

plied research deals with the application of these principles to the solution of personal and social problems of senior citizens. Both types of research need urgent support since they are major sources of more reliable knowledge about aging.

2. Scope of personal, social, medical and geriatric problems of senior citizens in the U.S. Numerous surveys conducted in various cities around the country have indicated the disturbing fact that the services for older persons are fragmented into many conflicting or overlapping agencies and institutions. Most researchers agree that there should be in each community and level of government a more unified and coordinated approach to the problems of senior citizens. But the assignment of priorities requires a better understanding of the needs and problems of older persons.

3. Diversity of basic and applied research on human aging. Today, studies of aging are being conducted in some universities, medical schools, hospitals, government laboratories and some research institutions across the country. However, while many of these basic research studies on nutrition, cell metabolism, biochemistry, physiology, psychology all touch on some aspects of aging, they do not directly attack the questions of the fundamental causes of aging and their modification or improvement based on scientific knowledge. This could best be accomplished through a separate Institute of Aging with responsibility for the coordinated planning of research and the allocation of resources to fundamental problems of aging that may be ignored for various reasons by many scientists.

4. Advantages to society and science of coordinated planning within a National Institute of Aging. Gradually, the public is

recognizing the importance of the problems of aging. With increasing public interest, more support may be allocated to research on human aging and more of the nation's scientists will take up the research challenge. A separate Institute of Aging can provide the leadership for the great scientific and social challenges that must be met in the field of Gerontology. By its very existence, identity, and visibility it can help focus social and scientific problems and their most effective solutions.

5. Public attitudes, interest and support. Until recently, the public and most scientists considered problems of aging as a pursuit of the mystic elixir or fountain of perpetual youth. In the past decade, interest and support have changed. Research on cancer and on aging have not only become acceptable but vital since they appear as inevitable consequences in a population with increasing proportions of older individuals.

6. Scientific attitudes, interest and support for a separate Institute of Aging. In contrast to many scientific problems in other areas, the study of human aging is much more complex since it represents the summation of long term psychological, physiological, biochemical and morphological changes which are subject to considerable environmental and social modification. A separate Institute of Aging can participate in the identification of major problem areas that make many investigations in a particular area particularly difficult or challenging. All scientists agree that the application of the highest professional and scientific talents and major resources are required for the solution of problems in human aging and that the commitment of these talents and resources would ultimately be fully justified by the future progress.

7. Summary. There are many theories about the causes of human aging. They focus either on genetic or environmental factors as determinants of aging. Scientists are currently studying the effects of genetics, radiation, nutrition, hormones, exercise and many other factors on the aging process. Scientists working on these problems agree that the establishment of a National Institute of Aging can provide the critical momentum for the stepped-up attack on the important personal and social problems of human aging. Such an institute can lead not only in providing understanding of the causes of aging but also help solve consequences of aging which now constitute one of the most important public health problems in modern societies.

PRESIDENT NIXON IS KEEPING HIS WORD

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 20, 1972

Mr. McCLORY. Mr. Speaker, last week the President of the United States withdrew an additional 5,900 soldiers from Vietnam.

On January 20, 1969, there were 532,500 Americans enduring the perils of an Asian war. Today, there are 108,600 Americans in Vietnam who are planning to come home.

Mr. Speaker, President Nixon is keeping his word.

HOUSE OF REPRESENTATIVES—Tuesday, March 21, 1972

The House met at 12 o'clock noon.

The Reverend A. Dickerson Salmon, Jr., rector of All Saints' Episcopal Church, Frederick, Md., offered the following prayer:

O God our ever-present Father, help us to recognize that Your purposes stretch beyond the horizon of our vision; that Your demands confront our selfish desires and our limited wills; that Your compassion overflows the utmost love in all our hearts.

Help us to know only what is Your will, and to ask only for Your strength to obey it. Keep us from all ignorance, prejudice, bitterness, strife, and fear.

Fill us with faith and hope in Your promises, with courage and compassion for the needs of Your people, our constituents.

Enable us both to pursue faithfully the work we have been given to do this day, and to experience Your peace which passes all understanding. 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.

REV. A. DICKERSON SALMON, JR.

(Mr. BYRON asked and was given permission to address the House for 1 min-

ute, to revise and extend his remarks and include extraneous matter.)

Mr. BYRON. Mr. Speaker, on behalf of the membership of this House, I would like to express my deep appreciation to the Reverend A. Dickerson Salmon of the All Saints' Parish in Frederick, for offering the prayer today in the House of Representatives.

Reverend Salmon began his career in the ministry in New York and in 1963 he came to Brunswick, Md., to serve with the Grace Episcopal Church. He also served on the board of Claggett Diocesan Center. In 1970 he assumed his present position and is also currently serving on the diocesan committee.

In addition to his religious activities, he is involved in other public and community services and is a member of the Rotary Club and the board of directors of Goodwill Industries.

Mr. Speaker, I am pleased that Reverend Salmon consented to be with us today, and I am sure that all who heard him were most impressed with his sincerity, and I only hope that he will be able to visit us again sometime in the near future.

CHANGE IN LEGISLATIVE PROGRAM

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

Mr. BOGGS. Mr. Speaker, I take this time to announce a change in the legislative program for this week.

We are postponing consideration of the Federal Water Pollution Control Act (H.R. 11896), originally scheduled for tomorrow, until next week. In its place on tomorrow we will consider H.R. 13592, the National Sickle Cell Anemia Act which received a rule today.

As previously announced, we will consider the conference report on S. 18, Radio Free Europe, tomorrow, and we will consider the legislative appropriation bill on Thursday.

RECORD JUMP FOUND IN HOUSING STARTS

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

Mr. CONABLE. Mr. Speaker, economic indicators are improving on a wide front and one of the most encouraging is the record jump found in housing starts during the past 3 months.

The latest Department of Commerce report on housing starts indicates an increase of 8.4 percent for February. This figure when added to a January increase of 0.6 percent and a December increase of 10.3 percent indicates the tremendous strength displayed in this sector of the economy. More specifically, housing starts climbed to a seasonally adjusted annual rate of 2,678,000. All 3 months have been well ahead of the 1,793,000 rate a year earlier. The sharpest increases in last month's starts

came in structures with two to four units as well as those with five units or more.

Even more encouraging are the factors explaining the jump in housing starts—declining mortgage rates and the continuing availability of money for housing. These record highs in housing starts are making improved housing a reality for increasing numbers of Americans and indicate that in this key indicator the economic stabilization program is having a beneficial impact on the lives of a great number of people.

PERMISSION FOR COMMITTEE ON RULES TO FILE A PRIVILEGED REPORT

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

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

There was no objection.

THE RETIREMENT OF DR. HALL

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

Mr. BROOKS. Mr. Speaker, I was surprised and disappointed to learn of the prospective retirement of our colleague from Missouri, the Honorable DURWARD G. HALL.

I will miss Dr. HALL. We are all aware of his diligence, attention to floor proceedings, and his determination to fight vigorously for what he believes is right.

But, Mr. Speaker, my disappointment also stems from another source. I have served with the doctor on two joint committees concerned with the improvement of the operations of the U.S. Congress and it is in this connection that I desire to make a few observations.

In March of 1965, we were both appointed to the Joint Committee on the Organization of Congress, a 12-member bipartisan bicameral study committee aimed at improving the structure and procedures of the Congress.

In our work on this committee I found the gentleman from Missouri diligent and determined but also reasonable and cooperative in arriving at a consensus to which all of the members of the committee could subscribe.

"Doc" HALL maintained his interest in congressional reorganization. In House consideration of the Legislative Reorganization Act of 1970, he offered the amendment creating the Joint Committee on Congressional Operations, of which I have the honor to be the chairman, and on which "Doc" HALL is one of the most valued members.

The committee will miss his contributions and also his genial presence, but we know he has earned his retirement by yeoman service to his constituents and to the Congress of the United States, and we wish him and his wife, Betty, enjoyment, happiness, and success in their years to come.

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

Mr. BROOKS. I am happy to yield to the distinguished minority leader, if I still have sufficient time to do so.

Mr. GERALD R. FORD. Mr. Speaker, let me say that I also fully share all of the compliments the gentleman from Texas (Mr. Brooks) has given to our colleague, Dr. DURWARD HALL. I was naturally very disappointed when I learned of the news of Dr. HALL's retirement. Regrettably I have been unsuccessful in trying to revise that decision he has made.

The net result of Dr. HALL's retirement is that we will miss him very badly for very many reasons, as the gentleman from Texas has indicated. I hope and trust that despite his retirement he will help and assist us in any way and in any capacity that we ask him to—and I know that he will.

Again, Mr. Speaker, let me say in conclusion that I share entirely the views expressed by the gentleman from Texas (Mr. Brooks).

Mr. BROOKS. And he may in some instances when you do not ask him.

Mr. Speaker, I yield back the balance of my time.

PRIVATE CALENDAR

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

MRS. ROSE THOMAS

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

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

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

There was no objection.

MARIA LUGIA DI GIORGIO

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

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

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

There was no objection.

MRS. ANNA MARIA BALDINI DELA ROSA

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

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

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

There was no objection.

CHARLES COLBATH

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

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

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

There was no objection.

MRS. CARMEN PRADO

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

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

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

There was no objection.

RENE PAULO ROHDEN-SOBRINHO

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

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

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

There was no objection.

CATHERINE E. SPELL

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

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

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

There was no objection.

FRANK J. McCABE

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

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

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

There was no objection.

DONALD L. BULMER

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

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

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

There was no objection.

MRS. MARINA MUNOZ DE WYSS (NEE LOPEZ)

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

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

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

There was no objection.

CARMEN MARIA PENA-GARCANO

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

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

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

There was no objection.

WILLIAM H. NICKERSON

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

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

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

There was no objection.

ANTONIO BENAVIDES

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

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

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

There was no objection.

MRS. CONCEPCION GARCIA BALAURO

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

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

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

There was no objection.

ALBINA LUCIO Z. MANLUCU

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

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

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

There was no objection.

VLADIMIR RODRIGUEZ LA HERA

The Clerk called the bill (H.R. 2076) for the relief of Vladimir Rodriguez La Hera.

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

H.R. 2076

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Vladimir Rodriguez LaHera, who was lawfully admitted to the United States for permanent residence on July 2, 1964, shall be held and considered not to be within the classes of persons whose naturalization is prohibited by the provisions of section 313 of the Immigration and Nationality Act.

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

AMPARO CORONADO VIEUDA DE PENA AND HER THREE MINOR CHILDREN: YOLANDA PENA, MARISELA PENA, AND LORENZO PENA

The Clerk called the bill (H.R. 4679) for the relief of Ampara Coronado Vieuda de Pena and her three minor children: Yolanda Pena, Marisela Pena, and Lorenzo Pena.

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

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

There was no objection.

MARGARIDA ALDORA CORREIA DOS REIS

The Clerk called the bill (H.R. 6504) for the relief of Margarida Aldora Correia dos Reis.

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

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

There was no objection.

EMILIA RUFFOLO

The Clerk called the bill (H.R. 10142) for the relief of Emilia Ruffolo.

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

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

There was no objection.

ALBERT W. REISER, JR.

The Clerk called the bill (H.R. 3751) for the relief of Albert W. Reiser, Jr.

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

H.R. 3751

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any funds in the Treasury not otherwise appropriated, to Albert W. Reiser, Junior, of Lima, Ohio, the sum of \$1,458.80 in full settlement of all his claims against the United States for reimbursement of expenses arising in connection with the sale of his Oakwood, Ohio, residence and purchase of a residence in Lima, Ohio, pursuant to his 1968 transfer of official station as an employee of the Department of Labor.

SEC. 2. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 2, line 2, strike "In excess of 10 per centum thereof".

The committee amendment was agreed to.

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

JERRY L. CHANCELLOR

The Clerk called the bill (H.R. 7946) for the relief of Jerry L. Chancellor.

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

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

There was no objection.

DONALD P. LARIVIERE

The Clerk called the bill (H.R. 8952) for the relief of Donald P. Lariviere.

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

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

There was no objection.

MRS. ROSANNA THOMAS

The Clerk called the bill (H.R. 9473) for the relief of Mrs. Rosanna Thomas.

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

H.R. 9473

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury, not otherwise appropriated, to Mrs. Rosanna Thomas, of Rome, Italy, wife of the late First Sergeant James E. Thomas, 1275369 United States Marine Corps, the sum of \$391 in full settlement of all her claims against the United States for reimbursement for travel from Los Angeles, California, to Rome, Italy, for herself and her three children in July 1968. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 1, lines 11 and 12, strike "In excess of 10 per centum thereof".

The committee amendment was agreed to.

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

MR. AND MRS. JOHN F. FUENTES

The Clerk called the bill (H.R. 11045) for the relief of Mr. and Mrs. John F. Fuentes.

Mr. HALL. Mr. Speaker, I ask unan-

imous consent that the bill be passed over without prejudice.

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

There was no objection.

ARLINE LOADER AND MAURICE LOADER

The Clerk called the bill (S. 341) for the relief of Arline Loader and Maurice Loader.

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

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

There was no objection.

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

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. 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. 83]

| | | |
|---------------|-----------------|-----------------|
| Abourezk | Gallagher | Pryor, Ark. |
| Abzug | Gaydos | Pucinski |
| Annunzio | Gray | Purcell |
| Arends | Halpern | Rangel |
| Badillo | Hastings | Rees |
| Baring | Hébert | Reid |
| Belcher | Hicks, Mass. | Riegle |
| Brown, Ohio | Hull | Rogers |
| Burton | Jacobs | Rosenthal |
| Cabell | Kluczynski | Rostenkowski |
| Carey, N.Y. | Kyros | Roy |
| Carter | Mathias, Calif. | Scheuer |
| Celler | Mayne | Shipley |
| Chisholm | Metcalfe | Sisk |
| Clark | Michel | Springer |
| Clay | Mikva | Staggers |
| Collins, Ill. | Miller, Calif. | Stanton |
| Conyers | Mitchell | James V. Steele |
| Derwinski | Murphy, Ill. | Stubblefield |
| Diggs | Nelsen | Symington |
| Dowdy | Nix | Taylor |
| Dwyer | Obey | Teague, Calif. |
| Edwards, La. | O'Hara | Teague, Tex. |
| Foley | Pelly | Wiggins |
| Frey | Pepper | Yates |
| Gallifianakis | Preyer, N.C. | |

The SPEAKER. On this rollcall 354 Members have answered to their names, a quorum.

