chaired the Committee on Rules and Administration and then the Appropriations Committee. Few men have played a greater role in shaping the monumental legislation of our time. There was no arrogance in his use of power. Rather, he exerted his quiet leadership to obtain the compromise that was most beneficial, fair, and acceptable to all.

Senator Hayden knew the West, its resources and its potential. Practically every program which has contributed to

western irrigation, power, and reclamation bears his mark. Roads, dams, military installations, and his triumph, the central Arizona project, are the enduring monuments of his achievement. He was instrumental in acquiring new railroads, securing the Federal highway system, establishing the Grand Canyon National Park, and in constructing Coolidge Dam.

Senator Hayden was indeed a great American. By his colleagues he was admired, respected and loved for his political sagacity, his dedication to Senate traditions, his remarkable ability to make and keep friends, and for his devotion to quiet, hard work. President pro tempore and dean of the Senate from 1957 until his retirement, he retained to the end his keen intelligence, wit and zest for life. Arizona, the Congress, and the Nation that he served so well will mourn his passing for many years. We were the richer for his life among us, and now we have been made poorer by his death.

Mr. MANN. Mr. Speaker, a man among men has gone from among us, and we are the less for his loss. I speak today in remembrance of the late Honorable Carl Hayden, the distinguished gentleman from Arizona, who earned that appellation in the truest sense of the word from his colleagues of the Congress, from his constituents in Arizona, and from the more politically knowledgeable of the Nation. That Carl Hayden was a well respected and beloved man who never succumbed to the arrogance of power is well evidenced by his return to the Congress during a period that spanned more than 57 years. His Senate service was longer than that of any other man in the Nation's history.

My friend was proud of the fact that he bore the badge of the Democratic Party—a party regularity—with honor and distinction; but the love of his people and their loyalty to him was reflected in the fact that he never used party allegiance as a test of his willingness to help a friend. He was Jeffersonian in the sense that he never allowed a political difference to interfere with friendship, for as he once wrote a friend:

I have friends in both political parties and I do not forget that fact when there is an opportunity to be of service to them, regardless of whether they are Republicans or Democrats.

And so it is today right, and just, that he should be honored by those of all partisan principle. His friends also gave him help in his moments of need. It was the prophet Joel who said:

Your old men shall dream dreams
And your young men shall see visions.

And from his long service to Arizona and to the Nation, from his wealth of practical experience, he dared to "dream dreams"; and from his retained youthful spirit he saw "visions" that would lead him to yet more accomplishment for his people.

At age 91 he realized one of his most cherished and long sought dreams when President Lyndon Johnson signed into law the lower Colorado River Basin bill. And he was further honored by the Presi-

dent who declared "Carl Hayden Day" at the White House, saying the Senator deserved credit for the new law that would cause his beloved desert to flower into new commodities and resources for Arizona and for the Nation. Mr. Hayden's foresight meant much to the ecological balance of his beloved country and he worked in the Congress for the preservation of scenic wonders, and national parks, and monuments for all mankind to enjoy. He was a man both with, and ahead, of his times. His services ranged the spectrum and he played a major role in the reclamation of fertile acres that opened scenic, climatic and industrial treasures to new citizens of his State and to visitors from all the world.

Senator Hayden always talked "roads" when he visited the White House and when one President, of the 10 under whom he served, asked him why he insisted on talking about "roads" all the time he replied:

Arizona has two things people will drive thousands of miles to see, Grand Canyon and the Petrified Forest. They cannot get there without roads.

And so it is that the ribbons of super highways of Arizona are further tribute today to my late friend. The surging, yet harnessed power of the Colorado and many other attractions of the great State of Arizona are further examples of the persuasive power of this quietly effective man who has gone from among us.

Mr. Hayden's wife, the former Nan Downing, died in 1962. And while they had no issue, the cause and effect of his stream of legislation flows ever onward.

Mr. MATSUNAGA. Mr. Speaker, Carl Hayden first came to Congress when his beloved State of Arizona first sent its bona fide representatives to Congress, upon its admission as a State in 1912. As a sheriff in his home county, he had, I have no doubt, enforced the law fairly and vigorously. And when he was elected to the House in 1912, he embarked on a career that kept him in the Congress longer than any other man who ever served here. He served under 10 Presidents, beginning with William Howard Taft, and remarked in a recent interview that "I got along with 'em all."

And certainly, Mr. Speaker, each of them got along with Carl Hayden. One of them, former President Lyndon Johnson, delivered a stirring eulogy to Senator Hayden at the funeral ceremonies.

I never knew a man who did not love or respect him: I do not think he ever had an enemy.

By the time he retired in 1969, Carl Hayden had served longer in the Senate—36 years—than anyone else in the history of the Republic. It was said by knowledgeable persons that no one in the Senate's history wielded more influence with less oratory. He was, as he advised so many new Members of Congress to become, a workhorse rather than a showhorse.

Mr. Speaker, Carl Hayden was a gentleman—a gentle man—unpretentious, with unquestioned integrity and unflinching courtesy. He served not only with exceptional length in the Congress, but with exceptional ability, and he left an

indelible imprint on his State, the Congress and the Nation.

Perhaps the best way to characterize the life of Carl Hayden is to say that he lived up to the standard he himself set by which to judge public servants. He once told an audience:

The real reward for serving America is the knowledge that you have served her, and you never finish with that kind of service. It runs from the cradle to the grave, gives purpose and direction to our lives.

Mr. Speaker, those words truly exemplify this great American, Carl Hayden.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days during which to extend their remarks on the life and service of the late Senator Carl Hayden.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

RADIO FREE EUROPE—RADIO LIBERTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. FRELINGHUYSEN) is recognized for 5 minutes.

Mr. FRELINGHUYSEN. Mr. Speaker, I expressed the hope yesterday that Senate and House conferees could reach early agreement on legislation to provide funds for Radio Free Europe and Radio Liberty. To show that there is considerable support for these activities, I am submitting for consideration several editorials.

The editorials follow:

[From the New York Times, Feb. 21, 1972]

SAVING FREE VOICES

For a generation now, Radio Free Europe and Radio Liberty have contributed enormously to enlarging the market place of ideas in Eastern Europe and the Soviet Union. Their transmissions have made available to those countries factual news of the outside world that the governments involved would have preferred their subjects did not know. In addition, these stations have broadcast the writings of such dissidents as Nobel Prize-winner Aleksandr Solzhenitsyn, whose masterly novels and stories are prohibited in the Soviet bloc. A Library of Congress study of these stations, made at the request of the Senate Foreign Relations Committee, has paid high tribute to these organizations' contributions toward liberalization of the Soviet world.

But now both these stations are threatened with extinction tomorrow unless House and Senate conferees end a Congressional stalemate. This situation arose because each chamber voted a different bill authorizing the continuation of these broadcasts.

If the deadlock kills Radio Free Europe and Radio Liberty, the chief gainers will be the Soviet bloc's hardliners who hate the two radio stations as allies of the liberal and progressive elements in the Communist world. Moreover, the demise of these broadcasts because of the inability of House and Senate conferees to agree would hardly project a flattering view of the American legislative system, nor would it add to American prestige for Europeans to see an important political question decided by a mere technical stratagem.

We believe the work of these two stations

has a lasting validity and importance, but even those of a different view must realize that the existence of these organizations provides potential bargaining counters for President Nixon's Moscow visit next May. At the least, all concerned should be able to agree that a final decision on the future of Radio Free Europe and Radio Liberty cannot be made until Mr. Nixon has returned from the Kremlin, and Congress can take a hard look at the post-Moscow situation of American foreign policy.

[From the Washington Post, Feb. 22, 1972]
RADIO FREE EUROPE STILL HAS A PART TO PLAY

When American public—or political—opinion swings, it tends to swing hard, and this is likely to be more and more of a problem for the Nixon Administration as it trumpets its “breakthrough” in Peking this week and, presumably, further successes in Moscow in May. No matter what the true measure of the rapprochement achieved in either Communist capital, there will be a tendency on the part of some to exploit a “new era” in world relationships as a reason for scuttling anything and everything that smacks of the dark, old Cold War days. A case in point is the effort now being conducted in the Senate, largely by Senator Fulbright, to choke off appropriations for Radio Free Europe and Radio Liberty, which beam broadcasts into Eastern Europe and the Soviet Union, respectively, with the help of government funds. The CIA used to finance these broadcasts covertly and after this was brought inescapably to light two years ago the government took over the burden openly, but on a temporary basis while debate continued about whether these operations should be continued, and in what form.

With the question still unsettled, a continuing resolution authorizing temporary funding of RFE and RL expires today and the money will run out in a few weeks. This is just what Senator Fulbright thinks should happen, his point being that everything is changing, what with Mr. Nixon's new approaches and new evidence of conciliation in China and the Soviet Union, and that therefore RFE and RL should “take their rightful place in the graveyard of Cold War relics.” The Senator would have us believe, on the basis of White House briefings he has received about the President's policy, that broadcasts of this sort behind the Iron Curtain are contrary to the President's purposes in Peking and Moscow.

The President, however, has not only never said as much, but has actually expressed quite the opposite view; in a recent letter to Mr. Stewart Cort, the chairman of a fund which seeks to raise private money to supplement RFE operations, Mr. Nixon said he thinks the free flow of information is “indispensable” to more normal relations between East and West. Given the nature of the service performed by RFE and RL, it would seem to us that their programs fit the President's definition of what is still needed in Europe, for all the bright hopes of easing tensions and developing detente. For these are not provocative, propagandistic diatribes and still less do they “sell” America, U.S.I.A.-style. Rather, what both stations attempt to do is tell the people of Eastern Europe and Russia news about themselves and their own countries which their governments don't want them to hear. They do this job professionally, responsibly, and effectively, by almost all accounts, and the only real question for Congress, in our view, is how RFE and RL should be set up in a more permanent way so that they can go on doing it.

[From the Evening Star, Feb. 22, 1972]
VOICES OF HOPE

We hope that members of the Senate Foreign Relations Committee who pride themselves on their liberalism and their cham-

pionship of the right of dissent in this country will not take it upon themselves to deny the same rights to the citizens of the Soviet Union and Eastern Europe. For this, essentially, is what they may do in the near future by scuttling the operation of two radio stations that have played an essential part in the tentative and fragile trend toward liberalism in the Communist world.

The fact that Radio Free Europe and Radio Liberty, both operating out of Munich, were once secretly financed by funds from the Central Intelligence Agency is, in our view, quite beside the point. The point is simply whether or not the operation of these stations promotes the broadest interests of the United States and the people of Eastern Europe and the Soviet Union.

The Congress, by and large, apparently believes that they do promote these interests. As of last November, both the House and Senate had passed separate bills providing for the public financing of the stations, under the overall supervision of the State Department. But since then, the two bills have been bottled up in conference where resolution of the differences between them has been effectively blocked by Chairman Fulbright of the Senate Foreign Relations Committee. If there is no action by the end of this week, the stations will be out of business.

For his part, Fulbright is openly hostile to the operation of the stations. In his view, they are an “anachronism” that have “outlived any usefulness they may have once had.” Says Fulbright: “I submit these radios should be given an opportunity to take their rightful place in the graveyard of cold war relics.”

The men in the Kremlin and in the beleaguered chancelleries of Eastern Europe would certainly agree: a good many millions of people in Communist countries would not, including the small, desperately brave and bitterly persecuted group of intellectual dissidents in the Soviet Union. The same goes for millions of Soviet Jews. For these people, Radio Liberty is the only means of getting pleas across to their own countrymen.

As for Radio Free Europe, which broadcasts to the Eastern bloc countries, the Congressional Research Service of the Library of Congress has reported that “it contributes substantially to preserve the reservoir of good will toward the United States” and has even, in the opinion of the researchers, contributed to the slight liberalization of the Communist regimes that has taken place. If so, it would be a tragedy if these programs were scrapped in the name of American liberalism.

NATIONAL FUTURE FARMERS OF AMERICA WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SEBELIUS) is recognized for 10 minutes.

Mr. SEBELIUS. Mr. Speaker, we have been hearing quite a bit lately about how today's youth is working within the system and is “putting it all together” in an effort to make our Government more responsive to the problems we face today. The theme, “Let's put it all together,” seems to have replaced the philosophy that “In order to build, we must tear down.”

We have many responsible young people who are taking an active and constructive interest in the affairs of our Government. However, in looking to our future, I know of no group that has in their hands more strength and more power to lead America than the Future Farmers of America.

This week, from February 19 through 26, is the observance of National Future Farmers of America Week. The theme for this year's observance is most appropriate—“Youth With a Purpose.” It is most appropriate, for nationwide over 450,000 young men and women and their chapter advisers are continuing to improve conditions in rural America as well as helping to guarantee that agriculture continues as our Nation's No. 1 industry.

It is common knowledge that today we have problems in agriculture. Farm oriented citizens know them by heart—the farm income crisis, the cost-price squeeze, the fact that young people today cannot find adequate economic opportunity in our rural areas.

Yet, despite the problems, the challenge for American agriculture remains unchanged and this challenge is still being met. The American farmer is expected to feed a growing population and to try to help feed a troubled and hungry world. Many of our current FFA boys and girls will help us meet these challenges by carrying on the proven tradition of the family farm and American agriculture. Farmers today produce the highest quality food at the lowest price in the world—and they produce enough for themselves and for 45 others.

As we observe National FFA Week, we are in fact selling the value of farming and a way of life. In this regard, I think it is time we get the chip off of our shoulders and quit running down opportunity in rural America. For some time now, we have been hearing the complaint that farming is a dead-end occupation without much future. It is true that we are losing too many family farm operations and that the farmer is not receiving justice at the marketplace. Many simply cannot put together the land, the management, and the modern equipment necessary for a good and profitable operation.

But, in having the privilege to meet and visit with many FFA chapters in my congressional district in Kansas, I have found that despite our problems in rural America, these young people are determined to try to stick it out and are looking forward to the future with optimism.

The number of young men who are running bigger and better farm operations is increasing—not fast enough, but increasing. The point is that “poor mouth” talk does not do the farmer justice and one of its effects is to discourage boys who really would like to prepare for modern farming.

I fully realize the family farm operation is no longer what it used to be. The tremendous shift to expensive machinery, technology, new demands on productivity relating to man-hours of labor and complex management problems means farming is a complex and big business—and tragically, it also means fewer farmers.

Nevertheless, we should quit this business of pouring cold water on the future of farming. There are unlimited opportunities for young people in agribusiness. The family farm is still the most efficient way to produce food and fiber. The vast number of successful farms today are medium sized, well equipped, and managed and run by a family operation.

Most important, young people who belong to the Future Farmers of America realize that taking care of the land and preserving God's creation is man's greatest source of satisfaction.

FFA membership today is also sponsoring a constructive program that allows each young man or woman to see tangible results for their efforts. The program is called Building Our American Opportunities or BOA.

The BOA program, now in its third year, is a coordinated effort between community leaders and FFA youth to initiate local self-help programs for community improvement. One aspect of this program deals with actual physical improvements such as building parks, ecological centers, renovating old business districts, construction of outdoor recreation centers, and a general overall clean-up of their home communities and the surrounding area.

Another aspect of the program concerns the social problems of our rural areas such as unemployment, job placement, and career counseling. The FFA has been extremely successful in working with local community leaders and with nonmembers in improving social and physical conditions throughout rural America.

I am confident that we can fulfill the promise of American agriculture in the future. I am confident because of the work of the Future Farmers of America and their dedicated advisers. It gives me great pleasure to salute the FFA during this special week. FFA truly represents youth with a purpose—to build a better America. As we in Congress endeavor to improve economic opportunity in our rural areas, let us this week renew our dedicated support to this fine organization.

SPECIAL ASSISTANCE NEEDED FOR TURKEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, at the beginning of this year during the congressional recess, I had the opportunity to investigate firsthand some of the massive problems our Nation faces in illegal drug traffic. Part of my on-the-spot investigation of the problem occurred in Turkey, a country which last June announced a total ban on opium growing, effective during the fall of this year. As high as 80 percent of the heroin traffic into the United States originates in Turkey. But there are many complications to what might appear to be a solution in regard to Turkey. Turkish farmers have grown poppy for centuries and opium, a product of lanced poppies, is a legitimate cash crop, with the farmers using poppy seeds for seasoning, the oil for cooking, and the stalk for fodder and fuel. In fact, in 1970, the United States alone imported nearly 20,000 pounds of poppy seed oil and 6.5 million pounds of sterilized poppy seeds for use in foods and other legitimate purposes.

Even though 75,000 Turkish peasants depend on poppy cultivation for their livelihood, heroin addiction is virtually unknown in Turkey. In fact the opium farmer is seldom aware of his part in the spread of a terrifying worldwide epidemic.

When a kilogram of heroin reaches the American addict, it is worth \$250,000 on the street, but the Turkish farmer will have received no more than \$250 for the opium used to make the heroin. So the great value of heroin does not benefit the Turkish producer or the Turkish economy. Instead, it is the illegal processors and carriers all along the trail of misery that reap the huge profits, their compensation for the risks of dealing in an illegal drug. So the Turkish farmer is understandably confused by having a crop prohibited which he has grown for centuries for legitimate purposes. Notwithstanding the unpopularity of the prohibition and the criticism that the Government is being a "Washington lackey," Turkey's Government has acted with courage in banning opium farming as of the fall of 1972.

There are other problems for Turkey in addition to the disgruntled farmers, such as the massive task of enforcing their new law. To succeed, the Turks will need the support of the United States. In a country where bribery is sometimes considered a legitimate business expense, a city policeman may earn as low as \$40 per month. There are not nearly enough reliable inspectors to insure that poppy growing will cease. Informers, a key to drug detection in any location, are not abundant in the closely knit, intermarried communities where people are shot for far less serious offenses. Despite these and other problems, Turkey's Government is making a bona fide effort to curb drug traffic. In addition to the law prohibiting opium farming, there are now 240 narcotics agents in Turkey. Turkish laws are among the most severe in the world, and judges in Turkey show little tolerance in applying these laws to smugglers or users.

It is possible, as India has shown with its strict licensing system and severe punishment for violators, for a country to prevent almost all opium exportation. But Turkey will need a great deal of help. Our \$3-million loan to Turkey for police training and equipment is a start, but we must help the Turkish farmer and the Turkish law enforcement officer in a greater way as opium farming becomes prohibited this fall, and we can do this through grants, equipment, know-how, and advisers.

TAKE PRIDE IN AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 5 minutes.

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's pioneers of progress and in so doing renew our faith and confidence as individuals and as a nation. In 1913, American Elmer Sperry created the first gyrocompass.

A STUDY OF PRISONS IN NEW JERSEY—REPORT AND FINDINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. SANDMAN) is recognized for 5 minutes.

Mr. SANDMAN. Mr. Speaker, I recently conducted a detailed inquiry into New Jersey's penal system for the Select Committee on Crime.

In response to numerous requests by my colleagues in the House to consider the report and findings I have submitted to the committee, I insert it in the RECORD:

REPORTS AND FINDINGS

PREFACE

This study was undertaken and this report is submitted in the hope that true penal reform can be achieved promptly in the State of New Jersey.

Politically, a prisoner has no constituency and little voice with which to seek budgetary priorities or fundamental changes in the philosophy, techniques and facilities of prison society in which he lives.

Sadly, it has taken inmate uprisings such as we have witnessed nationally during the past year and recently in New Jersey to focus public attention on the prison dilemma. Only after such disturbances, it seems, the call for reform is echoed from all quarters.

But the echoes fade from the public memory swiftly if we can judge from history. Not for lack of the proper inclination to achieve reforms among prison authorities and legislators, but because deep down, society persists in the archaic notion that prisons are to confine and punish rather than to rehabilitate or correct offenders.

A noted commentator once observed: "The degree of civilization in a society can be judged by entering its prisons." It is hoped that this report provides sufficient facts and observations from inside prison walls to translate the general public concern that exists today into constructive, lasting and prompt reform.

ABBREVIATED HISTORY

As elsewhere in the nation, New Jersey's system of corrections has consistently been and is now handicapped by archaic facilities, insufficient and untrained personnel and inadequate resources with which to operate and make improvements.

It is miraculous that there are as few prison uprisings as there have been for inmate life, in all but perhaps two of New Jersey's prison institutions, is barren and futile at best.

I have long urged prison reform with my personal observations that were recorded as early as 1956.

During my tenure as a member of the New Jersey State Senate and as a member and chairman of the Joint Appropriations Committee for many years, I was acquainted with all institutional needs in New Jersey.

In the late 1950's, I co-sponsored a \$40 million bond issue designed to meet the needs of the Department of Institutions and Agencies. My primary purpose then was to provide the wherewithal to reduce the problems presented by overcrowding in our prisons. I was appalled that our prisons were nothing more than forgotten repositories of human beings.

In 1962, in an attempt to introduce a progressive plan of correction and rehabilitation, a priority schedule of capital expansion of prisons was agreed upon. This occurred during the first administration of Governor Richard J. Hughes.

That priority schedule called for the construction of a new medium security prison at Leesburg in Cumberland County and of a new reformatory at Yardville in Mercer

County. While I recognized the many problems and deficiencies at that time in our prison system, it was assumed that efficiency and effectiveness would be fostered by resources provided during the Fiscal Year of 1962-63. Accordingly, the first monies were made available by passage of a \$50 million bond issue in 1963.

In keeping with the projections made available to us at that time, it was felt that the improvements provided for in that bond issue would be sufficient to meet the needs of New Jersey's penal system for the foreseeable future.

Probably more important than the brick and mortar rebuilding programs were the many other reforms that were to be initiated with relatively little cost to the taxpayer. At the time, New Jersey's plan was ambitious and progressive: the criteria for continuing reform of our penal institutions had been established.

It must be noted, however, that for some reason after I left the State Senate, much of those carefully considered plans were abandoned or forgotten. As one who was closely involved in the making of those plans and in securing the necessary votes in the Legislature and the favorable vote of the public by referendum, I have frankly been saddened by how far astray from those plans the resulting facilities and programs are.

New Jersey, like all other States in the past, has built prisons for the purpose of detention primarily, with little or no facilities for correction and rehabilitation. In the interim, crime and the apprehension of those who commit crimes have multiplied tremendously.

The number of incarcerations for violations of the narcotic laws has skyrocketed, thus contributing to overcrowding of our prisons at a time when every available cell is needed due to the increased number of predatory, aggressive offenders who are committed for violent crimes in the streets.

And so the basic purpose of my inspections and of hearings in New Jersey's prisons has been to update insight and information I had previously gathered so that the various recommendations in this report are offered from a uniquely involved perspective that has covered 15 years.

This study for the Select Committee on Crime was commenced officially on November 1, 1971, which was prior to any of the outbreaks at Trenton State Prison, Rahway State Penitentiary and at Yardville Reformatory.

At the outset, it was intended that this study be primarily confined to an examination of physical prison facilities in New Jersey and the existing system's ability to house and rehabilitate offenders.

Overcrowded conditions at both Rahway and Trenton State Prisons required that this study be expanded to a review of many factors, including sentencing, parole procedures, county level facilities and the prison population's make-up by offense.

Inspections were made of the minimum and medium security prisons at Leesburg, the maximum security facilities at both Trenton and Rahway, the State Reformatory at Yardville and the metropolitan county jails in Essex and Bergen Counties.

Review of sentencing procedures and other matters was made during a lengthy conference with the Honorable Joseph Weintraub, Chief Justice of the New Jersey Supreme Court, and a number of other high level jurists of the State.

A major difficulty encountered throughout this inquiry was the apparent lack of reliable facts and statistical data in the Division of Correction and Parole. Citing lack of funds, the Division acknowledges this deficiency and reports that only one employee, along with other obligations, is assigned to preparing statistical summaries of statistics. The result of this clearly has been that decisions are

made on the basis of speculation rather than facts.

Reliable statistics are absolutely essential for efficient management as well as for planning for any of the institutions and the overall system. The kindest remark that can be made on this score is that data development and record-keeping is haphazard. There is no question that additional efforts are needed for better planning, budgeting, research and analysis.

The recommendations made herein are offered to the Governor and the State Legislature as a method of improving the corrections system in New Jersey. They are offered not in the sense that here is the only acceptable method, but as carefully considered suggestions of one who is genuinely concerned and who is determined that meaningful changes are needed and possible now.

SECTION I

Prison unrest

During the past year, unrest in the prisons of the nation has increased sharply and dramatically. The outbreaks commenced at San Quentin, California and were followed by the holocaust at Attica, New York. These events prompted the Select Committee on Crime of the U.S. Congress to commence both in Washington and in various prisons pertaining to the causes and possible cures of prison unrest.

Predominant among the reasons given by inmates and authorities for the unrest are that maximum security facilities are grossly inadequate and overcrowded. These conditions have caused almost impossible problems in the handling of large numbers of inmates.

Another major point raised by inmates, though generally denied by prison authorities, has been a lack of communications between prisoners and their overseers, and the lack of trained personnel running the institutions, and finally, the lack of any productive rehabilitation programs and facilities.

One observation should be kept in mind. Short of abolishing prisons, inmates can never be fully satisfied and so that cannot be the goal of penal reform. Common desire among all inmates is that to a man, they would rather be anywhere else.

And if prison society is an extension of society outside the walls, it should be remembered that there are those who insist that only through demonstrations and media-sensationalized shows of dissent can changes be secured. Most disturbances may be triggered by inmates with that futile feeling that the only way to be heard is by rioting, taking hostages or issuing demands.

SECTION II

Classification of inmates

Once sentenced to imprisonment, an individual's first days in prison are in many respects the most important: certainly, this is true for first offenders. Nearly all will have been incarcerated at local jails during trial, but many are sustained by hope of a favorable verdict. Uncertainty ends upon sentencing and the reality of adapting to prison life must be faced.

Classification of an individual is the priority task of the prison system. It is the means by which the problems of each inmate are indexed so that at best an appropriate program of rehabilitation, if it existed, could be scheduled for him.

At a minimum, classification is the process by which young first offenders can be separated from hardened criminals. It is when the narcotic offender is separated from the mentally disturbed and the homosexual from the burglar.

Further, it is when a determination should be made as to the degree of incarceration an inmate needs and deserves at the outset: degrees identified as maximum security, medium security and minimum security.

Proper classification of inmates can help reduce overcrowding, thereby cooling tensions and reducing the chances of disturbances.

Adult male convicts in New Jersey are supposedly classified at Trenton State Prison, younger ones at Yardville Reformatory. The present process is extremely uncertain, unprofessional and long, with delays during classification "observation" of several months quite common. Average stay at Trenton is 29 months.

In testimony before the Committee at Trenton State, Warden Howard Yeager noted that law requires that each inmate have a psychiatric report to be used as a basis of classification. Yet he pointed out that there is only one psychiatrist on the staff to handle approximately 1,800 inmates.

Testimony further developed that of the population at Trenton State Prison in maximum security, well over half are convicted of non-violent and mostly victimless crimes. If New Jersey's initial classification of inmates were effective, offenders such as junkies, bookies and non-supporters would not remain in Trenton Prison for the duration of their terms as many now do.

SECTION III

Is there a need for the maximum security prison?

During our tour of the institutions, we heard from many of the New Jersey prison authorities that the future needs of the State could be met by expanding the number of medium and minimum security units and further, that no additional maximum security prisons should be built.

In testimony at Leesburg, Director Albert C. Wagner of the Division of Correction and Parole, stressed this viewpoint. Others in authority including the Governor of the State, are advocating immediate and huge expenditures be made to construct two or three medium security prisons, such as the facility at Leesburg.

All those questioned agreed that maximum security facilities are necessary. Warden Yeager at Trenton said that his prison could function well as a maximum facility given adequate improvements and a reduced population of not more than 800. Chief Thomas Oldew at Rahway confirmed the same information for his prison.

Maximum security prisons house the most troublesome inmates that other institutions do not want or cannot handle. Under present projections, conditions and financial limitations, it is evident that the maximum security prisons at Trenton and Rahway must remain in operation for many years to come, but not without significant improvements.

SECTION IV

Degrees of incarceration

New Jersey has three types of penal institutions to handle convicts of crimes or various misdemeanors. There are two maximum security prisons for men, each originally built to house 90 at Trenton and at Rahway. The total minimum security at Leesburg designed for a capacity of 500, but now housing some 320 inmates.

There is also a minimum security prison at Leesburg designed to house 350 men. Rahway State Prison sends minimum security prisoners to Marlboro and houses additional minimum security inmates outside the wall at Rahway. The total minimum security facilities available in the State today is about 600.

In addition to these three major "degrees of incarceration," the State of New Jersey has followed the lead of nearly every other state by implementing work release and furlough programs, both worthwhile and successful to date though just developing in terms of the number of inmates participating.

These programs of course, can be successful only to the extent of how trustworthy individuals involved are. In fact, for an

entire system of rehabilitation to be successful, it must be premised upon a lessening of the degree of security over the inmate as his term progresses.

There are prisoners, the number of which is unknown, who can be classified as totally incorrigibles; individuals that no matter what efforts are made to help them, resist to a point that maximum security may be necessary throughout their terms.

But for the majority of inmates, given proper circumstances in which to function, progress can be made and measured so that they would respond positively to an incentive program designed to reduce their level of incarceration from maximum security to medium security and then to minimum security.

Such an incentive program is needed in New Jersey's penal system. With it, of course, must come more effective and regular classification of the progress, or lack of it, of each inmate.

One of the most shocking findings of this study was the extent of the practice of releasing prisoners to the streets straight out of maximum security. Though here is an example of where reliable statistics are not kept, best estimates are that three times as many prisoners go from maximum security to freedom than are transferred from maximum security to medium security. If an inmate is not trusted enough to be placed into medium security, how could he deserve parole or release back into society?

Warden Yeager quite accurately described this situation as a serious and dangerous dilemma which, he said, more than any other single element accounts for the high rate of recidivism: approximately 60% of the men released in this manner are later reconvicted and sentenced to prison.

The bulk of prisoners who are released from maximum security to the streets have served their full sentences or, in a lesser number of cases, their reduced sentences permitted under law which, of course, neither the Warden or the courts can control.

That my recommendation for an inmate incentive program could be productive is borne out in some excellent and progressive research and program development by William E. Prendergast, Jr., Director of the Rahway Treatment Unit. Mr. Prendergast has come forth with a highly impressive program and record of success by "Re-education of Attitudes (and) Repressed Emotions" of inmates. Called R.O.A.R.E. for short, Prendergast's intensive group therapy program employs new techniques that show great promise in rehabilitation.

Used at Rahway now only in the treatment of sex offenders, Mr. Prendergast cites a recidivism rate from his program of only about 12 percent and that primarily because the men he was working with were released before treatment was completed.

Even the most hardened criminal can, he claims, be helped to some extent by the R.O.A.R.E. method. The program doesn't rely in any sense on pampering the prisoners: that's not why they're in prison. Men are sent to prison because they violated the law and the law requires that they be punished.

At the same time, prisons serve society best by rehabilitating individuals so that the probability of their return to unlawful behavior will be diminished. The inmate, by virtue of his incarceration, loses many privileges. However, he does maintain basic individual rights which require an institution to treat him fairly and give him the best possible chance to rehabilitate himself for a better life upon his release.

From the time of his original sentence to maximum security and classification until the time of his release from prison, a workable program must be established so that wherever possible and as soon as possible, the man is transferred to medium security and then to minimum security.

If upon his release from maximum secu-

urity, the authorities have reason to believe they are dealing with a psychopath or someone who is a continuing threat to society, then perhaps the Legislature should entertain the thought of changing certain laws so that such an individual can be detained for further treatment rather than released.

With further reference to treatment, one cannot overstress the importance of trained guards, or as they prefer, correction officers. New Jersey has a dismal record on such training. The American Correctional Association recommends at least 52 hours of training per year plus an extensive orientation course when a man assumes a correction officer job. In New Jersey, a mere 15 percent needing training were provided it. And of those, training lasted only 20 hours for each officer.

The overcrowded conditions at both Rahway and Trenton State Prisons could be alleviated through reclassification by transferring more inmates to minimum and medium security facilities.

Approximately 200 vacancies exist at the medium security prison at Leesburg and another 100 vacancies exist at the minimum security farm there. If 300 appropriate prisoners were transferred from Trenton to Leesburg, Trenton State would have the approximate population it should have—some 900 men.

The same is true at Rahway, though overcrowding there is less acute. It should not have a capacity of more than 800 in maximum security either. At least 200 men now at Rahway should be moved into medium and minimum security facilities that could be created at very little cost by expansion projects at Leesburg and at the other minimum security prisons in the state.

A systematic review of all maximum security prisoners should be made on a monthly basis with the goal of reclassifying them to medium as soon as appropriate. The "good time" privileges given prisoners in New Jersey is extremely liberal. Under New Jersey law, a prisoner can be released on good conduct by serving either his minimum sentence or one-third of his maximum sentence. This, together with the additional benefits of work release and furloughs, should be additional incentive for an inmate to peaceably and productively spend his time.

SECTION V

The narcotics offender

Under the laws of New Jersey, before it was recently changed, a narcotic user convicted for possession was given a mandatory sentence of from two to three years in State Prison. This statute was amended in 1971. However, many of those people who were convicted under the old statute are still serving terms in maximum security prisons.

In cases where the only offense was the use and possession of narcotic drugs, the individual should not have been sent to a maximum security prison in the first place. He should be sent to a Narcotic Treatment Center.

The narcotic user is the weakest individual in any prison and the prey of more dangerous inmates. At Trenton State Prison, for example, Warden Yeager testified that of a population of about 1300, some 650 inmates on the day of our inspection were there on a conviction of possession, use or sale of narcotics.

From the statistics available, it appears that there is a serious need in New Jersey for a 350 bed narcotics treatment hospital. This need is so urgent that the State should not waste time to build such an institution. It should lease existing facilities such as the Jersey City Medical Center which the State long ago could have acquired for \$1. The 1968 report of the New Jersey Drug Study Commission recommended such an institution at that time. The need existed then and is more acute today.

The removal of 350-men who are narcotics

offenders from the maximum security prisons would again diminish the overcrowded conditions that exist today.

The Narcotic Treatment Center at Skillman Psychiatric Institute is too small and not capable of taking care of this tremendous demand at the present time. Additional state facilities are needed immediately.

SECTION VI

Optimum size and location of prisons

Throughout the testimony of authorities from around the Nation at the Committee's hearings in Washington and at our hearings here in New Jersey, there seems to be a unanimity of opinion that the maximum security prisons should be of a maximum population of 800. Many experts argue that even that figure is too high and some favor small 200-cell complexes. A consensus is about 600.

The day of the huge institutions, such as Attica, New York, has come to an end. With more than 2,200 inmates within the walls there, authorities had an impossible situation to cope with in trying to curtail the recent uprising there. These arguments ten years ago, of course, led New Jersey to design Leesburg medium security prison for a capacity of 500.

The federal maximum security prison at Marion, Illinois, has a capacity of about 800. It is regarded as one of the finest penal institutions of its kind anywhere in the world. Its inmate population averages sentences of more than 30 years. All of the inmates that previously occupied Alcatraz were transferred to Marion. The prison has an enviable record, having experienced no major disturbances since it opened in 1963. As far as the size of the prison is concerned, it is evident that the success at Marion lies in setting a limit of 800 for new prisons of maximum security.

The location of a prison is also extremely important because the main remedy for holding down inmate unrest is contact with outside society through visits of friends and relatives. Reasonable visitation policies at prisons help inmates cease to believe that they are forgotten men, a natural tendency of thought.

It can be said that the number of visits an inmate receives is proportional to the number of miles the visitor has to travel. The main objection now to the medium security prison at Leesburg is that more than 75 percent of its inmates come from metropolitan areas in North Jersey, making it an extremely long trip to visit.

In 1969, New Jersey embarked upon a new program which, under certain circumstances, allows a prisoner to be employed outside the prison walls by private industry. This system has worked well from the testimony we have taken. However, if the prison is far from industrial areas, job opportunities outside are reduced. And if it is hoped that an inmate would keep his work-release job after he is released from prison, the job should be as close as possible to his outside residence. The New Jersey experience in this regard has no reliable statistics at this time primarily because the program is so new. However, it is evident from information received from elsewhere that upon release from prison in almost all cases, a prisoner returns to his previous place of abode.

Therefore, prison location can be an important factor in determining a man's chances of finding employment after he is released, especially if he has availed himself of a work-release program while still in prison. Any new institution, whether it be maximum, medium or minimum, should be built in the geographical center of the highly-populated section of Northern New Jersey.

SECTION VII

Trenton State prison

The original prison in the State was built near the present location of Trenton State

Prison at the close of the 18th century. The oldest cell block still in use was originally built in 1834. All of the buildings, with the exception of a new structure for educational use, are more than 70 years old. The old cell blocks were built under the old system of solitary confinement.

Overcrowding has reached the point where there are as high as four men in a cell. The Trenton State Prison, in addition to holding new arrivals for classification, houses the most dangerous inmates in the State. It is the location of the execution chamber and the death house.

There are no rehabilitation training facilities here on the premises. The new education building, when it is put into use later this year, is to serve a worthwhile purpose; however the institution is sorely in need of vocational training.

The buildings at Trenton State Prison are so old and so depreciated that there is a great question as to whether or not it is economically feasible to consider repairing them. Almost all of the growth area has been utilized; in fact, there are too many buildings on the premises now.

If the maximum population were reduced to 800, the oldest cell block building should be torn down and in its place, shops for vocational training similar to those in Yardville Reformatory should be constructed.

According to available data, it appears that those who have been sentenced to maximum security because they are of a higher average age, a far greater percentage have an established occupation than the inmates, for example, at Yardville. Where the average age is lower, there is a much higher percentage of inmates who have no occupation.

This could be interpreted to mean that vocational training is more beneficial to the State and society in a reformatory than in prisons. However, there is an unanimity of opinion that vocational education serves a definite benefit in every type of correction institution. There is no question that the inmate as well as the society he will return to both benefit from his being better prepared to earn his own living. And all agree that the idea of keeping inmates occupied with definite positive results on the operation of the institutions themselves.

SECTION VIII

Rahway State Prison

Rahway State Prison was originally built at the turn of the century. Almost all of its buildings are 70 years old with the exception of one cell block which was built in the early '50's. The institution is well kept. However, most of the buildings have outlived their usefulness to a point where it is hardly economically feasible to invest monies for extensive repairs or renovations.

Rahway seems to have a great deal more space inside the walls than Trenton State Prison. However, its capacity should also be reduced to not more than 800. To do this would permit the razing of the oldest cell block to make room for Yardville-type vocational training facilities such as previously advocated for Trenton.

The Rahway prison has no vocational training at present. The investment at Rahway is rather large. In fact, its newest investment, which is about eight years old, is a \$3 million laundry that services most of the State institutions North of the Raritan River.

The work shops at Rahway as well as Trenton are very old and the machinery generally outdated. The work program at both maximum security institutions should be expanded so that State Use Industries' products can meet the increasing demands of all of the State institutions.

We were tremendously impressed with the R.O.A.R.E. program at Rahway as previously mentioned. Those responsible for the program are of the opinion that it can be ex-

tended into many other areas of correction, rather than just sex offenders as at present. Provision of space to house this kind of expanded program should be made at both Trenton and Rahway, perhaps later to the other prisons. And a long range program must be developed to replace the Rahway buildings. As is the case at Trenton, the Rahway location is favorable.

SECTION IX

Leesburg minimum security prison

Opened in 1913 in beautiful rural surroundings, several hundred acres are under cultivation and large herds of dairy cattle are attended. It has a present capacity of approximately 300 and had an average daily occupancy in 1971 of 250. This institution is well run. The number of attempted escapes have been minimal. Leesburg seems to be an ideal location for the minimum security-farm type of institution. And because of the vast amount of land, this institution could easily be expanded to a capacity of 500.

SECTION X

Leesburg medium security prison

Constructed adjacent to the minimum security facility, the new Leesburg Medium Security prison was constructed from 1963 bond issue funds. It received its first inmates in early 1971 and this institution has a very controversial history.

It is presently designed to have a maximum capacity of 500, but on the date of our visit, there were 328 inmates. Final phases of construction are well underway.

When this prison was originally designed in 1962, it was regarded by experts as being the finest of its kind anywhere in the Nation. However, its cost turned out to be extremely high. Cost of construction to date is over \$16 million, not counting a planned but now abandoned regional \$3 million laundry that was to have served State institutions South of the Raritan River.

Leesburg Medium Prison has cost the taxpayers of New Jersey more than one and one-half times the cost of the Nation's strongest Federal maximum security prisons at Marion, Illinois, which cost \$10,500,000 for 800 of the hardest core prisoners in the Nation. By comparison, Marion was built under the Chicago wage rate—the highest wage rate at the time of construction in the Nation. The medium security prison at Leesburg cost the taxpayers of the state some \$33,000 for each living unit—an amount equal to about twice the cost of a luxury Hilton Hotel unit built anywhere in the world at that time. It is reported by those in authority today that the Leesburg facility duplicated under present costs would run over \$25 million or some \$50,000 per unit.

The construction at Leesburg at such a very high cost still leaves a lot to be desired. Most of the construction is concrete block and masonry. Compared to the Yardville Reformatory, which cost approximately the same amount of money and was built at the same time, no reasonable person can agree that the finished plant at Leesburg is anywhere near as good as Yardville. There is no point in belaboring the comparison.

The Leesburg medium security prison boasts up-to-date machinery in all of its work programs, notably in its bakery, which is almost totally automated in a prison system where there are four men for every inmate job presently available. In this modern bakery, it requires only 13 men to produce baked goods that with less automation would occupy three or four times as many men. It is extremely difficult to justify high automation in a prison.

The institution has a number of new classrooms, but on the day of our visit, none of them were occupied nor ready for use. Operation of Leesburg medium security prison seems to be efficient and the officers and employees there seem dedicated.

Vocational training facilities are under construction at Leesburg, though they are too incomplete to judge at this time. But total cost of these valuable facilities will nowhere near approach the cost of the bakery.

Because of the glaring inadequacies, a few of which have been referred to in this study, at Leesburg including the extremely high cost per unit, it would be a mistake to attempt to duplicate this type of design elsewhere. To reconstruct another Leesburg at a cost of \$50,000 per unit is a luxury that the Garden State could ill afford. Such a proposal on bond issue referendum would most certainly be defeated at the polls.

SECTION XI

Yardville Reformatory

Also built from the 1963 bond issue monies and opened in 1968, this is a reception center for all youth correctional commitments and young adults. Ages range from 15 to 30 years. Current population is 800 males and although there are other reformatories at Jamesburg, Bordentown and Annandale as well as the women's prison at Clinton Farms, this institution drew our closest scrutiny because it is the newest and the largest in the entire state system.

This institution at Yardville rates with the finest in the Nation. Its design is practical. Its construction economical. Its over-all facilities meet every requirement. The entire operation is most impressive. On the day of our visit, morale seemed to be very high throughout the institution and yet one week later, a rebellious group within the institution seized hostages and made vociferous demands to aid their views to the press. Clearly, unrest may occur in corrections institutions regardless of the excellence of facilities and basic corrective programs as at Yardville.

An alarming percentage of the inmates at all of the institutions, particularly Yardville, have had experience with drugs. A sizeable percentage have been addicted to heroin. The major suggested improvement for Yardville Reformatory would be greater segregation of drug addicts from other prisoners. It is extremely dangerous for a hardened heroin user to be in close communication with a teenage non-user.

The New Jersey Narcotic Drug Study Commission in its several reports revealed that the average age in 1964 for the first use of an addictive drug in the State was 19. The same report, as the result of hundreds of interviews backed up by sound data, proved that in more than 90 percent of the cases, the first use was caused by curiosity. This fact no doubt remains true and it is therefore vital that addicts be segregated from teenage non-users. Addicts, in close contact daily with a non-user, invariably glorify in telling about the wonderful feeling experienced under the influence of heroin. This kind of conversation over a long period of time can do nothing but excite the curiosity of a teenager to a point that upon his release, he will be more apt to experiment with the dangerous addictive drug.