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

PAR VALUE MODIFICATION ACT

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 900 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 900

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. 13120) to provide for a modification in the par value of the dollar, and for other purposes.

After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 13120, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 3160, and it shall then be in order to consider the said Senate bill in the House.

Mr. O'NEILL. Mr. Speaker, at the conclusion of my remarks I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may require.

Mr. Speaker, House Resolution 900 provides an open rule with 1 hour of general debate for consideration of H.R. 13120, the Par Value Modification Act. After passage of the bill, the Committee on Banking and Currency shall be discharged from further consideration of S. 3160 and it shall be in order to consider the Senate bill in the House.

The purpose of H.R. 13120 is to establish a new par value of the dollar.

The Secretary of the Treasury would be directed to establish a new par value of the dollar making it equal to one thirty-eighth of a fine troy ounce of gold. He would maintain the value in terms of gold of the U.S. dollars of the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the International Development Association, and the Asian Development Bank.

Appropriations are authorized, to remain available until expended, of sums necessary for the maintenance of value obligations.

The increase in the value of gold held by the United States resulting from the change in the par value of the dollar will be covered into the Treasury as a miscellaneous receipt.

No budgetary expense is anticipated in fiscal years 1972 and 1973. The budgetary impact from fiscal years 1974 through 1976 is estimated at \$343 million. The budgetary impact from fiscal years 1977 to 1986 is estimated at \$63 million.

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

Mr. QUILLEN. Mr. Speaker, House Resolution 900 provides an open rule with 1 hour of debate on the bill, H.R. 13120. After passage of the bill, the rule makes it in order to consider S. 3160, the comparable Senate bill.

The purpose of H.R. 13120 is to devalue the dollar and deal with the increases in assets and liabilities directly resulting from that change.

More specifically, the bill would—

First, authorize and direct the Secretary of the Treasury to take the steps necessary to establish a new par value of the dollar of \$38 per fine troy ounce of gold;

Second, authorize and direct the Sec-

retary of the Treasury to maintain the value in terms of gold of the holdings of the U.S. dollars of the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the International Development Association and Asian Development Bank to the extent provided for and required by the article of agreement of these institutions;

Third, authorize the appropriation, to remain available until expended, of such amounts as may be necessary to satisfy these maintenance of value obligations; and

Fourth, direct that the increase in the value of the gold held by the United States resulting from the change in the par value of the dollar be covered into the Treasury as a miscellaneous receipt.

With regard to cost, no budgetary expenditures are anticipated as a result of this legislation in fiscal years 1972 and 1973. The budgetary impact from fiscal years 1974 to 1976 will be \$343 million, which represents maintenance of value obligations on capital now paid in and held by the multilateral development lending institutions, or to be paid in under authorizations now in progress. The budgetary impact from fiscal year 1977 to fiscal year 1986 will be \$63 million which represents maintenance of value obligations on paid-in capital now out on loan by the institutions for which letters of credit will be issued and payment made as loans are repaid and new disbursements made.

Mr. Speaker, at this time I yield 10 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, I hope that no one will be deluded into believing that approval of this bill, increasing the official price of gold to \$38 an ounce, will provide a magical cure for the financial crisis that is bearing down more heavily each day on this Government and its citizens.

I hope Members of the House understand this move for what it is—simply another expedient in a long list of expedients that have been tried and failed to bring order out of the internal and external financial distress that borders on chaos.

Mr. Speaker, this bill would not be here if previous administrations had not embarked on insane—utterly insane—deficit spending orgies, and if this administration had not continued on those orgies.

The world monetary crisis would not have come about had not this Government, including a subservient Congress, piled deficit on top of deficit, year after year after year, until the debt of the United States is far in excess of the combined debts of all the other governments of the earth.

It is this fact that has led foreign bankers and governments to become increasingly wary of the once almighty American dollar, and if anyone believes the enactment of this bill is going to cure that wariness, he and she is sadly mistaken.

It was only 2 weeks ago that Arthur F. Burns, Chairman of the Federal Reserve

Board, quietly made his way to Switzerland for a semisecret meeting with representatives of the central banks and bankers of Europe who hold the bulk of some 60 billion American dollars—the New York Times says this morning that that has been increased to \$70 billion—that are now floating around the world. It is significant that it was Burns, not Treasury Secretary Connally, who went there to offer assurance that interest rates in the United States will be permitted to rise again, thus giving foreign bankers hope that they will have the opportunity to put at least some of their vast dollar holdings to work in this country at higher rates.

Meantime, American borrowers, big and little, continue to be played like the spool on a yo-yo string—up and down, down and up—because there is no longer the stability that the gold standard once gave the money markets.

When Congress foolishly stripped the gold backing from bank deposits in this country, the gentleman from Wisconsin (Mr. REUSS) was, by his own words, an enthusiastic supporter of that measure although he said it did not go far enough. He said it would "remove the pressure we are now under." The pressure, of course, was caused by foreign governments cashing in dollars for gold because they knew what the Johnson administration was doing to the value of the dollar.

The gentleman from Wisconsin was wrong, because the pressure did not slacken. The dollar continued to deteriorate, and it will be knocked down still further with the passage of this bill.

At that time the gentleman from Wisconsin and the gentleman from Texas (Mr. PATMAN) as well as others, were operating on the side of the angels. They stood shoulder to shoulder with William McChesney Martin, then Chairman of the Federal Reserve Board, who repeatedly denounced gold as "that barbarous metal." Gold was to Martin, Patman, Reuss, and company an anachronistic anachronism.

The position of the gentleman from Wisconsin with respect to gold is indeed intriguing. Through the years he has been a professor in the school of those who degraded gold. And he has reiterated on the House floor—and I quote him:

Congress is never going to increase the price of gold . . . Congress will never do so.

Yes, I remember a day in December 1967, when he stood in this chamber to proclaim just that, and I remember how the gentleman from Arkansas (Mr. MILLS) the gentleman from Louisiana (Mr. BOGGS) and the gentleman from Oklahoma (Mr. ALBERT) almost fell over themselves in their haste to agree with his proclamation.

That was the pledge, Mr. Speaker, that Congress would never—no, sir, never—reward the gold speculators by increasing the official price of gold. That would be too dastardly an act to even contemplate.

Well, the day of reward has arrived and I will wager a scrap-metal dollar, also a product of the Banking and Currency Committee, to the hole in a dough-

nut, that I know how those distinguished Members will vote on this bill which will do what they solemnly promised would never be done.

Of course, Mr. Speaker, the rewards to the citizens of this country could have been great had the price of our gold been increased some time ago, even before the free market price went to \$50 an ounce, which it is bumping today. At that price we could have used our gold to retire billions of those American dollars that are now floating around the world and causing so much trouble.

Great Britain abandoned the gold sovereign in 1914. That act contributed to the suicide of the once mighty British Empire. At that time Lenin's campaign for world revolution was underway. Abolition of the use of gold as a medium of exchange in the hands of the people, not the physical destruction of it, was one of Lenin's objectives for communism which depends upon effective control of people.

The Government of this country outlawed the use of gold as a medium of common exchange in 1933–34, yet it went on to build up, in 1949, the greatest single gold hoard known to mankind—almost \$25 billion of the precious metal, coveted by millions of people around the world.

Why did this Government outlaw and make it a criminal offense for all Americans to transact business in gold? Because gold in common usage impeded the issuance of fiat money, the willful depreciation of the dollar, and the glorified embezzlement of savings. There are laws to protect our citizens against medical quackery; apparently there is nothing to protect against monetary quackery.

If this Nation's financial situation at home and abroad was not so desperate it would be downright amusing to listen to those assembled here who degrade gold as a throwback to the Dark Ages, yet who will vote today to increase the price of it. If it is worthy of this consideration then why do you not restore it to public use or abandon it completely—lock, stock, bar, and ingot? Why do you not do that? You cannot have it both ways and make even the pretense of consistency.

Or did you join in removing the gold backing from our money, the gold cover restraints on the Government's fiscal behavior, so that the mindless spending binge could continue unfettered and unchecked on its runaway course?

Mr. Speaker, there are three main ingredients of trade and commerce, whether at home or abroad, and those three ingredients are men, integrity, and confidence. Archeologists tell us that the earliest gold bar of record dates back to 4,326 years before Christ. Coined gold money has served industry, trade, and commerce for more than 2,500 years. To institutions and individuals through all those centuries it has represented a storehouse of value and integrity. And there never has been a valid reason given for the highhanded action by which citizens of the United States were prohibited from the free use and exchange of legally minted gold coins.

This is a good day to restore the right of every American to own gold, and unless some member of the committee of-

fers an amendment to that end I will do so.

Furthermore, it should be abundantly clear after nearly 40 years that those who have manipulated the financial and monetary affairs of this Nation were failures. They have given us a national debt of nearly \$450 billion.

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

Mr. QUILLEN. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. GROSS. Mr. Speaker, they have given us a national debt of nearly \$450 billion and no one is offering the slightest hint as to how and when, if ever, it will be paid. They have given us a \$40 billion deficit in this fiscal year. They gave us last year a \$10 billion deficit in the balance of payments. They have flooded foreign countries with \$70 billion of American dollars, and neither they nor the foreigners know how to extricate themselves from that situation.

This country had a storehouse containing about \$25 billion of gold. That has been dissipated to less than \$10 billion, so they started out recently to plaster the world with paper gold, only to find that the rest of the world found the paper too thin and too transparent.

Mr. Speaker, Secretary of the Treasury Connally testifying before this committee on March 1 this year said this country is broke—b-r-o-k-e, broke. I believe him. And I also believe that it is time to stop the financial and monetary shenanigans and turn this Government and all its works back to the citizens of this country.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time and I yield back the remainder of my time.

Mr. O'NEILL. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13120) to provide for a modification in the par value of the dollar, and for other purposes.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 13120, with Mr. VANIK in the chair.

The Clerk read the title of the bill.

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

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. PATMAN) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. WIDNALL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

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

Mr. Chairman, the gentleman from

Iowa made a very interesting speech. As I understand him, he did not see any good in the Democrats, but he could see a lot of good in the Republican policies of the past and present. I want to invite his attention to some facts that he overlooked.

First, he talked about the cost of Government and the national debt. I just want to remind the gentleman that I think the Democrats have had the best record in the interests of the people of this country at least over the period of the last 44 years in either one of the parties, Democrat or Republican.

In 1939 the then President was Franklin D. Roosevelt. He could see the war clouds over this country as well as over Europe, and he decided we would soon be into a war, a devastating war, such as we had never had before. So he and the Federal Reserve Board agreed that they would keep the interest rates down so that if we won the war, we could really win the war instead of winning the war and losing it at the same time because of its costs. So for the first time in history interest rates were fixed, and for 14 years those interest rates remained low for the sole and only purpose of keeping down the cost of the war and making it possible for the Congress to have the money to take care of the 15 million or more servicemen on the different battlefronts of the world. So during those 14 years, up to the end of Mr. Truman's administration, these rates were kept low.

Incidentally, Mr. Truman, by reason of this policy of low cost of money, paid \$29 billion on the national debt before he went out of office. Then, when he went out and the great man General Eisenhower came on the scene, things changed.

General Eisenhower did not claim to know anything about monetary matters or things like that, but he was one of the greatest generals on earth. He received the largest vote that any President on earth had ever received up until that time. However, he did not keep those rates the same as they had been for 14 years during World War II, the Korean war, and during inflations and depressions and price controls and everything else, when those rates remained the same, just the same, a very low interest rate, which is considered the wholesale rate for money.

In 1944, I well remember here on the floor of the House, Members were expressing concern and alarm about the progress of the war and many were saying it was even doubtful we would win the war. That was in 1944. Some said we had better do other things than what we had been doing. They did not look with favor on any sentiment which was optimistic in nature and in favor of the people coming out of this war in a satisfactory fashion. They would give this example: They would say, "Name me one large country on earth, just one major country, that has had a major war and which did not have a major depression after that war was over." No one spoke up because you could not do it. Before that time every country that was involved in a major war had experienced a devastating and destructive policy of

deflation after the war was over. In other words, a depression. So nobody could answer that.

Members of Congress, about 100 of them, got busy on both sides, both Republicans and Democrats, and they presented the G.I. Bill of Rights and other laws to take care of the servicemen. The argument was made that 15 million men were coming back to the United States without jobs and with nothing to do.

We are bound to have a devastating depression. Well, the G.I.s, when they came back, did not have to sell apples on the street. They were not in want or need. They went to college. The Government paid not only the expenses of their education but also paid their families.

We had more people going to college then than ever before and we had the best educated citizenship after the war was over than we had ever had in the history of the country.

If a veteran wanted to go into business, he could borrow the money with which to do so at a good rate of interest. If they wanted to buy a home, they could borrow money and become home owners. They became professional men. They became doctors and lawyers and architects and engineers and every profession represented because the Government paid their way.

Mr. Chairman, why did the Government pay their way? Because it had the money. It had the money because it kept down the cost of the war. That is the reason we had the money. That took care of all of these expenses. This had never happened before in the history of the civilized world where a major country had experienced a major war and did not have a major depression after it was over.

We broke all records by keeping down the cost of the war.

Now, when Mr. Truman went out and Mr. Eisenhower came in, if the same rate rates of interest had been charged as had been charged during those 14 years up until now we would have saved \$497.2 billion, but which we have had to pay because of the increase in interest rates starting in the Eisenhower administration. We have had to pay \$497.5 billion as excessive, exorbitant and in some cases usurious rates of interest.

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

Mr. PATMAN. I cannot yield to the gentleman right now, but I shall yield to him later.

But, Mr. Chairman, that is the difference, \$497.2 billion. That is more than the national debt. Therefore, it is all caused by the excessive increase in interest rates since the Republicans came into power in 1952. That is what has caused it.