SECTION XII

The hue and cry for local jail reform has been echoed for as long as the facilities have existed. It is the municipal or county jail where individuals accused of crime are first remanded and it is there too often that first offenders are hopelessly dehumanized by their first experience in overcrowded, poorly managed jails. The county jails, because of their primary function as holding facilities, rarely make any pretense or effort to be correctional in purpose.

According to the United States Justice Department, of the Nation's 4,037 jails, 89 percent lack educational facilities, 86 percent contain no facilities for recreation, 49 percent lack medical facilities, 26 percent don't permit visitors and about 60 of them even lacked toilets. These medieval conditions in

many respects are in greater need of reform than the "big houses."

Two of New Jersey's county jail facilities and programs were reviewed by the Committee. Following are brief reports on the County Jails in Bergen and Essex Counties.

Bergen County Jail

Unquestionably the best county-level penal system in New Jersey and the best I know of in the nation, exists in Bergen County under the administration of Sheriff Joseph Job. Bergen County has two separate facilities—an old institution which is located behind the Court House building in Hackensack and the other, a new institution opened January 1967 located about one mile from the Court House. We inspected only the new institution and questioned Sheriff Job and his administrative staff at length about Bergen County's facilities and programs.

The new Bergen facility is a model arrangement with nearly every sensible correction program to meet the needs of one of the State's most densely populated counties. The jail has a capacity of approximately 180. On the day of our visit, there were 65 male inmates and 15 females.

Sheriff Job testified that his number one target is to keep the population down to the lowest practical level. During 1970, 4759 persons were dealt with by the Bergen County jails, which have an over-all capacity of just over 300 persons. The new jail serves primarily for serving sentences, as opposed to detention for trial.

The institution has an excellent high level of morale, both for inmates and the correction officers, who are well trained and motivated. Sheriff Job points with pride to the fact that every inmate who leaves his prison system has a job to go to and money in his pocket earned while incarcerated. Recidivism there is the lowest in the State—under 20 percent. Inmates are isolated generally by offense as necessary, are given excellent recreational, educational and job opportunities and the inmate relationship to the jail's correction officers and administration and therefore society is very good.

I commend the full transcript of our hearings at Bergen County when it is published as highly rewarding and informative reading for anyone genuinely interested in learning about a model institution.

SECTION XIII

The Essex County Jail

Essex County is the largest First Class County in the State, having a population of nearly one million people. The crime problem in the City of Newark is so acute and presently unmanageable that the County Board of Freeholders recently constructed a new penal facility.

Adjacent to the County Court House complex in the heart of Newark, Essex County's new jail was opened in mid-1971 and is a 13-story high-rise design. The movement of prisoners in and out has a fantastic average of 400 daily. This County Jail is under the administration of Sheriff John Cryan after the County Freeholders turned the facility over to him this past Fall. In all fairness, Sheriff Cryan quite obviously is doing his very best under extremely difficult circumstances.

Construction of this facility, at a cost in excess of \$10 million, commenced in 1964. Nearly all of the inmates in the new jail have not been convicted of the crimes for which they are being held. They are awaiting trial for the most part.

In testimony before this Committee on December 21, 1971, Sheriff Cryan said the intended maximum population of the new jail is 580. In 1971, the inmate flow through the county penal system exceeded 12,000 persons. At the time of our hearings, 85 inmates were awaiting trial on the charge of murder. Fifty had been indicted for First Degree Murder, the remainder on lesser murder charges.

During an inspection of the 13-story jail, a conclusion that it was structurally obsolete and unmanageable even before it is finished was hard to avoid. The argument advanced for building the institution downtown was that untold amounts of money would be saved on transportation alone for inmates having to make court appearances. Thus the close proximity to the Court House, it was reasoned.

As it turned out, in terms of the personnel needed to man the 13 different floors, the Sheriff is now faced with having to double his staff just to have adequate custodial care. There is also a serious question of security in the Essex high-rise because cell door controls are located only on alternate floors as are the communications centers.

Other drawbacks of the overcrowding, indefinite stays, and poor design are the lack of adequate classification of inmates, any rehabilitation programs of significant drug counseling despite the fact that over 70 percent of the jail's population is a result of drug-related offenses.

The institution has a gymnasium, an auditorium and a Chapel. Very few of the inmates can be used for jobs within the institution since the great bulk of them are awaiting trial or sentence. Essex has two other institutions—one which is known as the old Jail and a second which is known as the Essex County Penitentiary at Caldwell. County facilities can handle 900 inmates.

The most dangerous part of the entire operation are those inmates that are awaiting trial or sentencing for felonies and crimes of violence, including murder. It is well-known that the most difficult inmate to handle and the one who can be trusted the least, is the individual who spends every moment in desperation and doubt, never knowing what his fate will be. This individual is most apt to attempt to escape or to harm or even kill someone. Under such tension, the Essex County Jail could explode into a serious disaster at any time.

Immediately and at the very least, individuals in the Essex County Jail that are awaiting trial or sentence for a crime of violence should be transferred to another, more secure and manageable institution. When the number of inmates is small, and the amount of supervision more adequate, it is easier to manage.

SECTION XIV

Problem of prison overcrowding

As is evident from the foregoing, inadequate and too infrequent classification, along with certain mandatory sentences are major factors contributing to overcrowding, particularly of the State's maximum security prisons at Trenton and Rahway. Convicts of non-violent offenses, except under extraordinary extenuating circumstances, should not be imprisoned in maximum security facilities. They do not belong there.

It is granted that the bookmaker, the numbers writer, the gambler and similar offenders may be part of organized crime. If the courts determine that he be incarcerated, then he should be immediately classified for minimum security. He is the type least expected to try to break out and the one most able to become adjusted to minimum security. The same can be said for so many other non-violent crime offenders.

And the teenager who has committed a non-violent crime should not, again except in extraordinary circumstances, be sent to the maximum security prisons. We interviewed a boy who, upon his escape from the Bordentown Reformatory at age 19, was sent to Trenton State Prison, where he served two full years before he was released. He was denied transfer to the medium security prison and to the minimum security prison at Leesburg. How is it possible for a boy of his age not to be fit for transfer to minimum security on one day and then fit for release

the next? He shouldn't have been sent to Maximum Security in the first place.

To cut down the present population in the two maximum security prisons in the near future, it will no doubt be necessary for the Legislature to consider changing the law of the State so that many of the non-violent offenders cannot be sent to maximum security. Such a recommendation at this point has great merit.

SECTION XV

Financing institutional needs at the State level

New Jersey, because of its highly tax conscious public, has over the years financed its capital improvements by floating large bond issues. This method carries with it a painfully slow process of fulfilling a drastic need, such as prison reform now.

In addition, the New Jersey public, much the same as elsewhere in the Nation, has not been willing to expend large amounts of money for prisons unless such proposals are tied to more popular causes like mental hospitals and the like. For example, the only large institution construction in the last 20 years were financed by bond issues, only part of which were for prisons: namely Leesburg medium and Yardville.

This slow process of funding by bond issue cannot be used as the answer to the current prison crisis in 1972. To simply say we will bond two or three new Leesburgs to remedy the existing problem is only kidding the public.

Leesburg medium security prison, under this procedure, took ten years to build. Even if New Jersey makes the mistake of trying to duplicate Leesburg elsewhere, we should not under any circumstances use the same method of financing.

The 1972 problem should be financed by direct appropriation in the 1972-73 fiscal year budget. It is estimated, accurately we feel, that all of the emergency physical change recommendations in this study can be effected for approximately \$10 million. That includes razing of the oldest cell blocks at both Trenton and Rahway to reduce population at each institution to 800. It includes construction of effective Yardville-type vocational training facilities at both Trenton and Rahway. And it includes provision of space for R.O.A.R.E. programs at all three prisons and expansion of the minimum security farm at Leesburg to 500.

The possibility of securing substantial Federal funds for capital construction use in New Jersey's prison system will be discussed in the next section. But in the event that New Jersey will have to raise the entire \$10 million or so for these emergency improvements, it is suggested that those revenues be created immediately by a slight increase in one of the excise taxes rather than postpone these needed improvements while waiting for the elongated bond issue procedure.

The recommendations herein contained can meet the immediate needs of the State at the present time and for several years to come. However, a new institution will be needed by 1975, according to current projections, and plans for it should be made now.

It should be of medium security with expanded minimum security facilities. Its location should be in the metropolitan Northern area of the State. It is recommended that an institution designed similar to the Federal maximum security prison at Marion, Illinois would be far more economical and efficient than using the Leesburg design.

Basically, the only difference between medium security and maximum security are manned towers on outside walls. These are terribly expensive to maintain and operate. Although there is a great deal of authority that recommends that any institution be not greater in size than to house 600 inmates,

there is no reason why such an institution cannot be placed adjacent to another State Institution. In fact, such a plan should be carefully considered so that central power and utilities could be utilized for more than one institution.

SECTION XVI

Federal funds

Through the Law Enforcement Assistance Administration, (LEAA) the Federal government annually provides millions of dollars to New Jersey to fight crime: over \$6 million in Fiscal 1971 and more than double that amount in Fiscal 1972 with additional increases for future years.

But in New Jersey, the Division of Correction and Parole is ending up with nothing more than a bone of the LEAA funds so far. Even less filters down where it is needed the most now—in the prisons. To date, it is interesting to note that the New Jersey authorities have yet to allocate a single dime to try to help remove the State's most glaring prison deficiencies. Unconfirmed rumors persist that New Jersey's LEAA administrative agency (SLEPA) will soon free several million dollars in withheld federal funds for prison purposes. Such expenditures should be spent as part of an over-all master plan of reform, not for stop-gap purposes.

As one of my recommendations to the Committee On Crime, later this month, I intend to ask for a detailed investigation of how and where Federal LEAA funds are being spent by various States, including New Jersey.

In December, I introduced legislation in the House of Representatives to help cut red tape involved in the use of LEAA funds. And when Congress reconvenes later this month, I intend to introduce additional legislation to free LEAA funds for use in capital construction of State correctional facilities, plans of which meet certain standards. Hopefully, with support of the State of New Jersey, this legislation could help pay for a sizeable percentage of the bill for both the immediate facility reforms needed and the long range needs of the State's correctional system.

Sheriff Cryan and other officials in Essex County pointed to current regulations which ignore County Sheriff Departments in the distribution of certain LEAA funds. I have assured the Sheriff that this matter will also be studied and that if possible, federal funds for law enforcement will be made available to Sheriff's departments as well as other law enforcement agencies now eligible under the program.

SECTION XVII

Need for State legislative action

A multitude of old laws on the State statute books affecting mandatory sentences should be studied and either repealed or amended. Courts should be empowered to review cases of those sentenced under statutes that are changed or repealed.

In addition, several laws that hamper the chances of employment of a released prisoner should be changed. Many of the professional boards have promulgated rules which prohibit any person convicted of a crime from working in that field. Ex-convicts cannot be barbers, for example. Such a rule should be changed because in many of the institutions, inmates are taught how to cut hair. If this is the only field they know how to be employed in when they are released, how do they get such jobs when they can't secure barber's licenses? A review of all such statutes should be made and acted upon by the Legislature at an early date.

In our review of these laws, we had a two-hour meeting with The Honorable Joseph Weintraub, Chief Justice of the New Jersey Superior Court and several of the State Assignment Judges. The information and in-

sight gained in that conference was extremely valuable.

SECTION XVIII

Summary of recommendations

A. Emergency Prison Facility Reforms. A \$10 million plan to relieve overcrowding, better treat drug offenders and implement rehabilitation and training programs is recommended. The plan should include:

Rental of a 350-bed hospital for narcotics offender treatment, a move that would result in better treatment and would remove drug offenders from maximum security prisons where they do not belong.

Raze the oldest cell blocks at both Trenton and Rahway Prisons to reduce inmate population at each location to 800.

Finish medium security construction to house 500 inmates and expand minimum security capacity at Leesburg from 250 to 500 and elsewhere as appropriate.

Construct and establish at both Trenton and Rahway a comprehensive vocational training complex similar to that which presently exists at Yardville.

Provision of space and funding for intensive group therapy program (R.O.A.R.E.) for all types of offenders throughout the entire prison system.

B. Long Range Prison Facility Improvements:

Begin plans now for one new 600 to 800 unit medium security prison in Northern metropolitan area to be ready for occupancy in 1975.

Implement plan of gradual replacement of antiquated buildings at both Trenton and Rahway.

C. Handling of Inmates:

Establish a more adequate and frequent classification system, complete with competent psychiatric care.

Institute an "Inmate incentive plan" by which prisoners can earn advancements from maximum to medium to minimum security facilities and programs, deserving additional privileges and greater freedom along the way including work release and furloughs.

Non-violent offenders such as bookmakers, gamblers, narcotic use cases, etc. should be held in maximum security, except in extraordinary cases.

Revise cell block assignments as needed to segregate types of offenders.

D. Financing Prison Reform:

Finance emergency facility reforms (A above) by direct appropriation in the 1972-73 State budget. If needed, impose slight increase on an excise tax instead of using time consuming bond issue method of financing.

Proceed with bond issue plans for new medium security prison needed by 1975 and building replacements.

Support Federal legislation in Congress to permit the use of LEAA crime-fighting funds for capital improvements of State Correction Institutions.

E. State Law Revision:

Legislature should review the penal code to make sentencing uniform, to repeal laws that discriminate against employment of former inmates and to widen the scope of discretion on the part of judges and the prison system with respect to the location, duration and degree of incarceration.

Establish a separate bureau for the management and administration of all correctional institutions in the State. Current arrangement within the Department of Institutions and Agencies dilutes authority and too severely limits budgetary requirements.

Cooperate as fully as possible on budgetary requests for prison reform, particularly items such as psychiatric care, R.O.A.R.E. funding, correction officer training, and education and vocational training for inmates.

This report could not have been made without the valuable assistance of our Chief Counsel, Frank Paglianite; the assistance of

various State, County and prison officials in each of the institutions we visited and the wholehearted cooperation of the Chief Justice of the New Jersey Supreme Court and his associates.

The program recommended herein is far reaching and comprehensive. If the State of New Jersey recognizes and admits that a crisis exists as it does, then the Governor and Legislature must be prepared to act on these recommendations at the earliest possible date.

Mr. Speaker, full transcripts of the testimony taken at all of the hearings held in connection with this study are being published by the Select Committee on Crime. I am advised that the committee's full report should be available soon.

FUNDING THE REFORMS

Since the foregoing report was written, I have met with officials of the Federal Law Enforcement Assistance Administration to clarify the considerable confusion throughout New Jersey as to the authorized uses of LEAA moneys.

As a result of this meeting, it is now apparent that the \$10 million emergency program of penal reform I have recommended for New Jersey can be paid for with a combination of State and Federal funds.

Specifically, it is recommended that \$6.5 million of the fiscal 1972 LEAA funding for New Jersey be used for prison reform as outlined. The remaining \$3.5 million could be secured from the dedicated proceeds of the State's lottery.

It is not widely remembered, but when New Jersey's highly successful lottery was approved, it was done by a statewide referendum that amended the State constitution to dedicate all receipts to higher education and institutions.

Therefore, Mr. Speaker, it is my opinion that the nature of the prison crisis in New Jersey is such that this marriage of \$6.5 million of Federal LEAA funds and \$3.5 million of lottery receipts must be arranged immediately.

Following is an initial breakdown of 1970 and 1970 awards and projections by the LEAA in New Jersey for corrections programs. Also following are several noteworthy exhibits of statistics on New Jersey's prison system:

STATE OF NEW JERSEY,

STATE LAW ENFORCEMENT

PLANNING AGENCY,

Trenton, N.J., January 28, 1972.

HON. CHARLES W. SANDMAN, JR.,
Member of Congress,
Washington, D.C.

DEAR CONGRESSMAN SANDMAN: The Attorney General has referred your letter of January 20, 1972 to me for reply with regard to the amount of funds received by the State of New Jersey from the Law Enforcement Assistance Administration in 1971.

Block grant funds received by the State in 1971 totalled \$11,870,000. These funds, according to Federal guidelines, are available for expenditure until June 30, 1973. Therefore, a variety of programs have been funded to date, others are in the process of funding or are anticipated for funding.

In order to expedite matters, I would appreciate it if you would have a member of your staff contact me so that I might arrange to brief him as to the nature and purpose of all these grants.

Very truly yours,

JOHN J. MULLANEY,
Executive Director.

LAW ENFORCEMENT
ASSISTANCE ADMINISTRATION,
Washington, D.C., February 14, 1972.

HON. CHARLES W. SANDMAN, JR.,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN SANDMAN: This is in response to your recent letter to Jerris Leonard regarding LEAA funds expended in New Jersey in 1971.

In keeping with the discussion during our meeting on January 31, I am providing information on funds used for corrections programs for Fiscal Years 1970 and 1971.

In Fiscal Year 1970 New Jersey received a block grant award of \$6,372,000 and of this amount allocated \$2,650,000 to corrections programs. In Fiscal Year 1971 the New Jersey block grant was \$11,870,000 and \$5,320,000 was allocated for corrections. In addition, in Fiscal Year 1971, New Jersey received \$1,437,000 in Part E corrections funds.

I am enclosing a copy of a report on all sub-grants made by the New Jersey State Law Enforcement Planning Agency for projects involving corrections out of Fiscal Years 1970 and 1971.

If I can provide additional information, please let me know.

Sincerely,

RICHARD W. VELDE,
Associate Administrator.

U.S. DEPARTMENT OF JUSTICE, LAW ENFORCEMENT
ASSISTANCE ADMINISTRATION

[A detailed breakdown of awards and projections for New Jersey Corrections programs follows:]

	1970 funds	1971 funds
A. The New Jersey SPA made funds available to the State division of correction and parole for the following enumerated projects utilizing 1970 and 1971 funds as indicated:		
1. Community based treatment center for juveniles (2) (age 14 to 16 years).....	\$58,087	\$128,821
2. Coordinator of community-based correctional programs.....	11,212	
3. Expansion of correctional advisory and inspection staff.....		29,765
4. Community corrections center for work releases and services to released offenders (2 centers).....	90,518	148,178
5. Mobilizing citizen volunteer services for State correctional institutions.....		40,656
6. Research for program effectiveness of juvenile rehabilitation projects.....		75,000
7. Special narcotics rehabilitation program for the youth reception and corrections center.....		75,300
8. Vocational counseling and placement services implemented by graduate school students unit—Youth reception and corrections center.....		75,490
9. Lawyers as parole volunteers.....		65,979
10. Development and implementation of a correctional officers training academy.....		1320,000
11. Implementation of a narcotics rehabilitation program with aftercare services in State correctional institutions.....		1225,000
Total for paragraph A.....	159,817	1,184,189
B. The following awards were made to New Jersey State agencies, other than the division of corrections and parole:		
1. Department of community affairs: Implementation of a model probation service center in Paterson, N.J.....	130,000	
2. Bureau of Children's Services: Emergency group home for juveniles without domicile.....	21,250	5,825
3. Administrative office of the courts: Hudson County Probation Intervention Project.....		195,701
Total for paragraph B.....	151,250	201,526

C. The N.J. SPA awarded the following funds to local units of government for correctional projects:

	1970 funds	1971 funds
1. Somerset County: Feasibility study for development of juvenile detention center.....	\$15,000	
2. Bergen County:		
(a) Social case work services at detention center.....	26,310	
(b) Remedial education services in juvenile detention center.....	30,000	
3. Cumberland County: Feasibility study for development of juvenile detention center.....	15,000	
4. Mercer County: Counseling services in juvenile detention center.....	21,671	
5. Atlantic County: Architect's fees for designing new county detention center.....	45,408	
6. Essex County:		
(a) Guidance counseling in juvenile detention centers.....	44,760	
(b) Recreation programs for detainees in juvenile detention centers.....	11,141	\$32,891
(c) Residential treatment center for juveniles as an alternative to juvenile court.....	113,533	
(d) Newark defendant's employment project.....		199,916
(e) Staff support for Essex County prosecutor office to investigate cases recommended for defendant employment project handling.....		19,300
7. Morris County: Implementation of a screening unit in probation department to screen juveniles referred by police for detention confinement.....		26,850
8. Mercer County: Televised academic education courses from community college to Trenton State Prison.....		39,000
9. Monmouth County: Vocational preparation for county jail inmates.....		14,935
Total for paragraph C.....	322,823	332,892
D. The following projects were funded by the N.J. SPA for local corrections from pt. E funds:		
1. Cape May County: Development and implementation of an emergency shelter for juveniles requiring temporary domicile.....		75,000
2. Atlantic County:		
(a) Construction of a new juvenile detention facility.....		597,000
(b) Professional services to juveniles in detention.....		40,00
Total for paragraph D.....		712,000
E. The N.J. SPA has allocated \$150,000 of 1971 pt. E funds to supplement pt. C funds for a program called improvement of practices and programs in county jails.		
F. Partial projection of 1972 correctional programs:		
1. Vocational training and placement of inmates in State prisons.....		500,000
2. Expansion of academic educational programs in State correctional institutions.....		420,000
3. Expansion of work release centers.....		425,000
4. Expanded professional directed treatment services in State correctional institutions.....		150,000
5. Other projects are currently under study.....		
G. The N.J. SPA representative stated that their intention is to expend \$2,014,320 (pt. C) and \$1,696,000 (pt. E) for corrections programs on the State and local level.		

H. It should be noted that the SPA does not fund institutions directly, they only fund the State division of corrections and parole and they (grantee) in turn, supply the moneys for the programs in the various institutions, such as Trenton, Leesburg, and Rahway State Prisons.

1 Pt. E.

EXHIBIT (a)

I. SELECTED STATISTICS, A COMPARISON—FISCAL YEARS 1968-71: ADMISSIONS TO NEW JERSEY'S PRISON SYSTEM¹

Institution	1968	1969	1970	1971
I. Trenton (main).....	1,223	1,360	1,351	1,367
II. Trenton (West unit).....	123	164	164	151
III. Rahway (main).....	1,152	1,242	1,239	1,123
IV. Marlboro unit.....	128	126	134	130
V. Leesburg medium.....				285
VI. Leesburg minimum.....	299	321	298	253
VII. Total admissions.....	1,358	1,557	1,291	1,545
VIII. Average daily population.....	2,841	3,015	3,160	3,209
IX. Dec. 31, inmate count.....	2,925	3,213	3,172	3,308

¹ Source: New Jersey Division of Correction and Parole.

EXHIBIT (b)
FISCAL YEAR 1971

INMATES CLASSIFIED FOR TRANSFER¹ FROM
TRENTON STATE PRISON

	Number of prisoners
Transferred to:	
Rahway State Prison.....	437
Leesburg.....	309
Jones Farm.....	222
Yardville.....	9
Total.....	977

¹ Source: N.J. Division of Correction.

EXHIBIT (c)
FISCAL YEAR 1971

RELEASES FROM NEW JERSEY'S PRISON SYSTEM²

Paroled.....	746
From Trenton State Prison.....	472
From Rahway State Prison.....	274
Released at maximum sentence.....	416
Other.....	328
Released by Court.....	53
Recalled by Court.....	4
Transferred to Trenton Psychiatric Hospital.....	168
Transferred to Bordentown.....	11
Transferred to Yardville.....	49
Escaped.....	37
Died.....	6
Total.....	1,490

² Source: N.J. Division of Correction and Parole.

EXHIBIT (d)

SUMMARY OF WORK RELEASE PROGRAM³ IN NEW JERSEY'S PRISON SYSTEM

Statute signed April 22, 1969 permits inmates to be released for work, school and vocational training.

First inmates began work release June 2, 1969.

There were 87 inmates on work release on Sept. 30, 1970.

A total of 312 inmates participated in work release program up to June 30, 1970.

Of the 312, 287 were employed and 25 attended school.

Total salaries earned to June 30, 1970 was \$212,901.00.

Inmates who work outside prison pay a maintenance fee of \$4 per day, seven days a week.

³ Source: Abstract from Fiscal 1972 Budget Presentation of the N.J. Division of Correction and Parole.

EXHIBIT II

CHARACTERISTICS OF PRISON AND YOUTH OFFENDER SUBGROUPS

	Calendar 1969 admissions					Calendar 1970 admissions				
	Total	Youth juveniles	Youth adults	Prisoners to age 29	Prisoners age 30+	Total	Youth juveniles	Youth adults	Prisoners to age 29	Prisoners age 30+
Size of subgroups during each year	3,907	930	1,515	702	760	4,186	892	1,985	563	746
Percent	100	24	39	18	19	100	21	47	13	18
PERCENTAGES OF EACH SUBGROUP										
No. 50—Race	100	100	100	100	100	100	100	100	100	100
Nonwhite	59	65	54	167	157	59	166	56	166	153
White	41	35	46	133	143	41	134	44	134	147
No. 63—Skill level, longest job	100	100	100	100	100	100	100	100	100	100
I. Low skills	57	176	152	65	51	58	179	157	67	52
II. High skills	43	124	148	35	49	42	121	143	33	48
(i) Odd jobs, welfare	8.7	9.0	5.3	12.6	11.4	4.4	18.8	5.5	12.2	3.2
Unskilled regular labor	30.8	159.0	34.0	24.8	19.0	24.4	143.7	33.2	12.9	12.5
Machine operator	17.3	7.7	12.3	128.1	20.7	29.7	16.3	18.4	151.6	36.5
(ii) Service worker	15.7	10.3	19.1	12.8	14.3	13.5	13.8	16.7	12.7	11.6
Craftsman, foreman	24.6	14.1	28.1	19.6	26.7	23.8	17.5	25.1	23.4	23.7
Professional, manager	2.8	1.1	2.2	17.8	4.3	4.3	1.0	1.0	2.2	12.5
No. 79—IQ	100	100	100	100	100	100	100	100	100	100
I. Below average	144	149	131	48	55	136	138	26	44	152
II. Average	48	146	158	44	37	51	152	56	46	141
III. Above average	8	15	11	8	8	13	10	18	10	17
(i) Retarded	3.7	1.7	1.0	5.5	19.8	4.6	13.2	2.3	5.5	10.1
Mild retarded	11.5	11.3	6.9	14.2	18.5	10.6	19.2	6.0	13.4	19.5
Dull normal	28.6	136.0	23.6	28.4	26.8	21.3	125.4	17.5	25.2	22.6
(ii) Average	48.3	146.2	57.6	43.7	136.6	50.8	152.3	56.5	46.3	141.2
Bright normal	6.4	4.2	18.9	4.9	5.3	9.7	8.3	13.5	5.9	15.5
(iii) Superior	2.1	1.6	2.0	3.3	2.8	3.0	1.6	1.2	3.7	1.1
No. 12—Present offense	100	100	100	100	100	100	100	100	100	100
I. Offenders versus persons	34	24	32	148	139	33	24	31	149	134
II. Offenders versus property	139	148	46	125	28	135	140	41	124	25
III. Narcotics law violators	17	18	19	22	19	21	19	26	23	19
IV. Other offenders	10	20	13	5	14	11	127	2	4	22
(i) Murder	4.6	.6	2.0	19.8	19.9	5.4	2.6	3.1	13.2	8.4
Negligent manslaughter	.4	.3	.4	.5	12.8	.1	.2	.1	.2	2.2
Rape	1.3	.5	.9	13.2	1.1	.9	.5	.8	1.6	.9
Carnal abuse	.5	.6	.7	1.8	.2	.2	.2	.2	.2	1.5
Other sex offenses	1.6	.8	.5	2.5	12.4	1.1	.2	.4	1.8	12.7
Robbery	16.4	10.2	20.3	122.5	10.9	16.7	11.0	20.3	22.2	10.0
Assault, atrocious assault	6.8	10.8	4.4	6.3	6.8	6.1	17.7	14.3	6.6	7.7
Weapons offense	2.6	1.4	2.8	2.5	13.9	1.9	1.5	1.3	2.8	13.0
(ii) Break and enter, larceny	18.7	20.2	23.5	112.5	12.7	17.2	19.7	21.9	10.6	10.0
Larceny, theft	7.5	10.4	8.0	5.3	5.0	7.6	19.4	8.9	15.8	4.4
Auto theft	4.7	13.3	3.2	.8	.9	4.0	19.7	2.9	2.2	2.2
Forgery, counterfeiting	1.6	1.3	2.4	.7	2.2	1.4	1.2	1.8	1.4	1.4
Embezzlement, fraud, bad check	1.4	.1	1.3	1.8	12.8	.9	.9	1.0	.4	12.1
Stolen property	5.3	3.3	17.6	4.0	4.3	4.0	1.5	1.5	3.8	5.2
(iii) Narcotics law	17.0	17.5	19.4	21.7	19.3	20.7	19.0	26.0	22.6	19.1
(iv) Family offenses	.3	.2	.2	.2	1.2	.4	.2	.2	.6	1.8
Commercialized vice				(?)	.2			1.1		
Gambling	2.3		.1	1.0	10.9	4.0		.1	1.8	18.3
Juvenile offense solely	4.1	17.1				4.8	124.2			
Disorderly, other offense (more detailed offense tabulations are available)	2.9	3.3	2.4	14.2	2.2	2.4	3.1	1.8	2.2	13.2

¹ The subgroup with the largest difference in incidence compared to incidence among total admissions.

² The subgroup showing the largest change in incidence of characteristic from 1969 to 1970.

EXHIBIT III

NEW JERSEY CORRECTIONS

	By fiscal years						Average monthly admissions and average resident last month; by quarters ending—			
	1961	1966	1971	1968	1969	1970	1969	1969	1970	1970
Total corrections:										
Commitment plus parole return	3,922	4,593	5,541	4,132	4,749	4,634	5,541	349	383	451
Resident, last day	5,471	5,995	6,570	5,684	6,179	6,186	6,570	6,019	6,048	6,186
On parole, last day		5,310	6,620	5,701	5,682	6,179	6,620	5,929	6,094	6,179
Prison:										
Admissions	1,171	1,348	1,545	1,358	1,557	1,291	1,545	96	103	123
Average daily population	2,704	2,808	3,209	2,841	3,015	3,160	3,209	3,192	3,146	3,160
Resident last day	2,777	2,883	3,308	2,925	3,213	3,172	3,308	3,189	3,131	3,172
On furlough										
Trenton main		1,238	1,367	1,223	1,360	1,351	1,367	1,324	1,336	1,351
West Trenton unit		136	151	123	164	165	151	164	155	165
Rahway main		1,092	1,123	1,152	1,242	1,239	1,123	1,248	1,227	1,239
Marlboro unit		127	130	128	126	134	130	131	123	134
Leesburg medium			285				285			
Leesburg minimum		290	253	299	321	298	253	323	296	270

	By fiscal years							Average monthly admissions and average resident last month; by quarters ending—			
	1961	1966	1971	1968	1969	1970	1971	1969	1969	1970	1970
Youth:											
Admissions.....	1,474	1,746	3,195	1,912	2,283	2,554	3,195	185	207	200	257
Average daily population.....	1,447	1,661	2,246	1,639	1,904	2,016	2,246	1,998	2,058	1,955	2,078
Resident last day.....	1,513	1,698	2,317	1,858	2,019	2,135	2,317	1,982	2,041	1,993	2,135
On furlough.....			176	134	172	198	176	129	90	165	198
Yardville reception.....			598	355	460	531	598	456	478	498	531
West Trenton unit.....		34	27	44	33	40	27	25	29	39	48
Wharton unit.....			22				22				
Yardville community center.....			9				9				
Bordentown main.....		882	759	699	685	636	759	727	733	631	636
NPI unit.....		54	40	55	52	48	40	38	56	49	48
New Lisbon unit.....		52	62	65	63	64	62	58	54	62	64
Annandale main.....		641	542	419	465	531	542	454	511	454	531
Stokes Forest unit.....		48	44	46	43	48	44	52	43	48	48
High Point unit.....		47	38	41	46	39	38	43	45	47	39
Women:											
Admissions.....	276	226	237	142	162	190	237	14	14	15	20
Average daily population.....	302	373	284	302	231	214	284	205	212	216	244
Resident last day, main.....	314	378	385	256	192	246	285	197	203	211	246
Community center.....			7	7	9	8	7	9	7	8	8
Jamesburg:											
Admissions.....	815	1,073	427	603	605	431	427	41	40	33	33
Average daily population.....	535	674	297	474	417	332	297	358	333	297	295
Resident last day.....	585	720	313	438	436	283	313	343	331	303	283
Skillman:											
Admissions.....			101		103	134	101	8	16	10	10
Average daily population.....			162		50	144	162	110	152	165	178
Resident, last day.....			161		96	175	161	116	152	166	175
Girls:											
Admissions.....	205	307	118	162	153	116	118	11	11	7	9
Average daily population.....	220	232	104	164	132	116	104	116	117	110	111
Resident last day.....	211	245	108	134	129	106	108	112	118	102	106
GPP Centers:											
Admissions.....	147	258	227	250	232	220	227	18	17	16	23
Average daily population.....	41	81	65	70	65	70	65	70	70	61	64
Resident last day.....	51	74	71	66	85	61	71	71	65	57	61

	Average monthly admissions and average resident last month; by quarters ending—						July-December 1971 ¹			
	September 1970	December 1970	March 1971	June 1971	September 1971	December 1971	July	August	September	October
Total corrections:										
Commitment plus parole return.....	408	443	476	518	407	407	502	352	366	456
Resident, last day.....	6,204	6,313	6,402	6,570	6,460	6,460	6,641	6,474	6,266	6,187
On parole, last day.....	6,175	6,248	6,407	6,620	6,831	6,831	6,679	6,810	7,006	7,175
Prison:										
Admissions.....	118	107	122	164	112	112	147	90	100	130
Average daily population.....	3,177	3,186	3,160	3,286	3,332	3,332	3,317	3,357	3,323	3,313
Resident last day.....	3,176	3,179	3,172	3,308	3,328	3,328	3,343	3,331	3,310	3,287
On furlough.....							10	7	5	7
Trenton main.....	1,307	1,325	1,284	1,367	1,301	1,301	1,341	1,297	1,262	1,289
West Trenton unit.....	165	147	142	151	153	153	151	147	147	148
Rahway main.....	1,226	1,139	1,112	1,123	1,142	1,142	1,149	1,150	1,156	1,129
Marlboro unit.....	141	139	135	130	141	141	133	145	144	144
Leesburg medium.....	45	153	237	285	318	318	311	326	318	313
Leesburg minimum.....	292	276	262	253	263	263	259	266	265	262
Youth:										
Admissions.....	242	266	269	290	273	273	284	216	219	268
Average daily population.....	2,186	2,220	2,230	2,302	2,250	2,250	2,323	2,302	2,125	2,035
Resident last day.....	2,193	2,243	2,267	2,317	2,232	2,232	2,366	2,253	2,086	2,029
On furlough.....							10			1
Yardville reception.....	148	152	177	176	152	152	184	119	154	190
Yardville correction.....	566	579	583	598	555	555	583	569	513	503
West Trenton unit.....	30	29	35	27	31	31	36	32	25	24
Wharton unit.....			8	22	32	32	29	32	34	33
Yardville community center.....		6	11	9	9	9	3	13	11	5
Bordentown main.....	684	695	699	759	711	711	765	720	647	582
NPI unit.....	53	53	43	40	44	44	49	46	36	48
New Lisbon unit.....	66	66	59	62	63	63	68	67	53	57
Annandale main.....	552	561	561	542	544	544	543	558	530	505
Stokes Forest unit.....	46	56	50	44	46	46	47	48	44	43
High Point unit.....	48	46	41	38	46	46	49	49	39	38
Women:										
Admissions.....	17	18	19	21	19	19	24	17	18	15
Average daily population.....	271	279	303	290	285	285	286	288	282	285
Resident last day, main.....	266	274	297	285	276	276	279	276	274	270
Community center.....	6	8	9	7	8	8	8	8	8	8
Jamesburg:										
Admissions.....	33	37	37	34	25	25	27	23	24	34
Average daily population.....	258	294	297	318	300	300	319	296	285	286
Resident last day.....	259	295	307	313	296	296	313	294	280	282
Skillman:										
Admissions.....	5	9	13	6	8	8	9	6	8	8
Average daily population.....	153	154	159	169	154	154	162	155	146	148
Resident, last day.....	155	150	170	161	149	149	159	143	146	150
Girls:										
Admissions.....	8	12	10	11	8	8	10	7	8	8
Average daily population.....	89	100	109	114	112	112	114	114	109	105
Resident, last day.....	80	101	114	108	190	190	112	111	105	101
GPP Centers:										
Admissions.....	18	18	21	19	18	18	19	18	18	19
Average daily population.....	59	69	66	63	65	65	72	65	57	58
Resident, last day.....	69	63	66	71	62	62	71	58	57	60

¹ Figures for November and December not available.

EXHIBIT IV
STATE PAROLE BOARDS—SUMMARY OF
PAROLE DECISIONS
FISCAL—JULY 1, 1970 THROUGH JUNE 30, 1971

State and county hearings:

State hearings:

Parole hearings	
Approved for parole	1,132
Parole denied	911
State parole hearings	2,043
Parole violation hearings	
Approved for reparole	50
Reparole denied	259
State violation hearings	309
Total State hearings	2,352

County hearings:

Parole hearings	
Approved for parole	32
Parole denied	14
County parole hearings	46
Parole violation hearings	
Approved for reparole	0
Reparole denied	1
County violation hearings	1
Total county hearings	47
Total State and county hearings	2,399

Discharges from parole prior to expiration of maximum term:

Granted	14
Denied	44
Defer	1
Total discharges considered	59
Paroles revoked	248
Rescissions of revocation of parole:	
Granted	8
Denied	3
Total rescissions considered	11
Granted	8

TABLE 1.—STATE PAROLE HEARINGS

Class of offender	Approved—when					Approved—how					Denied		
	Parole date set	Date eligible	Prior expiration minimum term	At expiration minimum term	After expiration minimum term	Subtotal	To detainer only	To medical facility only	To revert or start another term	To community	Subtotal	To be reheard	To serve maximum term
1st		8	374	2	317	701	2		11	686	701	383	152
2d		1	39	1	73	114	1		3	109	114	77	84
3d			1		24	25	1		3	24	25	19	33
4th					2	2				2	2		13
5th					4	4				4	4		3
Life		11				11			3	8	11	28	
I-S ¹		29				29	1			28	29	33	
I-R ²		31				31			2	29	31	21	
I-N ³		132	10	37	4	215	1		1	213	215	46	9
Total	203	19	451	7	452	1,132	6	0	23	1,103	1,132	607	304

¹ Special sex offender (indeterminate term).² Reformatory term (indeterminate).³ Narcotics term equivalent to 2-to-5-year term (indeterminate).⁴ (A)—Approved for parole.⁵ (B)—Parole denied.

Note: State parole hearings (A plus B), 2,043; State violation hearings (table 2), 309; total State hearings, 2,352.

TABLE 2.—STATE PAROLE VIOLATION HEARINGS

Class of offender	Subsequent offenders					Technical violators			
	Reparole approved—to community	To pay or work off fine	To be reheard	To serve maximum term	Sub-total	Reparole approved—to community	To be reheard	To serve maximum term	Subtotal
1st	16		12	33	49	5	9	68	77
2nd	4		8	11	15		2	8	10
3rd		1		3	4				
4th			2		2		4		4
Life			2		2				
I-S ¹	2				2	2	7		7
I-R ²	19		31	15	46		3	7	10
I-N ³	2		6	4	10		7	16	23
Total	43		61	66	128	7	32	99	131

¹ Special sex offender (indeterminate term).² Reformatory term (indeterminate).³ Narcotics term equivalent to 2-to-5-year term (indeterminate).⁴ (A)—Subsequent offender reparaed.⁵ (B)—Subsequent offender denied.⁶ (C)—Technical violators reparaed.⁷ (D)—Technical violators denied.

Note: Subsequent offenders heard (A plus B), 171; technical violators heard (C plus D), 138; approved for parole (A plus C), 50; parole denied (B plus D), 259; State violation hearings 309.

OSTPOLITIK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CRANE) is recognized for 15 minutes.

Mr. CRANE. Mr. Speaker, at this very moment, the treaties between West Germany and the Soviet Union and Poland are being considered by the West German Bundestag.

On February 9, West German opposition parties used their one vote margin in the upper house of parliament to record "grave political and legal objections" to these treaties.

During that debate in the Bundestag Chancellor Willy Brandt and his foreign minister, Walter Scheel, intervened to

plead for bipartisan support of these treaties, treaties which are an essential part of the new German policy of "Ostpolitik."

There are many in this country, as well as in West Germany, who hail the policy of "Ostpolitik," and consider the treaties now under consideration to be great strides forward and to be the beginning of a new day of peaceful relations between East and West.

A closer look at these treaties, however, indicates a far different story. Supporters of the policy of Ostpolitik, both in this country, in West Germany, and elsewhere in Europe, should carefully consider what exactly it is that they are supporting.

THE BERLIN AGREEMENT

Our own Government seems satisfied with the Big Four Agreement reached on the future status of Berlin, despite the fact that the West has lost and the East has gained in this transaction.

In that agreement, travel was simplified for West Berliners wishing to visit East Berlin, but no provision was made whatever for East Berliners wishing to visit the West. Similarly, it was agreed that no sessions of the West German Parliament nor the Congress, which elects the West German President, may take place in West Berlin. In this one-sided agreement, the situation in East Berlin was not even mentioned.

Contrary to all previous agreements,

the East German regime has installed all its governmental offices and parliament in East Berlin. In addition, East German soldiers are stationed in East Berlin, while no West German soldiers are permitted in West Berlin. This situation has now been made into a formal agreement, and incredibly is hailed as a victory and achievement in the West. It is this agreement which the Bundestag is now asked to ratify.

By agreeing to act as a consular agent for Berlin residents and by agreeing to issue specially marked passports to West Berlin residents—the treaty does not say German nationals residing in the Western sectors but refers only to residents—the Federal Republic gave up all rights to claim to be issuing passports to these residents as German nationals. As far as international law is concerned, the specially marked Federal Republic passports establish only personal identity. This action in effect has the Federal Republic recognize that residents of Western sectors of Berlin are in effect stateless.

Another serious long-term reverse to the Federal Republic touches the question of legitimacy as the sole legal bearer of statehood. Up to the present, the Federal Republic and the Western Allies have claimed that the Federal Republic is the only legitimate, legal successor, or heir to German sovereignty and statehood and that the government of East Germany is only a *de facto*, or *ad hoc*, administrative entity, with no legitimate legal rights to successorship and no claim either as an heir to past German statehood or to present title to German statehood, or to successorship to such statehood in the future. The Berlin treaty seriously endangers this long-standing successorship claim.

Discussing the Berlin agreement several months ago before the National Press Club in Washington, D.C., Axel Springer, founder and owner of the leading West German publishing group, declared:

Completely incredible is the concession to establish a Soviet consulate general in West Berlin, a concession obviously granted upon German urging. The Berliners already call this the future home of all the spies who were kicked out of Britain recently.

Mr. Springer stated that:

The West also gave a death blow to all hopes for eventual reunification of Berlin and Germany. I mean, of course, reunification in freedom. This new policy will most likely bring in its wake international diplomatic recognition for the East German regime. The run has already been started.

The treaty, it must be remembered, has greater implications for East-West relations than the status of Berlin alone. Mr. Springer places the treaty in some perspective:

These treaties, in my mind, are so dangerous, not only because they give away German rights without getting anything back in return, but because they are the first sign of a new "renversement des alliances," reversal of alliances, as Bismarck called it.

The Berlin treaty is only the first step in the Soviet timetable, a timetable which Western leaders seem eager to help them fulfill. Mr. Springer notes that:

The next step, according to the Soviet timetable, will be the so-called European security conference. Here the often told, long-range aim is to find a political and legal justification for the demand that "all troops return home from foreign soil." This in effect would mean that the Soviet units might retreat beyond the new Polish eastern border, and that the American units retire beyond the Atlantic.

SOVIET TIMETABLE

The unfortunate fact is that the West German policy of Ostpolitik is the exact realization of what the Communist States of Eastern Europe have referred to as "Westpolitik." The countries of the Warsaw Pact declared their political aims in Karlsbad, Czechoslovakia, on April 26, 1967, and in Bucharest on July 6, 1966, and in Budapest on March 17, 1966. These include the following: first, the recognition and the inviolability of all frontiers in Europe; second, the recognition of the line on Oder-Neisse Rivers as the western frontier of Poland; third, the recognition of the so-called German Democratic Republic as a sovereign state; fourth, annihilation of the Munich Agreement from 1938 since its very beginning; fifth, recognition of Western Berlin as a community with a special political status; sixth, a conference of European security as soon as possible; and seventh, no nuclear weapons for Western Germany.

With the exception of point four which is yet to be negotiated between West Germany and the Government of Czechoslovakia, the West German Government has carried out in its policy of Ostpolitik essentially everything which the Communists set forth as goals for themselves.

WEST GERMAN OPPOSITION

Fortunately, there have been strong voices in West Germany warning against ratification of these treaties. The chairman of the Christian Democratic Party, Dr. Rainer Barzel, declared on September 21, 1971, that the policy of Ostpolitik has not made the peace more secure but has merely insured the domination by the Soviet Union of a large part of Europe. The chairman of the Christian Social Union, Dr. Franz Josef Strauss, called the policy of Ostpolitik one of "submission to the demands of the Soviet power policy."

Writing in the West German newspaper *Kieler Nachrichten*, Renate Marbach notes:

That if consideration is given to the price paid by the West—a scaling-down of the Federal presence, the establishment of a Russian consulate-general in West Berlin and agreement that the GDR should be admitted to the United Nations, amongst other concessions—it will be seen that the results of the inter-German agreements are somewhere around the lower limits of what has been hoped for.

The architects of the policy of Ostpolitik seem, in many respects, not to understand the forces at work in today's world.

SOVIET BUILDUP

The strategic buildup of the Soviet Union has, as its long-range goal, the outstripping of Western naval, ground, air and nuclear weapons systems while

the Soviet diplomacy of détente has as its purpose the demolition of the Western alliance, particularly the North Atlantic Treaty Organization. These policies work hand in hand and an increasing number of sophisticated observers in Western Europe are expressing the real fear that what we may face in the near future, if policies such as the West German Ostpolitik continue, is the "Finlandization" of the entire area.

Why, for example, have so many in Western Europe expressed little interest in either NATO or in any kind of systematic and rational defense in recent years? One answer was given in an important article which appeared in *Europa Archiv* last year. Coauthored by three respected spokesmen—Dr. Curt Gasteyger, acting director of the Atlantic Institute in Paris, Prof. Wilhelm Kewenig, lecturer in constitutional and international law at Bonn University, and Dr. Norbert Kohlhasse, head of the Geneva office of the European communities—the article makes the following assessment:

In the shadow of a nuclear confrontation of the two great world powers the spectre of a Soviet sortie over the Elbe has paled into insignificance. The axiom that security was based mainly on political unification and military unity now looks far less convincing and the feeling of being threatened has virtually disappeared. . . . Security in Europe is to be reached and ensured in the future not by deterrents and federal solidarity alone but also to an increasing extent as a result of détente wherever possible and coming to terms with the East bloc.

The fact that Western Europeans are all too aware of the growing Soviet strategic strength is shown later in the same article:

Up until now European security has been based on what was called the "balance of imbalances." The predominance of Soviet power on the continental land mass was balanced by the universal strategic superiority of the United States. The security of Western Europe was credibly guaranteed for as long as it remained a part of this alliance with the American nuclear power. The price for greater independence from America was the risk of increased insecurity. More recent developments seem to have affected this strategic equation and put the question of the future of European security seriously in doubt once again.

At this very moment there are militant voices in the United States calling for the withdrawal of American troops from Europe. Commenting upon this possibility, the authors note that:

The military and psychological effects of this would not be so marked if this were not the precise moment when the Soviet Union is all out to create a kind of strategic equality with the United States. . . . For the Soviet Union to equalize its world-wide strategic position, makes its superiority in Europe all the more felt. This position of superiority would be made all the clearer if the possible withdrawal of American troops became fact.

FINLANDIZATION

Thus, Mr. Speaker, more and more Western Europeans are using the term "Finlandization" to express their fear of a future in which pro-Soviet neutrality would be the foreign policy posture of nations now allied with us in NATO. Western Europe clearly cannot stand

alone, and to ask for faith in an American policy which seems to be moving toward strategic parity with the Soviet Union and withdrawal of the American physical presence from Europe may be asking the impossible. The West German policy of Ostpolitik is as unrealistic a response to the realities of the world as is the new American isolationism preached by so many here.

That the Brandt government is pleasing the Communist governments of Eastern Europe is easy to see. In June 1970, for example, Premier Maurer of Rumania visited the Federal Republic. The Communist Central Committee organ, *Scinteia* published daily comprehensive reports, in which every stage of the state visited was described. According to the paper, economic, technical-scientific, and cultural relations had been extended and, this process of rapprochement formed a concrete contribution to the cooperation between European states. The Brandt government's overcoming of "immobilism" in European relations was hailed by Rumania as an extraordinarily favorable act.

The Rumanian paper singled the Brandt government out for praise:

Especially after the formation of the Brandt-Scheel government, numerous favorable tendencies have become perceptible in the political life of this country which favor a more realistic, clearer policy characterized by a relaxation of international tension.

Similar reports have been seen in the press of virtually all of the countries of Eastern Europe.

While the West German Government appears to have changed its policy with regard to the Communist countries of the East, the goals of those Communist countries remain precisely the same.

Professor Walter Laquer, director of the Institute of Contemporary History in London, provides the following interpretation of what is happening:

The age of dialogue, we are told, has replaced the age of confrontation. This is only partly true. Western Europe no longer fears a Soviet invasion, but on the other hand neither the fundamental assumptions nor the political aspirations of the Soviet Union have changed. It is the age of detente—not, unfortunately, a detente that signals real peace and security, but a detente in the more narrow meaning of a "period that succeeds a period of crisis in the Cold War." For European security since the end of the war has rested not on dialogues and mutual understanding but on the existence of a certain balance of military power, and this balance, never complete or perfect, has in recent years been radically upset.

While the West German Government speaks of an "opening to the East," the Russians have signified their "peaceful intentions" in this way: they now have three times as many tanks in Europe as does NATO, and 3,500 more tactical aircraft. From 1962 to 1968 American forces in Europe were reduced from 462,000 to 300,000, whereas the number of Soviet divisions has grown during the last 4 years from 26 to 31. The number of American ICBM's has remained static since 1967 at 1,054, while during the same period the number of Soviet missiles has almost doubled, and now stands at 1,500. Between 1967 and 1970 the military expenditures of NATO decreased by \$10 billion, those of the Warsaw Pact countries

rose by \$5 billion. The Soviet Union now spends two of three times more per capita than NATO on military affairs.

A CHANGE IN EUROPE?

If there has been a change in Europe it has not been a change in Soviet ambitions, but a change in Western willingness to oppose such ambitions. Professor Laquer notes that the Soviet Union has never made a secret of its goals:

As the greatest European power it aspires to political, economic and military hegemony, and it hopes to achieve this goal by inducing Western Europe to relax its political cohesiveness and military vigilance, by encouraging an accelerated program of American disengagement, and by preventing all moves toward closer political and military cooperation or integration among European countries.

It is sad that the West German policy of Ostpolitik plays directly into the hands of Soviet strategists. It is almost as if they were making the decisions both for themselves and for their alleged adversaries.

"Detente diplomacy," for the Soviet Union, has been a one-way street. The Soviet Union has traded very little in return for deals pending with the Germans and with other West European nations. Russian nuclear and conventional forces in Eastern Europe remain unchanged. Soviet maritime strength is building steadily, and there is a new and continuous Russian presence in the Middle East and in the Indian Ocean. One observer at a recent NATO conference in Brussels declared:

NATO must not accept geographical differentiation of policy. The Russians cannot be hostile in the Mediterranean and friendly in Europe and be believed when they bid for broad detente and mutual security.

The only basis upon which the treaties now pending in the Bundestag would make sense would be if the Soviet Union had truly ceased to have aggressive designs upon its neighbors. Every indication is that such designs remain unchanged. Recently, the new NATO Secretary General, Joseph M.A.H. Luns, declared that:

The over-all objectives of the Soviet Union, even if they are presented in a more subtle way, have not changed.

Dr. Luns stated that:

Expanding Soviet military forces were far in excess of those needed for self-defense and that in Europe, it can be expected that the Soviet Union will continue to seek dominance. . . . To the Communists detente means the exploitation of the peaceful instincts of the West, while waiting and working patiently to gain access to political power; in short, continuing the struggle by all means short of war.

CONCLUSION

In conclusion, Mr. Speaker, if the West German Bundestag ratifies the treaties now before it, the Soviet Union will have, in fact, exploited that nation's peaceful instincts. Professor Laquer states that:

There is a distinct danger that by unilateral concessions and disarmament those who strive for peace will undermine the very basis on which the prospects for peace and security in Europe rest—namely the ability of Europe to defend itself. A European Defense Organization could play a decisive role in bringing about a real detente. If Europeans put their trust in high-sounding but basically meaningless dialogues and security con-

ferences, while at the same time failing to take adequate measures to insure their own defense, the outcome, short of a miracle, will be only too predictable.

The choices faced by the Bundestag are important ones indeed. The whole future of European security may, in the end, depend upon them.

CORPS OF ENGINEERS ANNOUNCES GREAT LAKES, ST. LAWRENCE SEAWAY NAVIGATION STUDY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, I am proud to announce today that funds authorized by the 1970 River and Harbor Act have been put to excellent use by the Army Corps of Engineers. These funds have been allotted to initiate a survey study and a demonstration program to investigate the practicability of extending the navigation season on the Great Lakes and the St. Lawrence Seaway.

Hopefully, this study, which is to be completed by July 30, 1974, will show that it is indeed practicable and desirable to extend the navigation season on these economically important waterways. The consequences for my own city of Chicago and all other port cities bordering on the Great Lakes will be most propitious. These cities will accrue economic benefits that have been up to now unattainable. A more constant route to the Atlantic will keep midwestern freight charges to a minimum.

The program is being jointly undertaken by the Corps of Engineers in cooperation with the Departments of Transportation, Interior, and Commerce, the Environmental Protection Agency, and other Federal and non-Federal interests. In addition, public meetings will be held in conjunction with the investigations to further determine the desires of shippers and vessel operators, and also to inform the public sector of what the investigations will consider. I am optimistic that the combination of these agencies plus the strong consideration of public opinion will surely produce results that will benefit us not only economically but ecologically as well.

THE VANISHING FAMILY FARM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SISK) is recognized for 5 minutes.

Mr. SISK. Mr. Speaker, the sad state of agriculture has been a concern to all of us for many months. Farm costs are rising, farm prices dropping, competition for the family farmer is increasing and farm labor is becoming more militant in demanding a greater share of the farm dollar.

The farmer, especially the family farmer, is truly caught in a cross-fire. Nowhere is this more true than in my own 16th Congressional District in California.

And nowhere is there more enlightened concern for this state of affairs.

The Fresno Bee has run an excellent series entitled "The Vanishing Family

Farm" written by Reporter Ray Steele, Jr., who knows whereof he speaks. He was born on a Fresno County farm and lived there for 20 years before taking up journalism. That profession's gain is farming's loss.

Mr. Steele says the small farm, once the hallowed mode of existence is going the way of Old MacDonald's mule. It has fallen victim to the combined blows of technology and the realities of present day economics.

I would like to take this opportunity to insert Mr. Steele's series in the RECORD so that my colleagues will have the benefit of his views on the small farm. If enough of us are concerned maybe we can do something to stop this trend.

LITTLE GUY: TOUGH ROW TO HOE
(By Ray Steele Jr.)

A few weeks ago a young family approached a Fresno real estate salesman about buying a 40-acre farm.

The young father told the salesman he planned to quit his job and "farm like my grandfather did; I think I can make more money."

Looking a little surprised, the salesman briskly thumbed through stacked papers on his desk until he came to a pamphlet by Edward A. Yeary, a farm adviser specializing in farm management at the University of California's San Joaquin Valley Research and Extension Center in Parlier.

The salesman turned quickly to a page of underlined sentences and read:

"Experience has shown that as a rule only large units can be farmed efficiently. The days of the 'family farm,' that is four people making a living on 60 acres, are almost surely numbered."

After citing more facts and figures and learning the financial status of the prospective buyer, the salesman urged the young man to keep his job and forget farm living.

INDICATIVE OF A TREND

The salesman painted a picture of the small farm, once the backbone of the nation's economy and a dominant force in California agriculture, as fading more each year.

The number of farms in the United States has declined by 50 per cent to 2,924,000 units in the last 25 years, the US Department of Agriculture reports. In California, the total number of farms declined 22 per cent from 1959 to 1969, the last year for which farm census figures are available.

In California, farms classified as "commercial"—meaning they had gross sales of at least \$50—dropped from 66,927 in 1959 to 57,741 in 1969, a decline of 14 per cent. The only increases reported in that period were farms with gross sales of \$2,500 to \$9,999.

Even to those not associated with agriculture, the figures are indicative of a trend in farming.

Rex F. Daly, a Department of Agriculture economist, said in a recent report that by 1980 more than half the nation's food and fiber will come from only about 95,000 big farms—gross sales of \$100,000 or more—and the total number of farms will drop to about 1.9 million.

But what about the small farms, the kind found on the east side of the San Joaquin Valley, in the Sacramento Valley and other parts of Northern California?

BEDROOM FARMERS

Daly said small farms will not disappear from the American scene, but they will continue to lose their importance in the national food production picture. They probably will account for less than one per cent of total agricultural sales by 1980.

If the prediction comes true, and there are indications it will, the Northern Cali-

fornia farm picture will change drastically in the next few years.

For instance, 78 per cent of the 7,414 farms in Fresno County are less than 100 acres in size. Of that, about 20 per cent are 20 acres or less, obviously not the primary source of family income in nearly every case.

In the past five years, real estate salesmen report many families have bought 1-, 2-, 5-, and 20-acre parcels, but primarily to establish suburban-type homes.

They are referred to as "bedroom farmers" by those farming for their living because these others sleep on the farm and work it on weekends but have a city job which supports their families.

Preliminary figures obtained from the US Census Bureau's agriculture division show that from 1964 to 1969 farm numbers in Fresno County increased by 121.

There were 94 more farms in the 1-9 acre size and 223 more in the 10-49 acre size, which agriculture specialists say reflects the growth of the "bedroom farmer."

A 617-ACRE AVERAGE

The only other farm sizes to show gains were 140-179 acres, plus two, and 1,000-1,999 acres, plus 14. Every other category showed a decline.

Agriculture experts say the decline in the number of farms, excluding the "bedroom farmer," is evidence farmers are having a harder time stretching the dollar to make ends meet.

They note that labor, equipment and other operating costs are up; property taxes are at all-time highs for most growers, and prices received for their crops are about the same as they were 20 years ago.

The only way to make a living on the farm, these experts say, is to increase the size of the unit to make operations as economical as possible. Size is dependent on the crop and may range from one to four sections of land for field crops to 80-160 acres for fruit and nut crops, they say.

Burt B. Burlingame, an economist for the US Agricultural Extension Service, said in a report issued last year that in the late 1930s farms in California averaged a little more than 200 acres per farm with an investment in land and buildings of about \$16,000.

In 1969, the average farm was 617 acres and had a comparable value of \$327,250, which, he said, shows that while size tripled, the investment was up 20 times.

Few farms in the green belt area of Central and Northern California approach the average size. Most are in the 20- to 240-acre class.

It is these farmers, the farm experts say, who are hurt the most by the cost-price squeeze because their margin is the same as the larger farmer at best but production is smaller because of fewer acres.

SUPPORTING THE FARM

Because their net income is dwindling each year, many small farmers go hunting part-time jobs to supplement their farm income. In many cases, the farmer's wife seeks work in the city. In some instances, lending officers say they have asked farmers to take outside jobs or have their wives get a job before the bank would lend money for the farm operation.

Among older small farmers—the average age of farmers in California is 53 and many are in their 60s—there is a trend to sell their land and leave the old "family place."

In most cases, the units under 40 acres are being purchased by "bedroom farmers." In other cases, the units are purchased by neighbors who want and can afford to expand to have a more economical unit or by large investors, such as corporations or city-resident professional men seeking a tax shelter.

Daly said this trend toward fewer and bigger farms is fueled by the same developments which have been steadily cutting farm numbers since World War II, that is new

developments in farm technology, opportunities to cut costs by large-scale buying of farm supplies and bulk marketing of farm products and the increased availability of capital which can be substituted for labor.

He said the small growers, which many say includes anyone who grosses less than \$100,000 a year, do not have the capital to compete with the conglomerate, the corporation or the city speculator who is investing in agricultural land.

PRICE SQUEEZE

(By Ray Steele, Jr.)

"People should work in the soil with their hands to understand that food comes from the soil. Too many people in the affluent countries think food comes from a supermarket,"—Dr. Norman A. Borlaug, 1970 Nobel Peace Prize winner.

The success of the farmer is dependent on the market place and farmers in California say they are not getting the returns they deserve.

Two years ago housewives in major cities across the United States staged a rebellion against rising food prices.

They paraded in front of grocery stores demanding that prices be lowered so their food bill would be less.

Mrs. Jan Stopplett, who led the protest movement in the Cocoa Beach, Fla., area said her food bill averaged \$135 a month in 1964 and "the same stuff would cost me about \$275 monthly today."

Despite the sporadic demonstrations and the complaints, prices through checkout counters in supermarkets have continued to increase even though the housewife spent one-tenth of 1 per cent less of the family income for food in 1969 than she did in 1968, the US Department of Agriculture reports.

LOWEST PROPORTION

These figures also show take-home pay spent for food has dropped from 25 per cent in 1945 to 21.1 per cent in 1955 and 16.7 per cent in 1969, the last year for which figures are available.

Nonetheless, Americans in 1969 spent more than \$105 billion for food, including about \$7 billion a month in retail food stores, a 5.7 per cent increase over 1968.

But the proportion of disposable income spent for food in the US is the lowest in history and the lowest of all countries in the world, the survey shows.

Agricultural economists point out much of the money housewives spend at the grocery store is not for food but for such items as panty hose, bug spray, pet food, toiletries, kitchen utensils and cosmetics.

The widening farm-to-consumer gap is clear in a comparison of Department of Agriculture statistics showing what happened to the money a housewife paid for a loaf of bread in 1949 and what happens to it today.

In 1949, the average price of a one-pound loaf of white bread was 13.5 cents. Today it is 22.9 cents.

In 1949 the retailer's slice of the bread price was 2.2 cents. Today it is 5 cents.

MIDDLEMAN'S INCREASE

In 1949 the baker and wholesaler—the key middlemen—got 6.3 cents. Today they get 12.2 cents.

In 1949, 1.7 cents of the retail price went for milling, grain handling, and transportation. Today the figure is 2.4 cents.

In 1949, the farmer received 3.3 cents for his wheat and other ingredients—such as lard, sugar and dried milk—that went into the loaf of bread. Today he gets the same 3.3 cents.

A House Agriculture Committee report in 1969 pointed directly at the middlemen in discussing reasons for rising food prices.

"Processors and marketing agencies—the middlemen between farmers and consumers—experiencing higher costs, have been successful in adding greatly increased charges to

farmers' products before they reach the consumer," the report said.

"... All the increase in retail prices—and more—goes to the middlemen. None accrues to farmers."

The report added that much of the middlemen's cost is in labor for handling, processing, transporting or packaging.

Middlemen admit their percentage of the consumer price has not changed much in 20 years, but they say inflation is the cause.

AT BUYER'S MERCY

They say labor costs are up 100 per cent, costs of containers and packaging material are up 40 per cent and overhead costs, such as rent, are up as much as 96 per cent.

They also say housewives are demanding foods that require more and more processing—canned chocolate pudding, for example, or frozen three-course dinners or "almost anything that requires less work at the stove and sink."

Whereas the middlemen can add the increased costs to the price of the product, the farmer still is at the mercy of the buyer of his raw products.

A large percentage of California crops are perishable and farmers must accept market place prices when their products are ready for harvest.

This especially hinders the small farmer because he is the one principally involved in producing perishable products. Nonperishables, such as grains and cotton, usually are produced by large growers on the West Side of the San Joaquin Valley.

"We can't bargain for a price when our fruit is hanging on the trees and will be too ripe to pick and ship in a few days," said Yuk Hamada, a Reedley-area peach grower.

"We've got to pick the crop when it's ready and just hope the price in the market place is good enough so we can make some money."

Coupled with the threat of perishables rotting on the vine is the problem of strikes. For instance, during the rail strike earlier this year many farmers could not move perishable fruit to eastern markets.

FICKLE WEATHER

When the strike was over, some buyers pushed the price down even though there was a good demand because the buyers knew the farmers had to sell their fruit or let it rot.

"We're over a barrel," said George Kiti-hara, a Parlier-area grower. "If we don't get stabbed in the back one way, there's always another."

Sometimes it is the weather. An early or late season frost, a hail storm when fruit trees are in bloom or an early fall rain when grapes are being dried into raisins can mean the difference between making and losing money. For instance, one Dinuba grower lost an estimated \$15,000 crop of peaches this spring because a hail storm knocked the blooms from the trees.

Hamada said the housewives' demand for top-grade products also affects the farmer and what he realizes for his crop.

He said more and more of his peaches end up in the cull bin because they have a scar on them. Cull peaches bring only a fraction of the price the grower receives for "top-grade" fruit sold on the eastern market.

"There is nothing wrong with the edibility of the fruit," he said. "It just has a scar on it and the housewife, even the store manager, won't buy it because she thinks something is wrong with it."

There is a belief widely held among California farmers that consumers should pay more for their food. They call low food prices a consumer subsidy.

"How else can people afford to have two cars, one or two color television sets, sometimes a second home, a boat in the garage and two or three motorcycles for recreation unless they're getting something dirt cheap

along the way?" asked Kiti-hara. "They're getting food dirt cheap."

The cry that all farmers get cash subsidies so food prices should be low does not apply to most crops grown in the Central Valleys.

A U.S. Department of Agriculture report shows only three per cent of all farmers in California get cash payments from the government. Too, the subsidies are paid to field crop farmers for wheat or cotton, and no subsidies are paid to grape or tree fruit farmers.

However, most farmers receive a "subsidy" in the form of reduced water prices. Bureau of Reclamation officials say it costs \$3.58 an acre foot to deliver water to farmers which does not include the capital outlay for dams and canals.

The water delivery system not only provides irrigation water, but replenishes the underground water supply from which farmers draw. Bureau officials estimate it would cost \$7-\$10 an acre foot in electricity alone if farmers had to pump all their water from underground.

EFFICIENCY: DOUBLE EDGED SWORD

(By Ray Steele, Jr.)

With costs rising faster than prices, the number of farmers who rely on the land for a living will continue to dwindle, farm experts say.

"What was an economical unit five, 10 or 15 years ago is now losing money," said a bank official in Selma.

"If it wasn't for the farmer becoming more efficient and taking advantage of technological advances, we'd have a lot more ranches up for sale," said a lending officer in Fresno.

They say the days of the farmer with 40 acres, a tractor and a few implements are disappearing as rapidly as the mom and pop grocery store.

Higher costs of labor and equipment, higher taxes and other increased production costs crowd them into a decision to sell out, buy more land to make the unit profitable or get an outside job.

"Only those who manage better and take advantage of better technology will stay alive," said Fresno County Farm Adviser Ray Crouch.

Vernon Wynn, manager of the Production Credit Association which makes loans to farmers, said if it had not been for the farmer increasing his efficiency during the past five to 10 years, "the farmer couldn't have withstood the inflation."

TAXES BITE

But Crouch said the farmer has nearly run out of ways to cut production costs. With cuts in the state budget for agricultural research, new ways of reducing costs will come slower, he said, and a few months or a year or two could make a difference to some farmers.

"If it's not taxes, it's something else always biting us in the back and eating away at profits," said one Tulare County farmer.

According to a survey by the US Department of Agriculture Economic Research Service, total farm production expenses in the state amounted to 77 per cent of the gross income in 1969, up 12 per cent since 1950. Not included are farm property taxes which have tripled since 1960.

Wynn said the average loan made by PCA has jumped from \$20,000 10 years ago to about \$75,000 today, indicating farmers are having a tougher time meeting expenses from their own capital. In many cases, he said, farmers both large and small are borrowing for longer periods of time.

Raymond Westrup, district appraisal officer for the Bank of America in Fresno, said the farmer's profit margin is getting thinner. The culprit, the farmer says, is labor.

The State Department of Human Resources

Development reported farm wages this year averaged \$1.87 an hour, almost double what they were 10 years ago and about 45 cents higher than the national average. Wage rates in the state ranged from \$1.65 an hour for some field labor to \$2.40 an hour for tractor drivers and up to more than \$3 an hour for operators of mechanized equipment.

MACHINERY COSTS

Farmers in the Central Valleys say labor accounts for 50 per cent or more of the total operating cost and is a primary factor in the cost-price squeeze.

For instance, wage rates in the Central Valleys ranged from \$1 to \$1.25 an hour in 1963. This year, most farmers reported they paid a minimum of \$1.85 an hour and as high as \$2.15 for field labor. At the same time, most farmers report productivity is down.

Equipment comes higher too. A survey of farm equipment dealers in the San Joaquin Valley showed costs are up 20 to 75 per cent from seven years ago. For instance, a tractor for vineyard work which cost \$3,000 in 1964 had a list price of \$4,600 this year.

Costs of insecticides, fertilizers, seeds and vine and tree rootings also have climbed and most farmers are using more insecticides and fertilizers.

A report published by the UC Agricultural Extension Service shows it now costs \$1,338.01 an acre to bring an 80-acre vineyard to full production in four years. That is about \$400 more than in 1960. The cost includes land preparation, planting, rootings, stakes, wire and staples, training and suckering, pruning and tying, irrigation, fertilizer, pest control, taxes, repairs and interest on capital. Not included is the price paid for the land.

Yet, agricultural economists point out the prices farmers receive have not increased much.

AT LEAST 400 HEAD OF BEEF

In the wine grape industry, for instance, the average price to the grower for all grapes, including the more lucrative varietals, was \$59 a ton in 1964. The price was \$56.40 in 1969 and it is expected to be about the same this year.

In 1967 the feeder received 53 cents for each pound of beef he sold. Today he gets about 69.6 cents, about 33 per cent more but his costs have risen by 60 per cent, beef cattle experts say.

The result, the experts say, is that the rancher with a small herd is selling out or getting bigger because "he must have at least 400 head to make a living."

In the dairy industry, in five years, store prices for a quart of milk have gone up about 2 to 3 cents to 26-28 cents depending on the area in the state. But, says the State Milk Advisory Board, the farmer is realizing the same 10-12 cents a quart despite the fact that for every \$1 invested in the dairy industry, 95 cents of it is invested by the farmer.

Besides pushing some men out of farming, the cost-price squeeze is keeping younger men from getting in.

Walter Flicklin, a Madera rancher, said his son wants to get into farming.

"How to turn your land over to the younger generation is difficult," he said. "I've talked with attorneys and tax men, but taxes make it so difficult to turn it over to your kids."

MINIMUM OF 80 ACRES NEEDED

Even a partnership is difficult, Flicklin said, because then the profits from the 120 acres he owns must be split "and in the end neither of us would be making any money."

To get into profitable farming of vines or an orchard, farm economists said it would take a minimum of 80 acres. With land costs ranging from \$1,700 to \$2,000 on the east side of Tulare-Fresno-Madera Counties, 80 acres would cost about \$150,000.

The down payment, alone, would range

from \$30,000 to \$45,000 with a seven per cent interest charge on the balance if the loan is held by the seller.

If the buyer paid \$30,000 down, his interest payment the following year would be \$8,400. If his land was planted in Thompson Seedless grapes which he sold to the winery at \$54 a ton, he would gross about \$43,200 if he got 10 tons to the acre, the valley average.

UC economists say it costs about \$48.24 a ton to produce and harvest the grapes which would leave the farmer a net of about \$4,700. However, most of the cost is in labor and the difference between the net and what the buyer needs to make his mortgage and interest payments must come from labor savings.

"Unless a man has a substantial amount of capital to withstand the first couple of years, he'd better not go into farming," said Westrup.

Wynn said even though the small farmer tends to be more efficient, he is still having the most difficult time making a living off the land. He said in some cases the PCA has urged a farmer to find an outside job or to put his wife to work in order to make enough money.

"I'd say the majority of men farming up to 50 acres are either working on the side or have put their wives to work," said Wynn, who owns some farm land near Easton.

Westrup, Wynn and others said the trend is toward "bedroom farming" where a man holds a job in the city and works the farm on the weekend and toward business and professional people entering the agricultural field.

For instance, several large operators have moved into eastern Madera County where they buy land and hire the ex-owner or some other farmer to manager it. The glamour crop, pistachio nuts, is behind a lot of the rapid development.

In another instance, several Southern California businessmen brought land in eastern Fresno and Tulare Counties several years ago and planted thousands of orange trees. The primary result was inflated land prices which local farmers trying to expand could not afford to pay.

The increase in farm land values is about the only area of the farm where the price has kept pace with the economy and where a farmer who has been in the business a number of years realizes a good return.

For instance, one Fowler-area grower who bought a 160-acre ranch in the early 1940s for \$55,000 sold it in 1966 for \$215,000. Another grower in southeastern Fresno County who paid \$18,000 for 50 acres in the early 1940s has a price tag of \$75,000 on 40 acres now. He sold 10 acres three years ago for \$18,000.

"In some cases these guys are speculating," said Walter Emrick, the Madera County farm adviser. "But it seems to be a trend in farming. The little guy who envisions working his way up by first working on a place and then later buying a little piece of land for his own may be gone."

ORGANIZED BARGAINING KEY TO SURVIVAL

(By Ray Steele, Jr.)

Raymond Westrup, the district appraisal officer for the Bank of America in Fresno, compares the status of the small farmer to life in a jungle.

"It's simply going to be survival of the fittest as far as the farmer is concerned," he said. "It definitely means that those who are the stronger will win. But the strong fighter also has to be knowledgeable and willing to change."

Fresno County Farm Adviser Ray Crouch said because labor accounts for more than 50 per cent of the farmer's cost, the small farmer is going to have to do more of the work himself to survive.

The bankruptcy court in Fresno listed 56 Chapter 11 bankruptcy petitions filed by farmers in 18 months ended in June.

How many farmers who could not make

a living and got out by selling cannot be determined.

"When things get tight, the weaker manager is wiped out," said Vernon Wynn, manager of the Production Credit Association in Fresno. "Some guys are not economical and others just don't have enough land to make their operation profitable."

A University of California economist partially blamed the "stubborn, independent farmer" as the reason for the vanishing family farm.

BANDING TOGETHER

"If the farmers would work together more and compete together instead of against each other they wouldn't be in as bad a position," he said. "But farmers are an independent bunch and if one guy can get a little higher price he'll sell out to the detriment of the rest."

As an example, the economist pointed out that three years ago wine grape growers were getting about \$30-\$35 a ton for their products. A group started to form a Wine Bargaining Association to bargain with the wineries on prices.

However, just as the group started to gain respect, some wineries offered prices in the \$50 range. Soon, many farmers were signing contracts and the efforts to form the association stopped.

Five years ago a group of men in the raisin industry formed the Raisin Bargaining Association. Prices to growers in 1966 averaged less than \$240 a ton, according to the annual Fresno County agriculture report, and the average now is \$272 a ton.

"In one case we have some farmers who saw a problem and tackled it and the other we have some farmers who saw a problem but sold out when the price was right," said the economist. "Now the latter are crying because they're getting \$54 a ton and say they should be getting \$60."

The economist also said farmers should get into other fields, such as marketing and distribution, just as the corporations do.

TAKING A CHANCE

For instance, Cal-Can, a cooperative of 1,100 growers has 14 big processing plants to process farm products and markets under its own labels.

The firm also was the first to introduce low-calorie canned peaches in the market place and, one farm adviser said, "it is willing to take a chance once in awhile."

Improved marketing techniques and the entrance of the grower into the marketing field is one idea which may give the small farmer new breath.

"We've been talking about forming our own little group," said one Reedley-area grower, "where three or four or six farmers will get together, build their own packing shed, hire their own crews and pack, ship and market their own crops. We've looked at it and we think it's the way to go."

Because the middlemen reap the largest percentage of profit from the crop, agricultural experts say it would prolong the farmer's life if he got into the business.

Some farm experts say various segments of the agricultural industry must promote their products.

They cite the dairy industry as an example.

Ted Shields, manager of the State Milk Advisory Board, said the industry expected a decline in dairy sales of about two per cent in 1970, but the industry's promotion program "allowed us to break even." Promotion programs are now used by a number of other commodities.

JOINT USE OF MACHINES

US economists also urge more farmers to mechanize.

"The high cost of labor is one reason so many farmers are mechanizing," said Burt

B. Burlingame, a UC farm economist. "And mechanization is a strong force in the increase in farm size."

He explained most machines are immensely expensive and unless the farmer has a large enough unit to justify the expense, he must cope with the high cost of labor.

"That's why the economical unit has increased three times in size," said Wynn. "The farmer has to have more land to justify the purchase of the machine and the smaller guy cannot afford to operate without them, so he is being pushed out. Only in a few cases are two or three neighbors going together and buying and using equipment."

Joint use of machines is occurring on a small scale in the Central Valleys. For instance, some farmers have gone together to buy a brush shredder and once their own work is completed, they hire it out to other farmers in the area.

"A small guy can't afford to buy all the machinery he needs," said Westrup. "I know we had a small cotton farmer who bought a cotton picker when he could have contracted for the work at a much smaller cost. He'd only use the cotton picker a couple of weeks and then it sat idle for the rest of the year."

"If we could change the attitudes of farmers about how to run their places to be even more economical than they are now, a lot of smaller farms could stay in business," said a UC economist. "But many are set in their ways and think joining together is communistic or socialistic. Yet, when it comes down to a fight, like the labor situation in the valley, they join together. Well, many are going to have to fight to save their farms. And they're going to have to get together in the use of machinery and even get into the field of marketing."

GROWERS FEAR "HUELGA"

(By Ray Steele, Jr.)

Already caught in a fierce cost-price squeeze, Central Valleys' farmers see unionization of farm workers by the United Farm Workers Organizing Committee as a final blow that spells doom to small farming.

To many of them, Cesar Chavez is the "devil's advocate," a man out to destroy the small rancher. They say UFWOC is their most worrisome problem.

"If I have to sign a contract like the one Heublein signed, I might as well put up a 'for sale' sign and get out of farming," said Harry Kubo, president of the Nisei Farmers League. "With contracts like that, Chavez may be trying to force the small farmer out and let the corporation take over. He's found he can deal more effectively with the big guy."

In trying to unionize laborers on some 10,000 small farms in the Tulare-Fresno-Madera Counties area, Chavez has come head to head with men who are independent and slow to change.

They are men with backgrounds as diversified as the crops they grow. There are those who came from Scandinavia, Armenia, Japan, the Tennessee hills and dust-laden Oklahoma.

Many of them got their farms by first laboring as hired hands socking away their money and finally buying their own place. In the case of many Japanese farmers, it was an adventure which had to be started again after they were released from World War II relocation camps.

FEARS HEIGHTEN

These farmers have seen strikes cripple them because they could not haul their goods to market or ship them to foreign ports. If farm workers were unionized and went on strike, farmers might be forced into bankruptcy, the farmers say.

With UFWOC's most visible penetration into the San Joaquin Valley green belt this summer, the farmers' fears shot up to new

heights. Because labor already accounts for about 50 per cent of their operating cost, they fear union labor will be more expensive.

Kubo and other vineyard and tree fruit farmers say Chavez cannot negotiate separately with the estimated 10,000 small growers who account for 93 per cent of all the farmers in the three-county area. They say they feel Chavez will use other means to get the small units to use UFWOC labor.

They point to the UFWOC contract with Heublein, Inc., as an example. The contract provides incentives to encourage small, non-union growers to use UFWOC labor without requiring them to sign UFWOC contracts.

Heublein owns 82 per cent of United Vintners which crushes about 400,000 tons of grapes a year, of which 95 per cent comes from 1,700 members, all small growers, of the Allied Grape Growers of Madera.

By 1973, 35 per cent of the crush must be picked by union crews and Allied growers say they feel the contract is a back-door approach to unionization of the small farm.

Besides Heublein, UFWOC has signed contracts with a number of fruit packing sheds in the three counties. Growers say they fear Chavez will attempt to tie up all packers, wineries and food processors so that a grower cannot deliver his crop unless the work, either harvesting or preharvesting, is done by union crews.

The farmers say if such is the case, it will be coercion because neither they nor their workers will have a say about whether to unionize.

The farmers say they also object to clauses in the contract which call for a "penalty" if either the grower or the union says bad things about the other and for a union shop.

"On this union shop thing. In effect, the grower becomes a recruiter for the union," said Alvin Gomes, a Madera-area dairyman and grape grower. "The union is saying 'we don't have the workers, but you go get them and they have to join our union when you do.'"

The clause provides that a grower must go through a union hiring hall to get his workers. If the union cannot provide the men, the grower is free to get crews anywhere. But if he gets workers somewhere else, the grower has to tell the union within seven days (three in some contracts) the names, addresses, Social Security numbers and job classifications of the men he hired and the men must join UFWOC.

Of the penalty clause, a UFWOC spokesman called it "an understanding between the growers and the union so that anyone who speaks bad about the other is reprimanded and stopped. We needed that kind of clause to keep the peace that is necessary when you sign an agreement. Without it, we'd be fighting every day."

CONCERNED ABOUT TACTICS

He said he would not call the union shop clause "making the growers recruit for us." He said the union sometimes runs into problems because a large grower will start picking before the small grower and the workers are not available. He also said some growers "don't treat their workers like human beings" and cannot keep workers. "Then they go crying to the union that we're not providing the workers," he said.

Bruce Burkdoll, a Dinuba-area grower and president of the 1,100-member, 11-year-old Central California Farmers Association, said farmers are more tolerant of unionization today than six years ago. However, he said many are concerned about UFWOC's tactics and the crux of the struggle between the union and the small farmers is who is to decide whether farm workers should be unionized.

Representatives of various farm organizations said most growers are not opposed to UFWOC or any other union willing to hold

secret ballot elections, a means used to decide if workers want to be represented by a union.

Records show there have been at least five elections in which UFWOC was involved, including one the union lost among asparagus workers hired by Tenneco, Inc. The union is protesting the latter election because of alleged company misconduct which Tenneco officials deny.

Additionally, the union has made card checks at some firms to see if the workers employed belonged to the union. Where UFWOC members were a majority, contracts were signed. In other cases, contracts signed by growers have been "ratified" by the work force.

BEER AND VODKA BOYCOTT

Nonetheless, the majority of the 200 contracts Chavez claims to hold with growers, packers and shippers were signed because of the effectiveness of the secondary boycott of farm products or the threat of a boycott. Most of the boycott impetus has come from city-resident students, union labor and city clergymen.

For instance, Heublein signed with UFWOC after the union boycotted two of the firm's principal products—Hamm's beer and Smirnoff vodka.

It was a pressure tactic which worked, Heublein sources said, because "we could not afford to have our products boycotted for a portion of our operation which totals less than five per cent."

The UFWOC spokesman said the union depends "on the power of the boycott to force the grower to negotiate with us. Even if we have the necessary workers to form a union, the growers don't want it. They'd go out and hire scab workers from Mexico or other parts of the United States."

The lever of the boycott was absent when the union picketed 16 small ranches in the southern Fresno-northern Tulare Counties area in June and July.

Without the boycott, the power play for unionization rested solely on the claims by both the union and the growers as to who was providing the worker the best deal.

Field workers arrived and left amid taunting harassment from the UFWOC pickets. There was some vandalism and Mrs. Bonnie Lindgren, wife of a Kingsburg-area grower, has kept two small sacks of tacks and nails which she said were picked up from driveways and avenues used by her husband on the farm. The union denies any of its people caused any vandalism or threw the tacks and nails.

FEW WALK OUT

In some cases, the US Border Patrol was called out. An officer in the Livermore office said records show 2,078 Mexican aliens, including some UFWOC card holders, were arrested in Kings, Tulare, Fresno, Madera, Merced and Mariposa Counties in the two-month period, including "several hundred" in the Reedley-Parlier area. But only a few workers, apparently wanting to be represented by the union, walked out of the fields.

The patrol official noted farmers often do not know they are using illegal workers because they often hire workers through contractors or "do not ask the worker if he is a US citizen." It is not illegal to hire an illegal alien, but it is to hide one.

Each of the growers picketed said UFWOC did not ask them to hold an election.

The struggle in the Central Valleys' green belt shows that UFWOC's efforts here differ from those in Salinas, Delano or Calexico where farmers rely more on migrant workers who move from job to job and valley to valley, depending on the harvest season.

Workers in the Central Valleys tend to stay in the area. Many live on the ranches. Some are employed from nine months to year-round. Also, many try to buy their homes and to work as steadily as possible to avoid

the other problems associated with migrant work.

SENIORITY ISSUE

Union officials say they are the most susceptible to nonunion pressures.

Ranchers, however, say the workers are not interested in the union because the growers provide the same wages and working conditions and more—security.

Several workers interviewed said they object to the union because of seniority clauses in its contracts which give preference in filling jobs to those who have belonged to the union the longest. Others said they see no additional benefits from the union. Others said they did not care and still others said they wanted to join but are fearful of losing their jobs if the grower found out. Some said they had been threatened not to join.

The UFWOC spokesman said the seniority clause is necessary so the union knows who should go to work first when jobs are available. He said in many cases growers or packers who sign UFWOC contracts use the crews they have had for years. "We don't move anybody out when we sign," he said.

Kubo said all growers would have to sign with UFWOC if the workers wanted it.

"If Cesar had the majority of the workers behind him, the farmers wouldn't be able to do anything else but sign," he said. "How could we get any workers if all of them were union members or wanted the union to represent them?"

THREATS ALLEGED

"He wouldn't need the boycott or anything else. He'd just have to say, 'Look, I have 75 per cent of your crew who wants to join the union,' and we'd have to sign to get the workers to harvest the crop."

The UFWOC spokesman said the majority of the farm workers would be union members "if growers would not threaten them and say they'd get rid of them if they joined us."

"If someone wants to bet with me, I'd say the majority (of workers) want the union. But unless we have a contract with the grower, what benefit would the worker get? If the employer fires him because he has a union card, the worker is worse off than before."

Kubo denied any growers threatened workers to keep them from joining the union.

"I'm not saying some might not have been threatened, but I don't know of it," he said.

Burkdoll said most growers doubt Chavez' popularity.

Although Chavez claims to represent 55,000 workers, a report filed in 1970 by UFWOC with the Internal Revenue Service listed 5,100 members. Sources close to the union said paid-up members now total about 15,000 because of a number of contracts signed this year.

This compares with 384,000 farm workers in California in 1969, including about 98,600 employed year-round and 200,400 on a seasonal basis, the State Department of Human Resources reports.

LEGALIZING LABOR

(By Ray Steele, Jr.)

The picketing of small ranches in the San Joaquin Valley this summer by Cesar Chavez' United Farm Workers Organizing Committee awakened a sleeping giant.

"We should have been in Delano fighting UFWOC six years ago," said one Madera grape grower. "But then I and a lot of my neighbors said that was their (the Delano growers') problem. It's ours now. It's right at our back door and we've got to do something about it."

In less than three months, five new farmer organizations have sprouted and linked themselves with existing farmer groups to form a Valley Coordinating Committee representing farmers in Tulare, Kings, Fresno and Madera Counties.

Committee leaders estimate the membership at about 11,000, but because one farmer

may belong to two, three or even four organizations, the exact figure is probably lower, Frank Bergon, the committee secretary, said.