The full impact of abandoning the Federal Reserve low-interest rate policy of 1939-52 is only partially reflected in excess interest paid on the national debt since that time. The purchase and sale of Federal securities occupies so large a position in the money market that the interest rates applying to these securities strongly influence virtually all other interest rates in the Nation, up or down—for good or bad. There is in fact a strong relationship between rates applying to

the Federal debt and those applying to the private debt. It therefore is possible to compute not only the excess interest paid on the Federal debt from the Eisenhower administration to date, but the excess interest paid on the private debt as well. Using the average interest applied to both the public and private debt in 1952 and comparing that with actual interest paid on the combined public and private debt since then, discloses that the American people paid \$497.2 billion more than would have been paid under the low-interest rate policies that prevailed during previous years. The total savings equals an amount large enough to wipe out the Federal debt entirely and leave the Federal Government with a surplus:

TABLE IV.—EXCESSIVE INTEREST CHARGES ON THE PUBLIC AND PRIVATE DEBT, 1953 THROUGH 1971

[In billions of dollars]

| Year | Net public and private debt | Interest paid | Interest costs figured at 1952 average | Excess interest paid |
|-------|-----------------------------|---------------|--|----------------------|
| 1953 | \$581.6 | \$21.7 | \$20.5 | \$1.2 |
| 1954 | 605.9 | 23.5 | 21.4 | 2.1 |
| 1955 | 664.9 | 25.8 | 23.5 | 2.3 |
| 1956 | 698.3 | 29.5 | 24.7 | 4.8 |
| 1957 | 728.3 | 33.6 | 25.8 | 7.8 |
| 1958 | 769.1 | 35.5 | 27.2 | 8.3 |
| 1959 | 831.4 | 40.3 | 29.4 | 10.9 |
| 1960 | 872.4 | 44.2 | 30.9 | 13.3 |
| 1961 | 929.8 | 46.8 | 32.9 | 13.9 |
| 1962 | 997.1 | 52.5 | 35.3 | 17.2 |
| 1963 | 1,071.7 | 58.7 | 37.9 | 20.8 |
| 1964 | 1,153.7 | 65.2 | 39.8 | 25.4 |
| 1965 | 1,245.6 | 72.4 | 44.1 | 28.3 |
| 1966 | 1,341.4 | 81.9 | 47.2 | 34.7 |
| 1967 | 1,442.7 | 89.9 | 50.8 | 39.1 |
| 1968 | 1,534.5 | 104.9 | 55.8 | 49.1 |
| 1969 | 1,722.7 | 120.6 | 60.6 | 60.0 |
| 1970 | 1,839.7 | 135.6 | 64.8 | 70.8 |
| 1971 | 1,950.0 | 156.0 | 68.8 | 87.2 |
| Total | | | | 497.2 |

¹ Estimated.

During the last 44 years the people of this country have exercised good judgment. They are not ignorant about what has been going on. They know who their friends are. They know that the Democratic Party has always been the friend of the poor people and the small business people and has looked after those who really built our country in time of peace and who saved in time of war. They know this and they express themselves every time they have an opportunity at the polls, and they express themselves right.

Mr. Chairman, for the last 44 years, starting with Mr. Hoover's coming in with a great majority in 1928, well, he was only in charge of the Government for a period of 2 years.

You know, in order to be in charge of the Government you must have the Executive and you must have both Houses of Congress. Mr. Hoover had them for a period of 2 years and then after that Mr. Eisenhower when he came in, he had charge of the Government 2 years. But for the other 6 years, of course, the Democrats had charge of the House and the Senate because the people had more in the Democratic Party.

So, for the last 44 years the Republicans have been in power 4 years. That is all, 2 years under Mr. Hoover and 2 years under Mr. Eisenhower. Why? Because the people did not trust them

enough. Every chance they had, they voted against them. That is why. So, it is not even close. The people want their friends in office. They get confused sometimes on emotional issues and carried away by smoke screens and do not vote their real convictions and desires. But, generally, they are for the party that has been their friend all these many years—the Democratic Party.

Of course, the Republicans are sincere in their belief, I am sure, but they invariably vote for higher and higher interest rates.

Have you ever heard a Member of the opposite party make a speech on the floor of this House in favor of low interest rates? I have been around here about as long as anybody else except my good friend MANNY CELLER, 44 years, and I have never known one of them to make a speech for low interest rates.

This is a major reason that the Republicans have not been in power except 4 years in the last 44 years.

Mr. Chairman, H.R. 13120 is necessary in order to permit the United States to officially comply with the Smithsonian agreement of December 18, 1971, which provided for realignment of currency exchange rates between the United States and its major foreign trading partners.

Before I explain in some detail the provisions of the bill, let me give some brief background relating to the need for dollar devaluation and currency realignment.

A crisis in the international payments system developed rapidly in 1971. During the latter part of the 20-year period preceding 1971 there was a severe acceleration on the part of the United States of the long-term deterioration of underlying international payments imbalances.

These imbalances were not new, but were, in the past, manageable. In the early years, these deficits had been welcomed by other nations whose payments and reserve positions had been severely weakened as a consequence of World War II. But the productive and competitive strength of these countries rebounded quickly. They became effective competitors of the United States, both here and in world markets, and with this came a continuous weakening of the U.S. position and a progressive strengthening of the external positions of our competitors.

Throughout the period, international financial and trading relationships remained much the same as they had been in the early postwar years, when the United States was dominant in all areas of the international economy. The system as a whole failed to change to reflect the changing relative positions of the major nations. The failure to make these needed adjustments, and the failure at times of the United States to maintain satisfactory noninflationary growth at home, led to continuing U.S. deficits which, in turn, reflected international payment surpluses abroad. By early 1971, a steep deterioration in the underlying U.S. accounts had appeared. In contrast to the basic balance deficit of about \$3 billion in all of 1970, the deficit jumped to an annual rate of more than \$9 billion in the first half of 1971.

Compounding the severe and pro-

tracted deterioration in the basic accounts, liquid capital flows had begun, as early as 1970, to move very heavily against the United States, primarily in response to higher interest rates in Europe. In early 1971, speculative factors became an additional stimulus to liquid capital outflows from the United States, as investors began to anticipate exchange rate appreciations by some of the countries which were the major recipients of funds from the United States. These forces resulted in the initiation of exchange rate changes and limited currency "floats" by a few countries in May 1971, but these actions were not enough to restore stability.

Foreign official dollar claims on the United States soared dramatically, from \$24.5 billion at the beginning of 1971 to approximately \$38.2 billion at mid-year, while U.S. reserves to meet these claims dropped from \$14.5 billion to \$12.2 billion. The U.S. net reserve position had become intolerably weak, and the outlook was for further, serious deterioration.

Internal U.S. Government estimates foresaw that a massive adjustment in the U.S. basic accounts would be necessary to achieve even a balanced position, to say nothing of a small surplus. Such an adjustment would require equal and difficult adjustments by others in the opposite direction.

Consequently, on August 15, 1971, the President took action to halt the deterioration in U.S. accounts, and particularly in the trade account. He suspended the convertibility of the dollar into reserve assets and imposed a 10-percent surcharge on dutiable imports.

The President's announcements on August 15 began a process of international negotiations aimed at extensive currency realignment and reform of the international monetary system.

The international monetary negotiations culminated in a meeting of the Group of Ten on December 17 and 18, 1971, at the Smithsonian Institution in Washington, D.C. This meeting of the finance ministers and central bank governors of the major industrial trading nations established a new pattern of exchange rate relationships among the currencies of the countries represented at the Smithsonian.

In the weeks following the Smithsonian agreement, the vast majority of Fund members altered their exchange rates in terms of the dollar. Many Fund members decided to have their currencies appreciate substantially against the dollar. In consideration of the agreed immediate realignment of exchange rates, the United States removed the 10-percent import surcharge and agreed to propose to Congress a suitable means for devaluing the dollar in terms of gold to \$38 per ounce as soon as agreements on related short term measures relating to trade and other international financial matters were available for congressional scrutiny.

Corrective trade arrangements were recognized by the major trading nations as relevant factors in assuring a new and lasting equilibrium in the international economy. Following the Smithsonian agreement, therefore, urgent

negotiations were conducted between the United States and separately, the Commission of the European Communities, Japan and Canada to resolve the pending issues. The talks resulted in a series of immediate steps to remove trade obstacles that had become an irritant in trade relations. All issues have by no means been fully resolved, but a beginning has been made. The Japanese Government decided to undertake a series of trade liberalization steps of immediate value to the United States. An agreement in substance with the European Communities subject to approval by its Council covered similar issues. Also, both Japan and the European Communities agreed to join in efforts during 1972 within GATT toward the removal of some trade barriers leading to comprehensive trade negotiations in 1973.

Mr. Chairman, the passage of H.R. 13120 is needed because the par value of the dollar in the International Monetary Fund cannot be changed without the prior approval of Congress. Section 5 of the Bretton Woods Agreements Act requires that the President may not propose or agree to a change in the par value of the dollar in the Fund unless Congress has given its consent.

H.R. 13120 gives this formal consent. The consent, though formal, is still of vital importance. This is so even though the exchange rate changes agreed upon by the Group of Ten countries at the Smithsonian Institution on December 18 have already become operative in market transactions. In other words, other countries have already implemented the Smithsonian exchange rate agreements. Formal consent to the par value of the dollar is necessary to keep our part of the Smithsonian Agreement.

The Smithsonian agreements were negotiated over a period of several months, and the question of devaluation of the dollar as the U.S. contribution to the success of the agreement was widely discussed. A modest change in the price of gold, as part of the overall realignment which included substantial revaluations of other currencies, was widely supported by the people of this country, including business, labor and the leaders of Congress.

The benefits of realignment can be wasted if Congress delays or defeats the formal action providing for the change in the par value of the dollar. Delay may well result in speculation and exchange market instability and erode confidence in our ability to use the opportunity of realignment to correct our payments imbalance. Defeat would be a repudiation of the agreements reached in good faith with our trading partners. They would surely feel absolved from carrying out their exchange rate commitments and would undoubtedly resort to various kinds of restrictions to protect their positions. No one would gain and everyone would lose.

H.R. 13120 is a simple bill to do no more than what is necessary to devalue the dollar and deal with the increases in assets and liabilities directly resulting from that change. Let me explain the bill briefly.

Section 2 would authorize and direct the Secretary of the Treasury to take

the steps necessary to establish a new par value for the dollar of 1 dollar equals one thirty-eighth of 1 fine troy ounce of gold or \$38 per fine troy ounce of gold. As I already indicated, the need for congressional authorization for this step is specified in the Bretton Woods Agreements Act of 1945, which in section 5(b) provides that the par value of the dollar may not be changed without prior approval by Congress. Once the congressional approval is obtained, the Secretary will establish a new par value by communicating it to the International Monetary Fund. This new par value in the Fund will establish the relationship of the dollar to gold for international purposes.

The only domestic purpose for which it is necessary to define a fixed relationship between the dollar and gold is the issuance of gold certificates. Section 14(c) of the Gold Reserve Act of 1934 (31 U.S.C. 405b) provides that the amount of gold certificates issued and outstanding shall at no time exceed the value, at the legal standard, of the gold so held against gold certificates. In order to set a legal standard for the issuance of gold certificates, section 2 provides that the new par value defines the relationship of the dollar to gold for the purpose of issuing gold certificates. Thus, after the new par value is established, gold certificates may be issued on the basis of \$38 per fine troy ounce of gold instead of on the basis of the old par value of the dollar of \$35 per fine troy ounce of gold.

Mr. Chairman, section 3 would authorize and direct the Secretary of the Treasury to maintain the value in terms of gold of the United States dollar holdings of the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the International Development Association, and the Asian Development Bank to the extent provided in the articles of agreements of these institutions. Each of the articles of agreement which establish these institutions contains a provision for maintaining the value in terms of gold of a member's currency when there is a reduction in any member's par value. The United States, having accepted this obligation as have all other members, is legally bound to meet its obligation in this respect when the par value of the dollar is changed. Since appropriations will be necessary to issue letters of credit to fulfill the maintenance of value obligations, section 3 would authorize the appropriation of such sums as may be necessary for this purpose, to remain available until expended. The exact sums cannot be specified since the total obligations of the U.S. Government can only be accurately determined, in most cases, on the basis of dollar holdings of the institutions as of the day on which the par value of the dollar changed.

Finally, Mr. Chairman, section 4 would direct that the increase in the par value of gold held by the United States, including gold held at security for gold certificates, resulting from the change in the par value authorized by the bill be covered into the Treasury as a miscellaneous receipt. Section 7 of the Gold Reserve Act of 1934 (31 U.S.C. 408(b))

also provides that in the case of any decrease in the weight of the gold dollar, the resulting increase in value of gold would be covered into the Treasury as a miscellaneous receipt. This statute is inapplicable since as a technical matter there would be no reduction in the weight of the gold dollar but, instead, this concept would be superseded by the creation of a new par value for the dollar. Thus, to make explicit the disposition of the increment in value of gold, section 4 provides for payment of this increment of approximately \$828 million to miscellaneous receipts of the Treasury.

Mr. Chairman, I support this legislation and recommend that all Members do so.

Mr. Chairman, when we get back in the House, I will ask unanimous consent to extend my remarks and include extraneous matter because I want to put a table in the Record that will show exactly what I have said, that if the interest rates had been kept that Mr. Truman left here and that Mr. Eisenhower put up, and if we had not increased them, we would have been saved \$497.2 billion, which is more than our present national debt.

So look at it in the Record tomorrow morning.

The CHAIRMAN. The gentleman from Texas has consumed 17 minutes.

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

Mr. Chairman, I would like to discuss some of the things that are in this bill. I want to make the point that it is very important for the United States to act promptly and as expeditiously as we can.

Our chairman's discussion of previous history was something that is most interesting to listen to, but frankly it has nothing to do with the bill that is now before us.

Mr. Chairman, the Smithsonian agreement was more than a short-term cure for ills that threatened the health of the international monetary system. It was an unprecedented step in world monetary affairs—for it was the first attempt to negotiate a realignment of major currencies to seek a better equilibrium. Most importantly, it was a much needed step toward a long reform of the international monetary system.

Although international money markets now reflect the basic terms of the Smithsonian agreement, H.R. 13120 will permit the United States to take the formal steps necessary to implement the Smithsonian agreement. It must be passed for us to keep our part of the bargain.

The Smithsonian agreement is the product of intensive negotiations aimed at resolving the recent monetary crisis. In early 1971, U.S. balance-of-payments deficits promised further deterioration. Our trade balance was weakening, and capital began to flow abroad in increased amounts, attracted by both higher interest rates and speculators' profits. The limited currency floats of May 1971 were not enough to correct the situation. If the deterioration in our balance of payments continued throughout the year, our total deficit would have been over \$20 billion. Prompt action was mandatory; and the President's decisions of August 15 were the result. The Presi-

dent's actions began a process of negotiations which culminated in the Smithsonian agreement.