The committee's purpose is to coordinate efforts to combat UFWOC and show force to get legislation passed to outlaw the secondary boycott and provide for secret ballot elections in farm worker unionization attempts.

Farmers say more than 50 per cent of their cost is labor and UFWOC either will force labor costs up so the small farmer cannot compete or force him to mechanize and become larger, a trend in US agriculture. The family farm will vanish, they say.

NISEI LEAGUE

In combatting the union, the farmers avoided such established groups as the Grange and the Farm Bureau.

As one farmer put it: "They serve their purpose and they're useful in some ways, but they haven't done a damn thing to help the small guy."

Bruce Burkdoll, president of the 1,100-member Central California Farmers Association, said many in the group felt it could not work without representation from the big land owners and packers. But when the packers signed with UFWOC, they quit the association and Burkdoll said "we've found we're even more effective now."

Because most farmers felt they had little say in the large organizations and because of the UFWOC activity, new groups were formed. One of the most active is the Nisei Farmers League, a group of 750 growers of all nationalities which was formed when UFWOC picketed 14 farms owned by Americans of Japanese descent.

Harry Kubo, the league's president, said members have been appearing before clubs and civic groups throughout the valley to explain the farmers' position on unionization.

Other groups have joined in farmer rallies and have appeared before the legislature when key bills affecting the farm and farm labor came up before committees.

WHERE THE VOTES ARE

"This is something new to us," said Kubo. "I guess you might call it public relations. But no longer can we sit back and be the quiet guy. We can't let the union go around the country and tell half-truths and make people believe what they say is the whole truth. We can't let the farmer take all the blame for higher food prices."

The Nisei group was formed at first so farmers could band together to protect laborers as they entered and left the field against harassment by UFWOC sympathizers.

"But we knew we had to go further," said Kubo. "Other farmers called us, wanting to form new groups."

To coordinate their efforts instead of going off on tangents and becoming ineffective, the committee was formed.

Kubo, who also is the committee chairman, said the group believes it can get legislation passed to provide for secret ballot elections, but legislation banning the secondary boycott "looks more difficult."

Bills dealing with both issues have been before the legislature the last two years but none have been signed into law.

"We aren't getting the bills passed because the legislators don't worry about problems, but where their votes come from," said Kubo.

"Why would a legislator from Los Angeles or San Francisco vote to ban the boycott or for secret ballot elections when the people who vote for him are supporting Chavez?"

COMBAT IN THE CITIES

"We have to change the attitudes of the people who vote for the legislators before the legislators will change."

"To do that we need to get the Mexican-American who is so opposed to Chavez to

speak up. He's like the Japanese-American; he's been too quiet."

"When it comes to the boycott, we plan to combat Chavez in the cities. That's where his power is anyway. It's not on the farm. It's in the cities. We're going to go to those cities and tell the facts about farming. When Chavez or one of his people tells an audience the farm worker in California is getting \$1.30 an hour, we're going to show them our books."

"Most of the population is in the urban area and many of the people belong to unions. They think any union is better than no union and that's not always true."

Many farmers said Chavez opposes secret ballot elections for farm workers "because he knows he'll lose if they (the workers) get a chance to vote."

A UFWOC spokesman said the union does not oppose secret ballot elections.

"The union wants some guarantee written into the law which provides the employee with protection against interference, coercion and restraint by growers," he said.

"If an election was held, it would be on the grower's place and he could easily threaten workers so they would vote against it. It happens anytime a union is getting started. Who do we complain to, the grower? No. We need some agency set up so we can file a grievance if we have information that the employer did not conduct a fair election. That's what happened at Tenneco (where UFWOC lost an election among asparagus workers and is allegeding misconduct by Tenneco)."

COMPETING WITH GEORGIA

Kubo said the farmers are fighting unionization because products produced here must compete with products produced in other states which do not pay as much for labor. For instance, field workers in the Georgia peach orchards make only \$1.30 an hour at best.

"If we get \$3.50 a lug box for peaches, we don't see as much profit as the guy in Georgia," he said.

If the farmers' efforts do not bear fruit, there is talk of combatting unionization in other ways.

For instance, some farmers say they will form cooperatives of four or five ranches, build their own packing sheds and hire their own workers.

"I don't think it will come to that," another farmer said. "Chavez doesn't have the support in the field and packers are beginning to realize that. There's a lot of talk that some packers with contracts are going to tell UFWOC to get lost when they come up for renewal." No packers would comment.

Most farmers said it is not hard to obtain laborers and they admit that some are Mexican aliens. "But we don't ask to see their papers," one added quickly, "and I bet no city businessman does either. Hell, if they didn't know they could make more money in the fields of California than anywhere else, they wouldn't come here in the first place. They know where the money's at."

FIGHTING THE ODDS

(By Ray Steele, Jr.)

Gene Bachman is bucking the trend; he is buying a small farm.

Despite the forecasts of doom for the small farmer, Bachman bought a 20-acre vineyard in the Kernan area in May after leasing 20 acres for five years. He still leases property and works for the Pacific Gas & Electric Co.

"We don't believe the small farm is going to die," said Mrs. Bachman. "And if the people that say that would come out to our area and look around, I don't think they would say things like that."

"Our schools are just as full as the city schools so there must be a lot of people still in the farming business."

Mrs. Bachman said she and her husband hire help to prune the vines but they do the tractor work and irrigating. They also help in the harvest and vine tying.

"The decision facing us now is whether my husband should leave his job and go into farming full time," she said. "We haven't really decided but we think we can make it."

University of California agricultural economists and farm experts throughout the nation say the family farm is vanishing and will be replaced by larger units which can be operated more economically.

EXPAND OR SELL

They say it is higher costs which will force the small farmer to either expand his unit or sell.

But people like the Bachmans look at the small farmer as a person who everyone should have an interest in, including the city dweller.

"Farming is a big industry in California," said Bruce Burkdoll, a Dinuba grower. "Food prices for the most part are cheap, farming is a big source of employment and it's a living for a large number of people."

"If the small farmer gives way to the big guy, then watch food prices go sky high," said George Kithara, a Parlier-area grower. "There are enough small guys now to provide the competition to keep prices lower—admittedly they are too low sometimes, at least on our end. But without the small farmer, the big guys who have their own fields and packing houses and brokers will really send prices up."

Other farmers point to the large number of farm employees—about 384,000 farm workers and about 55,000 farmers—who rely on the land for a living as a reason for everyone having a stake in farming.

Kithara said city people often fail to understand the facts of farm life and "how beneficial it is to everyone."

"Some people don't understand that the urban problem of today was the ag problem of yesterday," he said. "The farmer here has got to compete with farmers in other parts of the nation and for markets all over the world with other nations."

CITY MIGRATION

"Since labor is becoming more and more expensive, we have to mechanize in order to compete. I don't want to mechanize but I may have to. What happens to the farm laborers then?"

"Well, look what happened in the South when labor started costing more and the farmers there went into mechanization. Negroes were pushed out of jobs because they started using mechanical cotton pickers. So the Negroes moved to the cities and look at the problems that have been created. There's a lot of unemployment and there's a lot of money being spent on training programs to get people jobs that don't exist."

"I want to hire people to pick my crops. But if it costs me too much I'll mechanize. So what if I lose 50 per cent because the fruits is scarred by a mechanical picker? I'll still make more money than by paying high labor costs."

"Farm work is not as menial, dirty and unattractive as a lot of people think. Farms are putting people to work. If the city people don't like it and they boycott our fruit and force us to mechanize, then they can have the farm workers. They haven't done such a good job taking care of farm workers forced out of the South, but they can have them."

TEN JOIN FORCES

While machines grind down the number of jobs, Cesar Chavez' United Farm Workers Organizing Committee tries to unionize farm workers to get them better wages, working conditions and benefits.

Several Central Valleys farmers and pack-

ers already have signed contracts. But the majority of the workers still are nonunion.

The issue of farm labor unionization has aroused the farmer to action. He is talking about working together in small groups and as one large unit.

Thousands of farm jobs in California already have been eliminated by machines. Just as tractors replaced mules, machines have gobbled up jobs once held by laborers in the cotton and tomato fields. The machine now is rumbling into the grape harvest and experts say mechanical harvesting of tree fruits is not far off.

Ten organizations have linked arms to form the Valley Coordinating Committee to fight unionization and tell the farmers' story in urban areas.

One UC economist said the action of farmers to join together may have the side effect of slowing the rapid demise of the small farm.

"What they're doing is becoming less independent, realizing they must rely on each other for strength," he said. "If it is carried through in the planting, production, harvesting, handling, processing and marketing of their crops, they'll survive a lot longer."

Most farmers and financial officials say only the most efficient operator will live on.

They point out that costs in the past 20 years have doubled, tripled or quadrupled while prices have remained stable or increased only slightly.

"The major problem facing the grower, large or small, is trying to hold the line on costs," said Raymond L. Westrup, the district appraisal officer for the Bank of America in Fresno.

"The margins are tighter and tighter. Therefore, he's using equipment which should have been replaced two or three years ago. He cuts back on fertilizers or insecticides and he loses in production. Unless he can control his costs, he's going to be hurting."

"Despite all his problems," said Vernon Wynn, manager of the Production Credit Association in Fresno, "I see a future for the small farmer. He is usually more efficient and a better manager. As long as he can remain economical, and I think he can, the small farmer will exist. And everybody will benefit."

THE EMPEROR'S CLOTHES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 15 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I appreciate having this opportunity to discuss with my fellow colleagues in this House some of the serious charges which a number of us have been bombarded with in recent weeks, since so many of my colleagues have seen fit to cosponsor H.R. 10914, the Foreign Trade and Investment Act of 1972. The latest of these attacks came from the chamber of commerce last week. Since I feel some responsibility for this bill's existence, having introduced it back in September. I thought it only fitting that I should take this time today to combat some of the more glaring charges which have been leveled against the bill. The fact is that in spite of the impressive source of some of these irresponsible charges, they really do not stand up too well under close examination. The situation is just too serious for those that have enjoyed the full fruits of our present policies—while other sectors of our economy withered and died on the vine, whole communities were disrupted—to be al-

lowed to adopt a completely intransigent attitude about this problem. This continuous refusal to admit that serious problems do exist, that something must be done to right the overwhelming bias under our present trade policy toward greater imports and little exporting. This head-in-the-sands attitude must cease before it does any more harm. If repeated balance-of-trade deficits and increasingly worsening balance-of-trade figures would not do the trick, then it seems that Congress has no alternative but to accept the challenge which confronts this Nation's economy. I would not go so far as to liken this Nation's present trade policies to the emperor who wore no clothes, surrounded by multinational trade advisors who continuously reassured him he looked wonderful, but I will go so far as to say that if the emperor has any clothes they are doubtlessly foreign made.

I want to first of all to comment on the increasingly sharp attacks being circulated against the Burke-Hartke bill, the Foreign Trade and Investment Act of 1972—H.R. 10914 and S. 2592.

Needless to say, I would be taking too much time if I tried to take on all the various charges that have been leveled against this bill. The most recent publicity in the free trade press seems to focus on the recent press release put out by the Chamber of Commerce of the United States. Actually, I am surprised that the chamber has taken any public position on the matter, in view of the favorable attitude toward the bill held by countless businessmen across the country, especially the smaller businessmen who have suffered so much because of the unbridled flooding of our domestic markets by cheaply produced, foreign-manufactured goods in recent years. In other words, while I expected a task force representing the international group of the chamber to author a "study," I wonder just how much broad chamber support across the country there is for Mr. Arch Booth's unqualified support of its findings. I put the word study in quotes because it is apparent from reading the report that there was a minimum amount of research involved and what we have basically is a rehash of some of the propaganda bombarding the media in recent months, funded and organized by various associations of multinational business firms. The coincidental release in the space of 3 weeks of the Harvard Business School study—headed by one Harvard professor—the distribution of an expensively produced glossy by the National Association of Manufacturers—retailing for \$2.50 a copy and entitled "U.S. Stake in World Trade and Investment"—a survey released by the Department of Commerce—repeating the same statistics contained in these previous two studies—and now, the chamber of commerce findings—is just too coincidental to be believed and represents an obvious reaction in concert by the multinational corporations and their friends in the administration.

Having said this much, I want to make it clear that this barrage of free trade propaganda, more than adequately financed by the very well-off membership

of ECAT hardly comes as a surprise. Before I even filed the bill, it was made perfectly clear to me that I could safely expect to be the number one target of the free trade press. The chamber lists a number of "particularly disturbing features in the proposal in the Burke-Hartke bill"—none of which really, I think, are accurate statements of their real concern over this legislation. Let us take them one by one.

No. 1: Potential increases in costs to the consumer. This is one of the oldest arguments in the free trade litany. The idea is that the tremendous differences in prices between American-produced goods and those produced with cheaper foreign labor are passed on to the consumer, yet what in fact is the case? Because of virtually no restrictions on labeling by the Government, countless goods stamped "Made in U.S.A." are in fact close to 100-percent made overseas. In other words, component parts manufactured overseas are shipped to this country and packaged and assembled. In many cases, the consumer is paying something very close to the American selling price, if not as much, for this cheap foreign product, disguised as it is, for a genuinely American-made product. Even in cases such as shoes or wholly foreign-made electronic items which are identifiable as foreign-made by the consumer, the consumer is paying considerably more than the foreign wholesale or retail selling price and transportation and customs costs. The following is but a representative example of the fantastic mark-up which occurs with most foreign imports and I think it clearly indicates that the American consumer is being gouged every day in the marketplace. Sure, he might be saving a few pennies or even a dollar or two, but he is, in many cases, paying many times what it costs the importer, the middleman, to import the product.

The sections of my bill which address themselves to truth in labeling demonstrate a greater concern for consumers, it seems to me, than the chamber's position of letting things remain as they are.

Of perhaps even greater concern to me in this is the long-range implications for the consumer if our present policies remain unchanged. Again and again, foreign firms have demonstrated an ability to undersell competitors for many years and, in the process, sustain losses—some of which are subsidized by their governments—in order to gain a foothold and eventually a significant share of another country's market. Once this share is theirs, previous savings to the consumer disappear; then far from enjoying low prices and keen competition, the consumer often ends up hostage to prices dictated by foreign manufacturing firms. Insofar as my bill addresses itself to strengthening antidumping provisions of existing legislation, it attempts to address itself to this widespread practice. The Westinghouse case against Japan's transformer manufacturers is only now, after 5 years of intensive study by the Treasury Department, being referred to the Tariff Commission for further review and consideration, even though the Treasury Department has decided, in

fact, that there is adequate evidence of dumping by foreign transformer manufacturers.

Product	Price in Japan	Price landed in the United States	Suggested retail price
Portable radio.....	\$11.66	\$13.81	\$39.95
Do.....	17.88	21.35	59.95
Do.....	19.20	22.10	53.95
Do.....	46.22	54.05	179.95
AM-FM tuner amplifier.....	?	39.10	119.95
Do.....	31.74	38.80	159.95
Stereo cassette tape recorder.....	?	52.63	149.95
Stereo reel tape recorder.....	70.65	90.00	219.95
Portable cassette.....	?	27.73	89.95
Stereo cassette tape recorder with speakers.....	?	66.00	189.95

Far too often, in other words, it seems to me consumer and consumer groups are sucked into the free trade camp by illusory short-term monetary advantages. In ignoring some of the long-term implications of these short-term gains, consumers are literally sacrificing future long-term benefits. When we discuss multinational corporations, we are dealing with an even greater tendency toward monopoly pricing policies as the multinationals are increasingly controlling the supply of both domestic and foreign-made goods. A quite prevalent practice by some of the larger retail merchandisers in this country is to buy their goods in many different countries at quite different prices and mingle the goods to the extent that they all sell at the same price in the United States retail outlets. Gloves produced in several different countries, for instance, at several different prices are sold at the same selling price here. In short, I see plenty of evidence that what determines the selling price of foreign imports is not their true value or cost to the importer, but rather the American selling price and what American consumers are willing to pay for items manufactured in this country.

The second disturbing factor mentioned by the chamber is future restrictions on buyer selection. Again, I think this is a red herring. The experience of the past 10 years is that in several vital industries, American production is phasing out and the consumers are left with no alternative but to buy foreign items. The American consumer can no longer buy an American baseball or baseball glove or an American-produced umbrella. Very few ladies' handbags are made in this country today. Increasingly, practically all of the small consumer electronic items such as hearing aids, transistor radios, phonographs, even radios and televisions are exclusively foreign-made. How this represents greater consumer selection escapes me. Again, my bill's quota provisions are being grossly distorted by the chamber and other groups. Its quota provisions would not exclude foreign-made products and thus limit a buyer's selection to American products, but rather allow them to retain their share of the domestic market and even allow for an orderly growth as our domestic market expands, for any given product. In other words, it is the epitome of an orderly market bill, providing for reasonable growth in the mar-

ket and tying in for the first time foreign imports with market growth. The present policy has seen nothing short of total market disruption in certain key industries underneath the onslaught of a veritable avalanche of cheap foreign goods. I need only refer to our domestic shoe market, electronic goods market, our stainless steel market, and our textile market for this point to be appreciated. In other words, I seriously challenge whether any nation can afford to allow foreign domination of its domestic market to increase in runaway leaps and bounds and expect that the consumers in the long run are going to be the beneficiaries. Quota legislation would, in fact, guarantee the continuation of buyer selection by insuring the continuation of the present blend of American and foreign made goods.

As far as the Chamber's third concern goes, potential retaliatory action by other governments, my initial instinct is to retort with "retaliate?" Can they really retaliate any more than they already are? This concern presupposes that we are in fact living in a genuinely free trade world at the moment. Nothing could be further from the truth. Free trade implies a two-way street, with our goods having equally free access to the markets of foreign nations as they have to ours. Such is clearly not the case. The myriad of trade barriers which has grown up in the last 10 to 20 years in both Japan and the Common Market testifies that the opposite is the case. The free trade lobby likes to point out progress made in the last 20 years in removing tariff barriers, but what has grown up to take the place of such barriers are mechanisms and restrictions which are as effective as they are insidious. We find, for instance, import licensing requirements a major feature of the trade landscape today in foreign countries, value added taxes with their hidden export subsidies, whopping export tax credits subsidized by the foreign taxpayers, border taxes on imports, governmental restrictions in the name of safety and consumer protection which effectively, for instance, keep out from some countries cars two inches longer than the smallest cars made in this country. In other words, I know of no foreign government which has abdicated governmental intervention in every aspect of the economy in the name of social well being and economic progress of its citizens. This is the only nation that seems to feel that the laissez-faire standards of the 18th century should apply where foreign trade is concerned, even though the government is active in every other area of our domestic economy. Every nation in the world, including ours, is dedicated to the pursuit of full employment, yet ours is the only one, it seems, that has agreed to pursue this goal with one important hand tied behind its back and that is the foreign trade arm of our economy. Far from encouraging retaliatory action by other governments, I am convinced that our foreign trading partners would begin to seriously negotiate the removal of many of these barriers if they thought for one minute the Burke-Hartke bill was under serious consideration.

I am convinced that much of the progress scored by this administration in achieving voluntary agreements with our foreign partners can be traced to the realization by our trading partners that Congress means business and its patience cannot be taken for granted much longer. It is only with the Burke-Hartke bill that our negotiators for the first time have something to trade off for foreign concession. Thus, it seems to me that, far from encouraging retaliation, my bill has encouraged for the first time a willingness to seriously negotiate a genuinely worldwide market for the first time in the last 20 years. This Nation's staggering series of trade deficits, balance-of-payment deficits, unemployment rates, budget deficits can no longer be ignored, either by the elected officials of this Government or any other nation in the world. The continuing erosion of this Nation's trading position cannot be solved by platitudes about encouraging exports and trying harder when we are confronted with insurmountable trade barriers in other nations, nor can it be solved by rolling back the clock to the days of the sweatshop, child labor, the 7-day workweek or by repealing the minimum wage law. The workers have fought hard for their present standard of living and they are perfectly within their rights in not wanting to work in conditions similar to those in Japan, Korea, Indonesia, or wherever else the cheapest foreign labor market is today. I am for free trade, but genuine free trade, not the sham we have today which is positively injurious to this Nation's economic interests.

As for the fourth point of the chamber, that we are ignoring the positive contributions of the multinational corporations, all I can say is that the chamber has swallowed their claims without serious examination. The same Harvard Business School that has recently released a study pointing out the good features of the multinationals some years back also released a study showing how these giants have outgrown all national boundaries, can no longer be relied upon to have any true national loyalty, given their global outlook and scale of operations, and which had grown like topsy under the very eyes of the governments of the world which, on the whole, have been unaware of the implications of their development.

Consequently, I fail to see how pointing to the marked increase in employment in these corporations in recent years is something that is all to the good. I fail to see how we can be too happy with the much-touted export performance of these firms, when we realize that the bulk of their exports is in the form of machinery. In a real sense, any nation, 45 percent of whose exports are in the form of machinery, is in effect exporting future jobs as well—as these machines are the very ones which will be manufacturing goods to compete with our manufactured goods, with cheap foreign labor making the vital competitive difference. Excessive reliance on this kind of exporting is ultimately self-defeating and cannot be a source of too much long-term comfort to the majority of American manufacturers. I fail to see how this

Government can be entirely happy with the fact that more and more these firms are dependent in excess of 50 percent of their earnings from foreign operations and that increasingly our foreign policy is being conducted, in part at least, to protect the interests of these firms in the far corners of the globe. If these firms have no choice but to invest overseas or lose foreign business by default, then I fail to see why the taxpayers of this country should be required to underwrite and subsidize what is, after all, only good business for them. The foreign investment tax credit, to me, is nothing more than a bonus tax loophole for making business decisions which would probably be made with or without an investment tax credit. It is time that the taxpayers of this country save some \$3 billion a year, which this subsidization costs them. A firm locating a plant in Appalachia or one of the hard-pressed unemployment areas on the west coast can only hope for a tax deduction at best for local taxes paid. Firms locating overseas, in sharp contrast, are given a dollar-for-dollar tax credit right off the top. It is not surprising, therefore, that some of the kindest things that have been said about this bill have come from the tax reform lobby. Firms doing business in this country have to abide by the terms of the Sherman Antitrust Act and pay their taxes. How can we justify any longer a few multinationals increasingly dominating various industries with an increasingly larger share of their operations overseas and beyond the control and restraints of this Government?

I can appreciate the chamber's concluding remarks that this bill goes against the grain of their "free enterprise philosophy." My only reply, and it is a sincere one, is that if our domestic manufacturers must operate in a less than free enterprise atmosphere, with all kinds of Government controls and regulations, then I cannot justify in my own mind how we can tolerate any longer a glaring exception in the favor of the multinationals. While employment in these firms increases, countless other workers may never work again because their mistake was to be employed by a small manufacturing firm whose business has long since disappeared. Unemployment compensation is being exhausted and the welfare rolls are increasing. To me, it does little good to know that a few major firms are doing well in the midst of all of this.

Finally, in this city one gets used to the direst predictions imaginable. Right now, the the multinationals are trying to convince everyone through the press that these giant industries will have to shut down if the Burke-Hartke bill passes. If I may be so bold as to suggest, it seems to me that these firms are fighting more for their profits than for their lives and this is as it should be, in my opinion, where serious questions of national interest have to be considered.

I would also want to call the attention of the Members of the House to several articles which have appeared in publications recently which merit serious consideration.

The first, from that respected publication, Chemical and Engineering News,

December 31, 1971, an article from a recent edition of Dun's, and finally a newsletter from the Bourbon Institute illustrating the export problems confronting America's "national" drink overseas.

TRADING OUR FUTURE FOR PROFIT

Letters such as "Unions vs. the public" (C&EN, Oct. 11, page 4) and "On professionalism" (Oct. 4, page 8) which blame "union demands" for our inflation, unemployment, and balance of payments problems, and suggest salary cuts as a cure for inflation would have been appropriate for 1936 editions of *The Wall Street Journal* or *Business Week*. The repetition of this common but clearly fallacious argument, in a 1971 issue of C&EN which represents working (or at least it is hoped, working) scientists, deserves a rebuttal.

The industrial and agricultural worker in the U.S.—blue-collar, white-collar, professional, union, and nonunion—requires a high wage. It is he who supports through taxation the entire structure of welfare-subsidy-aid-poverty program, etc., below, plus the tax shelter-loophole-depletion allowance-capital gains edifice above. In addition, he supports a huge, growing and ever more expensive government bureaucracy. Therefore, let us not bite the hand that feeds us, or more appropriately, let's not knock over the trough at which the rest of the hogs fatten.

Most significant the middle-income taxpayer worker supports an expensive but excellent educational system which produces the people who create America's real resource—the world's most advanced technology.

For many years our advanced products enabled us to compete in international markets despite high prices (and high wage rates).

What has happened in the 1960's and continues is that American corporations, via licensing agreements, foreign plant construction, and other multinational arrangements, have given away for a very small portion of real cost and value, this advanced technology and with it, the jobs it created. When a multinational corporation licenses a product abroad, it gives away the technology created by Americans educated at public expense, and the American jobs which produce that product, for the 5 or 10 percent represented by the license fee or return on invested capital. Result—the American worker loses a job, the U.S. loses an export product and becomes an importer of that product and the corporation still nets 5 or 10 percent. Result—unemployment plus balance of payments problems. Naturally, the foreign producer can sell for less—he hasn't had to invest in the education, the R&D, or the wages which support the "American system."

That imported television set or scientific instrument you buy ought to be cheap; we paid for it once in R&D, we're paying for it now in the jobs of American workers, and we will pay in the future with our own and our nation's economic well-being.

Our willingness to permit this continued unrestricted technology drain will result in the destruction of the resources which support that technology in which case no amount of "salary cuts" or pointing fingers at "the unions" will save our economy, our jobs, or even ultimately, the corporation which shortsightedly trade America's leadership and future for short-term profit.

NATHANIEL BRENNER,

Director of Marketing, Coates & Welter Corp.

WASHINGTON DESK

Although he admits that there is a "strong trend towards protectionism" in the United States, Peter G. Peterson, Assistant to the President for International Economic Relations, is nevertheless optimistic. "I think this

trend will reverse itself," the former Bell & Howell president told RUN'S.

The top Presidential aide bases his optimism on the successful completion of the various ongoing monetary and trade negotiations, which should give us "hopeful outlook for the balance of payments," and an improvement in unemployment. "In fact," adds Peterson, "I have not noticed any pickup in demands for more protection in recent months."

But despite Peterson's optimism, there is one facet of the trade picture that does not augur well for the United States: half of our exports stem from technology-intensive industries. On the face of it, this would seem like a boon rather than a bane. But it is not.

For as soon as we achieve a technological breakthrough, it is copied abroad. This was not the case even a generation ago. According to studies by Peterson's staff, a half century ago it took about twenty years for the average new product to appear in another country. By 1950, it took about ten years. Today, it takes no more than three.

Thus, the Administration's upcoming program to provide industry with more incentives for research and development, which should be unveiled this month, will not really be a panacea for the nation's international economic problems. For whatever new products are created as a result of this R&D will soon appear abroad.

This, of course, does not mean that the development of cost-reducing technology is no longer worth the effort. That is far from the case. In fact, cost reduction is surely the only way that we can regain our supremacy in the world market. But businessmen must bear in mind that any new products they might develop through stepped-up R&D incentives will soon be copied overseas.

[From the Bourbon Newsletter, Dec. 27, 1971]
BLOCKS AND BARRIERS AROUND THE WORLD

Bourbon, the largest selling distilled spirit in the U.S., has a difficult time trying to reach consumers around the world. When an American distiller becomes interested in selling Bourbon outside the U.S. borders the barriers he faces, economic, tariff and non-tariff and otherwise, are countless. It takes a lot more than just marking the case "for export" to make Bourbon available in liquor stores overseas.

The obstacles start with exorbitant ocean freight rates and run right through excessive custom duties, special labelling and a myriad of bottle size requirements.

For example, under the prevailing freight rates it costs an American Bourbon producer \$87.50 per ton to ship from San Francisco to Japan. A shipment of the same weight and size from England to Tokyo costs only \$65.76—a differential of \$21.74. The differential is compounded in Japan, as well as in many other countries, where the import duties and taxes are based on the value of the Bourbon plus the insurance and the freight costs. In most cases the total taxable value of a case of Bourbon landing in Tokyo reaches the point where the custom duty is 220%. In a country like Japan, the best Bourbon market to date in the Far East, the retailer must charge \$15 to \$20 per bottle if he is to make any profit whatsoever. With these marketing limitations it is obvious why, despite the growing sales, the total value of Bourbon exported to Japan last year was only \$388,000. In comparison, the dollar value of the Japanese alcoholic beverages exported to the United States was \$2,573,000.

QUOTA BARRIERS

For many years they faced Bourbon exporters all over the world. Exports to any of these countries could never exceed the gallonage exported the previous year. England, France, and Italy finally dropped their quota systems a few years ago and Japan followed a little over a year ago. Mexico still maintains a quota on Bourbon shipments. In addition,

the import duty on Bourbon entering Mexico is up to 50% of the value. Interestingly, imports of Mexican distilled spirits to the U.S. in 1970 were close to a billion gallons. A total of 27,683 gallons of Bourbon entered Mexico in the same year—a ratio of 32 to 1.

Distillers must also keep in mind the varied label requirements of every country. Many insist on labeling in their own language. Others, like Brazil, stipulate that bottles not only have labels in Portuguese but also have one in English. The information required on it varies from country to country.

As a way of insuring their consumers against bogus Bourbon, many countries, including all those in the Common Market and New Zealand, are requiring that every case shipped from the U.S. bear an "authenticity certificate" signed by the producer.

Overall, these barriers have been contributing factors to the trade deficit which exists in alcoholic beverages. In the U.S., largest market in the world for imported alcoholic beverages, the trade deficit in all alcoholic beverages last year was \$659,000,000, and indications are that it will be even greater this year.

THE ADMINISTRATION'S POLICIES ARE HARMFUL TO AMERICA'S HEARTLAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, since 1970 I have periodically taken the floor of the House of Representatives to urge that we, as a Congress and as a nation, make a firm commitment to the survival of small towns and communities. These are more and more recognized as the future hope for achieving the goal we have set for ourselves—the goal of providing all persons in our country with a choice of social, cultural, economic, and physical environments in which to live.

At other times I have used the medium of the CONGRESSIONAL RECORD to share with my colleagues information which I feel is pertinent to the consideration of programs designed to speed us to success with our goal.

Most recently this information has taken the form of testimony from a series of hearings I have conducted in the First Congressional District of Arkansas. This testimony was taken from leaders in governmental and private communities. It also came from interested persons acting on an individual basis.

In view of this deep and continuing interest of mine in total community development in nonmetropolitan areas, I could have been expected to be enthusiastic about the fact that the President's February 1 message to the Congress took note of "the Problems of Rural America."

Early in the message I was encouraged when I saw his comment that:

All Americans have a high stake in rural development. For the problems which many rural areas are now experiencing are directly linked to those of our cities and suburbs.

For more than 2 years, I have repeatedly contended this is true. In his discussion of population concentration problems the President said:

Our problems are not so much those of numbers as of distribution. And, their solu-

tion requires revitalization of the American countryside.

I agree, for I have said this frequently since coming to the Congress. And, I must admit to a bit of special enjoyment when I read that the President did not feel that more tax money from the taxpayers was the sole solution. He said:

What we must now seek instead is a fundamental change in the way government approaches the entire developmental challenge.

And, again, I agreed.

Now, Mr. Speaker, a few moments ago, I indicated that my enthusiasm for the President's Rural America message was somewhat tempered. It was tempered by the knowledge that I have of situations which have developed in my district and which adversely affect development in nonmetropolitan regions. Situations created by executive branch actions which have resulted in more than 54 persons losing their jobs. The jobs of at least 20 other persons are in jeopardy.

I do not believe it would be difficult to find agreement that basic to the nucleus of a small town with a future are three things. These are the general store, the post office and the doctor—not necessarily in that order of importance.

The general store can provide local residents with a gathering place for neighbors and a variety of store-bought supplies. These supplies are items the creative, independent, imaginative, small town people do not grow, build, or otherwise devise for themselves. This store acts as a basic building block for the business community.

The doctor is the person to whom the men and women of the community turn to for aid in time of trouble. He is their medicine man. He is the vital link between the people and good health. And, frequently his 10 to 20-bed hospital is the nearest point at which medical help is dispensed. Its presence and that of the doctor can also easily be the margin by which this community wins the contest for job producing enterprise.

One of the post office's most important roles—while it is not tangible—is vital to the community. The post office does provide jobs and service, true. But, the most important element is the town-identity support yielded by the post mark used in that post office.

This marking on letters which carry news of the small town throughout the Nation—and world—is evidence to the stranger that Earle, Ark., is a tangible place.

Now, the President has been telling the Congress and the Nation that his administration is aware of and favors the revitalization of small towns and nonmetropolitan America. And, even while he is dispensing that news, at least two elements of the executive branch have been initiating actions which say the exact opposite.

In the Manila and Leachville, Ark., areas, the Department of Health, Education, and Welfare has knowingly pursued a course of action which directly resulted in the closing of one small hospital and threatens another. And, the actions may rob the area of resident doctors. These medical units, Rodman Hos-

pital, Inc., and Shaneyfelt Hospital, Inc., which closed February 18, 1972, provided service to a 400-square-mile area. The nearest large hospitals have annual average occupancy levels ranging from 58.8 percent to 81.4 percent.

While this occupancy rate indicates some beds vacant, it is an average made over the 365 days in a year. It does little to indicate the critical bed shortage which occurs during the annual seasons of high incidence of illness.

In addition, action taken by the Arkansas State Department of Health, in reaction to edicts by HEW officials, has deprived residents of the Trumann, Ark., area of the services of Smith Hospital, Inc. This hospital had a 17-bed capacity. Its patients will be forced to compete for bed space in the same hospitals to which those of the Shaneyfelt and Rodman units will be directed.

The principal reason for HEW's determination to force the closing of the hospitals I have mentioned seems to be the shortage of registered nurses available for 24-hour duty. Officials involved cite Public Law 91-690 as their authority for this action. Yet, Mr. Speaker, it was clear, I believe, when we approved including this flexibility in the medicare-medicaid statutes that it was intended to make possible the continued operation of small, high quality medical units located in low-population, nonmetropolitan communities.

This action by HEW is, I believe, a subversion of the intent of Public Law 91-690. These are actions which, deliberately or not, are designed to sharply curtail the ability of small towns to persuade members of the business and industrial communities to locate new firms or branches of existing firms in their areas. Diminishing this capacity works as a direct threat to the community's ability to continue to exist as a cohesive unit.

Clearly, Mr. Speaker, the end result of the administration's policies are harmful to America's heartland. They are weighed against the survival of small towns. These policies are severely increasing the difficulty of the nonmetropolitan community's uphill fight to maintain or increase, in an orderly manner, its current level of population.

I would urge my colleagues whose districts encompass small towns and communities—or whose districts are affected by their fortune, whether it be good or ill—to be aware of the results of the administration's policies. We must take very close review of proposals by the administration. We must assure ourselves that these suggestions and requests are not designed to work to the detriment of the nonmetropolitan segment of our Nation. I expect to continue my practice of periodically taking the floor of the House to make my colleagues aware of situations such as the one I have brought to your attention today.

PANAMA CANAL TREATY NEGOTIATIONS: EXERCISE IN DIPLOMATIC FUTILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Pennsylvania (Mr. Flood) is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, on February 9, 1972, President Nixon submitted a report to the Congress on "U.S. Foreign Policy for the 1970's." In the Latin American section of the report is this brief though significant statement:

We have entered new negotiations with Panama to achieve a mutually acceptable basis for the continuing efficient operation and defense of the Panama Canal.

The new treaty talks mentioned in the report refer to the resumption of negotiations that preceded the abortive 1967 treaties. To understand the full import of the cited statement one must know some recent history.

Starting on January 9, 1964, there were 3 days of massive Red led Panamanian mob assaults on the Canal Zone requiring the use by the United States of its Armed Forces to protect the lives of our citizens and the security of the canal, but at no time did our forces leave the Canal Zone. On orders of the President of Panama the National Guard of that country was kept in their barracks thus giving the mobs free play. This was his method for emphasizing Panamanian demands for a new canal treaty.

In a mistaken gesture of friendship, President Johnson, though initially taking a correct position in support of our treaty obligations, reversed himself and, on the advice of the State Department, acquiesced in the Panamanian demands for the negotiations of new canal treaties. He appointed Robert B. Anderson, then chairman of the sea-level canal study panel under Public Law 88-609, to the additional office of Chief U.S. Negotiator with the personal rank of ambassador.

After lengthy diplomatic discussions, the Presidents of Panama and the United States in a joint statement on June 26, 1967, announced the completion of negotiations for three proposed new canal treaties: First, for the operation of the existing canal; second, for the construction of a new canal of so-called sea-level design; and third, for defense purposes.

Quoted in addresses in the Senate by Senator STROM THURMOND in the CONGRESSIONAL RECORD of July 17, 21, and 27, 1967, respectively, the proposed treaties evoked such hostile reactions in both Panama and the United States that they were never signed and consequently never submitted for ratification.

The most significant points about them were their provisions for making Panama an active partner in the operation and defense of the canal and for surrendering U.S. sovereignty over the Canal Zone to Panama, a weak, unstable and technologically primitive country that in the last 69 years has had 59 presidents, a recent one serving only 11 days. Moreover, the proposed surrender of U.S. territory and property was agreed to by our negotiators despite the fact that the U.S. Constitution—IV, section 3, clause 2—vests the power to dispose of territory and other property of the United States in the Congress, which includes the House as well as the Senate and which provision was specifically followed in the case of the 1955 treaty.

On October 11, 1968, the constitutionally elected Government of Panama was overthrown in a military coup d'etat. One of the first acts of the usurping regime was the abolition of the National Assembly of Panama, which body is the only governmental agency of that country authorized to ratify treaties—article 118, Panama Constitution.

In connection with what has been transpiring as regards the Panama Canal, it should be remembered that wresting its control from the United States has been a major Soviet policy since 1917 and that the Communist take over of Cuba in 1959 was the first specific step in that direction.

After a brief delay following the 1968 Panamanian military coup, the revolutionary Government of Panama, which gradually revealed its pro-Soviet and pro-Cuban affinities. Though it later repudiated the proposed 1967 treaties as unacceptable as a basis for future negotiations it sought to reopen diplomatic talks with the United States for new canal treaties.

Notwithstanding all of this background, negotiations were resumed in June 1971 under President Nixon, with the same Ambassador Anderson again as our chief negotiator.

Though not mentioned so far as known in the press of the United States, a November 22, 1971, newstory from Buenos Aires by Julio Argain for *El Colombiano* was to the effect that Gen. Omar Torrijos, the Panamanian military strongman, conferred with Soviet Leader Kosygin and Cuban Premier Castro in Antilla, Cuba. The fact of this conference has never been denied by either Panama or the U.S.S.R. It has been reported that Kosygin promised Torrijos financial aid, armaments, and technical advisers. The last are already arriving in the Isthmus as "guest speakers," but they remain as residents.

Recent information, as stated in my press release of February 9, 1972, quoted by me in an address to the House on the same day, is that the plan of the present U.S. administration calls for submitting a new treaty to the Senate in March of this year. To arouse support in the Congress, Ambassador David H. Ward, newly appointed Assistant Chief Negotiator for the proposed treaty, has been interviewing Members of the Senate as well as seeking interviews with Members of the House. Such action, Mr. Speaker, is ex parte in character and highly irregular.

Meanwhile, the people of the United States, under well-informed leadership of the American Legion and many other patriotic and civic organizations, writers and commentators, have been alerted to the dangers involved in the surrender proposals. My correspondence from all over the Nation and Panama itself is overwhelmingly and strongly opposed to any surrender of any U.S. territory, rights, power, or authority at Panama. Our people in their instinctive reactions are far ahead of their Government and do not wish a Suez situation on the Isthmus.

For many months the Panama press under strict government controls has been conducting a sensationally hostile

campaign against the United States, using epithets regarding the Canal Zone such as "imperialism," "colonialism," and "enclaves" and making impossible demands, such as for the payment of billions of dollars for canal lockage water from the Chagres River. Water rights of the United States are fully covered in article IV of the 1903 Treaty. Threats have even been made to divert Chagres River water to the oceans.

The use of the term "enclave" by revolutionaries to describe the Canal Zone is merely dyed in the wool Red terminology the use of which is aimed at embarrassing the United States. The Canal Zone territory is no more of an enclave than the Gadsden Purchase. Yet Red agents infiltrate Panama with impunity and are currently engaged in counseling the leaders of the usurping revolutionary government in making their extreme and impossible demands against the United States.

Mr. Speaker, in considering these problems with respect to Panama Canal, the Congress must ever bear in mind the fact that the security of the Western Hemisphere depends upon the United States continuing its undiluted sovereignty over the Canal Zone and canal.

It is highly significant that public statements by present revolutionary officials of Panama have been featured by the increased use of Communist terms, threats to invade the Canal Zone at the head of 6,000 rifles, and opposition to holding congressional hearings by the House Subcommittee on the Panama Canal in the U.S.-owned zone territory, which are now underway under Chairman JOHN M. MURPHY. The only possible explanation for opposing such hearings is that Panamanian revolutionaries do not wish the Congress to have all the facts, for Panama Canal employees know them well.

Such truculence, Mr. Speaker, can be explained only by the growing influence of Soviet agents already placed in Panamanian Government agencies and in the University of Panama. Have any of our high officials publicly answered demagogic Panamanian accusations and demands? They have not; and their failure to do so is the reason why from time to time I have replied to them.

A surprising recent isthmian development was the publication in screaming red headlines in the January 29, 1972, issue of *La Hora*, a leading Spanish language newspaper in Panama, of a newstory denouncing General Torrijos, the pro-Red dictator of Panama. It charges him with being an assassin and murderer, an embezzler, a member of the Mafia engaging in illegal narcotics traffic, and a traitor.

The fact that such an attack was made at all indicates that Panamanians are now preparing for another of their perennial governmental overthrows; and possibly a return to constitutional government. Furthermore, the attack may well mark the beginning of the end for the Torrijos revolutionary regime. In such event imagine the ridiculous position in which our Government would find itself, for the last constitutional president of Panama never used the canal issue for

election purposes and never demanded surrender of U.S. sovereignty over the Canal Zone.

The Canal Zone territory as presently constituted is the minimum area necessary for the operation and protection of the canal. Instead of reducing it the zone should be extended to include the entire watershed of the Chagres River for obvious reasons.

During World War II, the entire Canal Zone was virtually an armed camp, because of the danger involved. With Cuba a U.S.S.R. satellite, Soviet agents infiltrated into the Panama Government, and pro-Red revolutionaries poised to strike at the zone, under no circumstances should be United States surrender any of the zone territory or any of its rights, power, and authority therein.

In spite of all the "sound and fury" that has been generated on the Isthmus and the covert efforts of State Department officials engaged in the treaty negotiations to influence Members of the Congress, the following conclusions are justified:

First. That under the U.S. Constitution—article IV, section 3, clause 2—the surrender of U.S. territory, property, rights power, and authority over the Canal Zone and Panama Canal cannot be made without the specific authorization of the entire Congress—House and Senate.

Second. That the Congress as evidenced by the September 22-23, 1971, hearings in Panama Canal sovereignty resolutions before the Subcommittee on Inter American Affairs will never authorize any of the proposed surrenders at Panama.

Third. That the pro-Red revolutionary Government of Panama, which has liquidated the National Assembly of that country, has no constitutional means for the ratification of treaties.

Fourth. That Panamanians themselves now seem to be preparing to overthrow the Torrijos government.

As a close student of Panama Canal history and problems over many years, I long ago recognized that recent Presidents of the United States have received some very bad advice from State Department sources as regards Isthmian canal policy matters. It is crystal clear that the present canal negotiations are exercises in diplomatic futility and that the best course for the administration to follow is to remove both Robert B. Anderson and David H. Ward from their present positions, to terminate the current negotiations, and to reestablish constitutional procedures in there connections in both Panama and the United States. Then the way will be open for the major modernization of the existing canal as provided in S. 734 and H.R. 712, 92d Congress, identical bills introduced by Senator Thurmond and myself. The solution therein provided, which was derived from almost 60 years of successful experience in operating the canal, is not only the best from the operating, engineering, economic and ecological standpoints but also from the diplomatic, for it does not require a new treaty and preserves the economy and best interests of Panama.

The Canal Zone territory is constitutionally acquired domain of the United States owned and governed by the United States, paid for by our taxpayers, and absolutely necessary for the operation and protection of the canal. For our Government to undertake to arrive at a "mutually acceptable" basis with the Torrijos military dictatorship is about as sensible as arranging a pact between law enforcement agencies and a band of robbers.

Our President is bound by oath to "preserve, protect, and defend" the U.S. Constitution and it remains to be seen whether or not he observes it.

Because of its pertinence in the overall canal situation, I quote the 1971 memorial to the Congress prepared by the Committee for Continued U.S. Control of the Panama Canal and commend it for careful reading:

PANAMA CANAL—SOVEREIGNTY AND MODERNIZATION

Honorable Members of the Congress of the United States: The undersigned, who have studied various aspects of interoceanic canal history and problems, wish to express their views:

(1) The report of the interoceanic canal inquiry, authorized under Public Law 88-609, headed by Robert B. Anderson, recommending construction of a new canal of so-called sea level design in the Republic of Panama, was submitted to the President on December 1, 1970. The proposed canal, initially estimated to cost \$2,880,000,000 exclusive of the costs of right of way and inevitable indemnity to Panama, would be 10 miles West of the existing Canal. This recommendation, which hinges upon the surrender to Panama by the United States of all sovereign control over the U.S.-owned Canal Zone, has rendered the entire canal situation so acute and confused as to require rigorous clarification.

(2) A new angle developed in the courses of the sea level inquiry is that of the Panamic biota (fauna and flora), on which subject, a symposium of recognized scientists was held on March 4, 1971 at the Smithsonian Institution. That gathering was overwhelmingly opposed to any sea level project because of the biological dangers to marine life incident to the removal of the fresh water barrier between the Oceans, now provided by Gatun Lake, including in such dangers the infestation of the Caribbean Sea and Atlantic Ocean with the poisonous yellow-bellied Pacific sea snake (*Pelamis platurus*).

(3) The construction by the United States of the Panama Canal (1904-1914) was the greatest industrial enterprise in history. Undertaken as a long-range commitment by the United States, in fulfillment of solemn treaty obligations (Hay-Pauncefote Treaty of 1901) as a "mandate for civilization" in an area notorious as the pest hole of the world and as a land of endemic revolution, endless intrigue and governmental instability (Flood, "Panama: Land of Endemic Revolution . . ." Congressional Record, vol. 115, pt. 17, pp. 22845-22848), the task was accomplished in spite of physical and health conditions that seemed insuperable. Its subsequent management and operation on terms of "entire equality" with tolls that are "just and equitable" have won the praise of the world, particularly countries that use the Canal.

(4) Full sovereign rights, power and authority of the United States over the Canal Zone territory and Canal were acquired by treaty grant in perpetuity from Panama (Hay-Bunau-Varilla Treaty of 1903). In addition to the indemnity paid by the United States to Panama for the necessary sovereignty and jurisdiction, all privately owned land and property in the Zone were pur-

chased by the United States from individual owners; and Colombia, the sovereign of the Isthmus before Panama's independence, has recognized the title to the Panama Canal and Railroad as vested "entirely and absolutely" in the United States (Thomson-Urrutia Treaty of 1914-22). The cost of acquiring the Canal Zone, as of March 31, 1964, totalled \$144,568,571, making it the most expensive territorial extension in the history of the United States. Because of the vast protective obligations of the United States, the perpetuity provisions in the 1903 treaty assure that Panama will remain a free and independent country in perpetuity, for these provisions bind the United States as well as Panama.

(5) The gross total investment of our country in the Panama Canal enterprise, including its defense from 1904 through June 30, 1968, was \$6,368,009,000; recoveries during the same period were \$1,359,931,421, making a total net investment by the taxpayers of the United States of more than \$5,000,000,000; which, if converted into 1971 dollars, would be far greater. Except for the grant by Panama of full sovereign powers over the Zone territory, our Government would never have assumed the grave responsibilities involved in the construction of the Canal and its later operation, maintenance, sanitation, protection and defense.

(6) In 1939, prior to the start of World War II, the Congress authorized, at a cost not to exceed \$277,000,000, the construction of a third set of locks known as the Third Locks Project, then hailed as "the largest single current engineering work in the world." This Project was suspended in May 1942 because of more urgent war needs, and the total expenditures thereon were \$76,357,405, mostly on lock site excavations at Gatun and Miraflores, which are still usable. Fortunately, no excavation was started at Pedro Miguel. The program for the enlargement of Gaillard Cut started in 1959, with correlated channel improvements, was completed in 1970 at a cost of \$95,000,000. These two works together represent an expenditure of more than \$171,000,000 toward the major modernization of the existing Panama Canal.

(7) As the result of canal operations in the crucial period of World War II, there was developed in the Panama Canal organization the first comprehensive proposal for the major operational improvement and increase of capacity of the Canal as derived from actual marine experience, known as the Terminal Lake—Third Locks Plan. This conception included provisions for the following:

(1) Elimination of the bottleneck Pedro Miguel Locks.

(2) Consolidation of all Pacific Locks South of Miraflores.

(3) Raising the Gatun Lake water level to its optimum height (about 92').

(4) Construction of one set of larger locks.

(5) Creation at the Pacific end of the Canal of a summit-level terminal lake anchorage for use as a traffic reservoir to correspond with the layout at the Atlantic end, which would improve marine operations by eliminating lockage surges in Gaillard Cut, mitigate the effect of fog on Canal capacity, reduce transit time, diminish the number of accidents, and simplify the management of the Canal.

(8) Competent, experienced engineers have officially reported that all "engineering considerations which are associated with the plan are favorable to it." Moreover, such a solution:

(1) Enables the maximum utilization of all work so far accomplished on the Panama Canal, including that on the suspended Third Locks Project.

(2) Avoids the danger of disastrous sildes.

(3) Provides the best operational canal practicable of achievement with the certainty of success.

(4) Preserves and increases the existing economy of Panama.

(5) Avoids inevitable Panamanian demands for damages that would be involved in the proposed sea level project.

(6) Averts the danger of a potential biological catastrophe with international repercussions that recognized scientists fear might be caused by constructing a salt water channel between the Oceans.

(7) Can be constructed at "comparatively low cost" without the necessity for negotiating a new canal treaty with Panama.

(8) All of these facts are elemental considerations from both U.S. national and international viewpoints and cannot be ignored, especially the diplomatic and treaty aspects. In connection with the latter, it should be noted that the original Third Locks Project, being only a modification of the existing Canal, and wholly within the Canal Zone, did not require a new treaty with Panama. Nor, as previously stated, would the Terminal Lake—Third Locks Plan require a new treaty. These are paramount factors in the overall equation.

(10) In contrast, the persistently advocated and strenuously propagandized Sea-Level Project at Panama, initially estimated in 1970 to cost \$2,880,000,000, exclusive of the costs of the right of way and indemnity to Panama, has long been a "hardy perennial," according to former Governor of the Panama Canal, Jay J. Morrow. It seems that no matter how often the impossibility of realizing any such proposal within practicable limits of cost and time is demonstrated, there will always be someone to argue for it; and this, despite the economic, engineering, operational, environmental and navigational superiority of the Terminal Lake solution. Moreover, any sea-level project, whether in the U.S. Canal Zone territory or elsewhere, will require a new treaty or treaties with the countries involved in order to fix the specific conditions for its construction; and this would involve a huge indemnity and a greatly increased annuity that would have to be added to the cost of construction and reflected in tolls, or be wholly borne by the taxpayers of the United States.

(11) Starting with the 1936-39 Treaty with Panama, there has been a sustained erosion of United States rights, powers and authority on the Isthmus, culminating in the completion, in 1967, of negotiations for three proposed new canal treaties that would:

(1) Surrender United States sovereignty over the Canal Zone to Panama;

(2) Make that weak, technologically primitive and unstable country a senior partner in the management and defense of the Canal;

(3) Ultimately give to Panama not only the existing Canal, but also any new one constructed in Panama to replace it, all without any compensation whatever and all in derogation of Article IV, Section 3, Clause 2 of the U.S. Constitution. This Clause vests the power to dispose of territory and other property of the United States in the entire Congress (House and Senate) and not in the treaty-making power of our Government (President and Senate)—a Constitutional provision observed in the 1955 Treaty with Panama.

(12) It is clear from the conduct of our Panama Canal policy over many years that policy-making elements within the Department of State, in direct violation of the indicated Constitutional provision, have been, and are yet, engaged in efforts which will have the effect of diluting or even repudiating entirely the sovereign rights, power and authority of the United States with respect to the Canal and of dissipating the vast investment of the United States in the Panama Canal project. Such actions would eventually and inevitably permit the domination of this strategic waterway by a potentially hostile power that now indirectly controls the Suez Canal. That canal, under such domination,

ceased to operate in 1967 with vast consequences of evil to world trade.

(13) Extensive debates in the Congress over the past decade have clarified and narrowed the key canal issues to the following:

(1) Retention by the United States of its undiluted and indispensable sovereign rights, power and authority over the Canal Zone territory and Canal as provided by existing treaties;

(2) The major modernization of the existing Panama Canal as provided for in the Terminal Lake Proposal.

Unfortunately, these efforts have been complicated by the agitation of Panamanian extremists, aided and abetted by irresponsible elements in the United States, aiming at ceding to Panama complete sovereignty over the Canal Zone and, eventually, the ownership of the existing Canal and any future canal in the Zone or in Panama that might be built by the United States to replace it.

(14) In the 1st Session of the 92nd Congress identical bills were introduced in both House and Senate to provide for the major increase of capacity and operational improvement of the existing Panama Canal by modifying the authorized Third Locks Project to embody the principles of the previously mentioned Terminal Lake solution, which competent authorities consider would supply the best operational canal practicable of achievement, and at least cost without treaty involvement.

(15) Starting on January 26, 1971 many Members of Congress have sponsored resolutions expressing the sense of the House of Representatives that the United States should maintain and protect its sovereign rights and jurisdiction over the Panama Canal enterprise, including the Canal Zone, and not surrender any of its powers to any other nation or to any international organization in derogation of present treaty provisions.

(16) The Panama Canal is a priceless asset of the United States, essential for interoceanic commerce and Hemispheric security. The recent efforts to wrest its control from the United States trace back to the 1917 Communist Revolution and conform to long range Soviet policy of gaining domination over key water routes as in Cuba, which flanks the Atlantic approach to the Panama Canal, and as was accomplished in the case of the Suez Canal, which the Soviet Union now wishes opened in connection with its naval buildup in the Eastern Mediterranean and Indian Ocean. Thus, the real issue at Panama, dramatized by the Communist take over of strategically located Cuba and Chile, is not United States control versus Panamanian but United States control versus Soviet control. This is the issue that should be debated in the Congress, especially in the Senate. Panama is a small, weak country occupying a strategic geographical position that is the objective of predatory power, requiring the presence of the United States on the Isthmus in the interest of Hemispheric security and international order.

(17) In view of all the foregoing, the undersigned urge prompt action as follows:

(1) Adoption by the House of Representatives of pending Panama Canal sovereignty resolutions and,

(2) Enactment by the Congress of pending measures for the major modernization of the existing Panama Canal.

To these ends, we respectfully urge that hearings be promptly held on the indicated measures and that Congressional policy thereon be determined for early prosecution of the vital work of modernizing the Panama Canal, now approaching saturation of capacity.

Dr. Karl Brandt, Palo Alto, Calif., Economist, Hoover Institute, Stanford, CA., Former Chairman, President's Council of Economic Advisers.

Comdr. Homer Brett, Jr., Chevy Chase, Md., Former Intelligence Office, Caribbean Area.
Hon. Ellis O. Briggs, Hanover, N.H., U.S. Ambassador retired and Author.

Dr. John C. Briggs, Tampa, Florida, Professor of Biology, University of South Florida, Tampa.

William B. Collier, Santa Barbara, Calif., Business Executive with Engineering and Naval Experience.

Lt. Gen. Pedro A. del Valle, Annapolis, Maryland, Intelligence Analyst, Former Commanding General, 1st Marine Div.

Herman H. Dinsmore, New York, N.Y., Former Associate Foreign Editor, *New York Times*, Editorialist.

Dr. Lev E. Dobriansky, Alexandria, Va., Professor of Economic, Georgetown Univ.

Dr. Donald M. Dozer, Sta. Barbara, Calif., Historian, University of Calif., Sta. Barbara, Authority on Latin America.

Lt. Gen. Ira C. Baker, Washington, D.C., Former Commander-in-Chief, Allied Air Forces, Mediterranean, Analyst and Commentator on National Security Questions.

K. V. Hoffman, Richmond, Va., Editor and Author.

Dr. Walter D. Jacobs, College Park, Md., Professor of Government and Politics, University of Maryland.

William R. Joyce, Jr., J.D., Washington, D.C., Lawyer.

Maj. Gen. Thomas A. Lane, McLean, Va., Engineer and Author.

Edwin J. B. Lewis, Washington, D.C., Professor of Accounting, George Washington University, Past President, Panama Canal Society of Washington, D.C.

Dr. Leonard B. Loeb, Berkely, Calif., Professor of Physics Emeritus, University of California.

William Loeb, Manchester, N.H., Publisher and Author.

Lt. Col. Matthew P. McKeon, Springfield, Va., Intelligence Analyst, Editor and Publisher.

Dr. Howard A. Meyerhoff, Tulsa, Okla., Consulting geologist, Formerly Head of Department of Geology, University of Pennsylvania.

Richard B. O'Keefe, Fairfax, Va., Asst. Professor, George Mason College, University of Virginia, Research Consultant on Panama Canal, The American Legion.

Capt. C. H. Schildhauer, Owings Mills, Md., Aviation Executive.

V. Adm. T. G. W. Settle, Washington, D.C., Former Commander, Amphibious Forces, Pacific.

Jon P. Speller, New York, N.Y., Author and Editor.

Harold Lord Varney, New York, N.Y., President, Committee on Pan American Policy, New York, Authority on Latin American Policy, Editor.

Capt. Franz O. Willenbacher, Bethesda, Md., Lawyer and Executive.

Dr. Francis G. Wilson, Washington, D.C., Professor of Political Science Emeritus, University of Illinois, Author and Editor.

(NOTE.—Institutions are listed for identification purposes only.)

REDUCE THE NATIONAL DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nevada (Mr. BARING) is recognized for 5 minutes.

Mr. BARING. Mr. Speaker, on February 9, 1972, I voted against increasing the national debt by any amount. I have never supported increasing the debt ceiling and I never will.

It is preposterous for this free spending authority to continue.

Mr. Speaker, an attempt should be made to balance the budget and reduce the national debt—not continuously increase it.

This current year, 1972, fiscal budget deficit is way out of step to the tune of a reported almost \$40 billion. I do not believe in further saddling the citizens of tomorrow in this Nation, much less the American citizens of today, with a continued huge national debt which has been and will bring extinction to any chance of the United States attaining a good, solid, and balanced financial condition.

The financial condition of the United States is bad enough as it is today without adding further grief to the problem or to further tax loads on American citizens. If we do not wake up soon, we are going to have a catastrophic financial upheaval from sea to shining sea in the United States which, of course, will ruin world financial markets.

This national debt has to be pulled back into reality. Raising the debt limit again only gives the spenders of that money, which is an eventual due bill, even more money to play around with. This has to be stopped, Mr. Speaker.

I further will state that I believe it is high time that the Congress insist that the administration come before the appropriate House committees on a regularly scheduled quarterly or half-year basis with their requests to increase the debt so that each and every Member of the House will have a continued update as to the financial situation of the administration's fiscal requests and budgets.

Ten billion dollars a year could be spent on reducing the national debt instead of the giveaway program—foreign aid. I believe this would please the people of the United States and especially the people I represent in Nevada.

CANADA'S OPPOSITION TO THE TRANS-ALASKA PIPELINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 20 minutes.

Mr. ASPIN. Mr. Speaker, today I would like to include in the CONGRESSIONAL RECORD the text of an address by the Honorable C. M. Drury, the president of the Canadian Treasury Board. I am sure that those of my colleagues concerned with the trans-Alaska pipeline issue will find these remarks of interest.

Once again, the Canadian Government has expressed its strong opposition to the proposed trans-Alaska pipeline. In particular, I would point out Mr. Drury's remarks that:

To us, it appears that an oil line from Alaska through Canadian territory would have the advantage of ruling out a vulnerable tanker link to markets and would provide more economic transportation of oil to the U.S. Midwest.

My colleague, the Minister of State for External Affairs, has made clear in the House, and the Government in an aide-memoire sent to Washington last August, stated in the strongest possible terms, Canada's reservations with respect to the ecological and other hazards of movement of oil by tanker from Alaska, down the West Coast and through the Puget Sound to the northwestern U.S. refineries. Let no one suppose that the opposition of Canadians—so effectively voiced by members of Parliament like David Anderson—is not the genuine concern of this

Government. We have made clear that full indemnity will be required for the ravages that oil spills could inflict on our coastline.

As far as we know, very little study has been given by the proponents of this route to the dangers of tanker movement in the restricted channels adjacent to the southern British Columbia coast, and what little as has been presented by the companies involved would only seem a faltering step in defining the actual tonnage that would traverse this route and the precautions needed to safeguard our interests.

The full text of Mr. Drury's remarks follow:

RESOURCES AND PRIORITIES IN THE 1970's

INTRODUCTION

Mr. Chairman and delegates to the Conference on Northern Pipeline Research, it was certainly gratifying to receive an invitation to speak to your conference—touching as it does on an aspect of resource development which so clearly involves Canada's priorities in the '70's.

No problem is of deeper concern to mankind than that of coming to terms with the natural environment so that it will support a reasonably satisfying way of life.

Indeed, *Time* Magazine asked in its January 24 issue, "How Long Can Population and Industrialization Continue to Grow on this Finite Planet?"

Quoting a study done at the Massachusetts Institute of Technology, *Time* concludes: "... that the depletion of non-renewable resources will probably cause the end of the civilization enjoyed by today's contented consumer. As industrialization grows, it voraciously consumes enormous amounts of resources. Resources become scarcer, forcing more and more capital to be spent on procuring our materials, which leaves less and less money for investment in new plants and facilities."

The study sponsored by the Club of Rome was based on a computer model developed by MIT professor, Jay Forrester. Our own Department of Energy, Mines and Resources retained Forrester as a consultant in 1971 and the Department has been holding discussions about the resource role in society and about policies shaped for the future, as the coordinator of Canada's resource management.

In 1963, Harold J. Barnett, then a professor of economics and chairman of the economics department of Washington University in St. Louis, and Chandler Morse, a professor of economics at Cornell University, writing on the economics of natural resource availability, said:

"Man's relationship to the natural environment, and nature's influence upon the course and quality of human life, are among the oldest topics of speculation of which we are aware. Myth, folktale, and fable; custom, institution, and law; philosophy, science, and technology—all, as far back as records extend, attest to an abiding interest in these concerns."

The doctrine of increasing natural resource scarcity

The past two centuries—the period of industrial revolution, emergence of science, and population explosion—have witnessed a great broadening and deepening of interest in natural resources. An influential expression of this growing interest was that of British classical economics, early in the nineteenth century, with its doctrine that an inherently limited availability of natural resources sets an upper bound to economic growth and welfare. Later, there was the Conservation Movement in the United States, which took shape around the turn of the century. Arising out of concern over natural resource scarcity and a consequent endeavour to formulate policies for the use of the extensive public domain, this move-

ment provided broad, vigorous, and influential expression and political leadership. The interests of the Conservation Movement survive in a vast current literature of scientists, engineers, social analysts, educators, journalists, businessmen, public officials, and adherents of a wide variety of academic disciplines. The occurrence and economic consequences of natural resource scarcity, and their social and policy implications, run like strong threads through the variegated fabric of contemporary public concern over natural resources. The doctrine of increasing scarcity and its effects has achieved remarkable viability.

Classical economists—particularly Malthus, Ricardo, and Mill—predicted that scarcity of natural resources would lead to eventually diminishing social returns to economic effort, with retardation and eventual cessation of economic growth. Indeed, classical economic theory acquired its essential character, and for economics its reputation as the "dismal science," from this basic premise. In a somewhat different formulation, the scarcity idea also entered the theory of natural selection when Darwin, acknowledging a debt to Malthus, saw competition for limited means of survival as the determinant of biological evolution.

The Conservation Movement accepted the scarcity premise as valid for an unregulated private enterprise society. But, rejecting *laissez faire*, at least so far as activities connected with natural resources were concerned, they believed that the trend of social welfare over time could be influenced by the extent to which men conserved and managed resources with an eye to the welfare of future generations. The leaders of the Conservation Movement proposed that society, taking thought for the consequences of its actions, should forestall the effects of increasing scarcity by employing criteria of physical and administrative—not economic—efficiency.

They argued that government intervention could improve on the untrammelled processes of private decision making with respect to natural resources, and that public policies should be devised with this end in view. Their willingness to employ public power as a check on business freedom, signifying as it did a certain disillusionment with the principles of *laissez faire*, made the Conservation Movement something of a catch-all for interventionist ideas of all kinds. This helps to explain its many-sided character. But the core of the Movement was concern for the effect of natural resources, and especially natural resource policy and administration, on the trend of social welfare in a world subject to increasing resource scarcity.

To an increasing extent the problems of natural resources are qualitative. The difficult questions now are not whether physical and economic problems can be solved, but which problems to solve and how to solve them. The kinds and qualities of change in the environment, in the social production process, and in commodities; the composition and the allocation of benefits and costs; the standards and the procedures by which alternatives are to be evaluated—these, rather than the cost of an increment to the pre-existing product mix, have become of increasing concern. As man extends his mastery over output and its cost, it is inevitable that these social problems will acquire increased significance and receive greater attention. Whether the attention they receive will suffice to assure continuing improvement in the quality of life is an open question.

The capacity of scientific progress to create new problems for society, it appears, has outrun the capacity of social progress to solve them. Because of the lag of social innovation, it is possible to be concerned with whether man has learned how to avoid something comparable to diminishing returns in the

quality of life, a point on which Mill was optimistic. The dynamic, accelerative character of technological change seems to suggest that expansion in the number of social and individual choices available to us is an endlessly cumulative prospect. But our calculus of decision-making and our social value standards are not much changed from Mill's day. And, unlike Mill, we do not look forward to a stationary state, with endless time to contemplate and devise a steady, costless improvement in the quality of life. There is, therefore, a question of whether requisite changes in our mechanisms of choice will keep pace with the dynamic development of the scope of choice. The classical economists saw the process of growth as subject to limitations. But they saw the limitations as residing in nature rather than in man.

Man's relations to nature, we could well remember, were once regarded as governed by uncontrollable natural forces. Science, indeed, had just crossed the threshold to objectivity when the classical economists wrote; and this is why they held its potential in such low esteem. We may hope to stand on the threshold of a similar transition to greater objectivity with respect to man's relations to man, which in our time has become crucial for handling man's relationship to the natural environment.

Some of the problems are old—but their urgency is new.

SOME MAIN THEMES EMERGE

You will probably agree, then, that no previous Canadian Government has ever had as many important and difficult resource questions before it as we have today. Several main themes readily snapped into focus in preparing these remarks for you tonight:

1. *The impact of resource industries on environmental stability:* The impact on man's physical environment and the continuing economic growth and, in particular, the role of energy and minerals in this growth. The evaluation of the relationship between man's objective for economic betterment and his physical security and comfort. Fundamentally, the issue is: what kind of a society do we want to live in?

2. *Minerals in Canadian industrial development:* We might explore the role of minerals in the national economy, their competitive nature in the world market and the importance of an early return on our resource potential. Also, to be developed, would be the relationship between resource strategy and industrial growth strategy and their role, in combination, in obtaining better results for Canada in international trade negotiations.

3. *"Good corporate performance" in the minerals industry:* We might review the role which corporations are playing in the development of our resource economy and the need for closer co-operation between Government and industry in developing national policies and in seeing that agreed policies are implemented. As you know, National Advisory Committees are expected to play an important role here.

4. *The inter-energy competition:* This subject would analyze the way in which prices and resources affect the kinds of energy used—the nature of the present supply, and resource development potential either in Canada and the U.S. or on a world-wide basis, and would predict the changing priorities for energy. In addition, it would show how environmental protection will condition and channel the development and use of energy sources.

RESOURCES AND STRATEGIES FOR GROWTH

It is not my purpose to include in the scope of these remarks an entire thesis on the debate on the strategy for economic growth in Canada and the role of the resource industries. Still, I have to make some comment.

First, if we are to remain a modern indus-

trial state with a high standard of living, we must maintain the growth of our real income at the same levels of performance as other leading industrial states.

Secondly, this can only be done through the production of technologically advanced goods produced by an educated and efficient population. These goods must command a premium for their usefulness and the quality of the human labour contributed.

Third, the capital to finance this growth and to sustain the present level of activity must come from established sources of earnings and established markets for our goods.

Fourth, an essential part of our current economic activity comes from the resource and energy industries, and full advantage should be taken of our competence in this area and of the great demands on it from our own and international sources.

Finally, Mr. Lincoln once said: "You don't strengthen the weak by weakening the strong." The issue is not the weakening of the primary industries to transfer capital resources to other sectors which will initially have a high risk factor and thus performance lag, with the problem of how Canada pays its way in the meantime. The issue is the harnessing of the increasing wealth of the nation derived from sound primary resource growth to the service of new and desirable industrial growth outside resource industries. Whether you agree or not with the methods, this is the balance which Mr. Benson's new tax policies seek to strike.

RESOURCE POLICY—NORTHERN OIL DEVELOPMENT

To this point, I have tried to describe the general parameters for national resource policy. Now I would like to turn to describe a specific resource development program and ask you to bear in mind the context of what I have said previously. The program I am selecting—the development of our northern oil potential—is one of specific interest to this group. Let me begin with a description of government organization in this area and then move to specific problem centres.

Task force on northern oil development

A Task Force on Northern Oil Development was established by this government in December, 1968, under the chairmanship of the Deputy Minister of Energy, Mines and Resources, to consider all aspects of northern oil development, transportation and marketing. The Task Force membership includes the Deputy Minister of the Departments of Indian Affairs and Northern Development, Transport, and Environment, and the Chairman of the National Energy Board. The long-term plans of the Task Force call for the organization and appraisal of studies needed to encourage optimum development of northern oil resources and also to ensure adequate government supervision and control over activities related to this resource program.

With industry plans under way for oil and gas pipelines from the far north, the Task Force carries on a continuing review and appraisal of industrial activity to ensure that industrial programs will be in the national interest. Task Force plans are designed towards the ultimate objective of the most economic recovery of northern oil in keeping with adequate protection of the Arctic environment and maximum employment opportunities for northern citizens, that is at the lowest possible social cost.

During 1970, the Task Force made several reports to government, one of which led to the establishment of northern pipeline guidelines. These guidelines provide terms of reference for industry in its northern oil activities and relate to the common carrier concept of northern pipelines, environmental control, employment for northern residents, and full opportunity for investment by Canadians in northern pipelines. The Task Force also continued its ongoing appraisal program of exploration,

transportation and market development related to northern oil activity for the purpose of advising the government on matters of national interest.

Task Force plans for 1971 included further development of the northern pipeline guidelines, special emphasis on coordination of research concerned with environmental control, and engineering and economic studies of proposed oil and gas pipelines from both the American and Canadian Arctic to markets in eastern Canada and the United States. This and related work is continuing in 1972.

The Task Force is made up of five important committees.

The Pipeline Engineering Committee appraises all matters relative to the construction and operation of oil and gas pipelines in the north. The emphasis is on construction procedures and on design and operational criteria for these pipelines. The Committee maintains close contact with the three gas pipeline companies who have declared themselves as possible applicants to build a gas pipeline from Prudhoe Bay across northern Canada to continental gas markets.

The Committee also maintains close contact with the group of oil companies which is carrying out research relative to the building of an oil pipeline in the Canadian north. Additionally, representatives of this Committee are meeting on occasion with representatives of those oil companies who are planning to build a trans-Alaska pipeline. This Committee also maintains close contact with such associations as the Canadian Standards Association which determine specifications for pipeline materials.

The Economic Impact Committee is charged with the responsibility of carrying out studies to determine the expected impact on the economy of the building and operation of northern pipelines. The studies are carried out in terms of such criteria as employment benefits, regional impacts, balance of payments and exchange rate effects, investment impacts, availability of finances, etc. In general, the Committee's work is concerned with the question as to whether a northern pipeline would be a benefit or an overall cost to the economy and the nature and scale of the benefit-cost balance.

The Marine Transport Committee focused most of its attention in 1969 and 1970 on matters relative to the voyages of the "Manhattan" and the possibilities of opening up a "Northwest Passage". More recently it has been given the responsibility of determining whether it would be appropriate to have harbour studies in the Arctic. This follows a detailed study that had been carried out by the Department of Public Works regarding the feasibility of a supertanker harbour at Herschel Island.

The Marketing Committee is charged with the responsibility of assessing the impact of northern oil and gas on the energy supply and demand patterns of North America. It has had such specific assignments as that of determining the extent to which the Pacific Coast States of the U.S.A. could accommodate Prudhoe Bay oil and price effects related thereto. It has also done analyses of the laid-down cost of northern oil in such major continental markets as Chicago and Toronto.

The Environmental-Social Committee has been extensively developed because of the major environmental program in which the government of Canada is now involved.

The environmental program now under way was approved for a three-year period by the Cabinet last year and provides for an annual expenditure of up to \$5 million over a three-year period. The program is a multidisciplinary activity involving the field and laboratory research work of geologists, geophysicists, cartographers, biologists, forestry specialists, water resource and wildlife specialists.

There is a good expectation that by the end of 1972 the field work will have advanced to such a stage as to put the government in a position whereby it could appraise, from an ecological point of view, any applications that might be received by companies wishing to build pipelines in the north. There would then, of course, have to be very thorough hearing procedures which would involve not only the criteria developed by this Committee, but by the other four Committees of the Task Force as well.

The continued success of Panarctic Oils Ltd., the consortium in which the Government of Canada retains a 45 per cent interest, and stepped up exploration by industry in the North, only adds urgency to several policy questions confronting the Canadian Government in respect to oil and gas industries and northern development.

THE "LAND BRIDGE" CONCEPT

I want to take this opportunity to restate our view that the Canadian Government would welcome applications to build oil or gas pipelines from Alaska through Canada in a "land bridge" to the continental United States. Any such applications would be reviewed in a hearing process subject to the guidelines mentioned earlier and in light of the mounting research brought to bear on these undertakings by private industry and the Government.

The Canadian government welcomes the periodical reports and discussions with interested industry groups relative to the construction and operation of northern pipelines. We certainly look forward to further exchanges covering such items as throughput, spare capacity, financing, ownership, responsibility to carry Canadian oil and/or gas, the role of northern people and environmental protection standards, to mention a few key areas.

In the resource management of the North American land mass, all the alternatives need to be thoroughly investigated before any unilateral actions are taken. That much seems clear no matter what national strategies are to be pursued by Canada and the United States in satisfying their respective requirements for oil and gas.

To us it appears that an oil line from Alaska through Canadian territory would have the advantage of ruling out a vulnerable tanker link to markets and would provide more economic transportation of oil to the U.S. Midwest.

My Colleague, the Minister of State for External Affairs has made clear in the House, and the Government in an aide-memoire sent to Washington last August, stated in the strongest possible terms, Canada's reservations with respect to the ecological and other hazards of movement of oil by tanker from Alaska, down the West coast and through the Puget Sound to north western U.S. refineries. Let no one suppose that the opposition of Canadians—so effectively voiced by Members of Parliament like David Anderson—is not the genuine concern of this Government. We have made clear that full indemnity will be required for the ravages which oil spills could inflict on our coastlines.

As far as we know very little study has been given by the proponents of this route to the dangers of tanker movement in the restricted channels adjacent to the southern British Columbia coast, and what little has been presented by the companies involved would only seem a first faltering step in defining the actual tonnage that would traverse this route and the precautions needed to safeguard our interests.

CONCLUSION

In conclusion, Canadians and their Government will continue to place a top priority on the development of policies for natural resources which will optimize their contribution to national goals. For centuries, public policy has sought to harmonize man's

relationship with his environment, his changing expectations with respect to economic well being and the quality of life. Today, science and technology have introduced a new urgency to the calculation of decisions about our future. Our ability to respond and adapt to these challenges may require new outlooks. But we must harness our strength to that future and adapt to its challenges.

The broad range of public policies can only work with the cooperation of governments, industries and, indeed, all Canadians, in a world increasingly dominated by powerful external forces which Canada confronts in world markets. Our relationships with one another have become important to the success with which we meet the challenge to our future.

Your conference can contribute significantly to meeting the challenge of opening up Canada's great oil and gas potential of the north. Gathered here today are experts from a broad cross section of disciplines which will be called upon to provide effective response to policy issues facing Canada in the 1970's. I wish you every success in your deliberations.

DILEMMA ON DISPOSAL METHODS FOR RADIOACTIVE WASTES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, the increasing use of radioactive materials in the United States and the rest of the world has resulted in a growing dilemma on disposal methods for radioactive wastes.

Several proposals have been offered, including a suggestion by Dr. J. R. Schlesinger of the Atomic Energy Commission that these wastes be disposed of in outer space. However, most proposals would have these waste products disposed of underground. The Atomic Energy Commission has in its possession studies of several potential disposal sites in Kansas and has assured Senator JAMES PEARSON that its search for an appropriate Federal repository will not be limited to his State. According to Senator PEARSON, the AEC will consider sites throughout the continental United States.

We are all concerned about the harmful effects which might result from the underground disposal of these waste materials. Some radioactive wastes are not as potentially dangerous as others. Chemical and radiological composition of these wastes depends upon source and previous treatment and they are generally classified as low, intermediate, or high level in terms of activity.

One can get an indication of how harmful these waste materials might be by examining their decontamination factors, a term used to describe levels considered safe for direct release into the environment. Low-level wastes contain more than 1,000 times the level of concentration authorized for direct release into the environment. Intermediate-level wastes contain still more and high-level wastes contain 100,000 times the amount considered safe for direct release. This intensity of radioactivity in high-level wastes, combined with the long half-lives of some of the fission byproducts, makes them potentially lethal to man and destructive to the environment for thousands of years.

Nobody knows exactly how much radioactive waste material will have to be disposed of by the United States in the coming years. But the Atomic Energy Commission estimates that 5 million gallons alone would come from operation of nuclear fuel reprocessing plants. However, this 5 million gallons represents only a fraction of the total international radioactive wastes.

About 40 million gallons of concentrated high-level radioactive waste material has already been generated by the Atomic Energy Commission through development of the U.S. nuclear weapons program and in the development of peaceful uses for atomic energy. The Soviet Union has, in all probability, generated a like amount. West Germany, France, and Great Britain have also accumulated large amounts of radioactive waste material and all are experimenting with methods of disposal. Lesser amounts have been accumulated by India, Italy, Spain, Brazil, and Japan as other countries progress in their technology in this field. A realistic figure for the total amount of radioactive waste material in the world may be around 83 million gallons. All of this waste material is in temporary storage facilities.

This worldwide accumulation of potentially harmful radioactive waste material apparently has little utilitarian value in the foreseeable future. The consensus of scientists today is that all of this waste material, along with all future accumulations, must be stored indefinitely in total isolation from the environment.

Because the safe and expeditious disposal of this waste material is a concern to other countries as well as to the United States, I am introducing a resolution today asking for an international conference on the management of nuclear wastes. The same resolution was earlier introduced in the Senate by Senator PEARSON.

Under this resolution, the President would invite the other governments to join with us to deal with the problems of radioactive waste disposal. I hope that this conference would result in an international treaty on the subject aimed at searching the world over for the ideal conditions for disposal sites.

The development of nuclear power capabilities, both in weaponry and in peaceful uses, has done much to impress upon us the closeness of our world neighbors. This development has also brought with it the need for responsible and safe use of these systems. Let us now join in searching out responsible and safe methods for disposing of the wastes these systems produce.

PROPOSES BRINGING NORTHERN IRELAND SITUATION BEFORE UNITED NATIONS

The SPEAKER pro tempore. Under a previous order of the House the gentleman from New Jersey (Mr. MINISH) is recognized for 5 minutes.

Mr. MINISH. Mr. Speaker, the recent tragic events in Northern Ireland have reemphasized the fact that the governments of Britain and Ulster are unable

to solve this crisis in a fair and equitable manner.

The present bloodshed can be traced to years of systematic and deliberate discrimination by the Government of Northern Ireland against the minority Catholic population. The current policy of repression and internment has only served to prolong and escalate the conflict.

I have introduced House Concurrent Resolution 538 which calls upon our Government to take immediate steps to bring the Northern Ireland situation before the United Nations.

The resolution calls upon the United States to support the following propositions before the world body:

Immediate termination of the current internment policy and the release of all persons detained thereunder;

Arrangement for consultation among all involved parties including the Irish Republican Army;

Replacement of British troops in Northern Ireland with a peacekeeping force of the United Nations; and

International inquiry into the tragic events of Sunday, January 30, 1972 in which 13 innocent citizens were killed by British troops.

On February 2 I called upon the House Foreign Affairs Committee to give immediate attention to the crisis in Northern Ireland and to the role our Government might plan in seeking a workable settlement. I am gratified that hearings have been scheduled next week before the subcommittee chaired by Congressman ROSENTHAL of New York.

Questions of civil, political, and religious rights and of self-determination transcend national boundaries and involve the whole world community. The Irish ask no other to fight their battles for them, but they have the right to our support in their efforts to achieve economic, social, and political equality. We cannot stand aside while the people of Ulster are condemned to the rage and death that have been their fate for too many turbulent generations.

Mr. Speaker, at this point in the RECORD I include a resolution which has been adopted by the New Jersey State Senate and a news article summarizing a rally held in South Orange, N.J., on February 13 to support the oppressed minority of Northern Ireland:

SENATE RESOLUTION BY SENATOR DODD,
ADOPTED FEBRUARY 7, 1972

Whereas, The continuing violence and bloodshed in Northern Ireland is a cause of the deepest concern to Americans of all faiths and political persuasions; and,

Whereas, The causes of the present conflict may be traced to the systematic and deliberate discrimination in housing, employment, political representation and educational opportunities practiced by the governmental authorities of Northern Ireland against the minority there; and,

Whereas, The Governments of the United Kingdom and of Northern Ireland have failed to end the bloodshed and have failed to establish measures to meet the legitimate grievances of this minority; and,

Whereas, Continued repression and lack of fundamental reforms in Northern Ireland threaten to prolong and escalate the conflict and the denial of civil liberties; now, therefore, be it

Resolved, by the Senate of the State of New Jersey: That this House hereby expresses its deepest concern over the present situation in Northern Ireland; and, be it further

Resolved, That this House hereby calls upon the Government of the United States to exert all diplomatic efforts to urge upon the nations involved the implementation of the following actions, in accord with fundamental concepts of nondiscrimination, fairness, democracy, self-determination and justice:

1. Termination of the current internment policy and the simultaneous release of all persons detained thereunder;

2. Full respect for the civil rights of all the people of Northern Ireland, and the termination of all political, social, economic and religious discrimination;

3. Implementation of the reforms promised by the Government of the United Kingdom since 1968, including reforms in the fields of law-enforcement, housing, employment and voting rights;

4. Dissolution of the Parliament of Northern Ireland;

5. Withdrawal of all British forces from Northern Ireland and the institution of law enforcement and criminal justice under local control acceptable to all parties;

6. Convening of all interested parties for the purpose of accomplishing the unification of Ireland; and, be it further

Resolved, That duly authenticated copies of this resolution shall be transmitted to the President of the United States, the Vice President of the United States and the Speaker of the House of Representatives, the Chairman of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs, and to each of the Members of Congress elected from this State.

President of the Senate.

SETON RALLY FOR ULSTER DRAWS 2,000

(By Barbara Kukla)

About 2,000 persons of different nationalities, religions, and political persuasions yesterday took part in a rally to urge the end of violence and bloodshed in Northern Ireland and to commit themselves to independence for six Irish counties under British control.

The three-hour rally at Seton Hall University in South Orange was sponsored by 105 Irish-Americans groups in the state and was called "The All-New Jersey Rally for Human Rights and Justice in Northern Ireland."

It featured a score of emotion-packed addresses by representatives of federal, state, county and local governments as well as talks by clergymen and labor leaders.

Most of the speakers called for the withdrawal of British troops from Northern Ireland, the right of the people of the counties to determine their own destiny, and a boycott of all British-made goods.

The killing of 13 civilians by British troops in Londonderry on Jan. 30 was condemned by all.

According to Dr. John Campbell, chairman of the New Jersey American Committee for Ulster Justice, a one-day boycott of buying, selling and transporting British-made products is scheduled for March 1.

Campbell said his organization has been promised the support of three major labor groups, which have said they will refuse to service British ships and airplanes arriving from points along the Eastern Seaboard to Brownsville, Texas.

He said plans also are being made for picketing of the Newark ticket offices of the British Overseas Airways Corp. (BOAC).

John Brown, state AFL-CIO secretary-treasurer, in offering the support of the many labor groups within his organization, called

for an immediate start of a prolonged boycott.

"Ireland must guide its own destiny," he told the standing-room-only audience. "If you can't participate physically in gaining her freedom, join together to boycott British products," he said.

He urged a boycott of at least 30 days, claiming "you'll see results by March 17."

The boycott theme also was picked up by Assemblyman Anthony Imperiale (Ind.-Essex), who said:

"You don't conduct a boycott by not buying goods on South Orange Avenue. You do it by not letting the products off the ships."

"When England seeks loans and credit from the United States, England should be told her credit card is non-valid," Imperiale added. Rumbling applause shook the room.

The audience was just as responsive to a speech by Rep. Peter W. Rodino Jr. (D-10th Dist.) as the congressman explained his efforts to bring peace to Northern Ireland.

Rodino said that a congressional resolution which he cosponsored urges the United Nations General Assembly to:

Call for withdrawal of British troops from Northern Ireland and establish a UN peacekeeping force during that time; set up an international inquiry into the 13 killings; establish peace talks.

"This great country of ours must raise a voice as a moral persuader to be sure that others listen," said Rodino. "We cannot afford to be saddened when justice is trampled upon."

In similar fashion, Rep. Joseph G. Minish (D-11th Dist.) urged "the American people to impress upon its people that the course of action in Ireland must be changed."

"The people in Ireland will not be conquered despite concentration camps and massacres," he declared. "Civil, political and religious rights transcend national boundaries; while I have no Irish blood in my veins I stand with you on this issue side-by-side."

Other presentations were made by Rep. Edward Patten (D-15th Dist.); State Community Affairs Commissioner Lawrence Kramer; State Sen. William Bate (D-Passaic); State Sen. Wynona Lipman (D-Essex); State Sen. Frank Dodd (D-Essex); and Essex County Freeholders Thomas Cooke and Phillip Keegan.

Also Essex County Sheriff John Cryan; Newark Fire Director John Caufield, representing Mayor Kenneth A. Gibson; Elizabeth Mayor Thomas Dunn; Rabbi Ely... audience in the singing of "An Irish Lullaby." Entertainment also was provided by Irish folksinger Brian Anthony and two bagpipers.

The audience was welcomed by Msgr. Thomas G. Fahy, president of Seton Hall, and Dr. John Duff, executive vice president. Michael L. Delahunty of Montclair was master of ceremonies and rally coordinator.