The Smithsonian agreement will have immeasurable advantages for the United States. It has done more than restore faith in the international monetary system, demonstrating that the major nations have the capacity to negotiate and agree on measures to end a major monetary crisis. It has forced countries with undervalued currencies to revalue their currencies; the currencies of our major competitors have appreciated about 12 percent vis-a-vis the dollar.

Currency realignment itself will have a highly beneficial effect on trade, because imports from our major competitors will become more costly, and exports to these countries will become less expensive. When existing contracts to import goods from these countries are fulfilled, American buyers will look to domestic industry for alternative sources of supply. Conversely, when European and Japanese companies have completed their purchase commitments from their domestic industries, they will look abroad, and may purchase exports from the United States. In the medium and long range, U.S. exports to our major competitors should increase; and related economies even promise increased exports to countries with currencies which have followed the dollar in the realignment process. Conversely, U.S. imports should decrease. In both cases domestic production will be stimulated. The benefits of the Smithsonian agreement thus do not involve merely a correction of our balance-of-payments deficit, but will be reflected in increased employment, higher wages, and improved economic performance in general. It is true that the effects of the currency realignment may not be felt for several years, but one need compare England in 1967—before devaluation—and present-day England to be certain that the currency realignment will have major beneficial effects.

The Smithsonian agreement will also work to the advantage of the United States in the trade field. The agreement recorded the ongoing negotiations with our competitors about the reduction of trade barriers, and made it clear that the administration would propose the bill now before us only if our major competitors agreed to settle several outstanding short-term issues in the trade field. Thereafter, the European Community and Japan have recognized the need for a comprehensive review of international economic relations with a view to negotiating improvements in it in the light of structural changes which have taken place in recent years. The European Community has agreed to stockpile additional amounts of wheat, so as not to create an additional supply which might cause lower international prices. The Community has promised to manage its export rebate system on grain products so as to avoid a major diversion of trade in its favor; it will also work out its tax policy on tobacco products so as not to unreasonably affect U.S. exports; and it will reduce the common external tariff on oranges, and, in 1973, on grapefruit.

Major trade concessions from Japan have also flowed from the Smithsonian Agreement. Duties are reduced or eliminated on almost 100 items. Quota restrictions on numerous goods have been removed. On April 1, Japan will reduce its internal excise tax on large-size and medium-sized cars, a tax which the auto industry has consistently complained of. And Japan has liberalized its administrative controls over consignment contracts and the establishment of sales subsidiaries and branch offices.

H.R. 13120 will formalize the Smithsonian agreement. Congressional approval of the agreement is required, because the Bretton Woods Agreements Act provides that the President may not propose or agree to change the par value of the dollar in the International Monetary Fund unless Congress gives its consent. The bill gives this formal consent. Without the consent, the whole structure of the Smithsonian agreement would be imperiled, with enormous costs to the United States.

The bill also authorizes and directs the Secretary of the Treasury to fulfill the maintenance of value obligations which the United States has as a participant in the international financial institutions. The articles of agreement of all these institutions require each member to make maintenance of value payments should its currency depreciate. These provisions assure that contributions of all members are maintained in value in relation to each other despite changes in exchange rates.

These maintenance of value obligations flow directly from the Smithsonian agreement, the decision to change the par value of the dollar, and provisions of international agreements which Congress has approved. At stake is an international obligation which every country has honored when it has changed its par value. Failure to fill this obligation could seriously impair the functioning of the international financial institutions.

Our unemployment problem makes it particularly important to bear in the mind the tangible employment benefits of the exchange rate realignment which the par value modification bill is designed to consolidate. I have seen several estimates of this favorable impact, but I would like to draw attention to one supplied by the Treasury Department to the Committee on Banking and Currency.

This particular estimate utilizes a rule of thumb that every \$1 billion improvement in the trade balance should produce about 60,000 jobs. Thus, if as observers have forecast, the improvement in our trade balance as a result of the realignment should be some \$8 billion, over time and when fully effective, the number of new jobs created would be on the order of 500,000.

There are some 5 million unemployed in this country. We are talking therefore about an amount of job creation of real significance compared to the size of the problem.

If we had those jobs now, the unemployment rate would be more than one-half percent lower.

The boost to employment from the strengthening of our trade balance means that we will be able to make faster

progress toward high employment levels than would otherwise have been possible. It also means that our fiscal and monetary policies will not have to be as expansive as would otherwise have been necessary.

Some of the benefits will go to industries producing for export and some to industries which will be in a better position to compete with imported goods in the domestic market. While the benefits will probably be widely scattered throughout the economy, manufacturing and associated industries are likely to gain the most. Lower prices because of the realignment will help our manufacturers particularly. Some concentration of benefits in heavy industry, machinery, and perhaps automobiles, can also be expected, simply because trade in these products is important in our total international trade in manufactured goods.

At this juncture in time, with slack in our economy, the stimulus to employment which will accompany the improvement in our trade balance provides us with another strong reason for supporting the par value modification bill. We have an opportunity here to reverse the adverse effects on employment implied by the deterioration in earlier years in our foreign trade position.

I strongly urge support of this bill.

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

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

Mr. SCHMITZ. Mr. Chairman, the gentleman from New Jersey's remarks included the phrase "maintenance of value obligation" several times. The publicity on this legislation has billed it as raising the price of gold. In my understanding of the bill, there is no reversion to the policy of paying anyone in gold for dollars. Back in the Roosevelt era U.S. citizens were disallowed from owning gold, and the President just last year—applied the same restriction to foreigners.

How can we talk about raising the price of gold when no one can receive gold for dollars? It reminds me of the story of the butcher who had a certain price on veal cutlets and someone said, "The butcher down the street charges 10 cents less a pound for the veal cutlets." The butcher replied, "Well, why don't you go down there and buy them?" The customer said, "Because he does not have any." The butcher said, "If I did not have any, I could charge 10 cents a pound less too."

Price would seem to be meaningless when the product is unpurchasable.

Mr. WIDNALL. This has been a matter of negotiation between the United States and the other nations, and they insisted that we not raise it more than the amount involved, to \$38, and they felt this would have a very adverse effect on their own currencies, their own systems, and they were unwilling to go along in any kind of agreement with us if the raise was more than to \$38.

Mr. SCHMITZ. My point is that we are not really raising the price of gold, are we? We are just adjusting the dollar in relation to other currencies, because we cannot raise the price of gold if we are not paying anyone in gold. There is no

price at all. It is silly to talk about the price of gold when we are not paying anyone in gold.

Mr. WIDNALL. No. This all involves the relationship of one country with another.

Mr. SCHMITZ. That is right, but not the relationship of the dollar to gold.

Mr. WIDNALL. Based on \$38, the figure in this bill, we have been able to assure an agreement with the other countries where we will not run into a scramble back and forth by the other countries to revalue their own currencies.

Mr. SCHMITZ. So what we really are doing is revaluing the dollar in relation to other currencies, rather than in relation to gold; is that not correct?

Mr. WIDNALL. Yes.

Mr. SCHMITZ. I thank the gentleman.

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

Mr. JOHNSON of California. Mr. Chairman, as you may be aware the Second Congressional District of California includes the fabled Mother Lode gold area and the other mining regions which have been of significance to the Nation since the gold rush of 1849.

We, of course, are interested in the price of gold and welcome any increase. I, therefore, support the legislation we have before us now.

From a practical standpoint, however, while the legislation may well be essential for our economic situation and therefore healthy for all industries, including the gold mining industry, the gold price increase truly is not sufficient to breathe any life into a practically dead American gold mining industry.

The sickness of this industry in the United States, which has proven fatal to many segments of it, is not because of a lack of demand for the precious metal. Free-world production is at record highs, standing at some 1,200 metric tons a year.

Industrial consumption has increased by as much as 17 percent per year during recent years because gold, whose uses can be traced to 2700 B.C. when the Queen Shub-ad of Ur used it for her trappings, has some remarkable properties to offer the 20th century industrialist.

You may have seen the recent report of Peter Tonge of the Christian Science Monitor when he outlined some of the reasons why gold is in demand throughout the world. He told how a single grain can be beaten into a sheet one three hundred sixty-thousandth of an inch thick which would cover much of a newspaper page; an ounce of the metal could be drawn into a fine gold thread that would stretch for 50 miles. At the same time it is so dense that all the gold mined in the last 10,000 years could be stored in a modern oil tanker.

The metal does not tarnish and is impervious to the strongest alkaline solutions and to all acids except a mixture of nitric and hydrochloric acid. Gold coins recovered from sunken galleons after more than two centuries in the sea remained as bright as when newly minted. So did the gold ornaments entombed for 4,600 years with Queen Shub.

This durability makes the metal ideal for connector parts in undersea com-

munications cables and for innumerable uses in the electronics industry. The modern aircraft is a whole lot safer because of the use of gold in the jet engine.

Its ability to reflect heat more efficiently than any other metal makes it of prime importance in the space industry. A coating of gold covered the umbilical cord which linked astronaut Edward H. White to his Gemini spacecraft during his historic 1965 space walk.

Gold leaf covers the helmets of all astronauts, and a translucent sheet of the metal is sandwiched between layers of glass in the windshields of high-flying aircraft—to reflect back harmful radiation and, because of its ability to conduct heat, to assist in defrosting. Indeed, gold plating on U.S. spacecraft is said to reflect back all but 10 percent of the sun's heat.

I think we should take a brief look at the mining situation, pointing out that in this country we produce about 1,800,000 ounces of gold annually. We are consuming 5,900,000 ounces of gold annually, which means that we are dependent upon foreign lands for better than 4 of every 5 ounces of gold we use for our arts, science, industry, including our defense and space industries which are demanding constantly increasing supplies of gold. About half of these imports come from Canada. The rest come from other distant lands far overseas, whose sources of supply could at any time be cut off. I feel we must recognize this and start the action necessary to treat gold as any other mineral commodity and the first step could be accomplished here today by granting the right of the individual citizen to own this mineral.

Frankly when the President took the U.S. dollar out of the gold picture several months ago by letting American-mined gold enter the market at whatever the world price might be, he, in effect, did demonetize the gold industry but until the people of this Nation are able to own gold this action will not be completed.

Citizens of other lands can own and hold gold. Citizens of this country cannot. I would hope that in the consideration of this legislation before us today this Congress would grant the right of the U.S. citizens to own gold and put them on an equal footing with other peoples of the world. I think this would be an initial step to rebuild in this Nation a gold mining industry which I feel we need desperately.

It is high time that this Nation starts considering gold as a commodity.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Chairman, on score and 7 years ago our fathers brought forth at Bretton Woods a new charter, conceived in inflexibility, and dedicated to the proposition that all currencies are equally convertible into dollars, and the dollar into gold.

Now we are engaged in a great monetary crisis, testing whether that charter, or any charter so conceived and so dedicated, can long endure.

By supporting H.R. 13120—by indicating that the dollar shall be inconvertible at \$38 an ounce rather than at \$35 an

ounce—we allow the Bretton Woods Charter to endure a little longer.

There remains the great task before us—that we phase out the dollar as the major reserve currency—that we enable this country to enjoy an exchange flexibility similar to all others—and that we make of the international monetary order for the developing peoples the last best hope of earth.

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

Mr. JOHNSON of Pennsylvania. Mr. Chairman, H.R. 13120 is an important measure designed to improve our economy. This act will increase the value of gold in terms of the dollar. It is part of a total agreement which will put us on the road toward a stronger position in the international monetary arena, and in addition, will begin a needed stimulation of our domestic economy.

The bill is part of a program which will improve our balance-of-payments position. In December, when the Group of Ten met here in Washington, one result of that meeting was an agreement to realign each member's currency in order to stabilize the world monetary system. We agreed to raise the price of gold in relation to the dollar. The impact of that move will be to make American manufacturers and agricultural products more attractive to foreign purchasers.

The competitive position of the United States will be improved by reducing the purchase cost of our goods in relation to foreign currency. For example, our high quality American products—our commercial airliners, our manufacturing equipment, our computer equipment, and our farm produce—will be more attractively priced in terms of marks and francs and other currencies.

In conclusion, this bill represents a major and significant move to signal the return of our domestic economy to the road along which we will progress with long-term adequate growth and price stability. H.R. 13120 will be the catalyst in the creation of a healthy domestic and world economy.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Chairman, I am opposed to this bill which would provide for the modification in the par value of the dollar. It calls for a revaluation of the dollar amounting to an increase in the price of gold by over 8 percent.

This type of action, however, does not strike at the more fundamental problems underlying our economic difficulties. Alterations in the monetary system will not solve our balance-of-payments problems without effective domestic economic performance. As long as the economy does not recover sufficiently and continues to perform unsatisfactorily, we will not have world economic stability and we will have continued assaults upon the value of the dollar.

The Treasury predicted a great tide of dollars to flow back into this country as a result of the "new economic policy" announced in August of last year. This lofty prediction did not come true, however. Indeed, when the world monetary markets closed earlier this month, the

dollar was under attack in virtually every major capital. The Dutch Government, for example, was forced to buy more than \$300 million in U.S. currency to prevent the dollar from plunging under the permissible floor. As a result, the Dutch Government had to impose controls to prevent further flooding of that country with speculative dollars. The central banks of Germany and Japan have intervened in the exchange market to support the dollar. Both of these countries are considering currency exchange restrictions.

Another prediction of the administration was that unemployment figures would drop. This has not been the case. We are still experiencing a high unemployment rate and as a result, the American people are no more confident in the new economic policy than the speculators overseas. In addition, the administration's trade-monetary package is incomplete. Thus far, very little in the way of successful trade agreements—other than the wheat and citrus arrangement with the Common Market—have been completed. As a result the balance of trade will not be affected as much by devaluation as it should be.

In other words, the problems which initiated the new economic policy last August are still with us. Our trade deficit is extremely high and continues to escalate, economic situation at home is far from satisfactory.

The speculation against the dollar overseas continues to gain momentum. When will we see some concrete evidence that the new economic game plan is working? Indeed, if we do not see a marked improvement in our domestic outlook, we will be facing another devaluation in the near future. In short, the Par Value Modification Act is only a stop-gap measure which does nothing to avoid future crises.