A TRIBUTE TO ZENON C. R. HANSEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ROONEY) is recognized for 5 minutes.

Mr. ROONEY of Pennsylvania. Mr. Speaker, in our deliberations in this Chamber we frequently focus on the subject of opportunity in America and attempt to devise means by which our young people are extended opportunities to pursue their life's goals and to achieve to the limit of their abilities.

From time to time our attention is attracted to instances in which individuals have made extraordinary use of the opportunities extended them and have attained goals which seem phenomenal.

One such individual began working in the parts department of the Inter-

national Harvester Co. when he was 18. Today, at 62, he is chairman and president of Mack Trucks, Inc., a leader in its field of truck manufacturing and a name associated with rugged construction and performance.

Zenon C. R. Hansen lives in Macungie, Pa., in my congressional district, a short distance from the city of Allentown, "Truck Capital of the World," where the Mack corporate headquarters and one of its manufacturing plants are located.

His success story and his executive philosophy are contained in feature articles in the January issue of *Nation's Business* and in the December issue of *Professional Pilot*.

I invite the attention of my colleagues to both articles, not only to learn of Zenon Hansen's personal accomplishments, but to understand some of the problems which confront major domestic industries today and to become acquainted with Mack's relentless and successful efforts to compete in foreign markets.

The articles follow:

ZENON HANSEN OF MACK TRUCKS—GIVING A COMPANY NEW GET-UP-AND-GO

Driving south through Allentown, Pa., an ordinary-looking, middle-sized city in the pleasant Lehigh Valley, you suddenly enter another world.

There, on the outskirts, is a broad, grassy boulevard. It takes you to a large, tan building whose appearance smacks faintly of those TV late-show movies that deal in lost civilizations.

Little bulldog insignia adorn signposts on roadways around the building. And towering above the entrance is the biggest bulldog you'll ever see. It's a low-relief model, 24 by 22 feet.

If your imagination is running free, you half expect to find chanting priestesses of some forgotten cult inside the building.

But it's no ancient temple. It's the new headquarters of a very-much-up-to-date company—a leader in its field with 14,000 employees, and plants not only nearby in Allentown but in Maryland, New Jersey, New York, California, Canada and four countries overseas.

The company is Mack Trucks, Inc., and the bulldog has been its symbol since World War I doughboys hailed a snub-nosed Mack product for its rugged tenacious performance on the battlefields of France.

Both company and symbol have been given new life by an ebullient businessman named Zenon C. R. Hansen, who has more than 44 years' experience in the truck business.

Zenon Hansen, 62, the company's chairman and president, came to Mack in 1965 from a position as executive vice president and director of The White Motor Co. and president of its subsidiary, Diamond T Motor Car Co.—which he had taken into a merger with White seven years earlier. (He has since led Mack, which operates with near-complete autonomy, into subsidiary status with The Signal Companies, of Los Angeles.)

When he arrived, the heavy-duty truck maker (26,000 pounds and up) was facing heavy going. While competitors thrived, Mack profits were in a downturn. Morale had suffered. There had been five presidents in less than 10 years.

Today, profits are way up. Morale is as high as that 24- by 22-foot fiber glass bulldog.

At a time when many firms were putting old symbols on the shelf, Mack had lessened its emphasis on its identification with the bulldog. One of many steps Mr. Hansen took to renew the company's vigor was to renew that emphasis.

When you enter the headquarters building,

you are presented with a bulldog lapel pin. Bulldogs are on stationery, advertising, carpeting, ashtrays, paperweights, even cookies in company eating places.

Bulldogs are everywhere in Mr. Hansen's sixth floor office—statues, portraits, on the pipe he incessantly smokes, on his cuff links and tie clasp. He may give you a key to the city of Allentown ("The truck capital of the world," it boasts). On it, too, is a bulldog.

At his home in suburban Macungie ("MAC-Kungie," he insists) there is a room containing scores of model bulldogs. (Does he have a live bulldog? Enough is enough. He has three schnauzers.)

Mr. Hansen is notable for achievements outside the business arena as well as in it. He never went to college, but he's been at many of them to receive honorary degrees, to serve as a trustee, or to speak.

It would take pages to list all his public service positions or fraternal memberships. They include: president, National Council, Invest-in-America; former national treasurer, Boy Scouts of America (an Eagle Scout, he earned 81 merit badges instead of the required 21); chairman, Committee of One Thousand, Freedoms Foundation at Valley Forge.

Accepting all the awards he receives for good citizenship (the sources range from the Fellowship of Christian Athletes to the United Jewish Appeal) is almost a full-time job in itself.

The following interview with a *Nation's Business* editor may give you some clues as to how Mr. Hansen has been able to achieve what he has.

Mr. Hansen, you have been in truck manufacturing since you were 18, haven't you?

Actually, I started out in the parts department with International Harvester Co. In those days, in 1927, their truck business was not anywhere near as big as it is today, and anyone working with them who indicated an interest in trucks was told he might not have a great future. The really great part of the business, he was told, was in farm equipment.

But you indicated you were interested in the truck business, anyway?

That's right. I stayed in it and maintained my interest.

What prompted that interest?

Well, the truck industry was new, and intriguing to a young man.

At 55, you left Diamond T and White Motor to take on an unknown quantity. What led you to that?

Really, the challenge of turning something around and establishing its rightful place in the industry.

One of the first accounts I called on, when I started selling trucks as a commission retail salesman in the '30s, had a Mack bulldog on his desk. And as I called on other accounts I also would run into that bulldog. The bulldog kind of created an inferiority complex for those of us in competitive companies, because we recognized the great product that Mack manufactured.

So when there was an opportunity for me to come to Mack, I thought: "I've been in this industry a long time, and in the closing years of my career I might just as well end on top if I can."

But Mack wasn't on top, was it? Hadn't its share of the heavy-duty truck market dropped from 21.4 per cent in 1959 to 15.9 in '64?

That's correct.

How did you turn the company around?

Well, I was a newcomer. I had not been inside Mack Truck's offices, factories or anywhere. So when I arrived, without my family, I worked from early morning till very late at night boning up on everything.

Mack's big problem, I found, was not being able to keep up with the growth of a rapidly expanding industry. It had suffered for lack of planning and perhaps management in pre-

vious years, and though it had kept up product-wise, technology-wise, it hadn't increased production facilities to meet the requirements.

There were times when Mack could not meet the customers' demand. It had a very substantial backlog.

Most people were under the impression that Mack was producing all the trucks it could produce. But we went up to 70-plus trucks a day with virtually the same facilities that had been producing 50 to 55 previously. With an addition to the Allentown plant, which was started within two or three months, we were able to increase production still further.

Then, the financial community all talked about Mack's labor relations problems, and the tremendous drains from our Hagerstown, Md., plant and our foreign operations, which were operating at heavy losses.

Well, coincidentally with the production increase we concentrated on establishing better labor relations.

Then we took a serious look at Hagerstown. Outside consultants, instead of management, had selected the plant location and laid out the plant. There were many reasons why it was not producing as it should.

So that was worked out, and within a reasonable time Hagerstown had increased capacity and become profitable.

We also went to work on our foreign operations. For instance, their headquarters were in Bermuda. It was really a country club. We closed down the Bermuda offices and brought those who were necessary back to the headquarters office where they could work together without loss of time in travel and communications. And before long, we had foreign operations on a profitable basis.

Now, another thing: Mack had moved into new headquarters in Montvale, N.J., about six months before I came.

And during those long evenings of work when I used to go through the building, I managed to wander into the beautiful reception room and just accidentally look into the visitors' register.

I found out that nobody came there. There were no customers, dealers or suppliers to speak of.

And in trying to communicate with some of the key executives, why, I found out that they were either en route to or from Allentown or Hagerstown or somewhere else. There was an awful lot of lost time.

The decision was made to move to Allentown.

What did you do to establish good labor relations?

Well, one thing I have found is that the boss should not hesitate to face employees personally.

Regardless of what a burden it might be on me to do so, I have made it a practice, when the employees are having a picnic or anything on a weekend, or a meeting in the evening, to try to attend. And that's whether it's at Hagerstown, or Allentown, or Somerville, N.J., or at our Brockway Motors Trucks subsidiary in Cortland, N.Y. I haven't slighted anybody.

I have gone to retirees' annual or semi-annual gatherings whenever possible.

Then we have various small social groups within the company, and whenever they have Christmas parties or other affairs, why, I try to attend. We encourage all of our top management to do so.

I have gotten a lot of good first-hand knowledge talking to some of the people directly. I even have heard from some union members about complaints that they thought maybe their officers weren't bringing to the front.

We also started our house organ, *The Mack Bulldog* magazine. And we have told the employees we would keep them informed on anything important. We have been very straightforward.

In addition to making for better team spirit, does this sort of thing affect results at the bargaining table?

At least it does this: It creates a better spirit of understanding and respect for each other at the bargaining table.

What share of the heavy duty truck market does Mack now have?

Well, that varies from month to month, but it's been 18.8 per cent recently. In 1970, we regained No. 1 position in diesel truck sales.

Doesn't Mack have the lion's share of U.S. heavy-duty truck exports?

Yes, Mack has been very fortunate in its ability to maintain its export markets. We have varied from 40 per cent in some years to, well, for the first six months of 1971 we were at 48-plus per cent.

Have you faced competition to any extent from foreign imports?

Actually, up to the present time, I don't think any U.S. heavy-duty diesel truck manufacturer has.

In 1964, the year before you took over at Mack, sales were \$275 million. How are they going now?

We had \$534 million in 1970. Our first six months of 1970 were all record-breakers. But then came a crunch in the money markets, and the last months of the year felt it. In 1971, we were not able to surpass our 1970 sales pace until August. Sales for the year should come to more than \$545 million.

Are profits keeping pace with the growth in sales?

Well, not quite. We have had to absorb heavy wage and fringe benefit increases.

Mr. Hansen, your attendance at those employee gatherings might be considered extra-curricular, and certainly the numerous public service positions you have held are. How do you manage to do it all?

Well, you can always find time to do the things you want to do. I have to work harder, that's all.

Do you have special techniques for compressing more work into less time?

Actually, no. I'm able to read pretty fast and to absorb facts that are necessary to the business and forget about those that are not.

And at Mack we have two pure jets, a turbojet and two jet helicopters, all of which help me and other executives to get more done.

Do you go from your home to your office by helicopter?

No. My drive from home is only about 10 minutes. And I often come in very early and sometimes go home late—last night it was 9:15 when I left the office. There's no point in having a helicopter crew standing by for that.

I have, though, been picked up by helicopter at home in winter when snow has blocked the roads, or if I've been going out to the airport at the high density traffic hour in the morning.

I use the 'copter on trips to New York, Philadelphia and Washington.

You said you worked until 9:15 last night. What's a typical working day?

Actually, there is no typical working day. The schedule depends on what there is to do.

Now, I was involved in an important meeting in Jacksonville, Fla., yesterday, which was not over until about 2 in the afternoon. So our jet brought me—and an associate who was dropped off at Norfolk, Va.—back up. We arrived in Allentown at 5. The helicopter was at the airport and I was in my office at 5:05.

Well, there had been an accumulation of material from the previous afternoon when I left for Jacksonville, so I had to go through it and get ready for a dictating session this morning and handle some other matters so that I can leave tomorrow noon for a trip west.

We work weekends and holidays at Mack Trucks.

"We" meaning executives?

I mean not only me, but many of my associates as well as my secretaries.

Do you feel you get enough rest?

I can get by on very little rest as long as I have something interesting and challenging to do. But if I let down or there is a lull, then I feel I need a lot more.

Is trucking still a growth industry?

Oh, yes.

Do you see any major change ahead in trucks? A new power train, perhaps?

Well, there are going to be changes to gas turbines or other types of power trains, but that is for the future. We are working on them. Keeps us pretty busy. But I don't see anything tomorrow.

Was your merger with The Signal Companies in '67 aimed at getting capital to finance growth?

No. That was the "mergeritis" time, when a lot of companies were looking at other companies and a lot of individuals were looking to move in to take over.

Mack, which had had a rather poor earnings record, had a very fine year in 1966. Earnings had gone from 92 cents a share in '64 to \$4.26 in '66.

When a company turned its earnings around and the outlook became favorable, why, naturally all the vultures zeroed in. I can't even recall how many different companies tried to take us over.

Sooner or later, regardless of the fact that we were doing a good job and wanted to be independent, we were going to be the victims of a take-over, and perhaps by someone we didn't want to be taken over by.

So we looked over all the candidates and when we met the group from The Signal Companies we decided that as long as we had to get under the umbrella of someone, they were the best opportunity for us. Their philosophy was to allow companies to operate autonomously. And each of their segments was in an industry unto its own—Signal Oil and Gas Co., for example, and Garrett Corp., in aerospace.

Have there been drawbacks?

Frankly, none.

I don't know of any association that could be as good as this one. In 1970, when the financial crunch occurred, we had to rely heavily on Signal from time to time, and naturally we had problems. But they certainly were not serious.

Mr. Hansen, getting back to your personal career, did you miss much by not going to college?

Not a damned thing.

Is it still possible for a young man to be a business success without college?

Yes, I think it is more difficult today, however, because we have such contradictory laws and opinions in this country. For instance, we talk about fair labor practices and equal rights and all those things. But just recently I met a young man at a company and told him I would see him again.

And he said, "No. I won't be here because I have to go back to school to get my master's degree."

I said, "What in the hell do you have to get that for?"

"Well," he said, "I have been passed over twice for promotion because I didn't have a master's degree. That's just one of the requirements here. The degree isn't going to do me a damned bit of good, but I've got to get it."

The same thing holds true in hiring practices at government agencies and other organizations.

We have this built-in handicap for people who just don't happen to have a college degree but who may be equal or better in knowledge and experience.

Have you eliminated that handicap in your company?

Definitely.

Are there other top executives at Mack who have not been to college?

You know, I haven't even checked. Of course, our executive vice president of engineering is an MIT graduate.

And our legal people are law graduates, and so forth. But, well, yes, our executive vice president of marketing never went to college.

You have been quoted as saying that too many kids who are not qualified go to college, and that one of the problems is "pushy, selfish parents."

No question about it.

And you have said the worst thing that's happened in America has been the invention of the safety razor, because the old-fashioned razor stop disappeared.

That's right. That and the formation of the P-TAs.

How about your own upbringing? Were you subject to the razor stop?

I was very definitely subject to the razor stop, to the strictest discipline. And also taught to say Yes, sir, No sir, and Thank you, and to behave myself.

I was also brought up under the philosophy that children should listen to what their elders said, and not voice opinions.

That, of course, was prior to the time that we oldsters decided to give the country to the younger people.

How about your own three sons?

Well, they are all grown, and none of them has been a problem. Only one saw fit to attend college. And then, after leaving college, he worked for a few years and decided to return to get his law degree, which he has done on his own. He is now establishing his own private practice.

The other two are coming along satisfactorily.

Mack Trucks has been a financial supporter of educational institutions. Has wilderness on campus affected the company's policy?

We have discontinued support of schools where it appeared that the students were not appreciative of the opportunity being given to them, and where there were indications that the faculty was far-out.

I get sick and tired of hearing that industry hasn't done a good job of selling our educators and students on the benefits of the free enterprise system.

If these college professors are so damned smart, they ought to know that in many instances the endowments for the buildings they are in, the very campuses they are on, have been created by the blood and sweat of people who never had a college education. If they are so dumb that they can't figure that out, we ought to get rid of them.

Mack has widely distributed a folder on how to display and honor the U.S. flag. How did that come about?

When President Nixon was inaugurated, I was on the platform not too far away. And I could observe the behavior of the members of our Supreme Court, the President's Cabinet, members of both houses, the Governors of states and so forth.

It was appalling to me that, when the flag was presented, there was either a lack of knowledge of how to respect it, or lack of desire, on the part of so many of these important people. And this was on national television.

So upon my return I asked the Flag Plaza Foundation in Pittsburgh to produce a pamphlet for us.

Mack recently engaged in negotiations, now terminated, about supplying the Russians with truck-making tools. Do you see anything incompatible between this type of business deal and patriotism?

Absolutely not. As a matter of fact, Mack thought it was patriotic. We are the only major nation not really trading with the Soviets, though many American firms do business with them through foreign subsid-

aries from which we get no balance of trade credit or employment or anything else.

And manufacturers from Britain, Germany, France and Italy, for instance, had been endeavoring to secure the business. Nothing was going to be furnished to the Soviets that they couldn't get on their own or from some other country.

You were born in Hibbing, Minn., but went to grade school in Miami, Fla., and to high school in Sioux City, Iowa. Why so much movement?

My mother and father were separated when I was about four years old. I was raised by a grandmother and a couple of aunts.

Your first name is unusual. A family name?

No. When I was a boy, I disliked it very much. I found out that my mother, prior to my birth, had been reading a book in which there was someone by the name of Zenon.

In those days, we lived in a community that was primarily Scandinavian. We had Swedes, Danes and Norwegians, and there were a great many Hansens, spelled either "s-o-n" or "s-e-n." And the first names were all Scandinavian.

My mother decided I should have an unusual name. So she chose Zenon.

Until recently, in all my travels, I had heard of no other Zenon, except once during World War II. However, during the publicity over Mack's possible participation in the Soviets' truck plant, two Zenons wrote to me. Both were so interested in finding someone named Zenon that they journeyed to Allentown and we had visits.

We have since found another Zenon. We are thinking of forming a Big Z or Zenon club and trying to find out how many people there are by that name.

Had the other Zenons' mothers also read that book?

No. One of these gentlemen is of Polish extraction and the other Lithuanian, and I find there is a background of using the name among Poles and Lithuanians.

Your mother also decided to change the spelling of your last name, didn't she?

Yes. The name should have been spelled "s-o-n." She decided to change it to "s-e-n" when we moved one time. And it stuck.

Mr. Hansen, what would you say has been the smartest decision you've ever made?

I think it was when I decided as a young man not to do what I started out to do—work a while and then go to college—but to keep on working.

And what has been your biggest mistake?

Probably that I have not devoted enough time to my personal affairs, particularly financial. I have devoted a great proportion of time to civic affairs and my businesses.

But I am going to get along all right. And I have had a great deal of personal satisfaction working with and helping people. So I'm not going to worry about it.

WINGS AND ROTORS OF BULLDOG AIRLINES SPEED MACK TRUCKS EXECUTIVES

(By Murray Smith)

Zenon C. R. Hansen has brought Mack Trucks, the nation's first truck manufacturer, back from a losing position in 1965 to a powerhouse in 1971. The company's new, multi-million-dollar headquarters in Allentown is festooned with bulldogs. On the front of the building above the entrance is a 22-foot-high Mack Bulldog which is made of fiberglass and is illuminated day and night. The aviation department is referred to as Bulldog Airlines, and Hansen credits some of his success in rebuilding Mack to the mobility the flight department has brought to his viable management team. When Chief Pilot Bill Sapp arrived at Mack in 1965, his instructions were to build an effective flight department. Sapp did, and it is.

Despite strong competition from International Harvester, White, General Motors, and others in this country (and with increasing competition from various foreign manufac-

turers as well), Mack Trucks is a major power in the heavy duty truck market and claims 20 per cent of the U.S. market. According to Zenon C. R. Hansen, chairman of the board and president of Mack Trucks, the past success of the company had been built on its matchless reputations for producing reliable, high-quality products, and on its image as the originator of more new ideas in the motor truck industry than any other producer.

"But past laurels aren't worth a damn in the fight for new business," the dynamic 62-year-old truck industry leader declared in his recent interview with *Pro Pilot*. "You can't live on your past reputation. You've got to continue to bring new and better ideas to truck building."

Surrounded by Bulldog symbols and puffing on one of his cavernous pipes, Hansen continued: "To develop new ideas you've got to know your customers' needs intimately. You've got to get around. Having our own fleet of turbine-powered fixed wing and rotary wing aircraft gives us the opportunity to move an effective management team around the country quickly; to learn more from our customers in face-to-face meetings; to bring collected information quickly to our plant sites; to visit our parent company headquarters; and to reach financial institutions, vendors, or other suppliers in a minimum of time. Being faster than our competition with our derived product intelligence and resultant new developments is really the key to our current industry leadership here at Mack Trucks."

MACK NOT ALWAYS THE LEADER

Mack hasn't always been the leader. The nation's first truck-maker fell upon hard times in the late 1950s. A succession of finance-oriented chief executives—four within seven years—were installed and removed by a closed-end investment company, Central Securities Corp., whose Northeast Capital subsidiary was Mack's largest stockholder at the time. None of these in-and-out Mack leaders had any truck manufacturing experience. The results were appalling, and Mack's futures were plunging toward the point of no return.

Mack management was isolated, and executive travel requests were frequently denied. Facilities had deteriorated, research atrophied and inter-plant coordination was practically non-existent. An obsolete plant was retained too long, then suddenly scrapped for a snap-decision replacement hundreds of miles away in an area so devoid of trained employables that start-up costs topped \$17 million. Morale was low, work stoppages and strikes were prevalent.

Between 1959 and 1964 Mack lost a third of its share of the heavy-duty truck market, sliding from 21.4 per cent to 15.9 per cent. Earnings nosedived from \$15.8 million to \$3.4 million, and Mack stock plummeted. When a desperate plan to merge with Chrysler was denied by the Justice Department in 1964, it looked as if the final curtain might be pulled down on Mack Trucks.

At this supercritical time, Mack's directors elected to try once more to find a new chief executive—a man who was familiar with every facet of the truck business and who had an uninterrupted record of success. They decided upon Zenon Clayton Raymond Hansen, president and director of Diamond T, and also executive vice president and director of the parent White Motor Company.

ZENON CLAYTON RAYMOND HANSEN

At the time Hansen was 55, had moved up from sales vice president to president of Diamond T eight years before, and had increased the company's revenues by more than 20 per cent and earnings by 800 per cent. He negotiated the agreement making Diamond T a subsidiary of White and subsequently moved his headquarters and production operations to Lansing, Michigan as a centralization move to improve corporate efficiency.

"I believed in corporate air travel from the days when I was vice president of sales at Diamond T," stated Hansen emphatically. "Time was precious, and you could have it with air travel. When I was at Diamond T in Chicago, back in the early fifties, it was my idea to get a company helicopter to avoid the traffic tieups between our plantsite and the Chicago Midway Airport. We used a four-place Bell Executive and found we could cut company officer travel time from an hour to only 15 minutes in carrying top personnel from the plantsite to the airport. I moved to allow more liberal use of the helicopter by other personnel with important jobs, and even used the helicopter to carry urgent or 'fire' orders to the airport for airmail shipment to customers. Cost per part might have been high, but fleet owners remembered when we gave them overnight parts delivery service, and many placed their next truck orders with Diamond T because of the overnight parts back-up service we provided."

"When I moved operations to Lansing, the company bought a Twin Beech G18 to use most frequently for travel from our office in Lansing to the home office of White Motor in Cleveland."

HANSEN JOINS MACK

When the directors of Mack approached Hansen with the proposal of leaving White Motor to salvage the Mack Trucks operation, they wisely didn't sugarcoat the position of the company. "The idea of making the Mack Bulldog growl again appealed to me," Hansen said. "I was number two or three or four man at White. Here was a chance to put all my ideas into effect and rebuild a very individual truck company back into the great leader it had been before."

When Hansen became president of Mack in 1965, he did some pretty amazing things. "I'm going to first rebuild this company's spirit," he declared, and proceeded to do just that. He called in all employees for meetings; promised to make all promotions from within; and has kept that pledge. He dusted off and reemphasized the Mack Bulldog—perhaps the best known corporate symbol in America—and started placing bulldogs on everything. Bulldog pictures, bulldog ashtrays, bulldog carpets, bulldog blazer emblems, bulldog statues in steel, wood, fiberglass, and even porcelain. He gave out thousands of bulldog lapel pins. Personalized gold bulldog telephone covers soon appeared in executive suites throughout the country.

"Mack Trucks didn't own an airplane when I came," continued Hansen, "but the word got out on the pilots' grapevine that we were going to buy one. The grapevine was so effective that Bill Sapp had heard about it within one day, and called to ask me if there was a job open. I told him there was one; that it would be the captain's job; but that he was employed, and it was not our policy to proselytize personnel. He replied that he had already planned to make a change, and that as long as he was going to do so he would prefer to come to Mack. I naturally felt complimented, because he had experience with me and knew how I operated. When he arrived, I told him to establish the best damn flight department in corporate aviation, and he got things off the ground within a month."

BULLDOG AIRLINES

"We started with a tri-gear Twin Beech, followed by a second. An order was placed for a DH 125, but deliveries in those days were extended, and it was going to take 15 months to place it in operation. We needed mobility and speed immediately, and so we purchased a Learjet 23 and disposed of one of the Twin Beeches. When the Volpar turbine engine tri-gear became available on the market, we placed it in service and disposed of the second Beech. We are proud, of course, that the Volpar is powered by turbine engines

made by our affiliate company, the Garrett Corporation."

"As soon as jet helicopters were available, a Bell JetRanger was placed in service, and early this year, when the Bell 212 was produced, we received the first delivery for corporate air service."

Mack experienced a corporate air tragedy in November 1969 when their first Learjet 23 was lost in Lake Michigan with a crew of two and five passengers aboard. The aircraft had just returned from its 100 hour airworthiness inspection, which had been performed less than a week previously. Hansen commented: "The loss was a great one to Mack, and a personal one to Mack people. Because we operate our corporate aircraft with complete operational safety standards and the finest equipment available, it had to be concluded that everything possible had been done to prevent such an occurrence. It was most regrettable, but it should not interfere with the air operations of the company. Having known the crew and personnel, I know it would have been their wish for Mack to keep flying."

MACK DEVELOPMENTS AND CURRENT OPERATIONS

Through location consolidations and the use of company aircraft, Hansen unified Mack's operations. He selected Allentown as the center for operations, and tagged it "The Truck Capital of the World."

Former management had been reluctant to give the go-ahead for development and production of the revolutionary Maxidyne diesel engine and matching Maxitorque transmission, both of which had been built in prototype. Hansen gave the go-ahead immediately, saying only "How long and how much?" It was such an innovation that time was of the essence, and the cost secondary. Being a truck man himself, Zen Hansen listens to his engineers and truckers; has a gut feel about a good truck. He recognized the fantastic potential of the Maxidyne engine, and it has become the top seller of the Mack line.

With sales climbing, the company needed more money for new product development, but its borrowing power was severely limited by its common equity capitalization of only \$134 million. Hansen came to realize that a merger with a larger organization was necessary to supply adequate capital for expansion. As Mack was enjoying a flush of prosperity, and backlog orders for Maxidyne equipped units and other Macks were high, many corporations were eager to talk. In 1966 Mack's earnings reached \$4.26 per share, up from 92 cents per share when Hansen had taken the helm two years before. A New York bank suggested Signal Oil to Hansen, and after a two and a half hour meeting with the principals, Hansen had his deal. He would have complete autonomy, and no other truck manufacturer or similar company would be in the corporation. Today, Signal's mainstays are Mack, Garret, and Signal Oil.

The record for Hansen's first five years at Mack (1964 to 1969) reads: sales up 94 per cent to \$533.3 million; unit production up 71 per cent to 24,518; net income up 417 per cent to \$25 million; earning per share up 471 per cent to \$7.94; and return on equity up 218 per cent to 12.7 per cent.

TOP MANAGEMENT SMALL GROUP BUT MOBILE

"Interestingly, I used the same management team at Mack," explained Hansen. "I didn't expand the management team; just got them around faster. We've grown since 1965 from a \$275 million company to a \$550 million company only because we have the mobility for our top executives through Mack's own Bulldog Airlines."

"I believe in corporate aviation," Hansen told *Pro Pilot*. "I think companies that engage in interstate commerce and don't have aircraft are lacking in guts, management or something. I do believe that what we've done here at Mack Trucks is applicable to other

companies. I must tell those executives who aren't now using company aircraft that they just don't know what they're missing. Only with company aircraft can a business really do the things that need to be done when they should be done."

HANSEN'S VIEWS OF FLIGHT DEPARTMENT

"I feel quite strongly about the advantages of helicopters," he continued. "Small helicopters are ineffective, but large ones—like our twin turbine powered 212—can really do a good job in point-to-point transportation. We make numerous flights to New York City heliport locations such as 60th Street and Wall Street, and we also make runs to Philadelphia and into New Jersey. Not only do we save hours upon hours of time, but we also think it's much safer for our executives to be above the highways than on the highways."

"There should be no conflict between rotary wing aircraft and fixed wing aircraft in the flight department. Either you have a need for a helicopter or you don't! If your plant is located near a good all-weather airport, you don't usually need a helicopter. On the other hand, if your plant is located some distance away from the airport, a helicopter with turbine power and sufficient size to carry your management team would appear to me to be a good investment."

"The proper flight department for each company should be worked out in conjunction with the aviation group and management. In our company, we bring our aviation department director, Bill Sapp, in on our executive travel planning needs and put him to work on equipment suggestions. As far as aviation is concerned, his is the ultimate decision. We're not going to purchase a given type of aircraft if he were to recommend against it. Similarly, if he feels it would be best to go a certain route with aircraft or avionics, we listen quite closely to him. He is the expert in this field."

INTERVIEW WITH MACK'S AVIATION DEPARTMENT MANAGER

We then talked to Chief Pilot Bill Sapp and asked him about his decisions regarding equipment for Mack aircraft. William C. Sapp, 50, holds commercial multi instrument, and has been Director of Transportation and Chief Pilot at Mack Trucks for the past seven years. He holds type ratings in the Learjet 23/24, DH 125, L-18 and PV-1. Before Mack, he worked at White Motor; prior to White he flew for Lakeshore, and before that for Fruehauf Trailer.

All aircraft and instrumentation selections have been his. We talked to him about his flight department:

"We call our operation the Bulldog Airlines, and our fleet consists of the turbo powered Volpar stretched Twin Beech based at Queens City; the DH; the Learjet 24B; the JetRanger; and the 212. We fly the Lear and the DH about 600 hours a year each. The Volpar Twin Beech goes a little more, say 700 hours a year, and the helicopters fly about 1000 hours a year each. Central scheduling is handled by Miss Mary Price at the corporate headquarters office of Bulldog Airlines. She handles both airline and in-house air travel and will take a Mack employee traveling on a scheduled commercial flight and put him on a Bulldog flight if we have one going in the same general direction."

SELECTION OF EQUIPMENT

"We had demonstrations in about everything before selecting the Learjet and the DH. I evaluated the Falcon, Sabreliner, JetStar, Jet Commander, the Learjet, and the Hawker Siddley DH 125 for the Allentown (ABE) Airport operation. I suggested aircraft to Mr. Hansen based upon our particular needs. Mack Headquarters is located near two airports—Queen City and Allentown (ABE). Queen City has only a VOR/DME approach, and the longest runway is 4000 feet. We've had our jets into Queen City, but it's

not really a jet airport. However, Queen City is a more convenient airport than Allentown for us; it's a good bit closer. The Volpar Twin Beech is based there, and is used as a commuter aircraft. At ABE we base both the Lear and the DH. The DH is bigger and roomier, but is more expensive to operate than the Lear. So for quick, one day out-in-the-morning, back-in-the-evening trips for our sales force and other management executives, the Learjet is fine. For Mr. Hansen and his special customers, Mack executives, and parent company executives, we use the DH. The DH is more of a walk-around airplane, and therefore more comfortable for long trips."

HELICOPTER DECISIONS FROM CHIEF PILOT

"It was also my recommendation to acquire the helicopters. The JetRanger worked out very well, and then when the 212 was available we thought we'd use it on a trial basis. The Bell 212 has been an unusually good aircraft. We're trying to license it for IFR operations, and are making progress with the FAA."

"On the helicopters, I looked at the Fairchild Hiller FH-100, but was worried about factory support. I also reviewed the Hughes 500, but it was smaller than the JetRanger. Looking at the factory support angle, and Bell's image as a leader in the executive helicopter field, I went with Bell on the JetRanger, and decided on the 212 as the only twin turbine executive helicopter available."

"I don't recommend having a fixed wing pilot checked out to fly helicopters. I believe flying turbine powered helicopters is a special profession; therefore we have five fixed wing pilots and two helicopter pilots. And the 212 is working out so well that we might retire the JetRanger."

NEW AIRCRAFT VIEWS

"I have evaluated the Merlin III and the Citation as possible replacements for the Volpar Beech in the future. We want to continue to utilize the Queen City Airport, so we need shorter field length requirements. But these decisions are down the road a bit."

AVIONICS VIEWS

"On avionics, I like Collins. I've planned all the panels, and the Lear is all Collins, as is the DH. The 212 has dual Collins PN-101s. Every aircraft in our fleet is also equipped with radar altimeters—I believe in them. I'm using Collins in the DH, IFD in the Volpar Beech and 212, and the Bonzer in the Lear and JetRanger."

"We have new hangar and office facilities at Allentown (ABE), and a smaller but effective office at Queen City. At ABE we handle quite a bit of our routine maintenance, and for the larger maintenance jobs, Atlantic Aviation and AirResearch do the DH, and Executive Jet takes care of the Lear."

PERSONAL THOUGHTS ON RULES AND REGS

"As far as my personal desires on rules and regs are concerned, I'd like to see the twin turbine helicopters certified for IFR, and I'd sure like to see corporate aviation separated from general aviation. All the general aviation problems become our corporate aviation problems—we're saddled with their accident record, and their little airplane image. And I'd like to see a mandatory retirement age of 60 set by FAA for corporate pro pilots . . . few corporate pilots will be around to enjoy company retirement programs that begin at 65."

INCREASE IN SOCIAL SECURITY BENEFITS

(Mr. MILLS of Arkansas asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MILLS of Arkansas. Mr. Speaker, I am today introducing a bill which

would provide a 20-percent increase in social security benefits. In 1971, we passed H.R. 1 which would do much to improve social security protection for certain beneficiary categories—including increased benefits for widows, Medicare for the disabled, and making social security benefits inflationproof. However, H.R. 1, now being considered by the Senate, would provide only a 5-percent increase in cash benefits, effective this June. The 5-percent increase would only keep benefits up to date with the increase in prices since January 1971, the effective date of the last benefit increase. The time has come, and the means are available, to provide a substantial real increase in benefits and thereby make social security benefits for retired workers, and for disabled workers and their dependents, widows, and surviving children, more nearly adequate.

Under my bill social security benefits would be increased by 20 percent beginning with benefits payable for June 1972. The minimum benefit would be increased from \$70.40 to \$84.50 a month. It is estimated that the 20-percent increase along with the other provisions in H.R. 1 would increase the average benefits from \$133 to \$162 a month for retired workers, from \$222 to \$269 for aged couples, and from \$114 to \$153 for aged widows.

It is important to remember that social security benefits are the major reliance of the great majority of retired workers and the sole reliance for about half of them. Although about half of the workers in the country are covered by private pension plans, very few of the retired workers are actually getting private pension payments. Only 21 percent of the couples receiving social security benefits and 8 percent of the nonmarried beneficiaries also receive private pensions. Even when benefits from other Federal Government programs are considered, only 30 percent of the couples and 14 percent of the other beneficiaries have a second pension.

Perhaps most important is the fact that the 20-percent benefit increase and the other cash benefit improvements in H.R. 1 can be financed with the present contribution rate of 4.6 percent each for employees and employers for 1973-76 and with a rate of 4.9 percent for 1977-2010 and a contribution and benefit base—the amount of annual earnings which are counted for benefits and on which contributions are paid—of \$10,200 in 1972 and \$12,000 in 1973. The following table shows a comparison of the rates under present law, under H.R. 1, and under my proposal.

OASDI CONTRIBUTION RATES (EMPLOYEE AND EMPLOYER, EACH)

(In percent)

Year	Present law ¹	H.R. 1 ²	Proposal ³
1972	4.60	4.2	4.6
1973-74	5.00	4.2	4.6
1975	5.00	5.0	4.6
1976	5.15	5.0	4.6
1977-2010	5.15	6.1	4.9
2011 and after	5.15	6.1	6.1

¹ \$9,000 contribution and benefit base for 1972 and after.

² \$10,200 contribution and benefit base for 1972 with automatic adjustments to increases in earnings levels thereafter.

³ \$10,200 contribution and benefit base for 1972 and \$12,000 for 1973 with automatic adjustments to increases in earnings levels thereafter.

I would like to stress the fact that the cash benefit improvements that I am proposing, kept up to date with the cost of living, can be financed for the next 40 years or so with contribution rates that are lower than the rates under present law for that period. In addition, these rates are well below the rates for 1975 through 2010 under H.R. 1; and the rate for 2011 and after is the same as the ultimate rate under H.R. 1. The 4.6-percent rate is based on the concept of current-cost financing and on the assumption that both benefits and earnings levels will rise in the future. Current cost simply means setting the contribution rates high enough to assure sufficient income to meet current expenditures and to allow for some growth in the trust funds so as to maintain them at a reasonable contingency level.

I think that it is obvious to most of us that there is nothing new about current-cost financing. Since the mid-1950's, whenever the Congress has provided for major changes in the social security program and set new contribution rates, the intent has ordinarily been to set the current contribution rate at a level judged necessary to provide for relatively small annual increases in the fund. Thus, I am recommending that the policy of current-cost financing, which has been followed in practice, be recognized in the law.

Basing the contribution rates for the cash benefits part of the social security program on the dynamic assumptions that benefits will rise in the future to take account of increases in prices—as provided under H.R. 1—and that earnings levels will rise is a departure from past practice. In the past, the contribution rates were based on the assumption that neither benefits nor earnings levels would rise. And, as a result, when earnings levels did rise, there was an automatic excess of social security income that the Congress would use to finance benefit improvements. The use of the so-called level-earnings assumption in the financing of the cash benefits program has resulted in the enactment of contribution rates that, when earnings did increase, actually provided financing in advance for benefit increases that go beyond increases in the cost of living. The use of dynamic assumptions would mean that at any time in the future that Congress chose to increase benefits by more than the increase in the cost of living, contribution rates would also have to be increased.

The contribution rates I am recommending are based on the best actuarial estimate of future price and earnings relationships but with a margin of safety so that even if the estimate of actual earnings and price relationship in the future should vary to any significant degree from the assumptions, the rates provided by my bill will be sufficient to meet the cost of benefits, adjusted in the future for increases in the cost of living, over the 75-year valuation period.

My financing proposals are based largely on the recommendations of the Advisory Council on Social Security. As you know, the Council was a distinguished 13-member panel, which under the law was made up of representatives

of organizations of employers and employees and of the self-employed and the public. The Council's Chairman was Arthur S. Flemming, a former Secretary of Health, Education, and Welfare, and recently Chairman of the White House Conference on Aging. Several members of the Council have long, prominent careers in finance. In addition, the Council was assisted in its review of the financing of the program by nationally recognized actuaries and economists, including two outstanding private pension consultants. My financing proposals differ in one important respect from the Advisory Council recommendations, that is, that my proposals include a margin of safety. I am inserting for the record excerpts from the report of the Advisory Council on Social Security on the specific financing recommendations on which the financing of my bill is largely based and a list of the distinguished members of the Advisory Council and the panel of actuaries and economists that assisted the Council in its study of social security financing.

The increase in the earnings base to \$12,000 in 1973 would result in substantially improved benefit protection for workers with above average earnings. The base is a major factor in determining the level of social security protection for such workers. Increasing the base to \$12,000 would move in the direction of covering the proportion of workers' earnings that were covered under the original Social Security Act. In 1938, the \$3,000 earnings base covered the full earnings of 97 percent of all workers. A \$12,000 base would cover the full earnings of about 86 percent of all workers in 1973.

Another reason for increasing the base is that, in general, with any given level of benefits, a higher earnings base makes possible lower contribution rates; conversely, a lower base means higher contribution rates, with a correspondingly greater part of the cost of the program being borne by lower paid workers.

Social security is the Nation's basic income insurance program. It provides protection for American workers and their families against loss of income due to the retirement, disability, or death of the family earner. There is no other program as effective in helping to assure economic security while maintaining dignity for workers and their families. The success of the social security program as the Nation's basic income insurance program is in large part due to the fact that workers earn future economic security as they earn their living. Entitlement to benefits is based on past employment, and the amount of cash benefits is based on past employment, and the amount of cash benefits a worker and his family receives is related to his earnings in covered work.

The social security program today is a universal system, serving workers at all income levels. The program touches the lives of practically every family in our country. About 91 percent of the elderly are getting benefits or would be eligible for them when they or their spouses stop working, and 93 percent of those reaching age 65 in 1972 are eligible for benefits. More than 9 out of 10 peo-

ple in paid employment and self-employment are covered, or eligible for coverage under the program. Ninety-five percent of the children under 18 and their mothers can count on monthly cash benefits if the family earner should die. More than 27 million men, women, and children—one out of every eight Americans—are getting monthly cash benefits. In addition, virtually all of the aged are eligible for hospital insurance benefits and 95 percent of them have enrolled in the supplementary medical insurance program.

The time has come to make a substantial improvement in the social security program and thereby improve its effectiveness as the Nation's basic income maintenance program. We can provide this very substantial increase in social security benefit amounts in a way that does not impose an undue tax burden on covered workers, and in a way that assures that social security will continue to be financed on a conservative and actuarially sound basis. The enactment of my bill would accomplish all these objectives.

The excerpt of the previously referred to report follows:

EXCERPTS FROM THE REPORT OF THE ADVISORY
COUNCIL ON SOCIAL SECURITY

EARNINGS ASSUMPTION

The Council recommends that the actuarial cost estimates for the cash benefits program be based—as the estimates for the hospital insurance program now are—on the assumptions that earnings levels will rise, that the contribution and benefit base will be increased as earnings levels rise, and that benefit payments will be increased as prices rise.

Actuarial estimates of income to the hospital insurance part of the Medicare program are based on the realistic assumptions that earnings levels will continue, on the average, to rise in the future as they have over the long-range past, and that the contribution and benefit base will be increased proportionately as earnings levels rise. Benefit outgo under hospital insurance of course increases with the cost of hospital care, and this fact is also taken into account in the hospital insurance cost estimates.

In the same way, the Council believes, the long-range cost estimates for the cash benefits program should be based on the assumptions that earnings levels and the earnings base will rise, and that as prices rise, benefits will be increased accordingly.

Up to now, estimates of the long-range cost of the cash benefits program have been based on the assumption that both earnings and benefits will remain level over the valuation period. The Council recognizes that the assumption of level earnings and level benefits has been adopted as a convenient device for cost estimating purposes and is not intended as a prediction of actual experience. With the use of this device, the estimates do not have to involve assumptions about the long-range movement of wages and prices; at the same time, the establishment of contribution rates based on these estimates results in a very considerable margin of safety in the financing of the program.

This is true because earnings levels will in fact rise (contrary to the assumption used in the estimate), and the additional income from rising earnings is substantially greater than the benefit liability arising from the higher earnings. Thus, a long-range actuarial surplus is created each time earnings increase. As a matter of fact, if the other assumptions on which the cost estimates are based turn out to be approximately correct, the additional income that develops as earn-

ings rise will be enough to provide for benefit increases that go beyond increases in prices.

Although there are advantages in this estimating technique, the Council believes the disadvantages outweigh the advantages. First of all, the Council believes that the obvious understatement of the dollar figures of program income and outgo that results from projections based on level earnings and level benefits can lead to a misunderstanding of the nature of the estimates. It cannot easily be made clear that both the income and outgo over the long-range shown in the trustees' reports, for example, are really to be expected to reach much higher levels than those shown.

Secondly, the use of the level-earnings assumption for a system that is in fact responsive to increases in earnings and prices results at any one time in a considerable overstatement of the role of interest earnings in financing the program for the long run. As is discussed in part IV, in practice the program has for many years been financed on a current-cost basis and the large funds which would result from allowing scheduled increases in the contribution rates to go into effect never materialized. Thus the portion of long-range benefit costs to be met directly by contributions is in fact larger than the estimates indicate.

More importantly, the Council believes that assumptions concerning such fundamental cost-determining elements as future earnings levels and future benefit levels should be explicitly stated so that they can be examined for reasonableness. To base contribution rates on estimates that assume that earnings, prices, and benefits will remain level is, in practice, to assume that as earnings and prices do, in fact, rise, the Congress will act not merely to maintain the purchasing power of the benefits but to provide for real increases in benefit levels. The assumption is, in effect, that when earnings rise, benefits will be increased sufficiently so that the annual cost of the program as a percentage of payroll will be unchanged (after due allowance for any difference between the other assumptions underlying the cost estimates and actual experience).

The Council believes that contribution rates for the cash benefits program should be based on estimates that project the cost of existing law, as kept up to date in terms of prices. It may well be that the Congress will vote real improvements in the program as the general level of living rises in the future. In fact, the Council has recommended that Congress make such improvements on an *ad hoc* basis. But the Council does not believe that financing for such improvements—making them all but inevitable—should be reflected in the contribution rate schedule ahead of time.

Although it recommends that, as a minimum guarantee in the law, benefits be kept up to date with prices automatically and that the contribution and benefit base be kept up to date with earnings automatically, the Council does not believe that the adoption of these automatic provisions is critical to the estimating principles here recommended; these principles are, in the Council's opinion, the best ones to follow for estimating purposes in any event.

In summary then, the Council proposes that the cost estimates for both cash benefits and health insurance be based on the same assumptions concerning the future movement of earnings, with cash benefit levels adjusted for price changes and Medicare cost levels adjusted for price changes therein. The Council believes that estimates based on these assumptions would give the public and the Congress a better understanding of the most likely course of the program. Moreover, professional and peer assessment of the assumptions on which the estimates are based would be more readily obtainable

if the assumptions on the movement of wages, prices, and benefits were stated explicitly, as would be the case under the Council's recommendation. The Council believes that the discipline inherent in the contributory program would be strengthened if, at times when improvements in the benefit level that go beyond adjustment for rising prices are considered, the contribution rates are revised at such times to reflect the increased cost that necessarily accompanies the improvement.

CURRENT-COST FINANCING

The financing of the program should be on a current-cost basis, with the trust funds maintained at a level approximately equal to one year's expenditures.

The Council agrees with previous Councils that under compulsory social insurance it is unnecessary and undesirable to depend on trust funds to assure future payment of benefits. As indicated earlier, unlike the situation in private insurance, trust fund accumulations are not necessary to provide for security of payment. Under a compulsory social insurance program, it is proper to take account of future contributions as a balancing item against future benefit obligations; social insurance is soundly financed as long as provision is made to meet all benefit payments and administrative expenses as they occur. The financing of the program has always rested, and will continue to rest, on anticipated future contribution income, which in turn rests on the commitment of the Government to use its taxing power to meet the program's obligations. This is true regardless of the extent to which the commitment is recognized by a particular form of a governmental promise to pay, that is, the holding of Government securities in a trust fund.

Reserve financing is not only unnecessary under social insurance but the Council believes that it is undesirable in financing the general expenses of the Government to rely to any significant extent on borrowing from social insurance trust funds. The general expenses of Government should be met directly through the tax resources of the Federal Government, or, as the case may dictate, by borrowing from voluntary sources. The Council does not believe it is sound policy to support the operations of Government by borrowing from trust funds that grow out of the forced savings represented by social security contributions that are more than currently necessary.

Thus, the Council believes that the trust funds should be held to a reasonable contingency level, and it suggests the level of approximately one year's expenditures. Trust fund balances of this size would be more than ample to meet temporary excesses of outgo over income due to relatively high benefit costs or low social security tax yields in a particular period.

There is nothing new about this recommendation. Over the years, it has been widely recognized that the funds should be held to such a contingency function. Since the mid-1950's, whenever the Congress has provided for major changes in the social security program and set new contribution rates, the intent has ordinarily been to set the current contribution rate at a level judged necessary to provide for relatively small annual increases in the fund.

Although the Congress has restricted the trust funds to a contingency-reserve function so far as actual operations are concerned, the law nevertheless has continued to prescribe future contribution rate increases which, if allowed to go into effect, would produce very large trust fund accumulations. As a result, long-range actuarial estimates for the present cash benefits program show a trust fund of nearly a trillion dollars by the end of year 2025. And even medium-range cost estimates indicate a trust fund 15 years from now of only slightly

under \$200 billion. Since these results will not, in fact, occur under a continuation of the long-standing policy of postponing those increases not found to be currently necessary—a policy which the Council believes to be correct—the financial picture based upon the assumption of such large-scale trust fund growth is misleading.

The Council recommends that the policy of current-cost financing, which has been followed in practice, should be recognized in the provisions of the law. To carry out this recommendation, the contribution rate charged should be sufficient only to result in trust funds equal to approximately one year's benefit expenditures, and the law should be changed to require the boards of trustees to report immediately to the Congress whenever it is expected that the size of any of the trust funds will fall below three-quarters of the amount of the following year's estimated expenditures, or will reach more than one and one-quarter times such expenditures. The trustees should be responsible for proposing changes that would keep the trust funds at the recommended level.

One result of limiting the trust funds to a contingency-reserve function and of making the amounts needed for this purpose the determinant of the contribution rate charged is to postpone until well into the next century any increases in the contribution rates for a cash benefits program with benefits adjusted to price changes. The present rate of 4.6 percent each for employees and employers is more than sufficient to support the cash benefits part of the program for the next 4 decades or more. The contribution rate of 5 percent each for employees and employers now scheduled in the law to be effective for 1973 and the 5.15 percent rate now scheduled in the law to be effective in 1976 are not necessary for meeting current costs. The only function of rates this high is that if they were charged during the next several decades, very large funds would be built up, and the interest earnings on those funds would make it possible to have somewhat lower contribution rates than would otherwise be needed in the next century.

As a matter of fact, a current-cost approach under the Council's recommended actuarial assumptions and methodology shows that the cost of the cash benefits program over the next 3 or 4 decades will be a smaller percentage of estimated covered payrolls than it is at the present time. Costs as a percentage of covered payrolls would then rise somewhat beginning about the year 2010 because of the growth of the retired population relative to the employed population as those born during the high birth-rate years following World War II reach age 65. The table following shows contribution rates that would be sufficient to meet the estimated costs of the cash benefits program under the Council's recommended actuarial assumptions and methodology and to allow for growth in the trust funds. The table indicates the combined employer-employee contribution rates by 2-year intervals for the years 1973 through 1985 and 5-year intervals for the years 1985 through 2045.

Contribution rates

Calendar year:	Percent
1973	9.3
1975	8.9
1977	8.8
1979	8.7
1981	8.0
1983	8.5
1985	8.4
1990	8.2
1995	7.9
2000	7.0
2005	7.5
2010	7.9
2015	8.8
2020	9.7
2025	10.4

2030	10.7
2035	10.9
2040	11.2
2045	11.6

This estimate is based on the assumption that prices and wages will rise as follows:

Calendar year:	Rate of increases	
	Prices	Wages
1971	3.8	6.0
1972	3.4	5.6
1973	3.0	5.2
1974	2.6	4.8
1975	2.3	4.5

MEMBERSHIP OF THE ADVISORY COUNCIL ON SOCIAL SECURITY

Arthur S. Flemming, former Secretary of Health, Education, and Welfare; Chairman 1971 White House Conference on Aging; Chairman.

Bertha S. Adkins, former Under Secretary of Health, Education, and Welfare; Vice Chairwoman, 1971 White House Conference on Aging.

J. Douglas Brown, Provost and Dean of the Faculty, Emeritus, Princeton University.

Walter J. Burke, Secretary-Treasurer, United Steelworkers of America.

Kermit Gordon, President, The Brookings Institution.

Gabriel Hauge, Chairman of the Board, Manufacturers Hanover Trust Company.

Arthur Larson, Director, Rule of Law Research Center, Duke University.

Lee W. Minton, President, Glass Bottle Blowers' Association of the United States and Canada.

Thurston B. Morton, former United States Senator from Kentucky.

Bert Seidman, Director, Department of Social Security, AFL-CIO.

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Joseph P. Tonelli, President-Secretary, International Brotherhood of Pulp Sulphite and Paper Mill Workers of the United States and Canada.

Robert C. Tyson, Director, and former Chairman of the Finance Committee, United States Steel Corporation.

Dwight L. Wilbur, M.D., Past President, American Medical Association.

Whitney M. Young, Jr., Executive Director, National Urban League.

CONSULTANTS

Wendell Milliman, Milliman and Robertson, Inc., Consulting Actuaries.

Otto Eckstein, Professor of Economics, Harvard University.

Arnold Harberger, Professor of Economics, University of Chicago.

Murray Latimer, Industrial Relations Consultant.

Nancy Teeters, Research Associate, The Brookings Institution.

THE PRESIDENT'S STATEMENT ON SOUTH ASIA

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

Mr. SIKES. Mr. Speaker, the President's report to the Congress on U.S. foreign policy for the 1970's, entitled "The Emerging Structure of Peace," is a voluminous document and in the pressure of other work in the Congress, there may be those Members who have not had

full opportunity to study and digest its contents.

I was particularly struck by the President's handling of the subject of South Asia. It provided detailed information of our country's efforts to prevent armed conflict between India and Pakistan. It spells out beyond question the refusal of India to accept negotiation and the clear conclusion that India was the aggressor. The President's discussion of this controversial question is frank and clear. It should receive widespread and careful attention, and I am pleased to ask that it be reprinted in the CONGRESSIONAL RECORD:

SOUTH ASIA

"I shall never forget the conversation I had with Prime Minister Nehru . . . when I was Vice President. On that trip around the world of 73 days, in 20 countries, I asked every head of government and state what he wanted most for his country. Some said roads; others said industrial development; others said education. Prime Minister Nehru did not answer in that way. He thought a moment, and he said, 'What India needs, what the world needs, is a generation of peace.'"—Remarks at a Dinner Honoring the Prime Minister of India, November 4, 1971.

The United States made a determined effort throughout 1971 to prevent a war in South Asia and to encourage a political solution. We did not succeed.

A year ago I described the broad objectives of United States policy in South Asia:

"Our aim is a structure of peace and stability within which the people of this region can develop its great potential and their independent vision of the future. Our policy is to help these nations deal with their own problems, and to bring our activity into a stable balance with that of the other major powers with interests in the area."

This structure of regional peace broke down in 1971.

The United States has had an enduring interest in the security, independence, and progress of both India and Pakistan. On my visits to their capitals in the summer of 1969, in my two previous Foreign Policy Reports, and on many other occasions, I have expressed my strong personal interest in warm relations with both countries. There have been fluctuations in our political relationships over the years—from our earliest ties with Pakistan in SEATO and CENTO, to our defense cooperation with India after the 1962 border war with China, to the Nixon Doctrine's posture of balance and restraint. But our fundamental interests and ties have been constant.

India is a great country, a free and democratic nation, in whose future as a model of progress for the developing world the United States has invested its hopes and resources. India has been by far the principal beneficiary of U.S. development assistance—to the extent of approximately \$10 billion since its independence. In Fiscal Year 1971, this Administration provided \$540 million, or approximately two-thirds of the world's net development aid to India.

The United States has long maintained a close tie also with Pakistan. Since its independence we have contributed almost \$4 billion to its economic development.

In 1971, these constructive relationships and shared hopes for progress were shaken by war.

UNITED STATES POLICY IN THE EMERGING CRISIS

The crisis began as an internal conflict in Pakistan. Pakistan's elections in December 1970 gave a majority in the National Assembly to the Awami League, a movement seeking substantial autonomy for the Bengalis of East Pakistan. When negotiations between

¹ Resigned—replaced by Joseph P. Tonelli.

² Resigned—replaced by Arthur Larson.

³ Deceased—March 11, 1971.

the Government and the League on a formula for autonomy broke down at the end of March 1971, the Government ordered the army to suppress all separatist opposition. The League was banned; its leader, Sheikh Mujibur Rahman, was jailed for treason. As the army's campaign advanced in East Pakistan through spring and summer of 1971, countless thousands were killed, civil administration crumbled, famine threatened, and millions left their homes and fled to India.

The United States did not support or condone this military action. Immediately, in early April, we ceased issuing and renewing licenses for military shipments to Pakistan, we put a hold on arms that had been committed the year before, and we ceased new commitments for economic development loans. This shut off \$35 million worth of arms. Less than \$5 million worth of spare parts, already in the pipeline under earlier licenses, was shipped before the pipeline dried up completely by the beginning of November.

The crisis quickly acquired an international character. The flood of refugees was a tremendous burden on India's scarce resources and a threat to political stability in the Indian states into which the refugees poured. With support from India, a guerrilla movement developed in East Pakistan. Both countries moved their military forces to their common borders, and tensions mounted dangerously between them.

It was a foregone conclusion that if war broke out, India would win. But in our view war was neither inevitable nor acceptable.

We realized full well that there were objective limits to what the United States could do. South Asia was a region in which we had no preeminent position of influence. Tensions between Hindus and Moslems, and among the many feuding ethnic groups in this subcontinent of 700 million people, had endured for centuries. Nevertheless, because of our ties with both countries, in 1971 we were the only great power in a position to try to provide a political alternative to a military solution.

There were three levels of the crisis, and the United States addressed them all:

The humanitarian problem of the Bengali refugees in India and the millions who remained in East Pakistan facing chaos and the threat of famine;

The problem of political settlement between East and West Pakistan—the basic issue of the crisis; and

The danger of war between India and Pakistan, which grew week by week.

On May 28, I expressed our concerns in letters to the leaders of both Pakistan and India. To President Yahya, I wrote:

"I feel sure you will agree with me that the first essential step is to bring an end to the civil strife and restore peaceful conditions in East Pakistan. Then full-scale efforts can go forward within an international framework to help your government provide relief assistance to the people who need it. . . .

"While this is being done, it will, of course, be essential to ensure that tensions in the region as a whole do not increase to the point of international conflict. I would be less than candid if I did not express my deep concern over the possibility that the situation there might escalate to that danger point. I believe, therefore, that it is absolutely vital for the maintenance of peace in the Subcontinent to restore conditions in East Pakistan conducive to the return of refugees from Indian territory as quickly as possible. I urge you to continue to exercise restraint both along your borders with India and in your general relations with that country. We are counseling the Government of India to do the same.

"It is only in a peaceful atmosphere that you and your administration can make effective progress toward the political accommodation you seek in East Pakistan."

To Prime Minister Gandhi, I wrote:

"We share your government's hope that peace and stability can be restored in the subcontinent and that all the countries of the area can develop democratic systems of government consistent with their own traditions and history.

"The United States Government has not been a passive observer of these events. We have under active and continuous review two elements of the situation which we regard as particularly urgent: the human suffering and dislocation which has taken place and the basic political cause of this suffering and dislocation.

"In regard to the basic cause of this human suffering and dislocation, my government has also been active. We have chosen to work primarily through quiet diplomacy, as we have informed your Ambassador and Foreign Minister. We have been discussing with the Government of Pakistan the importance of achieving a peaceful political accommodation and of restoring conditions under which the refugee flow would stop and the refugees would be able to return to their homes. . . .

"I am also deeply concerned that the present situation not develop into a more widespread conflict in South Asia, either as a result of the refugee flow or through actions which might escalate the insurgency which may be developing in East Pakistan. The problems involved in this situation can and should be solved peacefully. As you know, in recent months we have been impressed by the vitality of Indian democracy and the strength of purpose which your government has shown in meeting the complex social and economic problems which India faces. India's friends would be dismayed were this progress to be interrupted by war. As one of Asia's major powers, India has a special responsibility for maintaining the peace and stability of the region."

Throughout the summer, we refrained from public declarations but continued to express our concerns privately to all parties. It would have served neither India nor Bengali interests for us to alienate ourselves from the Government of Pakistan, whose policy and action were at the heart of the problem. This was explained again to the Government of India in July; its response was to express hope that our influence would produce results.

The three problems—the humanitarian, the political, and the danger of war—were obviously interlinked. The tragedy was that they could not all be resolved within the same timeframe. The humanitarian problem was monumental and immediate. A political settlement would take time. The threat of war, tragically, had its own momentum.

We responded to the humanitarian emergency with an urgent and massive program of relief, in the framework of a United Nations effort. We were ready to provide \$500 million in cash or commodities, nearly twice as much as the rest of the world combined. We committed \$91 million through the UN for the support of the nearly ten million refugees in India and \$158 million both through the UN and bilaterally for the 60-70 million people in East Pakistan to help avert famine and stem the further outflow of refugees. I asked the Congress for \$250 million more, and stated that more food would be provided if needed. We financed the chartering of vessels to transport grain into the interior of East Pakistan. We gave financial and technical support to the whole UN program. Although pockets of need remained, by November, provincewide famine had been averted in East Pakistan. The refugees in India were sustained at least above the level of starvation.

But we knew that political settlement between East and West Pakistan was the key to ending the crisis. Our relief program was an effort to gain the needed time for a polit-

ical process to work. Direct relief to the refugees in India was essential if India were to manage their support; famine in East Pakistan would have made impossible any restoration of normal life or civil peace, redoubling the flood of refugees and further inflaming tensions between Pakistan and India.

It was obvious to us that a lasting political solution could be found only on the basis of some form of autonomy for East Pakistan. Over the summer, in contacts in Washington as well as in their capitals, we made clear to all parties that we favored such a solution. We sought to set in motion a process of accommodation.

We obtained assurance from President Yahya that Sheikh Mujibur Rahman would not be executed. At our urging, Pakistan agreed to an internationalized relief presence in East Pakistan. We urged an amnesty for refugees of all creeds, replacement of the military governor of East Pakistan by a civilian, and a timetable for return to full civilian rule. Pakistan took all these steps. Return to civilian rule was pledged for the end of December and could have increased the chances for a political settlement and the release of Sheikh Mujib. Meanwhile, in August, we established contact with Bengali representatives in Calcutta. By early November, President Yahya told us he was prepared to begin negotiation with any representative of this group not charged with high crimes in Pakistan, or with Awami League leaders still in East Pakistan. In mid-November, we informed India that we were prepared to promote discussion of an explicit timetable for East Pakistani autonomy.

India was kept fully informed of all these developments at every stage. It indicated little interest. Meanwhile, India expanded its support of the guerrillas, and hostilities escalated along the eastern border.

The United States cannot be certain that the steps it proposed would have brought about a negotiation, or that such a negotiation would have produced a settlement. But it is clear that a political process was in train, which could have been supported and facilitated by all the parties involved if they had wished. This is the basis for the profound disappointment we felt and expressed when war erupted.

We had known the danger of war would increase toward the end of 1971, as weather conditions and India's military readiness improved and as the guerrilla forces completed training. In addition to humanitarian and political steps to provide alternatives to war, we sought directly to ease the military confrontation. In contacts in Washington and other capitals, in letters and face-to-face meetings with heads of government, foreign ministers, and ambassadors, we exerted our influence for restraint.

To the Soviet Union, we made the point repeatedly over the summer that it behooved the two superpowers to be forces for peace. We asked the Soviet Union for its ideas on possible joint action.

We continued to urge Pakistan to restore normal life in the East, and to put together a program of administrative and political steps that could stem the tide of refugees and lay a basis for a constitutional settlement.

We told India that we attached the greatest importance to close U.S.-Indian relations, would do all we could to help with the burden of the refugees, but could only regard an Indian resort to armed attack as a tragic mistake. As early as August 11, Secretary Rogers told the Indian Ambassador that the Administration could not continue economic assistance to a nation that started a war.

As the tension along the border intensified in the fall, the United States proposed that both India and Pakistani troops pull back from the borders. Pakistan accepted

this proposal; India turned it down. UN Secretary General Thant placed his good offices at the disposal of both. Pakistan responded favorably, and in addition suggested the dispatch of UN observers to both sides of the border. India refused the Secretary General's offer, and declined to accept UN observers. The United States then proposed to Pakistan that it pull its forces back from the borders unilaterally, as a first step toward a mutual pullback. Pakistan accepted this idea, provided India would give some assurance that it would eventually reciprocate. India would not.

Time had run out on a peaceful solution. In late November, open war on a broad front erupted between India and Pakistan.

The United States had sought for many years to establish conditions of stability which would have made this war less likely. We had observed an embargo on heavy arms to both sides since their 1965 war over Kashmir. Our military deliveries to both, amounting to only \$70 million over six years, were restricted to non-lethal equipment and spare parts for equipment previously supplied. We concentrated instead on assistance for economic development. Our economic aid to India in those six years totaled some \$4.2 billion. We provided over \$1.3 billion in economic assistance to Pakistan over the period—with an increasing concentration on promoting development in East Pakistan.

Over the six years of our embargo, however, the Soviet Union and its Eastern European allies sharply expanded their military supply to India and furnished over \$730 million of arms—including tanks, combat aircraft, artillery, surface-to-air missiles, submarines, missile boats, and other heavy equipment. Our six-year arms embargo had a much greater impact on Pakistan than on India. India's total military procurement after 1965—not a period of increasing tension with China—was more than four times that of Pakistan. While China supplied Pakistan with \$133 million in arms over the period, India obtained from abroad almost twice the quantity of arms as Pakistan. Moreover, at the same time India built up its capacity to produce its own heavy arms—a capacity which Pakistan did not have. As a result, the military balance shifted decisively toward India between 1966 and 1971.

THE OUTBREAK AND CONTAINMENT OF WAR

When war erupted toward the end of November, the world community was close to unanimous that there was one urgent necessity—to stop it.

On December 4, the United States requested an urgent session of the UN Security Council, which voted, 11 to 2, for an immediate ceasefire and withdrawal of foreign forces. The USSR vetoed this and a second resolution soon after. A similar resolution then passed on December 7 in the General Assembly by 104 to 11, with 10 abstentions. Of all the nations of the UN, only the USSR, some of its East European allies, India, and Bhutan opposed it; our position was supported by the overwhelming majority of the nations of the world. The Soviet Union blocked international action until the capture of East Pakistan was a *fait accompli*.

Then, during the week of December 6, we received convincing evidence that India was seriously contemplating the seizure of Pakistan-held portions of Kashmir and the destruction of Pakistan's military forces in the West. We could not ignore this evidence. Nor could we ignore the fact that when we repeatedly asked India and its supporters for clear assurances to the contrary, we did not receive them. We had to take action to prevent a wider war. On December 12 we called for another emergency session of the UN Security Council. We declared:

"With East Pakistan virtually occupied by Indian troops, a continuation of the war would take on increasingly the character of armed attack on the very existence of a mem-

ber state of the UN. All permanent members of the Security Council have an obligation to end this threat to world peace on an urgent basis."

The Soviet Union vetoed again. Intensive exchanges took place with the Soviet leaders. A ceasefire, however, was not agreed to until December 17.

The U.S. had two choices when war broke out.

We could take a stand against the war and try to stop it, or we could maintain a "neutral" position and acquiesce in it. The former course meant strains in our relations with India, as well as the risk of failure. But the latter course, I concluded, ran even greater risks. Acquiescence had ominous implications for the survival of Pakistan, for the stability of many other countries in the world, for the integrity of international processes for keeping the peace, and for relations among the great powers. These risks were unacceptable.

We did not act out of bias, or in ignorance of India's agony under the burden of the refugees, or in sympathy with Pakistani actions that had generated the crisis. As Ambassador Bush stressed in the Security Council on December 4, the United States "values its close relations with both India and Pakistan." He continued:

"We recognized that a fundamental political accommodation still has not been achieved in East Pakistan . . . this body cannot accept recourse to force to solve this problem. . . . The very purpose which draws us together here—building a peaceful world—will be thwarted if a situation is accepted in which a Government intervenes across its borders in the affairs of another with military forces in violation of the United Nations Charter."

If we had not taken a stand against the war, it would have been prolonged and the likelihood of an attack in the West greatly increased. It was not my view in the first place that war was the solution to a humanitarian problem. The complete disintegration by force of a member state was intolerable and could not be acquiesced in by the United Nations. The war had to be brought to a halt.

The global implications of this war were clear to the world community. The resort to military solutions, if accepted, would only tempt other nations in other delicately-poised regions of tension to try the same. The credibility of international efforts to promote or guarantee regional peace in strife-torn regions would be undermined. The danger of war in the Middle East, in particular, would be measurably increased. Restraints would be weakened all around the world.

Internal ethnic conflicts and separatist strains, moreover, are a phenomenon of the contemporary world. India, more than most, has a heavy stake in the principle that such instabilities should not be exploited by other countries through subversion or resort to arms. The alternative is a formula for anarchy. The unanimity of Third World countries against this war was testimony to the universality of this concern.

Beyond this, there were implications for great-power relations.

Soviet policy, I regret to say, seemed to show the same tendency we have witnessed before in the 1967 Middle East war and the 1970 Jordanian crisis—to allow events to boil up toward crisis in the hope of political gain. The Soviet Union assured us that its August treaty of friendship with India was designed to strengthen its influence for peace. Whatever the intent, in retrospect it appears that the treaty, together with new arms deliveries and military consultations, gave India additional assurance of Soviet political support as the crisis mounted.

The United States, under the Nixon Doctrine, has struck a new balance between our

international commitments and the increasing self-reliance of our friends; the Soviet Union in the 1970's is projecting a political and military presence without precedent into many new regions of the globe. Over the past three years, we have sought to encourage constructive trends in U.S.-Soviet relations. It would be dangerous to world peace if our efforts to promote a detente between the superpowers were interpreted as an opportunity for the strategic expansion of Soviet power. If we had failed to take a stand, such an interpretation could only have been encouraged, and the genuine relaxation of tensions we have been seeking could have been jeopardized.

Finally, it was our view that the war in South Asia was bound to have serious implications for the evolution of the policy of the Peoples Republic of China. That country's attitude toward the global system was certain to be profoundly influenced by its assessment of the principles by which this system was governed—whether force and threat ruled or whether restraint was the international standard.

These were our overwhelming concerns. They underlay our efforts to prevent war and our efforts to stop war when it broke out. They went to the heart of our responsibility as a great power.

WHERE DO WE GO FROM HERE?

The crisis of 1971 transformed South Asia. We enter 1972 acutely aware of the challenges the new conditions present.

Pakistan remains a close friend. Its people face the ordeal of rebuilding the society and economy of a shattered state. The United States stands ready to help. Our concern for the well-being and security of the people of Pakistan does not end with the end of a crisis.

Our relief effort in East Bengal will continue. The authorities face the grim challenge of creating a viable political structure and economy in one of the most impoverished—and now newly devastated—areas of the world. We have never been hostile to Bengali aspirations. Our aid program in the 1960's increasingly concentrated on development in East Bengal. We provided two-thirds of the world's emergency aid to the province in 1971. We would expect other nations to bear a proportionate share of that responsibility in the future, but as the United States strengthens new relationships in Asia, we have no intention of ignoring these 70 million people.

The United States, of course, has a tradition of friendship with India as well as Pakistan. Our strong interest in Indian democracy and progress is not diminished.

It makes no sense to assume, however, that a country's democratic political system—or its size—requires our automatic agreement with every aspect of its foreign policy. We have our views and concerns in the world, just as India has its own. We disagreed with specific Indian actions in November and December, and we said so.

We did not expect this to be popular in India. Great nations like our two nations, however, do not make their policy on so ephemeral a basis. For this reason, we could not accept the argument that our criticism would drive India into the arms of the Soviet Union. India itself, we knew, had the strongest interest of all in its own democracy and nonalignment. And India and the Soviet Union already had a political tie of a kind that the U.S. would not attempt to match. This tie—inherent in the expanding Soviet-Indian military supply relationship after 1965—originated long in advance of the November war, the August treaty of friendship, our July China initiative, or the March crisis in Pakistan. When the August treaty was signed, both sides told us that it had been in preparation for more than two years. Beyond this, in the 1971 crisis, the Soviet Union was willing to veto UN action and to make military moves to deter China on

India's behalf. For the United States to compete with the Soviet Union in fueling an arms race, obstructing UN efforts to stop a war, and threatening China, was out of the question.

We are prepared now for a serious dialogue with India on the future of our relations. We look forward to a fruitful discussion. This will depend not on an identity of policies, but on respect for each other's views and concerns. This should go both ways.

Just as the success of Indian democracy and progress is important to us, we also have a continuing interest in India's independence and non-alignment. Thus our political as well as our economic relationship will naturally be the subject of our dialogue. If India has an interest in maintaining balanced relationships with all major powers, we are prepared to respond constructively. Of interest to us also will be the posture that South Asia's most powerful country now adopts toward its neighbors on the subcontinent.

I know that India will have its own issues to add to the agenda. India's basic policy choices are India's to make. We both, nevertheless, have an interest in finding common ground. We can search out ways of transcending our recent differences and resuming our traditionally close relationship.

What will be the role of the great powers in the subcontinent's future? The 1971 crisis was bound to affect great-power relations. After my July 15 Peking summit announcement, and also during the diplomacy of the South Asian crisis, there was fanciful speculation of a U.S.-Chinese alignment. There is no such alignment; neither of my summit meetings is directed against any other nation. And there were ample opportunities for the Soviet Union to help prevent the Pakistani political conflict from being turned into an international war.

A more constructive approach to great-power relations in South Asia—and elsewhere—will be one of the goals I hope to further in my discussions in both Peking and Moscow.

A tragic irony of 1971 was that the conflict in South Asia erupted against a background of major developments, global and regional, which had offered unprecedented hope:

Globally, we could see the beginnings of a new relationship between the United States and the Peoples Republic of China; concrete progress on important issues in U.S.-Soviet relationships; a maturing relationship between the U.S. and East Asia as the Nixon Doctrine took effect and the U.S. sharply reduced its military involvement in Vietnam; the increasing contribution of Japan in Asian affairs; and efforts among industrialized nations to create new economic relationships increasing the trade opportunities of the developing world.

Regionally, there were breakthroughs in economic development. The "green revolution" in agriculture was laying the basis for industrial development and steady growth. Trade earnings were financing an increasing proportion of development needs, strengthening economic and political self-reliance.

Our purpose now will be to recapture the momentum of these positive developments. The 700 million people of the subcontinent deserve a better future than the tragedy of 1971 seemed to portend. It is for them to fashion their own vision of such a future. The world has an interest in the regional peace and stability which are the preconditions for their achieving it.

THE HONORABLE CARL ALBERT TO RECEIVE THE MINUTE MAN OF THE YEAR AWARD

(Mr. SIKES asked and was given permission to extend his remarks at this

point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, this is a week when legislators, regardless of party affiliations, will join in honoring our beloved speaker, CARL ALBERT, who on Friday night is to receive the Minute Man of the Year Award from the Reserve Officers Association of the United States.

When the announcement of this latest honor for "the little giant" from Oklahoma was made, Brig. Gen. Gerald A. Hart, national president of the Reserve Officers, described the Congressman as "the citizen who has contributed most to national security," and added:

He has worked to build a better America and to insure a lasting peace. He has worked for progress and the strengthening of all of our free institutions.

I would like to second these sentiments.

The Minute Man of the Year Award carries a very distinguished tradition. The first individual to be named was the late Gen. David Sarnoff. Other outstanding Americans who have received this honor are the late Senator Richard Russell, our beloved former colleague Carl Vinson, Senator MARGARET CHASE SMITH, the late Congressman Mendel Rivers, Senator JOHN STENNIS, Congressman F. EDWARD HEBERT, former House Speaker John McCormack, Secretary of Defense Melvin Laird, and Senator STROM THURMOND.

Which brings me back again to David Sarnoff, who so recently left this earthly plane. It is significant that Sarnoff, the first award winner, a giant in American industrial development is now followed by another great American who holds one of the highest positions in Government and who enjoys the respect and esteem of Democrats and Republicans alike.

These and other honorees have helped in molding the greatness of America. They are the type of citizen who labors to keep our Nation strong and free.

CARL ALBERT has been a member of the Congress of the United States for nearly a quarter of a century. Measured by his character and his works, he is readily seen to be among our Nation's leading figures.

He is the leader in one of the greatest and most powerful legislative bodies in the world. He says as did his predecessors, that the United States to be free must first be secure, and that is his policy, his purpose, his goal.

Speaker ALBERT, along with the Reserve Officers Association, in this, its golden anniversary week, I salute you.

THE FAIR SCHOOL FUNDING ACT OF 1972

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

Mr. MIKVA. Mr. Speaker, in a message to Congress almost exactly 11 years ago today, President John Kennedy told us that our progress as a nation can be no swifter than our progress in education. That has even more truth to it now than it did in 1961. In the long run, the standards of excellence set in our schools

will determine the standards of excellence for this country. Unfortunately, judging by the state of education in many American communities today, we are far from setting any standards of excellence.

There is a crisis in American education. The schools are in trouble—not just in the big cities, but in the suburbs as well—and, as a result, the education of our young people is suffering. The problems of the Chicago school system are not unknown. They are characteristic of the problems of school systems in most big cities, but it is a bit worse in Chicago. This year, school may have to close 2 weeks early simply because there is not enough money to keep them operating.

What is not as well known is the dilemma of the public school systems in the suburbs. In Cook County, 60 percent of the 145 suburban school districts had to borrow money to stay open—some of them have borrowed up to their legal limit. The reasons behind the financial problems are not difficult to understand: teachers need higher salaries, more and more students are filling the schools, tax collections often are late and, finally, there is an understandable reluctance on the part of the taxpayer, especially the property owner, to pay even more taxes to support the schools. Time after time, voters have rejected increases in school taxes proposed in a community referendum. We can no longer bail out the school system year after year by constantly increasing real estate taxes.

When it comes to the schools, there is no lack of problems. There is a lack of sensible and immediate solutions—solutions that do not bankrupt the community or the taxpayers—solutions that take the burden off the already overburdened property tax without lowering the level of quality education.

Mr. Speaker, it is urgent that the Federal Government act now to ease the financial dilemma which faces school systems around the country.

I am pleased to introduce today a bill which will provide billions of dollars of new funds for elementary and secondary schools without imposing new and regressive taxes on the taxpayers of America.

The Fair School Funding Act is designed to do three things—it will provide vital Federal assistance for public school systems across America; it will bring some relief from regressive local property taxes; and it will reduce the inequities in the present Federal income tax structure by closing up some of the major loopholes.

Under this bill, the Federal Government will pay each State two-thirds of what it costs the State to increase the per-pupil expenditures in the underfinanced schools to a level comparable to the wealthiest schools in the State. At present, because schools rely primarily on local property taxes for their financing, there is a wide gap within each State in the amount of money localities are able to spend on their schools. In Illinois, for example, the wealthiest school district spends \$2,295 on each pupil in its elementary and secondary schools. In another part of the State, the local gov-

ernment can raise only enough revenue to spend \$391 per pupil in its schools.

Mr. Speaker, no one should make the mistake of equating money with quality of education, but quality education does cost money, and there can be no dispute that the pupils in the school system which spends \$2,295 per pupil are more likely to receive a quality education than the students in schools receiving only \$391 per pupil. This inherent inequality of opportunity has generated several recent court decisions holding that methods of school funding which produce such extreme inequality in spending among school districts are unconstitutional.

LAWSUITS CHALLENGING PROPERTY TAX ENDANGER QUALITY OF EDUCATION

The California and Texas court decisions pose an urgent dilemma for school systems around the country—they are obligated to equalize spending among all the schools within the State, but there is already too little money to go around. There is a grave danger that these lawsuits challenging the use of the property tax for local education will produce a perverse result. Without some new source of funds, equalization of expenditures will mean lowering the quality and the spending in the best funded schools in order to improve that of the poorest schools. Mr. Speaker, it is unthinkable that the improvement of underfunded schools should come at the expense of the schools at the other end of the scale. Clearly, the only sensible approach is to raise the lowest schools up to the level of the highest. To do that, the States will require substantial additional funds. That is why I have proposed the Fair School Funding Act.

FEDERAL FUNDS FOR EQUALIZING PER PUPIL EXPENDITURES

Under the act, the Federal Government would contribute \$2 for each dollar the State contributes toward equalization of per pupil expenditures. The State must continue to spend at least as much as it did before the act; only increases in State spending would be matched by the Federal Government on a 2-for-1 basis. This 2-for-1 matching would be available until every school in the State was receiving as much money per pupil as the average school in the 90th percentile was receiving per pupil the year before, ranking all schools in the State in order of increasing per pupil expenditures. For example, if a State has 300 schools they would be ranked in order of their per pupil expenditures, from the lowest to the highest. The three lowest would constitute the first percentile, the next three the second percentile, and so on. The 90th percentile would contain three schools also, and only 30 schools in the State would be spending more per pupil than those three schools in the 90th percentile. If we took the average per pupil expenditure of the three schools in that 90th percentile, that would give us the standard which all schools in the State must meet to achieve equalization. Until all schools are brought up at least to that level, the Federal Government would provide two Federal dollars for each new State dollar spent on equalization. The result is to equalize expenditures by

bringing up the lowest schools, not by bringing down the highest.

FEDERAL INCENTIVE FOR REDUCTIONS IN LOCAL PROPERTY TAXES

Once equalization is achieved, the Fair School Funding Act moves into its second phase. It then makes available matching Federal funds wherever local real estate taxes on residential property are reduced and are replaced by increased State contributions for education. For each extra dollar given to the schools in a locality which reduces its property taxes, the Federal Government would be required to give a Federal dollar. This provides a strong incentive for reduction of regressive local property taxes and their replacement by more equitable forms of statewide revenue raising. It also gives local school systems an additional opportunity to catch up with their needs without placing an extra burden on the taxpayer. In fact, under this section of the Fair School Funding Act, local real estate taxes would go down in many parts of the country.

Once again, Mr. Speaker, it is important to remember that money does not create quality education. That requires good teachers, innovative administrators, and creative educational programs. Unfortunately, none of these is likely to be available without adequate financial resources. The Federal Government has no business dictating to the States or localities how they should go about developing quality education. But the Federal Government does have an obligation to help provide them with the funds so that they can develop quality education on their own.

CLOSING INCOME TAX LOOPHOLES WILL RAISE \$12 BILLION A YEAR FOR SCHOOLS

The question eventually must be faced: How is the Federal Government going to pay for this? Where is the money going to come from? The answer given by the Fair School Funding Act is to close the most costly loopholes in the Federal income tax structure. Title II of the bill proposes to eliminate seven loopholes, and thus to increase the Federal Treasury by more than \$12 billion per year. This is almost the total amount spent by all 50 States combined on elementary and secondary education in the 1968 school year, according to the latest figures available from the Office of Education.

Increased tax equity is a way both to raise the additional revenue needed to ease the burden on State and local funding for education and to assure the taxpayers who are footing the bill that everyone is bearing his fair share of the cost of educating the next generation of Americans—a generation which will inherit the problems and the destiny of the Nation.

Mr. Speaker, I would like to list seven specific examples of the glaring inequities in the present Federal income tax structure. Although this list does not exhaust the possibilities for tax reform by a long shot, these are the seven loopholes which the Fair School Funding Act would close, with a net gain of more than \$12 billion a year.

First, the grandfather of all tax loopholes, the percentage depletion allow-

ance for mineral deposits, including gas and oil. This device enables mineral producers to recoup many times the actual depletion of their resources, at a cost to the rest of us of approximately one and a quarter billion dollars a year.

The baby brother of the percentage depletion allowance is the treatment of intangible drilling and exploration costs, which enables gas and oil magnates to go around the world looking for new fortunes, courtesy of the American taxpayer. Closing this loophole would earn another three-quarters of a billion dollars a year for the Treasury.

Third, we must begin taxing fully all capital gains on property which is passed on at the owner's death. More than \$3 billion a year slips through that particular hole in the income tax structure, as wealth is passed on from generation to generation without ever being fully taxed.

Fourth, we should end the farce of treating executive stock options as though they were capital gains rather than income. The Tax Reform Act of 1969 did only part of the job in this area—doing the rest will put about \$150 million into the Treasury each year.

Fifth, the bill would repeal the \$25,000 surtax exemption on corporate earnings. This bargain basement tax treatment for corporate income primarily benefits corporations which do not need the help which was originally intended to be given to small struggling businesses. The net gain to the Treasury would be \$1.6 billion a year.

Sixth, the bill would put the skids to the biggest boondoggle to come along in quite a while, the asset depreciation range changes implemented recently by the administration. By allowing manufacturers to pretend that their assets are depreciating much faster than is actually the case, the Treasury is engaging in a special form of revenue sharing on behalf of the wealthy, to the tune of \$2 billion a year.

Finally, there is the investment tax credit which the administration successfully pushed through Congress in the Revenue Act of 1971. This epitomizes the "trickle down" economics which has been so productive politically for the administration—subsidize the people at the top, and hope that some of the money will trickle down to the rest of the people. The investment tax credit provides the people at the top with \$3.5 billion a year. That money should be brought back into the Treasury and utilized in more efficient ways to reach the problems of the Nation, namely funding elementary and secondary education.

CONCLUSION

Mr. Speaker, the Fair School Funding Act offers a positive solution to some of the pressing problems faced by school systems around the country. It will assist the States in equalizing per pupil expenditures so that the opportunity to receive a quality education will not turn on where a child is born. And it will make this possible without reducing the level of assistance to the schools on the high end of the financial ladder.

Second, the bill will help to relieve the burden of regressive property taxes which weigh heavily on the middle-income and fixed-income taxpayer.

Finally, it will introduce a greater measure of tax equity into the income tax structure, so that the cost of supporting our schools and dealing with pressing social problems is more evenly distributed

among the taxpayers of America—according to their ability to pay rather than according to their political clout.

For years the Federal Government has been subsidizing the construction of highway systems across the United States by matching State expenditures at a level of 9 to 1. With the help of 90 percent Federal funding we have constructed the most exhaustive network of pavement the world has ever seen. But these roads will be no more than dead-end streets if we do not begin to make the same kind of national commitment to other areas of social development, including education. That is the intention of the Fair School Funding Act, a road to reform for the financing of elementary and secondary education.

U.S. INVOLVEMENT IN FRENCH ATMOSPHERIC NUCLEAR TESTING

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

Mr. BINGHAM. Mr. Speaker, France is one of two nuclear powers which has not yet signed the treaty banning testing of nuclear weapons in the atmosphere. The French are currently conducting such tests in French Polynesia. The United States, however, has signed the test ban treaty. I was most disturbed, therefore, to receive a report from a former member of my staff who is now traveling in the South Pacific which indicates that American officials are apparently involved and cooperating with the French in their atmospheric tests, and are even engaging in activities which appear designed to enable us to benefit from the tests.

Any such involvement, Mr. Speaker, certainly would be a violation by this Nation of the spirit, if not the letter, of the nuclear test ban treaty. Rather than cooperating with the French, we should be doing everything possible to persuade them to end their testing and to sign the treaty. With that in mind, I am directing letters to the Secretary of Defense and the Director of the U.S. Arms Control and Disarmament Agency requesting them to confirm or deny this apparent American involvement in the French nuclear testing program about which I have been informed, to outline our policy toward these tests, and to inform me of any efforts we may be making to achieve French compliance with the test ban.

The text of the report by my former staff member, Mr. Arthur Condliffe, and my letters to Secretary of Defense Laird and Arms Control and Disarmament Agency Director Gerard Smith follow:

HON. MELVIN LAIRD,
Secretary of Defense.
HON. GERARD SMITH,
Director, Arms Control and Disarmament Agency.

DEAR : I was most disturbed by a report (copy enclosed, from a former member of my staff who is now traveling in the South

Pacific indicating that American officials are cooperating with the French in their atmospheric nuclear testing program in French Polynesia, and that we are even engaging in activities which appear designed to enable us to benefit from these tests.

I will appreciate receiving whatever information you can provide confirming or denying the specific examples of American involvement in the French testing program cited in the enclosed report, along with a statement of U.S. policy toward the French tests and a review of any efforts we are making to achieve French compliance with the treaty banning nuclear testing in the atmosphere.

Sincerely,

JBB.