Mr. Chairman, if we examine the postwar history of the United States and its Western European Allies, we see an extensive period of massive foreign aid to help reconstruct Europe. This factor, and the other conditions I have already mentioned, are the primary reasons for the poor economic posture of the United States. These countries which we helped bring out of a depression, have virtually closed their markets to U.S. products. This has happened at a time when our country has maintained a virtual open door to imports. If steps were taken in Europe to readjust their currencies to reflect postwar reconstruction dollar flows, and to remove the numerous barriers to U.S. products the frequent monetary crises would be nonexistent.

I hope, therefore, that my colleagues will join with me in voting against this measure. Until the administration gets our domestic economy moving again and our foreign friends open their doors to U.S. imports, we will not see our economic posture improved.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. HANNA).

Mr. HANNA. Mr. Chairman, I rise to support the legislation we are here today considering and hope it will receive the strong backing of this House in passage, not because it is a great or good measure;

not because I consider the happy circumstance under which we have to face this legislation but rather because I know that the legislation is necessary.

I think one of the places where confusion can run rampant is in the misunderstanding between those who see the gold standard as just that, a standard and a point at which you can project the value of other things against it, an established standard, and those who look upon gold as a commodity or a depositary of value, that is, a commodity of the open marketplace, if you will.

I think it is well to recognize this very solid fact, that is, whatever market value gold has it is a distorted market value and, as the chairman said, there are \$40 billion of gold that have been set aside to act as a standard. The rest of what is done with gold is distorted by that \$40 billion which is set aside, static and with an artificial price. In the free market there is maybe well over \$40 billion worth of gold, very little in commercial use and most of it hoarded as a resource of last resort.

I suggest to you that if you took the cost of the production of gold, the price of gold then would be around \$16. If you took the utilization value of gold as a commercial item being used for commercial purposes, you could not justify much more than \$23 an ounce for gold. So if you really want to talk about it being a commodity and if we freed it, as the gentleman from Iowa has said, from all attachment to other currencies, then I suggest to you that the price of it would be way below even the \$35 an ounce where we had it pegged because there would not be that much really useful application of gold under today's existing circumstances as against the cost of production of it. This is the way most things are priced.

However, we have this distortion here. Why do we have to have this standard? It is because there is no alternative acceptable in the world. There is a requirement that there be at least one standard everyone adheres to. Without that we have to be looking at each other's real value of gross national product, because, after all, dollars or any other currency are utilized to exchange goods and services. If you knew you had a real firm standard in every country where you could immediately tell the value of their production, then you would not need gold. However, you do not have that, so gold stands as that standard. It is artificial and it has to be flexible.

Why should it be? Because in this country, if you are going to do \$7 trillion worth of transactions, including \$1.7 trillion worth of debt, you cannot do it with \$10 billion worth of gold. Certainly you cannot handle the over \$400 billion to \$500 billion worth of trade in the world relying upon the \$40 billion worth of gold that is in the hands of various countries.

So you see currency necessarily must be utilized so that we can have the maximum exchange of the greatest amount of productivity that we can get out of all the people of all of the nations.

So here we are simply adjusting ourselves to the reality of the system, poor as it is, but which is the only one devised yet by man by which we can encourage the interchange of goods and the produc-

tive capabilities of all the people of the world wherever they might be.

I have this word for you to keep in mind, because otherwise we will get into a morass of arguments in which people take two separate tenets, one in which they are looking at gold as the most solid indication of wealth and the most static and the least likely to grow with the hopes of the people for growth and betterment and, second, those who look upon it as a standard, the best which we have been able to devise up to this time, and try to make it as flexible as the times demand, doing justice to everybody who wants to exchange goods so that one country does not have so much of its currency out that it beggars the opportunities of the others.

Revaluation is pressured upon one country by the other countries trading with them. First upward, when the value of the currency as related to gold is far below the true value of its production so that the price is artificially low and the flow of goods is artificially higher.

Second downward, when the value of the currency as related to gold is artificially above the true and competitive value of its production so that the price of goods and devices are high and the flow of goods reduced.

Reducing the value of currency requires a service consideration to existing obligations referred to as maintenance of value. Here are the salient facts considering this problem.

Mr. HANNA. Mr. Chairman, the change in par value of the dollar more or less automatically entails some changes in the asset and liability position of the U.S. Government, expressed in dollars. One effect is to maintain the relative share of U.S. participation in international financial institutions and, thus, our share of the ownership and voting power. The adjustments in assets and liabilities can be condensed into four categories:

First. The dollar value of our gold holdings will increase by some \$828 million, or 8.57 percent, resulting in an equivalent cash gain for the Treasury and reduction in our borrowing need.

Second. Our International Monetary Fund subscription will be increased in terms of dollars by 8.57 percent. This increases our rights to draw foreign currencies from the Fund by \$575 million. Our obligation to provide additional dollars to the Fund will increase by only \$525 million, since that part of past subscriptions paid in gold will be revalued without additional dollar payments. These monetary transactions have no budgetary or cash impact.

Third. Maintenance of value of the paid-in subscriptions to the international development institutions will require as much as \$406 million. Initially, these subscriptions will be paid in letters of credit, but as drawn upon, this will entail both a cash and budgetary drain. The impact, however, will be spread over a period of 10 years or more, and not begin until fiscal year 1974.

Fourth. Our subscriptions to the callable capital of the international development institutions will increase by some \$663 million. These subscriptions provide ultimate security for the private market

borrowings of these institutions; they have never been called in the past, and it is highly unlikely they would be called in future. Thus, this obligation represents a remote contingent liability, without budgetary or cash impact.

It is contemplated that the various obligations incurred by maintenance of value requirements, however remote, will need to be covered by appropriations in an approximate amount of \$1.5 to \$1.6 billion. These appropriations, of course, only deal with the liability side of the equation and do not reflect the offsetting gains.

Overall, the net result of the series of transactions will be—

In terms of its effects on Treasury cash, to increase our resources, through the writeup of our gold holdings.

In terms of budgetary expenditures, a probably rough balance between savings on interest expense—as a result of the added cash resources of the Treasury—and the additional paid-in capital subscription to the international development institutions.

In terms of our overall asset and liability position, an approximate offset between added contingent and deferred liabilities and the increased value of our gold and capital subscriptions.

I wish to emphasize that maintenance of value is an obligation flowing directly from the change in the par value of the dollar. I support the Smithsonian agreements, and the change in the par value of the dollar that was a substantial factor in reaching those agreements. Consequently, I also support maintaining the gold value of our dollar subscriptions to the international financial institutions which is a direct consequence of the change in the par value of the dollar. Every other country that has changed its par value—and there have been 200 such occasions in the IMF—has fulfilled its maintenance of value obligations in the international financial institutions. The United States must also meet its obligations.

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

Mr. DOW. Mr. Chairman, I wanted to address myself to some of the excesses that seem to have occurred in the past and have led to the devaluation of the dollar.

There have been practices, I would say, stemming from financial institutions in this country that have been contributed to the decline of the dollar. One of them is the extensive purchase by American conglomerates of shares in industries overseas.

There has been a great deal said about raiding these industries and buying them up into American financial groupings. The expenditure of dollars here has certainly contributed to the imbalance in our payments position.

Now, I am wondering, Mr. Chairman, whether or not, looking to the future, any of the committees of Congress have taken steps to prevent in the future the abuses that have occurred in the past.

It seems to me—and we have talked a lot about what happened at Bretton Woods and what happened in the past—that we should act in the future to assure

that these troubles will not come upon us again and to assure that the same practices will not occur after devaluation that occurred before and led to this situation.

I understand that the Judiciary Committee is looking into this matter of the excessive activities of American conglomerates overseas, and I wonder, Mr. Chairman, if you would have any comment on that prospect.

Mr. PATMAN. I shall call it to the attention of the chairman of the Committee on the Judiciary, the gentleman from New York (Mr. Celler), and ask him to answer your question for the RECORD.

Mr. DOW. The gentleman from New York (Mr. Celler) is not here, but I thank the gentleman for his response.

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

Mr. GONZALEZ. Mr. Chairman, I am opposed to this bill. I refer my colleagues to page 14 of the committee report where there is set forth my dissenting views.

I am opposed to this bill, because I believe that we have the responsibility to assure that this act of devaluation settles the world monetary situation. If there is no settlement by virtue of this enactment, then we can only expect further international instability in the future. Indeed, the world monetary markets in recent weeks have been full of trembling, and disastrous speculative runs against the dollar have only barely been warded off.

The speculation, the uncertainty and the fears of world monetary markets will only continue and increase unless the U.S. economy begins to perform reasonably well. This has not happened, and there is little reason to believe now that it will happen in the near future.

Continued U.S. economic problems will only add to world instability, and fuel attacks on the dollar.

Moreover, the United States has not even made a start at the vital international negotiations that are essential to restoring stability in the world monetary markets. The Treasury has just finished off the Group of Ten, which was the principal negotiating body, and made it clear that we would not be ready to talk for a long time to come.

Added to that, we have done nothing to control the flows of hot money that have fueled spectacular runs on the dollar, and indeed, we have contributed to the hot money market by making it clear that the United States is simply not interested in the problems caused by the billions of Eurodollars sloshing around in the vaults of international banks. It is these very dollars that add to instability, these very dollars that are contributing most to the drives of national banks all over the world to set up hedges against further invasions of unwanted dollar currency.

Mr. Chairman, this bill should represent the culmination of a reform effort. This bill should represent a new day. This bill should be telling the world that we have set our house in order and that we are ready, able, and willing to resume a normal relationship with the rest of the economic and trading world. But in fact, Mr. Chairman, this bill is only a piece of

fiction. We have not reformed our economic position, we have not even begun to negotiate essential economic reform, and we do not even offer the prospect of it.

In view of the dismal scene we see on the homefront, and the clear threat of renewed speculation against the dollar, I see no reason to believe that the crisis is ended. We have, on the contrary, every reason to believe that a new devaluation may be forced upon us.

If we had some assurances that this would settle the crisis, I would be for the bill. In the absence of any such assurance, this bill is a meaningless and futile gesture, and I am opposed to making any such gestures.

Mr. WIDNALL. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. J. William Stanton).

Mr. J. WILLIAM STANTON. Mr. Chairman and members of the Committee, I rise in strong support of the legislation now pending before us this afternoon, H.R. 13120.

I might point out to the Committee that this legislation passed out of our full committee, I think, with only one dissenting vote. It passed in its present form in the other body by a vote of 64 to 1.

I urge that we take prompt and favorable action to approve H.R. 13120 to modify the par value of the dollar. It has now been nearly 3 months since the Smithsonian agreement and more than 1 month since this straight-forward proposal was submitted for our consideration.

There has been much speculation during this time that the administration would not submit a bill; or that it would request authority for changes in par value at its discretion; or that it would ask for a move to more than \$38 per ounce; or that the Congress would load the bill up with protectionist amendments that would make the whole effort worthless.

What we have, in fact, is a clean bill that does precisely what was agreed to on December 18 at the Smithsonian Institution. It consolidates and confirms what in my opinion was an extremely favorable settlement for the people of the United States. It is time now to get this legislation behind us—to still any lingering doubts about our intentions and to clear the way for action on the far more difficult problems ahead.

President Nixon, in his address to the Ministers of the Group of Ten on the conclusion of their agreement, said that it should not be considered a victory for one country or the other but a victory for the system as a whole. I agree with that sentiment, but I also consider it a victory, after a very hard-fought battle, for the United States in one very important sense: that is that after years of assuming that the United States could be expected to carry any financial or economic burden, that we would always be there to take up any slack in the system, the world has now begun to accept the facts that we are going to insist on our own fair share and that we are going to demand recognition and respect of our own legitimate economic interests.

There is no doubt in my mind that

this is a shocking experience for some of our foreign colleagues. In a very real sense, they are going to have to make some adjustments to accommodate our interest. They are going to have to rely more on domestic measures to sustain economic growth and employment and reduce their dependence on the foreign sector as an economic stimulus. And some particular industries in foreign countries—export industries and industries that compete with imports—are going to feel the unfamiliar pinch of greater competition from the United States.

We should make no mistake about it. The negotiations on this exchange rate realignment were difficult, complex, protracted, because the root issues were those of real economic fundamentals—trade adjustment and the implications for production and jobs. The negotiators were not chasing illusions about the price or role of gold. Gold was only incidental to the important issue of currency realignment, because the value of currencies in the IMF happen to be expressed in terms of gold at this time. So real economic sacrifices were made by our trading partners. We should recognize and appreciate that fact.

But this is only the beginning of the effort that our Government has launched. The more difficult negotiations, on monetary reform and on reform of international trading arrangements, loom before us. We need to move forcefully to these tasks and we need to move now. Prompt action on this legislation will assure our foreign partners of the sincerity of our intentions and commitments and clear the way for future negotiations.

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

Mr. WIDNALL. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota (Mr. Frenzel).

Mr. FRENZEL. Mr. Chairman, I rise also in strong support of H.R. 13120. I believe it is an essential part of the foreign trade provisions of our new economic policy.

Mr. Chairman, H.R. 13120, the modification of the par value of the dollar, is a bill that should be passed now. This bill comes to us as the result of negotiations following the new economic policies first announced by President Nixon in August of last year.

Specifically, this bill backs up agreements made by Secretary Connally for the administration and for this country in both the Rome and Smithsonian meetings.

We agreed to devalue our dollar by 8.57 percent. To devalue—that is, to raise the cost of our gold base—requires this act of Congress. When we pass H.R. 13120, not only will we be backing up our international agreements, but we will also be making American exports cheaper abroad, and we will be increasing the price of imports into this country.

Although the devaluation amounts to 8.57 percent, the net change in our currency compared to currencies of our trading partners on a weighted trading basis will be 12 percent.

The passage of this bill will be a congressional endorsement of this country's desire to reduce its balance-of-trade

deficits and to restore a positive balance. Unfortunately, the full effects of this devaluation will not be felt immediately. It may take as long as 2 years to get the full value from this reduction.

Devaluation of our gold will not do the entire job for us. Chairman Burns and Secretary Connally were very emphatic in their statements that the United States must devote more attention to increasing its productivity so that we may compete more effectively in international markets. In addition, a greater emphasis on new technology is necessary. However, these are long-term goals, while devaluation is an immediate need.

I also urge the defeat of the Crane amendment to permit U.S. citizens to own and trade gold without restriction. It is always offensive in a free country to live with restrictions of any kind. Nevertheless, as long as gold is even a limited base for our monetary unit, it is unwise to allow unlimited trading by our citizens, and especially unwise at this time when our trading partners are looking for signs of confidence rather than acts which might tend to unsettle the world's finance centers.

I urge an affirmative vote on H.R. 13120 and a negative vote on the Crane amendment thereto.

Mr. SCHERLE. Mr. Chairman, in our consideration of this proposed legislation and its effects on the international monetary situation, we should be mindful of changing perspectives on the Common Market.

In the years following World War II, the United States, eager to restore the economy of Europe to healthy independence, enthusiastically encouraged all efforts toward economic cooperation among our allies and former enemies alike on that continent. Thus the European Economic Community, also called the Common Market, grew to its present preeminence with the blessing of the United States. Official American policy continues to endorse the growth of the EEC, including the recent entry of Great Britain and the planned membership of Denmark, Ireland, and Norway.

With the addition of these countries, what began as a weak union of the occupied and the defeated will soon be one of the most powerful trading entities in the free world, rivaled only by the United States and Japan. This community of 10 nations shares a population exceeding 250 million and boasts a combined gross national product of more than \$600 million. Together they will control over 40 percent of the world's trading volume.

The formidable economic clout wielded by the enlarged EEC has become a source of grave concern to us because its member nations, prodded by influential farm blocs in France, Germany, and the Netherlands, insist upon restrictive, protectionist policies on agricultural matters. The EEC subsidizes its farmers by artificially maintaining high prices. This overstimulates production and creates large surpluses which, in turn, are used to justify export subsidies. In order to prevent cheaper imports, like American corn, for example, from underselling Common Market products, these nations impose a "variable levy" which adds on

the difference between the world market price and their own higher, self-imposed price floor. Then, in order to insure the disposal of their self-induced surpluses, they subsidize exports outside the EEC, creating preferential relationships with other countries which further reduce the market for U.S. products.

The United States has been negotiating on this issue, among others, with the EEC for some time. While the final outcome of these talks remains secret, I learned that we have failed to persuade the Europeans to lower their corn levies. In fact, they are planning an increase in the near future which could be disastrous for the midwestern feed grain producer. By January 1973 the levy on corn will reach \$1.49 per bushel, or 38 percent more than the \$1.08 charged in January 1972. The Common Market is America's No. 1 agricultural customer, buying a full 40 percent of our corn exports. The advent of the new members is expected to change all that. The EEC will be 97 percent self-sufficient in grain production within the next decade, and we will have to search elsewhere in increasingly competitive and shrinking markets for buyers of the 20 million tons of grain now purchased annually by the Common Market. Some experts estimate that we will lose as much as \$1 billion a year as a result of its expanded membership.

Despite the imminent threat to the agricultural sector of our economy, our balance of trade—to which farm exports contributed \$7.8 billion last year—and balance of payments, the American negotiators in Brussels are apparently more concerned about preserving global harmony than about defending U.S. interests. Their attitude reflects the historical pattern of American diplomacy: we tend to lose at the conference table what victory on the battlefield or, in the present case, simple justice would normally accord us. America has already made its share of concessions. At the urging of our allies, we consented to devalue the dollar, but we have gained little in the way of reciprocal concessions. The much publicized agreement permitting U.S. citrus producers to compete equally for Common Market sales was no real sacrifice, since no member of the EEC grows citrus fruits anyway. The Europeans even hastened to nullify any advantage we might have gained from our cheaper products by imposing a surtax on corn after the dollar was devalued.

The Market's common agricultural policy is not only damaging to the United States which has loyally supported the economic renaissance of Europe. It is also short-sighted and self-defeating, and imposes a tremendous burden on the member nations themselves. Total agricultural policy costs in the Common Market exceeded \$8 billion a year at the end of the last decade and will soar much higher with the inclusion of the new members. By way of comparison, the U.S. agricultural budget cost about \$6 billion in the same period, and our total farm output is far greater. More than one expert has predicted that the system will eventually collapse of its own weight under pressure from EEC consumers.

When that happens, they hope that Britain, with her more liberal trade traditions, will be able to swing the Common Market towards a less exclusionary policy. At present, however, Britain is still the new boy in the club and must observe the rules established by its senior members. And they show no sign of willingness to abandon their protectionist practices in the near future.

On both sides, the problem is basically one of changing perspective. The Europeans are accustomed to thinking only in terms of their own individual interests. Their long history of wars and fierce commercial competition among themselves has made them unfamiliar with the responsibilities of world leadership. They are, as our ambassador to the EEC said frankly, "insensitive" to the international repercussions of their policies. So great is the power of their combined commercial capacity that they can no longer formulate policy solely in order to please their own constituents, but must learn to calculate its impact on the rest of the world. If they do not, they may find that they have killed the goose that laid the golden egg.

The United States also needs to readjust its sights. We have been internally prosperous and preeminent in world trade for so long that we have developed the dangerous self-delusion of invulnerability. It has fallen to us to aid our allies from a position of superior strength so often that we seem incapable of realizing how drastically our relative positions have altered. We can no longer afford to play Santa Claus to Western Europe at the expense of our own economy—nor do we have to. United in a single economic community, the Common Market countries are fully capable of sharing with us the responsibilities and burdens of world leadership in commerce, in mutual defense and in aid to underdeveloped nations. It is time we both abandoned the old roles we have outgrown and recognized the new realities.

Mr. BURKE of Massachusetts. Mr. Chairman, today this House is about to take a most significant step. It is about to take a final action on a bill which will devalue the once mighty U.S. dollar. All that will remain to complete the action after today's vote will be the President's signing of the bill. I doubt that it will be signed with too much fanfare. That still, however, in no way should mislead anyone into thinking that today's action is not one of the most significant we have taken as a body in 35 years, ever since this country went off the gold standard. On the other hand I do not want to play on emotions today, or to the galleries which is the same thing, in underlining the importance of the action we are about to take. By pursuing a path somewhere down the middle, it seems to me it should be possible to strike the right balance between emotional excess and cavalier treatment of this most important matter.

Whether view the action of devaluation—something which in more senses than one is already a fait accompli—as an important action in and of itself or as possessing more symbolic significance than anything else, its significance is

undeniable. Even as a symbol, we can ill-afford to take devaluation lightly. The rest of the world certainly will not. The announcement of August 15 to suspend convertibility was one of those historical earth-shaking announcements that catches the world by surprise. Since so much of what makes a money market tick, particularly the international monetary market, is more psychological than factual, the question of impact and imprecisions and interpretation becomes probably the most important aspect of the action of devaluation.

If other nations remain unconvinced that this country is about to tackle its serious economic problems which made devaluation necessary in the first place then in a real sense devaluation will have been performed in vain. Similarly if the American public, its confidence necessarily shaken by the President's announcement that it was actually necessary to devalue the one mighty U.S. dollar—if the great American public suspects that the underlying causes of devaluation remain as they were before and further devaluations will be necessary then it will be difficult to avoid a psychology similar to that prevailing in most so-called weak countries where the people automatically expect and anticipate and in a real sense help bring about devaluations at regular intervals.

Unfortunately, for good or for bad, this Nation and its currency are far too important to far too many people around the world, not only in this country, but overseas as well, for any person in a position of responsibility to take such a prospect lightly. Therefore, it is absolutely essential that in acting on the President's request to devalue the dollar that we the elected representatives of the people pledge ourselves today to follow through and do those things which are necessary to make today's action a once in a lifetime thing. Something which will not be necessary to repeat again and again in the future. We must as a Congress insist on something that goes deeper than a devaluation—to insist upon a plan of action that will address itself to the underlying problems which made devaluation necessary. Let's not kid ourselves. Let's face facts as they are. Unless and until we improve this Nation's balance of trade performance then the pressure will be there to devalue. When that pressure becomes irresistible, further devaluation will become as necessary and as inevitable as any mathematical equation. Continued dismal performance in foreign trade reflected in continuously dismal balance of trade figures will inevitably lead to some adjustment in the value of the rest of the world places on the U.S. dollar.

Make no mistake about it. The total amount of foreign claims on the U.S. dollar as the direct result of continued deterioration in our balance-of-payments position is something which we lose sight of at our own peril. Foreign governments and central banks just cannot be expected to sit on piles of these claims and not take action to redeem these claims, if they conclude that the dollar has no

where to go in the future but down and down.

I know there is always the danger that loose talk about devaluations can set off what the speaker fears the most, but facts must be faced and I do not feel I am talking loosely in saying what I am saying here today. It will be far worse if this country continues to put its head in the sand, make more speeches about improving our export performance, with a few more "e" for export performance flags awarded to a few companies in the months ahead and for the leadership to resign itself to the closing down of one more firm after another. The attitude which seems to characterize one administration after another in this country is that it is powerless to do anything to stop the deterioration in this country's balance-of-trade figures and that foreign trade is something which is too sacred for the U.S. Government to interfere with. I know that I have been described by no less august publication than the New York Times as a mercantilist, someone who is supposed to be out of place in the 20th century because I have advocated consideration of domestic priorities and national goals as something which should be a major determinant in this nation's trade policies. I certainly hope that the New York Times is aware that there is plenty of historic precedent to demonstrate that their attitude could be described as hopelessly out of date. The label of *laissez faire* it seems to me is an even more archaic philosophy than that of mercantilism. I suspect that once again the middle road between pure mercantilism and pure *laissez faire* is the only philosophy that deserves attention today and that until this Nation abandons its slavish devotion to *laissez faire* in foreign trade and understands that we will never achieve a policy of full employment to which every elected official in this Government is officially at least committed, then at least one significant economic arm of this Government will be tied behind our backs as we attempt to tackle the economic deterioration which we find ourselves in.

If anyone here today thinks I speak idly or am exaggerating too much let them refresh their memories and review the headlines in the financial pages of last week's papers—the New York Times included—and see for themselves that before this House has even had the opportunity to grant final passage to the President's request for devaluation, the dollar is already in danger of going through the floor of the level we are being requested to approve today. Already foreign financial circles are abuzz with the prospect that a bigger and larger devaluation was what was needed. Today's action is already being viewed as inadequate by those in a position to understand such matters.

If this Nation is going to rely on devaluation and nothing more to put its trade balance in order and get its goods priced cheaply enough to compete with foreign goods and raise the prices of imports sufficiently so that they are no longer competitive with U.S. made products then I say that we are putting entirely too much stress and reliance on

one policy. There will be inevitable distortions and crises to follow. Devaluation cannot be the only tool in a nation's economic arsenal. It must be accompanied by other bold steps if the rest of the world is to retain the slightest shred of confidence in the economy behind the dollar.

Mr. LEGGETT. Mr. Chairman, I support the Par Value Modification Act, but I do so with the attitude of a man about to submit to cancer surgery.

Devaluation is a necessary concession to reality; given that things are as they are, it is better that we do it than not do it. But reality is grim, indeed, and there is little reason for confidence that the procedure will give us a permanent cure.

This bill will formally ratify the devaluation of the dollar by 8.57 percent relative to gold and by 12 percent relative to the average major foreign currency. We must do this because the strength of our economy has not been sufficient to maintain the value of the dollar. We are paying the price for years of unproductive expenditures, of which our military involvement in Southeast Asia is the most conspicuous. Now we must devalue in order to prevent further deterioration in our balance of payments.

But this devaluation will be only the first of a series if we do not put our economic house in order. President Nixon's economic program is good in its basic concept; I have supported it and I urged him to institute it a year and a half earlier than he did. But it has been compromised to favor big business to such an extent that it has lost much of its effectiveness.

Inflation has decreased, but remains around 3½ percent. The much-heralded employment trickle-down has not trickled down at all: Unemployment remains just under 6 percent and lost man-hours remain at 6.4 percent; both figures unchanged over the past year.

The regressive value-added tax, if instituted, will further compound our problems. Robin-Hood-in-reverse tactics doubtless are good for the coffers of the Republican Party but they are not good for the economy.

I hope we will move to tighten our income-tax loopholes, release impounded funds for needed domestic programs, and redirect our domestic priorities. Otherwise we will find our grim economic outlook becoming progressively grimmer.

In addition, we are going to need cooperation from the nongovernmental sectors of the economy. Business investment timidity has contributed to the crisis.

Labor has negotiated spectacular wage increase after spectacular wage increase, only to find that we have now priced ourselves out of the market. When labor costs make competitive market prices impossible, a company must either cut back or go out of business. So many of our craftsmen would now be earning excellent wages except for the fact that they cannot find jobs.

Finally, it says a great deal about our national values that the combined accumulated par value of our five largest

aerospace companies is less than the accumulated par value of the cosmetics industry.

Mr. VANIK. Mr. Chairman, it is with great reluctance that I support this legislation. We have been pushed too far on this course by the administration to back away.

This legislation will develop a temporary advantage for American exports.

However, as the price of imports is increased to the American domestic consumer, it will set the stage for increased prices for American goods which will face lesser competition. The result could be adverse to the American consumer.

However, these prospects are offset by the hope that this legislation will stimulate exports and employment in those industries which produce for export.

The Price Commission and the consumers of America must carefully monitor price levels to insure that the price line is maintained on all consumer goods.

Mr. RARICK. Mr. Chairman, I was sorely disappointed that a point of order was raised and sustained against the amendment to allow the American people to buy, sell, or own gold. I had intended to support the amendment and, if it was adopted, support the bill. Without the amendment, I can see that nothing is accomplished except yielding the constitutional prerogatives of this body to compromised schemes made between the international bankers and administration's representatives.

Ostensibly, this body, which many times has been referred to as the House of the people, has today proven itself as the "House of the International Bankers," when a small amendment which would allow Americans to own gold is no longer germane.

To me the rights of Americans are fundamental and take far higher priority than the rights of foreigners and international monetary manipulators. Rights of the American people should always be germane where legislation is for Americans.

I do not understand the great fear of allowing a debate or even the vote on the Americans' right to own gold. Surely, even if we had been able to muster sufficient support to demand a vote, those who believe in the preferential rights of Americans would have been defeated by our internationalist-minded colleagues. So, the fear must have been at even allowing the pro-American bloc to express their ideas because they might leak through to the American people and remind them that in our country the American people come last.

Adoption of the amendment to allow our people to own gold would have permitted them to realize the intrinsic evidence of their labor—stable gold.