TOUJOURS LA BOMBE
(By Arthur J. Condliffe)

December 16, Papeete, Tahiti, home of Gauguin, Somerset Maugham, and beautiful Polynesian girls combing their hair under clear waterfalls, is also home of "La bombe."

France is one of only two nations in the world to be actively testing nuclear weapons in the atmosphere. French Polynesia, of which Tahiti is the main island, is the location of the French testing program.

The average tourist coming to Tahiti would not likely be aware of the magnitude of the French effort here. There are two thousand French military personnel and five hundred French civilians working on the bomb but many of them live on the atoll of Mururoa, three hours by DC-6 from Tahiti, near the actual test sites. What military facilities there are on Tahiti itself are outside Papeete, the main town and the center of tourist activities.

This low profile of bomb related activities has not, however, lessened the economic impact. Papeete is not only the principal town on the island; it is Tahiti's only deep water port and has Tahiti's only jetport nearby. Young men who once would have made a happy if meager living from the production of copra and the cyclical harvesting of vanilla beans now work unloading the many cargo ships that bring necessary supplies, in construction jobs of all kinds, and in the wide range of other support activities. Any operation of this magnitude would be like a shot of economic adrenalin to Papeete's population of only 50,000.

This fragile prosperity may have short-run benefits to the people of Tahiti but most of the nations of the world recognize the folly and danger in continuing atmospheric testing of nuclear weapons when they signed the Nuclear Test Ban Treaty. One would expect that those nations who signed the treaty would want to bring all the pressure they could bring to bear on non-signatory nations, particularly on the two who are now conducting tests, to sign the treaty.

Contrary to expectation, however, it is the United States and Britain, aside from France herself, who gain the most knowledge with each French blast and therefore have less motivation to seek a cessation of the tests. Both the American ship *Richfield* (T-AGM-4) and the British ship *Sir Percival* are constantly on station near the French testing area. During times of actual testing, a second American ship arrives and the two American ships place themselves on opposite sides of ground zero to monitor the blast. The Russians also monitor the French tests, but not regularly. When they do come, they arrive in fishing trawlers, ostensibly minding their own nets.

In addition to having two, on-site monitoring ships, the United States has various land-based monitoring stations. Also, within as little as one minute after a nuclear detonation, an Hawaii-based Air Force KC-135, the military version of the Boeing 707, flies

directly through the atomic cloud collecting samples for later analysis.

Good relations prevail between the French "testers" and the American and British "observers." The French provide the Americans and the British with the exact time and location of each test, they bring mail to the American and British ships by helicopter and they will evacuate American or British sailors in a medical emergency. The French, on one occasion, rescheduled one of their tests so as not to interfere with an Apollo mission.

The Americans and British, in turn, have each been host to the French commanding officer and his top scientists aboard their respective ships. Further, on request from the French, the Americans have provided the French with some of the results from our monitoring stations. One wonders if the cooperation ends here.

What the full extent is of the American involvement in the French testing program is not publicly known and American officials are reluctant to discuss the subject. For example, earlier this year, the Governor of American Samoa, in discussing the U.S. role in American Samoa over local television, mentioned the monitoring of the French nuclear tests as one aspect to the American presence but he did not elaborate. There is, however, a U.S. Air Force installation on American Samoa and the activity greatly increases during the summer months when the French conduct most of their tests. Last summer, a team of American scientists from the University of Denver were on American Samoa, under government contract, to monitor the French tests.

Also last summer, an American KC-135, believed to have taken off from American Samoa, flew through the atomic cloud following a French nuclear explosion and crashed en route to Hawaii with its samples. All 19 persons aboard the plane were killed but news of the crash was hushed up by American authorities.

Whatever the extent and nature of American involvement in these tests, it seems that any involvement would violate the spirit if not the letter of the Nuclear Test Ban Treaty. At the very least, the American people should be told exactly what our involvement is and what steps are being taken to urge the French to end their tests and sign the treaty.

MUSKIE OR MUSK-OX ON NATIONAL SECURITY?

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

Mr. WYMAN. Mr. Speaker, hints of what some of the alternatives to President Nixon might involve for the United States of America next year, are to be found in today's Evans and Novak column in the Washington Post. Implicit in the reporting of these distinguished writers is the suggestion that Candidate MUSKIE would cut defense funds and to blazes with the national security.

This ties in with another Democrat contender, Senator MCGOVERN, who has publicly proposed a \$33 billion cut in defense over a 3-year period—all while the incontrovertible evidence is that the Soviet Union is sharply increasing its defense—offense?—spending and the United States is spending for defense even if the DOD fiscal year 1973 requests are not cut, \$6.6 billion below the 1964 budget.

I wonder if either of these gentlemen who aspire to the Presidency of the United States with its solemn responsibilities,

realize that increases in prices and increases in pay and allowances for military personnel since 1964 have increased defense costs for these items alone by more than \$32 billion since 1964? And none of this buys us any hardware or research and development.

I wonder, also, if these would-be Presidents realize that nondefense spending alone is up 150 percent since 1964?

President Nixon has requested a modest budget increase for defense, principally for new ships and submarines. May the Lord save America if anything less than this become the order of the day.

It is the continuing responsibility of those of us in the Congress and the executive branch to keep America strong so our people can be safe. There are no poverty programs in Communist nations—only concentration camps for protesters—or mental hospital if they are too brainy.

The utter indifference to the national security of the Muskie, McGovern positions is a caution to voters who want a free, safe America in the years ahead. It is said that voters do not carefully ponder such things. I believe they do.

The article follows:

SENATOR MUSKIE'S DISARMERS

(By Rowland Evans and Robert Novak)

The pressure for wholly irresponsible cuts in defense spending by Sen. Edmund S. Muskie's active supporters is reflected in a bizarre discussion last November among his secret policy advisers ending with recommendations smacking of unilateral disarmament.

The Muskie advisers talked about cutting \$30 billion from Pentagon spending (\$75.8 billion for this fiscal year) and redistributing the money to the poor. Although it is inconceivable that Muskie as president would even contemplate such irresponsibility, one of the senator's top aides sat in on the meeting without one serious word of dissent.

That reflects a little understood fact about the Muskie campaign. Whereas the senator maintains a centrist image in his drive for president, both his paid staff and his voluntary advisers are situated well to the left. Consequently, Muskie will prove an extraordinary political balancer if he can appeal to the masses and simultaneously satisfy his ideologically rigid supporters.

Such supporters make up the "Muskie Domestic Issues Group" headed by Morris B. Abram, distinguished attorney and former president of Brandeis University. It meets regularly at Abrams' elegant Manhattan apartment in The Dakota with Donald E. Nicoll, Muskie's longtime aide and confidant, flying up from Washington to attend.

The Nov. 17 meeting of the Abram group accurately reflected the caliber of its advice to Muskie. S. M. Miller, professor of educational sociology at New York University, presented a paper on redistribution of income which proposed \$30 billion of tax relief for poor-to-middle brackets by cutting annual defense spending that much within three or four years.

Even Muskie's own liberal staffers privately acknowledged \$30 billion easily transcends reality when Soviet military spending is ominously rising. Moreover, currently studying possible defense cuts, the Muskie staff, properly, starts from what U.S. foreign policy commitments ought to be and how much must be spent for defense to sustain them. Prof. Miller's approach—setting an arbitrary \$30 billion target—reverses this.

But Nicoll, Muskie's staffer present at The Dakota, offered no rebuke. Instead, he echoed the sidestepping of Muskie himself on defense. According to the meeting's official

minutes: "Nicoll said that Sen. Muskie's position was that the military budget must be cut but that he had not proposed a fixed amount for that cut, because we are not sure of the correct figures involved and it is very difficult to get these figures."

That triggered several flights of fancy. Miller said the way to cut defense spending was to promise more spending in education and housing. Sociologist Herbert Gans talked about cutting military spending for "right wing dictatorships" (actually an insignificant amount).

At no time were the harsh realities of national security discussed.

Abram agreed that the defense budget "had become almost a sacred cow," adding: "This military budget is a monstrosity and a disgrace. We should lock the Chiefs of Staff in a room and tell them not to come out until they have cut \$20 billion from the military budget and we should use that money to raise the minimum (tax) exemption to \$1200 per person (presently \$750)."

In conclusion, Nicoll injected a note of political, though not military caution. "... It is hard to sell a \$20-billion reduction now with the economic situation as bad as it is. He (Nicoll) liked the approach of going at the problem in stages and talking of reduction gradually over three or four years."

Officially, the Muskie camp values the Abram group's advice. Privately, however, Muskie aides say it is humored mainly because of Abram's talents in attracting big campaign money.

Nevertheless, advice from it and other leftist sources has its relevance. With Muskie getting lurid recommendations of \$30 billion in defense cuts, a reduction of a few billion—dangerous though that might be to national security—might seem quite modest to him. Certainly, there is no voice today warning Muskie of the peril to the nation in the years immediately ahead.

THE 100TH BIRTHDAY OF ST. LOUIS NATIONAL STOCKYARDS

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

Mr. PRICE of Illinois. Mr. Speaker, the St. Louis National Stockyards in National City, Ill., is celebrating its 100th anniversary this year. Established in 1873, the stockyards has withstood disaster and change to become one of the largest livestock marketing centers in the United States.

The stockyards provides important services to the modern day consumer. Its facilities enable today's shopper to enjoy quality products through effective processing, distribution, and marketing capabilities. It is important to the economic vitality of the area in which it is located by providing employment opportunities and generating tax revenues. It provides the farmer with a central point for marketing his livestock. Clearly, the stockyards provides multifaceted services which are important to individuals in all walks of life.

I salute the stockyards on its 100th birthday, the people associated with it, and the people it serves. Mr. Speaker, at this point in the RECORD, I include an article from the February 13 edition of the Metro-East Journal on the stockyards anniversary:

THE 100TH BIRTHDAY OF ST. LOUIS NATIONAL STOCK YARDS

St. Louis National Stock Yards in National City now is in its 100th year.

It was established in the beginning of

1873 and has withstood floods, droughts, fires, wars, depression and constant change. It has been familiar to several generations of livestock farmers and stockmen.

With the completion of one century, National Stock Yards is looking forward with great anticipation to the next one, according to C. J. "Cap" Smith, public relations director.

A major building and expansion program is under way at the yards. In two years, the company has spent nearly \$250,000 in upgrading buildings and facilities. A new Swift & Co. plant was completed there last year.

New personnel also are brightening the stock yards outlook, Smith says.

"We're bringing in young men—all highly recommended by their colleges," he says. Most are graduates in animal husbandry. Physical facilities are only half a market, Smith says. "It's the skill of a salesman that really counts."

In 1971, National Stock Yards received shipments of livestock from 19 states. Salable cattle, calves, hogs and sheep totaled 2,107,283 head—up from 2,062,493 handled during 1970.

The biggest market was in hogs. Receipts were 1,647,316 head worth a total of \$69.5 million, according to figures compiled by Joe A. McClure, head of the National Stock Yards Market News Service. No hogs were ever turned away due to lack of space.

WAR POWERS

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

Mr. DULSKI. Mr. Speaker, there has been considerable discussion recently of war powers. What were the intentions of our Nation's founders in framing the Constitution? Should there be clarifications in law in view of the numerous controversial actions of recent years?

Last February, I introduced a joint resolution concerning the war powers of the Congress and the President. An identical resolution was approved by the House Committee on Foreign Affairs and was passed by the House last August.

The Senate now has pending the War Powers Act, which deals with the same subject through legislation rather than by joint resolution.

Last week, the Senate approved unanimously legislation to require all international agreements entered into by the United States to be transmitted to the Congress within 60 days of their execution. Treaties already are required to be submitted to the Congress for ratification, but such a requirement does not apply to Executive agreements.

I am pleased that both the House and the Senate have seen fit to act affirmatively on this important subject of war powers. This is in no way a reflection upon the incumbent administration in particular, but rather is intended to deal with Executive practices which have been developing over a period of years.

Corrective action is overdue and I support the current efforts on both sides of the Capitol to deal with our handling of international affairs.

I am today introducing in the House the War Powers Act which generally is similar to the measure pending before the Senate.

As part of my remarks, I include two editorials dealing with the House and Senate actions during the past year:

[From the Buffalo (N.Y.) Evening News,
Feb. 18, 1972]

SENATE WANTS TO "ADVISE, CONSENT"

The Senate has made a new attempt to share in the making of foreign policy—as the constitution intends—by its passage of a measure that would require the President to submit texts of all international agreements to Congress for its information. The strong Senate feeling on the subject (as reflected in the 81-0 vote) has in the past been expressed in moves to limit a President's war powers.

The present move is a fairly modest one, making no direct presumption as to the formulation of policy but merely seeking to be kept informed. The impetus for the measure came from the surprising revelations about secret agreements made in the 1960s with Laos, Ethiopia, Thailand, Spain and others.

The relationship between the executive and legislative branches is a delicate one and has been constantly redefined since the earliest days. In accordance with the Constitution's provision that treaties should be made "by and with advice and consent of the Senate," President Washington once went to confer with the Senate but received such a cool reception that he said, as one historian tells it, "he would be damned if he ever went there again." He didn't and neither did any other President, with the result that the Senate at times feels ignored.

The problem has been accentuated in recent decades by the complexity of America's worldwide role and by a tendency for Presidents to negotiate "executive agreements" instead of treaties, thus avoiding the necessity of ratification by the Senate. There is a shadowy area here, since some agreements do not deserve the status of treaties, while others leave the nature of the U.S. commitment uncertain.

There is, of course, a place for secrecy in diplomacy—although this usually has to do more with the process of arriving at agreements than with the national commitments ultimately arrived at. Mr. Nixon's long negotiations preceding his trip to China and President Kennedy's negotiations in the Cuban missile crisis are examples. The measure just passed by the Senate recognizes this by providing for the revelation of secret agreements only to the relevant congressional committees, rather than to the entire Congress.

While no direct check on presidential power, the measure would put Congress in a better position to challenge executive policies. It would help to restore the "advise and consent" relationship that is often forgotten—especially in these days of one-man diplomacy.

[From the Buffalo Evening News, July 30, 1971]

RESTORING CONGRESS WAR POWER

The United States Senate, which has had some soul-searching debates on the Vietnam war over the years, at last seems to have found a suitable vehicle to express its frustrations and to reassert its traditional role in foreign policy. The decision of Hugh Scott, the Senate Republican leader, to throw his support to plans to limit presidential power has greatly enhanced the prospects for legislation to assure Congress "the right to participate, in accordance with the Constitution, in the whole enormous business of how wars are begun."

The problem has been that, while Congress is supposed to have the responsibility for declaring war, it has in many cases, such as the Tonkin Gulf affair and the plot against President Diem, been kept in the dark like the rest of us. With each President running his own show, Congress has seemed to be left only with the unhappy choice of going along or directly undercutting him.

A particularly glaring example of just how quickly and deeply this can get us over our heads in a war that Congress has neither debated nor declared can be seen in the Pentagon Papers—in two 1965 memoranda by Defense Secretary McNamara to President Johnson.

The first, in July, called for a 100,000 raise in the U.S. manpower ante, calmly predicted that "the U.S. killed-in-action might be in the vicinity of 500 a month by the end of the year," but—without a by-your-leave for Congress—confidently predicted that U.S. public opinion would support such a course "because it is sensible and courageous" and likely to bring success.

The other memo, just four months later, recommended a still greater escalation during 1966 but warned that this "will not guarantee success," that U.S. killed-in-action "can be expected to reach 1000 a month," and glumly conceded "the odds are even that we will be faced in early 1967 with a 'no decision' at an even higher level."

Yet in the face of this grim forecast of 1000 U.S. killed-in-action for the sake of a 50-50 chance of a "no decision" outcome neither Secretary McNamara nor President Johnson evidently saw any reason to lay the problem before Congress and share the responsibility for such a bloody war of attrition with the constitutional branch of our Government that supposedly has the sole power to declare war.

"Surely whenever ANY President's foreign policy has reached a point where the plans call for an acceptance of 12,000 Americans killed-in-action per year for as far ahead as anyone can see, the time has come to go to Congress and ask at the least for a formal declaration of war!"

The various measures now being considered in the Senate Foreign Relations Committee are designed to insist that Congress be made a partner instead of a rubber stamp in the fashioning of such war policies.

Most of these measures, like that proposed by Sen. Javits (R., N.Y.), would allow the President to take emergency war action but would bar him from continuing hostilities beyond a few weeks without congressional consent.

The measures are not something that has been hatched by Senate doves in the Foreign Relations Committee by proposals backed by both hawks and doves, by both Democrats and Republicans. They go far beyond the immediate issue of the Vietnam war.

The broader issue is whether warlike operations should be worked out by a President and a small band of advisers and then presented to Congress as a series of accomplished facts. Not only is this dangerous from a democratic point of view but it is not even productive. Former Undersecretary of State George Ball says Congress can provide the objectivity a President lacks and that a reassertion of congressional power could block "the kind of creeping involvement to which we succumbed in Vietnam."

In this constructive context, the Senate proposals should be seen not as attacks on the presidency but as moves to restore a vital and meaningful partnership between two constitutionally coordinate branches of government.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BLATNIK (at the request of Mr. Boggs), for February 23 through February 24, on account of official business.

Mr. DANIELSON (at the request of Mr. Boggs), for February 23 through February 24, on account of official business for Committee on Veterans' Affairs.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ARCHER) and to revise and extend their remarks and include extraneous matter:)

Mr. FRELINGHUYSEN, for 5 minutes today.

Mr. SEBELIUS, for 10 minutes, today.

Mr. EDWARDS of Alabama, for 5 minutes, today.

Mr. ROBISON of New York, for 10 minutes, on February 24.

Mr. MILLER of Ohio, for 5 minutes, today.

Mr. SANDMAN, for 5 minutes, today.

Mr. CRANE, for 15 minutes, today.

(The following Members (at the request of Mr. MAZZOLI) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. BEGICH, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. SISK, for 5 minutes, today.

Mr. BURKE of Massachusetts, for 15 minutes, today.

Mr. ALEXANDER, for 5 minutes, today.

Mr. FLOOD, for 30 minutes, today.

Mr. BARING, for 5 minutes, today.

Mr. ASPIN, for 20 minutes, today.

Mr. HARRINGTON, for 5 minutes, today.

Mr. MINISH, for 5 minutes, today.

Mr. ROONEY of Pennsylvania, for 5 minutes, today.

Mr. MOLLOHAN, for 5 minutes, February 24.

Mr. BEGICH, for 5 minutes, February 24.

Mrs. ABZUG, for 30 minutes, February 24.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PURCELL, to revise and extend his remarks prior to close of general debate on H.R. 12931.

Mr. MILLER of Ohio, to extend his remarks prior to vote on section 104 and section 310(b) of H.R. 12931.

(The following Members (at the request of Mr. ARCHER) and to include extraneous material:)

Mr. ZWACH.

Mr. ROUSSELOT in two instances.

Mr. DERWINSKI in two instances.

Mr. HORTON.

Mr. NELSEN in three instances.

Mr. WYMAN in two instances.

Mr. BROWN of Ohio in two instances.

Mr. WHITEHURST in two instances.

Mr. SEBELIUS.

Mr. BAKER.

Mr. MICHEL.

Mr. ANDERSON of Illinois.

Mr. BROTZMAN.

Mr. EDWARDS of Alabama.

Mr. FRENZEL in two instances.

Mr. ROBISON of New York in two instances.

Mr. STEIGER of Arizona in two instances.

Mr. VEYSEY in four instances.
 Mr. ARCHER.
 Mr. DUNCAN in two instances.
 Mr. McKEVITT.
 Mr. PETTIS in three instances.
 Mr. MILLER of Ohio in four instances.
 Mr. SMITH of New York.
 Mrs. HECKLER of Massachusetts.
 Mr. BRAY in three instances.
 Mr. FINDLEY.
 Mr. SCHWENGEL.
 Mr. STEIGER of Wisconsin.
 Mr. CLEVELAND.
 Mr. McKINNEY.

(The following Members (at the request of Mr. MAZZOLI) and to include extraneous matter:)

Mr. ICHORD.
 Mr. SISK.
 Mr. WOLFF in two instances.
 Mr. DRINAN.
 Mr. BIAGGI in five instances.
 Mr. BEGICH in five instances.
 Mr. ANDERSON of Tennessee in four instances.
 Mr. HAGAN in three instances.
 Mr. GONZALEZ in two instances.
 Mr. RARICK in three instances.
 Mr. ROGERS in five instances.
 Mr. BADILLO.
 Mrs. ABZUG in 10 instances.
 Mr. DIGGS in four instances.
 Mr. RANGEL in two instances.
 Mr. DULSKI in six instances.
 Mr. DINGELL in three instances.
 Mr. BRINKLEY.
 Mr. BINGHAM in three instances.
 Mr. SYMINGTON.
 Mr. DE LA GARZA.
 Mr. RODINO in two instances.
 Mr. ROYBAL.
 Mr. O'HARA.
 Mr. VANIK in two instances.
 Mr. GALLAGHER.
 Mr. JAMES V. STANTON.
 Mr. DENT.
 Mr. HARRINGTON in two instances.
 Mr. DORN in two instances.
 Mr. MOORHEAD in five instances.
 Mr. HAMILTON in two instances.
 Mr. RONCALIO in 10 instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3197. An act to increase the dollar limitation on the cost for construction of Federal Reserve Bank branch buildings; to the Committee on Banking and Currency.

ADJOURNMENT

Mr. MAZZOLI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p.m.) the House adjourned until tomorrow, Thursday, February 24, 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:

1644. A letter from the Secretary of Defense, transmitting an annual report for calendar year 1971 on pay for officers holding positions of unusual responsibility and of critical nature, pursuant to 37 U.S.C. 306; to the Committee on Armed Services.

1645. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report for the first half of fiscal year 1972 showing the total amount of assistance-related expenditures in, for, or on behalf of Laos, pursuant to section 505(f) of Public Law 92-156; to the Committee on Armed Services.

1646. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting a report of military procurement actions for experimental, developmental, test or research work negotiated under the provisions of 10 U.S.C. 2304 (a) (11), and in the interest of national defense or industrial mobilization under the provisions of 10 U.S.C. 2304(a) (16), covering the period of July-December 1971, pursuant to section 2304(e); to the Committee on Armed Services.

1647. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of certain facilities projects proposed to be undertaken for the Naval and Marine Corps Reserves, pursuant to 10 U.S.C. 2233(a) (1); to the Committee on Armed Services.

1648. A letter from the Secretary of Commerce, transmitting the Annual Report of the Economic Development Administration for fiscal year 1971; to the Committee on Public Works.

RECEIVED FROM THE COMPTROLLER GENERAL

1649. A letter from the Comptroller General of the United States, transmitting a report on the audit of payments by the Department of Defense from the special bank account to Lockheed Aircraft Corp. for the C-5A aircraft program during the quarter ended December 31, 1971, pursuant to Public Laws 91-441 and 92-156; to the Committee on Armed Services.

1650. A letter from the Comptroller General of the United States, transmitting a report of a survey of the budgetary and fiscal information needs of the Congress; 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. PASSMAN: Committee of conference. Conference report on H.R. 12067 (Rept. No. 92-849). Ordered to be printed.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 838. Resolution providing for the consideration of the conference report on H.R. 12067, an act making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1972, and for other purposes, (Rept. No. 92-847). Referred to the House Calendar.

Mr. MILLS of Arkansas: Committee on Ways and Means H.R. 6547. A bill to amend section 582(c) (3) of the Internal Revenue Code of 1954, as amended; with amendment (Rept. No. 92-848). 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. ALEXANDER:

H.R. 13314. A bill to amend the Occupational Safety and Health Act of 1970 to exempt retail lumber dealers, in States having laws regulating safety in the retail lumber business, from the Federal standards created under such act; to the Committee on Education and Labor.

By Mr. EDWARDS of California:

H.R. 13315. A bill to amend title 28 of the United States Code to provide for the dissemination and use of criminal arrest records in a manner that insures their security and privacy; to the Committee on the Judiciary.

By Mr. ABERNETHY:

H.R. 13316. A bill to authorize pilot field-research programs for the suppression of agricultural and forest pests by integrated control methods; to the Committee on Agriculture.

H.R. 13317. A bill to amend title 39 of the United States Code, to provide that the envelope or any other cover on mail matter shall include a marking by the Postal Service to designate the post office at which it is mailed; to the Committee on Post Office and Civil Service.

By Mr. BROYHILL of Virginia (for himself, Mr. GUDE, and Mr. HOGAN):

H.R. 13318. A bill to establish an independent monitor over the operations and use of the District of Columbia sewage systems in order to provide for a cleaner Potomac River; to the Committee on the District of Columbia.

By Mr. DELLUMS:

H.R. 13319. A bill to establish an independent Board of Parole, to provide for fair and equitable Federal parole procedures, to establish a National Parole Institute, and to provide assistance to the States for the operation of fair and adequately staffed parole systems, and for other purposes; to the Committee on the Judiciary.

By Mr. MILLS of Arkansas:

H.R. 13320. A bill to amend title II of the Social Security Act to provide a 20-percent across-the-board increase in benefits thereunder, to increase the amount of earnings counted for benefit and tax purposes, and to make appropriate adjustments in social security tax rates; to the Committee on Ways and Means.

By Mr. FASCELL:

H.R. 13321. A bill to facilitate the preservation of historic monuments, and for other purposes; to the Committee on Government Operations.

By Mr. FOLEY:

H.R. 13322. A bill to amend section 2(3), section 8c(2), section 8c(6) (I), and section 8c(7) (C) of the Agricultural Marketing Agreement Act of 1937, as amended; to the Committee on Agriculture.

By Mr. FRASER (for himself, Mr. FINDLEY, Mr. EILBERG, Mr. FLOWERS, Mrs. CHISHOLM, Mr. HUNGATE, Mr. ROYBAL, Mr. SISK, Mr. McDADE, Mrs. MINK, and Mr. VAN DEERLIN):

H.R. 13323. A bill to require that an additional \$4 per month (reflecting post-1970 across-the-board increases in social security and railroad retirement benefits) be passed along to public assistance recipients, either by disregarding such amount in determining their need or otherwise; to the Committee on Ways and Means.

By Mr. GARMATZ (for himself and Mr. PELLY):

H.R. 13324. A bill to authorize appropriations for the fiscal year 1973 certain maritime programs of the Department of Commerce; to the Committee on Merchant Marine and Fisheries.

By Mr. HALPERN:

H.R. 13325. A bill to amend title 32, United States Code, to provide that Army and Air Force National Guard technicians shall not

be required to wear the military uniform while performing their duties in a civilian status; to the Committee on Armed Services.

H.R. 13326. A bill to provide for the crediting of certain past employment by certain persons subject to the National Guard Technicians Act of 1968; to the Committee on Armed Services.

By Mr. KEMP (for himself, Mr. ARCHER, Mr. ASPIN, Mr. BEVILL, Mr. BIAGGI, Mr. BLANTON, Mr. BYRON, Mr. DAVIS of South Carolina, Mr. DENT, Mr. DERWINSKI, Mr. DUNCAN, Mr. HANLEY, Mr. HUTCHINSON, Mr. LENT, Mr. MAZZOLI, and Mr. PIKE):

H.R. 13327. A bill to amend title 10 of the United States Code to permit the appointment by the President of certain additional persons to the service academies; to the Committee on Armed Services.

By Mr. KEMP (for himself, Mr. BELL, Mr. DANIELSON, Mr. GOODLING, Mrs. GRASSO, Mr. HAMMERSCHMIDT, Mr. MCCLURE, Mr. MITCHELL, Mr. NELSEN, Mr. NICHOLS, Mr. PODELL, Mr. VEYSEY, Mr. WHITEHURST, Mr. YOUNG of Florida, and Mr. ZWACH):

H.R. 13328. A bill to amend title 10 of the United States Code to permit the appointment by the President of certain additional persons to the service academies; to the Committee on Armed Services.

By Mr. KEMP:

H.R. 13329. A bill to amend the Federal Water Pollution Control Act; to the Committee on Public Works.

By Mr. KUYKENDALL (for himself and Mr. BAKER):

H.R. 13330. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. MCCOLLISTER (for himself and Mr. THONE):

H.R. 13331. A bill to amend the Internal Revenue Code of 1954 to allow an itemized deduction for State and local motor vehicle registration fees paid or accrued; to the Committee on Ways and Means.

By Mr. McDADE:

H.R. 13332. A bill to authorize pilot field research programs for the control of agricultural and forest pests by integrated biological-cultural methods; to the Committee on Agriculture.

By Mr. MIKVA:

H.R. 13333. A bill to provide for Federal grants to States which equalize expenditures for public elementary and secondary schools, to bring about a reduction in local real property taxes, and to provide for Federal tax reform; to the Committee on Ways and Means.

By Mr. MILLS of Arkansas (for himself and Mr. BYRNES of Wisconsin):

H.R. 13334. A bill to establish certain positions in the Department of the Treasury, to fix the compensation for those positions, and for other purposes; to the Committee on Ways and Means.

By Mr. MITCHELL:

H.R. 13335. A bill to establish an Independent Board of Parole, to provide for fair and equitable Federal parole procedures, to establish a National Parole Institute, and to provide assistance to the States for the operation of fair and adequately staffed parole systems, and for other purposes; to the Committee on the Judiciary.

By Mr. MORGAN:

H.R. 13336. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations; to the Committee on Foreign Affairs.

By Mr. PATMAN:

H.R. 13337. A bill to eliminate excess charges for services rendered in connection

with real estate settlements, to provide home buyers with necessary information related to real estate settlements, and for other purposes; to the Committee on Banking and Currency.

By Mr. POAGE:

H.R. 13338. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. RANGEL (for himself, Mr.

WILLIAM D. FORD, Mr. FORSYTHE, Mrs. GRASSO, Mr. HALPERN, Mr. HAMMERSCHMIDT, Mr. HARRINGTON, Mr. HELSTOSKI, Mr. HOSMER, Mr. HUNGATE, Mr. KEMP, Mr. KING, Mr. McDONALD of Michigan, Mr. METCALFE, Mr. MIKVA, Mr. MITCHELL, Mr. MOORHEAD, Mr. MORSE, Mr. MURPHY of Illinois, Mr. PEPPER, Mr. PEYSER, Mr. PRICE of Illinois, Mr. RIEGLE, Mr. ROSENTHAL and Mr. RYAN):

H.R. 13339. A bill to regulate the interstate trafficking and sale of hypodermic needles and syringes; to the Committee on Interstate and Foreign Commerce.

By Mr. RANGEL (for himself, Mrs.

ABZUG, Mr. ADDABBO, Mr. ALEXANDER, Mr. ANDERSON of Tennessee, Mr. BAKER, Mr. BARING, Mr. BELL, Mr. BIAGGI, Mr. BINGHAM, Mr. BRASCO, Mr. BUCHANAN, Mr. CAREY of New York, Mrs. CHISHOLM, Mr. CLAY, Mr. CLEVELAND, Mr. COLLINS of Illinois, Mr. CONYERS, Mr. DELLUMS, Mr. DIGGS, Mr. DINGELL, Mr. DONOHUE, Mr. FAUNTROY, Mr. FISH, and Mr. FLOWERS):

H.R. 13340. A bill to regulate the interstate trafficking and sale of hypodermic needles and syringes; to the Committee on Interstate and Foreign Commerce.

By Mr. RANGEL (for himself, Mr.

SCHUEER, Mr. STOKES, Mr. TIERNAN, Mr. VEYSEY, Mr. WARE, Mr. WHITEHURST, Mr. HAWKINS, Mr. NIX, Mr. RODINO, and Mr. COLLIER):

H.R. 13341. A bill to regulate the interstate trafficking and sale of hypodermic needles and syringes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY of Pennsylvania (for

himself, Mr. SAYLOR, Mr. NIX, Mr. WARE, Mr. SCHNEEBELI, and Mr. GOODLING):

H.R. 13342. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. RYAN (for himself and Mr. CORMAN):

H.R. 13343. A bill to amend the Lead-Based Paint Poisoning Prevention Act; to the Committee on Banking and Currency.

By Mr. RYAN:

H.R. 13344. A bill to amend the National Defense Loan Program to provide that the obligations of student borrowers to make payments on their loans shall be suspended while they are performing alternative service under the Military Selective Service Act; to the Committee on Education and Labor.

By Mr. SPRINGER:

H.R. 13345. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas (by request) (for himself and Mr. KYROS):

H.R. 13346. A bill to amend chapter 15, title 38, United States Code, to liberalize the computation of a spouse's income for veterans'

pension purposes; to the Committee on Veterans' Affairs.

H.R. 13347. A bill to amend chapter 15, title 38, United States Code, to exclude in the computation of income for death pension purposes private or commercial life insurance to the amount of \$10,000; to the Committee on Veterans' Affairs.

H.R. 13348. A bill to amend chapter 55, title 38, United States Code, so as to increase the amount of benefits payable to certain hospitalized veterans; to the Committee on Veterans' Affairs.

H.R. 13349. A bill to amend section 410 of title 38, United States Code, to provide a statutory presumption of service-connected death of any veteran who has been rated totally disabled by reason of service-connected disability for 10 or more years; to the Committee on Veterans' Affairs.

By Mr. THOMPSON of Georgia:

H.R. 13350. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mrs. ABZUG:

H.R. 13351. A bill to amend the Fair Packaging and Labeling Act to provide for a uniform system of quality grades for food products, to provide for a system of labeling of food products to disclose the ingredients thereof, to provide for a system of national standards for nutritional labeling of food products, and to provide for a system of labeling of perishable and semiperishable foods; to the Committee on Interstate and Foreign Commerce.

H.R. 13352. A bill to insure the right of citizens to have access to the Federal courts to redress the deprivation of rights, privileges, and immunities secured by the Constitution and laws of the United States; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H.R. 13353. A bill to amend title II of the Social Security Act to provide a 20-percent across-the-board benefit increase with subsequent cost-of-living increases, to raise the earnings base, to liberalize the retirement test; to increase widows' and widowers' benefits; to improve benefit computation; to increase the lump-sum death payment, to provide benefits for additional disabled children and dependent parents of insured individuals, and to liberalize qualifications for disability benefits; to provide medicare benefits for all individuals receiving cash benefits based on disability; to provide benefits for dependent brothers and sisters of retired, disabled, or deceased insured individuals; and to provide a \$5,000 income tax exemption for individuals 65 years of age or over; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 13354. A bill to amend the Internal Revenue Code of 1954 to provide that tuition for the education of a handicapped dependent at a private school shall be treated as a medical expense of the taxpayer when such education is recommended by a physician; to the Committee on Ways and Means.

By Mr. CHAPPELL:

H.R. 13355. A bill to require the payment of interest on escrow accounts held in connection with residential real estate mortgage loans; to the Committee on Banking and Currency.

By Mr. CLARK:

H.R. 13356. A bill to further amend the Federal Civil Defense Act of 1950, as amended, to authorize establishment of national standards for threads and couplings of firehoses, and for other purposes; to the Committee on Armed Services.

H.R. 13357. A bill to amend the Railroad Retirement Act of 1937 and the Railroad Retirement Tax Act to revise the eligibility conditions for annuities, to change the railroad retirement tax rates, and for other pur-

poses; to the Committee on Interstate and Foreign Commerce.

By Mr. COTTER:

H.R. 13358. A bill to provide for the establishment of the Thaddeus Kosciuszko Home National Historic Site in the State of Pennsylvania, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DULSKI:

H.R. 13359. A bill to make rules governing the use of the Armed Forces of the United States in the absence of a declaration of war by the Congress; to the Committee on Foreign Affairs.

H.R. 13360. A bill to amend section 109 of title 38, United States Code, to provide benefits for members of the armed forces of nations allied with the United States in World War I or World War II; to the Committee on Veterans' Affairs.

By Mr. JONES of North Carolina (for himself and Mr. MIZELL, Mr. ABBITT, Mr. McMILLAN, Mr. MILLER of Ohio, Mr. STUBBLEFIELD, Mr. WAMPLER, Mr. FOUNTAIN, Mr. MATHIS of Georgia, Mr. HENDERSON, and Mr. PREYER of North Carolina):

H.R. 13361. A bill to amend section 316(c) of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. KOCH:

H.R. 13362. A bill to amend the Urban Mass Transportation Act of 1964 to provide emergency grants for operating subsidies to urban mass transportation systems on the basis of passengers serviced; to the Committee on Banking and Currency.

By Mr. KOCH (for himself and Mr. COLLINS of Illinois):

H.R. 13363. A bill to amend the Child Nutrition Act of 1966 to permit the waiver of matching requirements in special and unusual circumstances; to the Committee on Education and Labor.

By Mr. RODINO:

H.R. 13364. A bill to provide for the establishment of an Office for the Aging in the Executive Office of the President, for the fulfillment of the purposes of the Older Americans Act, for enlarging the scope of that act, and for other purposes; to the Committee on Education and Labor.

H.R. 13365. A bill to amend the Public Health Service Act so as to provide for the prevention and control of venereal disease; to the Committee on Interstate and Foreign Commerce.

By Mr. SISK (for himself, Mr. ABBITT, Mr. BETTS, Mr. BROYHILL of Virginia, Mr. DON H. CLAUSEN, Mr. COLLIER, Mr. DAVIS of Wisconsin, Mr. EDWARDS of California, Mr. FUQUA, Mrs. GREEN of Oregon, Mr. GUBSER, Mr. JOHNSON of California, Mr. LEGGETT, Mr. McFALL, Mr. MAILLIARD, Mr. MATHIAS of California, Mr. ESHLEMAN, Mr. HAMMERSCHMIDT, Mr. MCCORMACK, Mr. MEEDS, Mr. MICHEL, Mr. NELSEN, Mr. ROBINSON of Virginia, Mr. SMITH of New York, and Mr. STEIGER of Wisconsin):

H.R. 13366. A bill to provide for the payment of losses incurred by domestic growers, manufacturers, packers, and distributors as a result of the barring of the use of cyclamates in food after extensive inventories of foods containing such substances had been prepared or packed or packaging, labeling, and other materials had been prepared in good faith reliance on the confirmed official listing of cyclamates as generally recognized as safe for use in food under the Federal Food, Drug, and Cosmetic Act, and for other purposes; to the Committee on the Judiciary.

By Mr. SISK (for himself, Mr. TALLCOTT, Mr. TEAGUE of California, Mr. TEAGUE of Texas, Mr. ULLMAN, Mr. VIGORITO, and Mr. WALDIE):

H.R. 13367. A bill to provide for the payment of losses incurred by domestic growers, manufacturers, packers, and distributors as a result of the barring of the use of cyclamates in food after extensive inventories of foods containing such substances had been prepared or packed or packaging, labeling, and other materials had been prepared in good faith reliance on the confirmed official listing of cyclamates as generally recognized as safe for use in food under the Federal Food, Drug, and Cosmetic Act, and for other purposes; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 13368. A bill to designate as wilderness certain lands within the Chiricahua National Monument in the State of Arizona; to the Committee on Interior and Insular Affairs.

By Mr. BENNETT:

H.J. Res. 1073. Joint resolution proposing an amendment to the Constitution of the United States to prohibit compelling attendance in schools other than the one nearest the residence and to insure equal educational opportunities for all students wherever located; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.J. Res. 1074. Joint resolution proposing an amendment to the Constitution of the United States with respect to the attendance of Senators and Representatives at sessions of Congress; to the Committee on the Judiciary.

By Mr. BRADEMAS:

H.J. Res. 1075. Joint resolution designating the work of March 20-26, 1972, as "American Football and Basketball Coaches Week"; to the Committee on the Judiciary.

By Mr. CASEY of Texas:

H.J. Res. 1076. Joint resolution proposing an amendment to the Constitution of the United States to insure the rights of parents and local school authorities to determine which school the children in that locality will attend; to the Committee on the Judiciary.

By Mr. FISHER:

H.J. Res. 1077. Joint resolution proposing an amendment to the Constitution of the United States with respect to the reconfirmation of judges after a term of 6 years; to the Committee on the Judiciary.

By Mr. RODINO:

H.J. Res. 1078. Joint resolution relating to sudden infant death syndrome; to the Committee on Interstate and Foreign Commerce.

By Mr. GUDE (for himself, Mr. GARMATZ, Mr. HECHLER of West Virginia, Mr. DINGELL, Mr. REES, Mr. FRELINGHUYSEN, Mr. HICKS of Washington, Mr. MAILLIARD, Mr. MITCHELL, Mr. MIKVA, Mr. ST GERMAIN, Mr. GIBBONS, Mr. SARBANES, Mr. BELL, and Mrs. GRASSO):

H. Con. Res. 541. Concurrent resolution expressing the support of the Congress for the U.S. delegation to the United Nations Conference on the Human Environment; to the Committee on Foreign Affairs.

By Mr. HELSTOSKI (for himself, Mr. FORSYTHE, Mrs. CHISHOLM, and Mr. ALEXANDER):

H. Con. Res. 542. Concurrent resolution providing for the recognition of Bangladesh; to the Committee on Foreign Affairs.

By Mr. GARMATZ:

H. Res. 839. Resolution to provide further funds for the expenses of the investigations and study authorized by House Resolution 21.

By Mr. HARRINGTON:

H. Res. 840. Resolution; International Conference on Management of Nuclear Wastes; to the Committee on Foreign Affairs.

By Mr. MITCHELL (for himself, Mrs. ABZUG, Mr. BADILLO, Mr. BURTON, Mrs. CHISHOLM, Mr. CLAY, Mr. COL-

LINS of Illinois, Mr. CONYERS, Mr. EDWARDS of California, Mr. HALPERN, Mr. HARRINGTON, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mrs. HICKS of Massachusetts, Mr. HUNGATE, Mr. KOCH, Mr. MIKVA, Mr. RANGEL, Mr. RYAN, Mr. ST GERMAIN, Mr. SEIBERLING, and Mr. STOKES):

H. Res. 841. Resolution; Health Bill of Rights; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H. Res. 842. Resolution providing for the expenses incurred pursuant to House Resolution 213; to the Committee on House Administration.

By Mr. WYMAN (for himself, Mr.

FLOWERS, Mr. RHODES, Mr. REES, Mr. HOSMER, Mr. BROZMAN, Mr. BURKE of Florida, Mr. DERWINSKI, Mr. MCCLORY, Mr. CEDERBERG, Mr. FRENZEL, Mr. THONE, Mr. CLEVELAND, Mr. HUNT, Mr. SANDMAN, Mr. FORSYTHE, Mrs. CHISHOLM, Mr. ROBINSON of New York, Mr. TERRY, Mr. CONABLE, Mr. HENDERSON, Mr. DEVINE, Mr. WYATT, Mr. WARE, and Mr. JOHNSON of Pennsylvania):

H. Res. 843. Resolution amending the Rules of the House of Representatives to expedite the enactment of general appropriation measures, to facilitate the making of appropriations for subsequent fiscal years, and for other purposes; to the Committee on Rules.

By Mr. WYMAN (for himself, Mr. DUNCAN, Mr. FISHER, and Mr. ROBINSON of Virginia):

H. Res. 844. Resolution amending the Rules of the House of Representatives to expedite the enactment of general appropriation measures, to facilitate the making of appropriations for subsequent fiscal years, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

315. By the SPEAKER: Memorial of the Senate of the State of New Jersey, relative to the situation in Northern Ireland, to the Committee on Foreign Affairs.

316. Also memorial of the Legislature of the State of Iowa, requesting the Congress to call a convention for the purpose of proposing an amendment to the Constitution of the United States providing that a portion of the taxes levied on income by Congress shall be made available to State governments; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mrs. HICKS of Massachusetts introduced a bill (H.R. 13369) for the relief of Wojciech Ostrowski; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

195. By the SPEAKER: Petition of the City Council, Washington, D.C., relative to the conduct of public hearings before the Zoning Commission of the District of Columbia; to the Committee on the District of Columbia.

196. Also, petition of Alfonso S. Valmorada, Cagayan de Oro City, Philippines, relative to extending recognition to the Talisayan Guerrilla Force; to the Committee on Foreign Affairs.