The right of the American citizens to buy, sell, or hold gold is an essential freedom, a freedom that continues to be denied our people since the Gold Reserve Act of 1934. Unfortunately, the American Government has not seen fit to deny this freedom to foreigners and, up to August 15, 1971, continued to meet this country's commitments to stabilize foreign interests through convertibility of American obligations into gold, a practice that

has depleted our gold reserves, threatened our economy, and has forced the administration to propose the legislation presently before the House.

The simple truth is that the American Government discriminates against its own people by denying them a right that it, until recently, guaranteed to foreigners.

The administration has taken the position that this question of the right of American citizens to own gold "should be considered and resolved at a later date, when the monetary role of gold has been definitely settled as a part of the overall monetary reform." As suggested by my colleagues, both in the letter addressed to all Members and in debate here on the House floor, in such an eventual settlement, gold can play only one of the following three roles: First, we demonetize gold; second, we retain fractional gold backing, but not enough to permit convertibility; or third, we restore convertibility.

Evidence taken from the committee print accompanying this legislation, indicates that the administration favors a diminishing role of gold. I quote:

Furthermore, the United States believes that the monetary role of gold should continue to diminish. With the advent of Special Drawing Rights in the Fund, the world now has a basic reserve asset which is not held in private hands and hence is free from hoarding and speculation which have arisen in connection with gold. There is no need to raise the official gold price merely to increase world reserves.

It is the view of the U.S. Administration that this modest change in the official gold price should not be allowed to disturb the trend toward de-emphasis of gold in the international monetary system. . . . As gold is becoming more widely used as a non-monetary commodity, it becomes less satisfactory as a monetary reserve.

It is, therefore, evident that the administration position favors either the first or second possibility: That is, first, we demonetize gold, in which instance there can obviously be no objection to the restoration of this basic right; or, second, we retain fractional backing, in which case the restoration of this right would have no connection whatsoever between the official price of gold and the world price. Of course, should the administration choose the latter instance, convertibility would be impossible.

Adoption of the amendment to permit Americans to own gold would, therefore, have had no real effect on the administration's position. It would have restored a basic freedom to the American people to realize the tangible rewards of their labor and would have created a boom in the mining industry, provided thousands of jobs, making the United States a major gold exporter once again, thus helping to reduce our balance-of-payments deficit.

I am convinced that Americans should have the right to own gold.

This would have been a true monetary reform. Since the committee has seen fit to deny even consideration of any rights to the American people in the ownership of gold, I must oppose the bill.

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

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

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

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

SECTION 1. This Act may be cited as the "Par Value Modification Act".

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to take the steps necessary to establish a new par value of the dollar of \$1 equals one thirty-eighth of a fine troy ounce of gold. When established such par value shall be the legal standard for defining the relationship of the dollar to gold for the purpose of issuing gold certificates pursuant to section 14(c) of the Gold Reserve Act of 1934 (31 U.S.C. 405b).

SEC. 3. The Secretary of the Treasury is authorized and directed to maintain the value in terms of gold of the holdings of United States dollars of the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the International Development Association, and the Asian Development Bank to the extent provided in the articles of agreement of such institutions. There is hereby authorized to be appropriated, to remain available until expended, such amounts as may be necessary to provide for such maintenance of value.

SEC. 4. The increase in the value of the gold held by the United States (including the gold held as security for gold certificates) resulting from the change in the par value of the dollar authorized by section 2 of this Act shall be covered into the Treasury as a miscellaneous receipt.

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

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

There was no objection.

AMENDMENT OFFERED BY MR. CRANE

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

The Clerk read as follows:

Amendment offered by Mr. CRANE: Page 2, insert immediately after line 17 the following:

"SEC. 5. (a) Sections 3 and 4 of the Gold Reserve Act of 1934 (31 U.S.C. 442 and 443) are repealed.

"(b) No provision of any law in effect on the date of enactment of this Act, and no rule, regulation or order under authority of any such law, may be construed to prohibit any person from purchasing, holding, selling, or otherwise dealing in gold."

Mr. PATMAN. Mr. Chairman, I reserve a point of order on the amendment.

Mr. CRANE. Mr. Chairman, it is important that in considering the question of whether or not American citizens should have the right to own gold that we examine not only the arguments on behalf of this right, but also the criticisms presented by those who have expressed the view that this right should continue to be denied to Americans.

In this entire discussion, the historical background is often forgotten. It must be remembered if we are to proceed in a meaningful way to consider the merits of this proposal.

Professor Milton Friedman, writing in Newsweek, August 16, 1971, declared that—

There never was and there is not now, any valid reason to prohibit individuals from owning, buying or selling gold. Individuals should have the same right to trade in gold as they have to trade in silver, copper, aluminum or other commodities.

The initial nationalization of gold by President Roosevelt has been characterized by Professor Friedman as—

An act of expropriation of private property in no way different in principle from Castro's nationalization of U.S.-owned factories and other properties without compensation or from Allende's nationalization of U.S.-owned copper mines in Chile at a price well below market value. As a nation we do not have a leg to stand on when we object to these acts of expropriation. We did precisely the same thing to residents of the United States.

At the same time that our own Government prohibits Americans from owning gold, it is interesting indeed that the other countries in the world which have adopted a similar policy of prohibition are primarily totalitarian dictatorships, such as Albania, Bulgaria, Cuba, East Germany, Hungary, Rumania and the U.S.S.R. The only non-Communist states with such a prohibition are Ceylon, India, Libya, Mali and Rhodesia. Even Great Britain, which followed our own policy for years, restored the right to ownership of gold coins last year.

When the Bretton Woods International Monetary Fund was set up, foreign central banks were allowed to convert their paper dollars into gold at \$35 an ounce, but the prohibitions against American citizens' doing so, or even holding gold, was continued.

Economist Henry Hazlitt notes that—

The excuse continued to be that if American citizens were allowed this right, they might drain the Treasury of so much gold that it could not fulfill its solemn obligation to convert into gold for foreign central banks. But now the United States government has repudiated and defaulted even on this pledge, the last excuse for depriving private citizens of the right to own gold or hold gold has been wiped out.

Yet, while the last excuse for such a policy has been eliminated, the policy continues, and continues to be supported. In addition, faced with a government policy of inflation, deficit spending, and currency devaluation, citizens have no safeguard. With the right to own gold, states Mr. Hazlitt:

American citizens would have a major way, prohibited to them now, of protecting their savings against the further erosion in value of an irredeemable dollar.

The basic question involved, it seems to me, is that of the freedom of the individual American citizen. The Milwaukee Sentinel for June 24, 1971, notes that—

Americans are just as free and surely have as many rights as Canadian, West German, or Mexican citizens. Right? Not quite. The citizens of those other countries can own gold. Americans can't.

One reason which seems to motivate those who urge the continuation of the prohibition against private holding of gold is that they wish none to be free to escape the inflationary management of money which has become a preserve of government administrators.

Discussing this point, Henry Hazlitt points out that—

If individuals all over the world were legally free to hold, buy or sell gold they would be able to protect themselves against being ruined by their monetary managers. Under such conditions gold, whether "monetized" or not, would soon become the de facto international currency, in terms of which international transactions would increasingly be made.

It is important at this time that we examine the objections which have been raised to the idea of American citizens having the right to own gold.

It has been stated that providing citizens with such a right would be damaging to the governmental policy of "reducing the monetary role of gold."

The fact is that the reduction of the monetary role of gold, begun in the New Deal has now been completed. Gold reserve requirements for Federal Reserve notes and deposits have been abolished. Even the attempt to maintain the world market price of gold at \$35 an ounce has been abandoned. Today, there is a free market in London where, in August, the price of gold was \$40 an ounce.

Since that time the price has risen dramatically. From a year-end price of \$42 an ounce, gold by February had risen to over \$49, one of the sharpest rises on record and a 20-year high.

In addition, all indications are that irrespective of a change by the United States in its policy of denying American citizens the right to buy, sell, or hold gold, the world price of gold will continue to climb owing to significant increases in industrial demand for the metal. The Washington Post, February 14, 1972, had an article dealing with the industrial demands on the world's gold supply:

Free-world production, now thought to be at its peak, stands at 1,262 metric tons a year—a figure which some estimates suggest will barely meet industrial demands within a year or two. Purely industrial consumption (excluding jewelry) of the gleaming metal has increased by as much as 17% a year in the past and is expected to level off at around 6% in the future.

It has been said by critics of the right of citizens to own gold that this matter should be considered at a later date, when the monetary role of gold has been settled as part of an overall monetary reform.

In such an eventual settlement, gold can play only one of three roles: First, we demonetize gold; second, we retain fractional gold backing, but not enough to again permit convertibility; or third, we restore convertibility.

Let us consider briefly each of these situations.

If all gold backing is removed, there can obviously be no objection to immediate restoration of the lost right to own it.

If we retain fractional backing, there can be no objection to immediate restoration of the right to buy, sell or hold gold since—as at present—there is no connection whatsoever between the official price of gold, \$38 per ounce, and the world price, \$49 per ounce, and convertibility is impossible.

Convertibility is only feasible when the world market price and the official price are in harmony. Since soaring industrial demand keeps pushing the market price higher, annual devaluations would be re-

quired to achieve this end and it would require a current devaluation of 37 percent which has been called totally unacceptable to foreign bankers and contrary to U.S. determination to diminish the role of gold, and which trigger reciprocal devaluations throughout the world.

If private ownership were immediately restored and the market price of gold doubled, it would have no impact upon an ultimate settlement of the role of gold restoring convertibility because: First, governments will arbitrarily decree the official price of gold; and second, the percentage of devaluation—even at the present market rate, \$49 an ounce—will trigger reciprocal devaluations throughout the free world, a consequence that is unavoidable.

Another objection raised in opposition to private ownership, sale or purchase of gold is that it would benefit speculators. On the basis of the recent Washington Post article, it seems that unless the United States reopens the rich gold mines in our Western States and Alaska and adds to the world's gold supply, we can anticipate that the rising industrial demand for gold will produce just such a windfall for speculators because, as the Post article observes:

The nonmonetary demand for the metal proved far higher than any one in industry had thought possible. Industrial uses (all forms of fabrication) consumed 1,050 tons in 1968. This combined with the 570 tons taken up by speculators, exceeded the free-world production that year by 360 tons.

The article continues:

By 1973-74, say some estimates, industrial uses for gold alone could equal the non-Communist world's annual production figures. All this suggests a dramatic rise in the price of free-market gold during the next decade, unless the Soviets choose to release some of their holdings...

What this also suggests is that investment in gold in the world market is going to secure handsome profits for speculators, regardless of what nations or central banks do about the role of gold in the international monetary system, because of the growing industrial demand with rather constant production. Further, the Soviet Union, which for years has engaged in gold mining activities, will benefit enormously from these market conditions. Why should the Soviet Union enjoy this kind of privileged position when the United States possesses enormous quantities of gold in the ground, which at the present time cannot be mined because of the U.S. efforts to hold down the market price of gold?

Prior to 1934, thousands of Americans were employed in the mining industry. There are still thousands of potential jobs available in the mining industry if the price of gold reaches a level profitable enough for the mining companies to go back into production. There are a number of benefits to the American economy if we do so.

First, it would contribute positively toward remedying unemployment. Second, the United States has sufficient gold reserves underground to make this country one of the foremost exporters of gold in the world. Since it is our policy to seek to remedy our balance-of-payments defi-

cit, surely becoming a major exporter of gold would help to meet this objective.

It seems to me that if our policy is to diminish the role of gold in the international monetary system, the basis upon which a number of spokesmen have opposed the right of citizens to own gold, then exactly the opposite conclusion would logically be in order. If American citizens once again had the right to buy, sell, or hold gold as they do any other commodity—be it pork bellies, or soybeans—then the goals of those who oppose this right would actually have a better chance of taking place. As long as there is a continued denial of this right, people will continue to put a special premium on the role of gold—for this reason, if for no other.

I urge the adoption of this proposal because it should be the fundamental right of every American to invest in gold, just as every American has the right to invest in precious gems. The United States is almost unique among free world countries in prohibiting this right. Gold reserve requirements for Federal Reserve notes and deposits have been abolished and the reduction in the monetary role of gold that President Roosevelt began has now completed. The adoption of this proposal, in addition to restoring a fundamental right to all of our citizens, would also create a boom in the mining industry, providing thousands of jobs and once again making the United States a major gold exporter, thereby reducing our balance-of-payments deficit.

It is an old legal maxim that when the reason for a law ceases to exist that the law itself should be eliminated. If there ever was a valid reason to prohibit American citizens from holding gold, that reason does not exist at this time. Since that is the case, the prohibition should also be eliminated.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. CRANE) has expired.

(On request of Mr. PELL, and by unanimous consent, Mr. CRANE was allowed to proceed for 1 additional minute.)

Mr. CRANE. Mr. Chairman, I thank the gentleman from Washington.

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

Mr. CRANE. I yield to the gentleman.

Mr. PELL. Mr. Chairman, I rise to compliment the gentleman from Illinois for offering his amendment which would permit the citizens of the United States to hold, buy, or sell gold.

Frankly I am not aware of the ultimate effect of the amendment nor do I pretend to understand if there is enough gold to carry it out, but I have long resented the fact that foreigners could turn in their American dollars for gold as they could for years when American citizens could not. The every morality of the issue together with my high regard for those who support this Crane amendment impel me to say I will vote for it if the point of order is not upheld.

Mr. Chairman, the intricacies of the monetary system are not always clear, but the integrity of fiscal policy is clear, and when the Federal Government has a monopoly on gold and a citizen cannot

buy or sell it, the situation calls for public debate so I hope the committee can consider the amendment.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Texas (Mr. PATMAN) insist on the point of order?

Mr. PATMAN. Yes, Mr. Chairman, I insist on the point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. PATMAN. Mr. Chairman, this amendment is not germane to this bill. The amendment does not in any way affect the 1934 Gold Reserve Act and it is on a different subject matter entirely. Therefore, it is not germane to this bill.

Mr. Chairman, I would like to yield to the gentleman from Michigan (Mr. Brown) to speak on the point of order.

The CHAIRMAN. Does the gentleman from Illinois (Mr. CRANE) wish to speak on the point of order?

Mr. CRANE. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois is recognized to speak to the point of order.

Mr. CRANE. Mr. Chairman, Cannon's Precedents—VIII, 2938, 42—indicate that the Crane amendment to sections 3 and 4 of the Gold Reserve Act of 1934 (31 U.S.C. 442-443) is germane as an amendment to H.R. 13120 which would amend section 14(c) of the same act (31 U.S.C. 405(b)). In the ruling on 2942 above the Chair stated:

A number of cases have occurred in the consideration of this bill where amendments have been offered which were not germane to any section included in the present bill but were clearly germane to sections in the original law. It seems clear to the Chair that this amendment is germane to a section of the original law, which under the Precedents may be repealed or amended in this bill.

The amendment was, therefore, entertained.

The pending bill (H.R. 13120) is not limited to 31 U.S.C. 405(b). In fact, section 3 of H.R. 13120 gives the Secretary of the Treasury broad authority to maintain the value in terms of gold of the holdings of U.S. dollars of the International Monetary Fund, IBRD, IDB, IDA, ADB. Each of these refers to a separate section of existing law. For example, 22 U.S.C. 286(c) regulates the changes in the par value of the U.S. dollar for the IMF. Other citations are available for the other banks.

Cannon's Precedents—VIII, 2944—is not relevant because the amendment for repeal applied to the whole general law.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard on the point of order?

Mr. BROWN of Michigan. I do, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized.

Mr. BROWN of Michigan. Mr. Chairman, the gentleman's amendment is not germane to the legislation before the House for two reasons, one specific and one general.

First, the amendment offered by the gentleman goes far beyond the language of H.R. 13120, which modifies the par value of the dollar with respect to gold. The gentleman proposes to amend the

Gold Reserve Act of 1934, which is not contemplated to be changed by the bill we have before us. Of course, both propositions are related to gold, but it is well established that two subjects are not necessarily germane because they are related. As is recorded in Cannon's Precedents of the House, volume VIII, section 2965, where an amendment is more than an amplification, and brings in additional subject matter, it is not germane. Most recently, on February 23, 1972, the Chair ruled an amendment was not germane on the basis that there was no reference in the pending legislation to the provisions of the act to which the amendment referred.

Second, on more general grounds, this proposal is nongermane because it is not related to the fundamental purpose of the bill before us. The scope of this bill is quite narrow: it modifies the par value of the dollar from one thirty-fifth of a fine troy ounce of gold to one thirty-eighth of a fine troy ounce of gold.

The purpose of the legislation is simply for the Congress to give its formal consent to the President's action taken to change the par value of the dollar, as required by section 5 of the Bretton Woods Agreements Act. The gentleman's proposed amendment would clearly depart from this purpose and embark upon a new pursuit—that of the rights of U.S. citizens to own, buy, or sell gold. In the gentleman's individual views in the committee report, he has characterized his objective as a question of individual rights and freedoms rather than one of monetary policy and operations. Indeed, he has implied that the restoration of this right would not alter our economic situation.

I shall not speak to the substantive merits of the amendment, but only insist that the purpose and content of the gentleman's proposal differs so substantially from that of the legislation before the House as to make it nongermane. To permit its introduction would violate clause 7 of rule XVI and the precedents of the House of Representatives.

The CHAIRMAN. Does the gentleman from Illinois wish to be heard on the point of order?

Mr. COLLIER. Yes; I would address myself to the point of order.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. COLLIER. Mr. Chairman, I would like to make certain that I understand the gentleman from Michigan correctly when he said that H.R. 13120 in no manner affects the Gold Reserve Act of 1934. There is specific reference in this bill to section 14(c) of the Gold Reserve Act. Therefore, since this is applicable to the Gold Reserve Act, it would seem to me that by that precedent it is germane.

The CHAIRMAN (Mr. VANIK). The Chair is ready to rule. The Chair has before it the amendment offered by the gentleman from Illinois (Mr. CRANE). The Chair has very carefully examined the amendment. The Chair has also examined the bill. The bill under consideration has one purpose: to establish a new par value of the dollar in relation to gold. It does not amend existing law. The proposed amendment would amend the Gold

Reserve Act of 1934 to permit U.S. citizens to purchase and hold gold. The amendment is not germane to the bill and the Chair sustains the point of order.

Are there further amendments?

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

Mr. Chairman, the point of order, ruling out consideration of the excellent amendment by the gentleman from Illinois (Mr. CRANE) to restore the right of every American to own and use gold, ought to be of serious concern to every Member of the House of Representatives. It is easy to delegate power to the executive branch of Government only to see that power used as the basis for Executive orders issued by a President with those orders having the full force and effect of law. We have just seen an example of how hard it is to recapture those delegated powers—in other words to again vest in Mr. and Mrs. Average American Citizen the right to own gold.

But I obtained this time to call attention to an article in the Wall Street Journal of this morning.

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

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

Mr. HAYS. Mr. Chairman, I gather, and I just came in from the phone, that the gentleman is opposed to this legislation.

Mr. GROSS. Yes, I am opposed to it.

Mr. HAYS. I join the gentleman. I have never been more right in my life than on the Postal Corporation bill, and I am going to support the gentleman's position on this, because the only thing this is going to do is stick John Q. Public right where it hurts. It is going to raise the price of everything that is imported. If Members think domestic manufacturers are not going to raise their prices right after this to just cover the price of the imports, they are wrong. That is what the manufacturers are going to do and John Q. Public is going to get it right in the pocketbook. It will be about a 10-percent increase in the cost of living, and every one of the Members who votes for it can go home and explain it to his constituents.

As far as Mr. Connally is concerned, he is about in kindergarten as far as international economics are concerned.

Mr. GROSS. I commend the gentleman for his statement on all counts. Now, I would like to have the attention of the gentleman from Texas (Mr. PATMAN), the great printing press money advocate. I would like to read from the Wall Street Journal of this morning.

U.S. officials are hinting at the possibility of a further delay in formal devaluation of the U.S. dollar, causing concern among foreign authorities about fresh speculative surges.

Instead of notifying the International Monetary Fund of the dollar's new value as soon as Congress passes the devaluation bill itself—probably today—the Treasury is expected to wait until Congress also enacts a related appropriations bill.

I want the Members to especially hear this:

The appropriations bill would permit the U.S. to contribute an additional \$1 billion to the World Bank and other development-aid

institutions to make up for the approximate 8% cut in the dollar's international value. The Treasury also is seeking an appropriation of about \$525 million to allow it to honor its similar "maintenance of value" pledge to the 120-country IMF itself.

Now what does this mean? It means that good old Uncle Sucker is preparing to bankroll the foreign aiders to the tune of and additional \$1.525 billion just as soon as you pass this bill—I am not going to vote for it.

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

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

Mr. GERALD R. FORD. I appreciate the gentleman yielding.

Mr. Chairman, the gentleman from Ohio, a few moments ago, made an observation concerning the Secretary of the Treasury, an observation which I under no circumstances share. I think the President's Secretary of the Treasury is one of the most able men I have ever known in government, period. I think he has done a fine job in every respect. He has tackled some of the toughest problems any Secretary of the Treasury has ever tackled, and I think in the face of those difficulties he has done a masterful job in trying to find the right answer for the United States and the world as a whole.

Mr. GROSS. I want to say this to the gentleman from Michigan, that I noted it was Mr. Arthur F. Burns, Chairman of the Federal Reserve Board, which is scarcely a Government-controlled institution—it is an independent financial institution—who went over very quietly to Switzerland 2 weeks ago to attend the semisecret meeting of the central bankers of Europe and assure them that interest rates in the United States were going to be raised. It was not Treasury Secretary Connally who gave them that assurance. It was Burns.

But I will give Connally credit for one thing, one statement he has made, and that was on March 1 when he stated to the Banking and Currency Committee of the House that this country is broke.

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

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

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

(By unanimous consent, Mr. GROSS was allowed to proceed for 2 additional minutes.)

Mr. GERALD R. FORD. Mr. Chairman, it is my understanding that Dr. Arthur Burns is the head of our central bank in the United States. Assuming that is true, and I believe it is accurate, then it was perfectly proper for Dr. Burns to attend this meeting with the other central bankers.

Mr. GROSS. I did not know we had a central bank in this country but if we have gone so far as to turn the control of all the banks over to Arthur F. Burns, relegating the Secretary of the Treasury to a second-rate role, the Federal Reserve Board being an independent agency, drawing no support and very little direction from the Congress of the United States, then we have reached a sorry stage in the history of this country.

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

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

Mr. HAYS. Mr. Chairman, I would like to make two more observations about the minority leader's statement. I note he did not dispute what I said about the general public getting it in the pocketbook. I hope he does dispute it, because I think I am right, and I will talk to him about that in September and October.

The other thing, I did not say anything about Connally's character. I just said that as far as international economics, he is still in kindergarten, and I stand on that statement.

Mr. GROSS. Mr. Chairman, I would like to yield to the gentleman from Wisconsin or the gentleman from Texas to tell the House here and now if it is proposed through the process of this legislation, and its 8 percent forced devaluation of the dollar, to bankroll the World Bank for an additional \$1 billion, and, of course, many more billions to all the international agencies to which we contribute? Is that what is going to result from the passage of this bill?

I yield to the gentleman.

Mr. REUSS. I thank the gentleman for yielding.

Mr. Chairman, how much times does the gentleman from Iowa have remaining?

Mr. GROSS. Quite a bit.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

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

Mr. REUSS. I object, Mr. Chairman.

PREFERENTIAL MOTION OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

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

Mr. HAYS. Will the gentleman yield to me first?

Mr. GROSS. Do you want to withdraw your objection, Mr. REUSS?

Mr. REUSS. No.

Mr. GROSS. Wait a minute. Do you want to withdraw it?

Mr. REUSS. No.

Mr. HAYS. Will the gentleman yield to me first?

Mr. GROSS. I do not have the floor, but I will in a minute and I will yield to you.

The Clerk read the motion as follows:

Mr. GROSS moves that the committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Iowa is recognized for 5 minutes on his preferential motion.

Mr. HAYS. Will the gentleman yield to me for just 10 seconds?

Mr. GROSS. I would like to get an answer from the gentleman from Wisconsin, but I will yield to the gentleman.

Mr. HAYS. I have to go down to complete the hearings on the State Department budget. I am late now.

I want to tell the gentleman that they have a nice little clause in there that says

if anything like this happens, it is automatic; we agree that we can go to the Committee on Appropriations and make up the difference caused by the devaluation.

I want to tell the gentleman I am going down right now to straighten that out, and if this passes, they will be 8 percent short.

Mr. GROSS. Has the gentleman from Wisconsin had time to cogitate on the question I asked him so that he can now give me an answer?

Mr. REUSS. I will be much obliged. In fact, I was going to get 5 minutes on my own and try to make a reply to the gentleman. I did not want to intrude on what seemed to be a peculiarly intramural discussion on the minority side.

Mr. GROSS. What is an intramural discussion?

Mr. REUSS. That the Treasury Secretary belongs in the kindergarten, grade school, high school, college, or graduate school, or whatever. Although I found the interchange and the by-play edifying, let me address myself to the precise question raised by the gentleman from Iowa, namely, the story in the Wall Street Journal today that there are those in the Treasury who, although this bill be passed today and sent to the White House, would nonetheless drag their feet until sometime in May or June, when we get a hypothetical appropriation through, before notifying the International Monetary Fund of the fact that the Congress has authorized the Secretary of the Treasury and directed him—and I am quoting from the bill before us “to take the steps necessary to establish a new par value of the dollar of \$1 equals one thirty-eighth of a fine troy ounce of gold.”

Whatever that is.

Now, this bill does not give the slightest discretion to the Treasury, or to any assistant general counsel thereof, to dillydally, take his time, or otherwise dilute the will of the Congress.

Therefore, let me answer the gentleman's question just as clearly as I know how. If the Treasury refuses to carry out the will of the Congress, if it asserts the need to get some kind of an appropriation before communicating the will of the Congress to the International Monetary Fund, it will be in contempt of the Congress, and in contempt of the very simple language in H.R. 13120.

I say that because we have already fooled around for far too long with a simple mechanical bookkeeping measure which will, if passed, go some part of the way to still the fever in the international monetary markets, a fever which only last week threatened to erupt into another major crisis. So we are dealing here with some very serious matters affecting the jobs and well-being of the people in Iowa, the people in Wisconsin, the people in Michigan, and the people in all the other States of the Union.

Mr. GROSS. Does the gentleman want my whole 5 minutes?

Mr. REUSS. I hate to intrude on the gentleman's time.

Mr. GROSS. I know how badly the gentleman must feel about that.

The gentleman is saying “Yes,” it is true that if this bill is passed today and

the dollar devalued, depreciated and deteriorated by another 8 percent, this means the Government is going to reach down into the poor old taxpayer's pocket and dig out more billions to put into these international grabbags of one kind or another.

Mr. REUSS. Yes. And happily at the moment—

Mr. GROSS. The answer is “Yes.”

Mr. REUSS. After Mr. Connally reaches down into the poor overburdened taxpayer's pocket to accomplish the task which the gentleman has mentioned, he will lift him up again and give him eternal life by telling him he has made almost a billion dollars on the bookkeeping value of gold, so the poor old fellow—the taxpayer, not Mr. Connally—will be in about the same position as before.

Mr. GROSS. The gentleman tried to paraphrase Lincoln once. I would rather he did not do it again.

Mr. Chairman, those who vote for this bill should understand that they are not simply voting to increase the price of gold by \$3 an ounce. They are voting for further raids on the taxpayers that will unquestionably run into several billions of dollars. I want no part of it.

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

Mr. Chairman, the gentleman from Iowa—I hope he will listen to this, because I wanted to comment on his statement—spoke about the independent Federal Reserve. Now, there is no independent Federal Reserve. The Federal Reserve is not independent of the Government. It is under the President of the United States. The President is elected by all the people. Even the board members of the Federal Reserve are selected and appointed. Not one of them has ever been elected.

There is no question about the independent Federal Reserve being absolutely a fake. It is not independent. Read the act. The word “independent” is never mentioned. It was never intended to be independent.

I will admit that the gentleman from Iowa is correct in this, that they have been acting independently of the Government.

In fact, I want to call to the attention of every Member of this House who wants to do something that is worthwhile, that is going to save a lot of money. The Federal Reserve has been buying through the Open Market Committee in New York—the Federal Reserve Bank of New York—Government bonds that are interest-bearing Government bonds, using our printed currency and credit over here that the gentleman from Iowa says is no good.

Wait just a moment. I have my own time.

Mr. GROSS. All right. The gentleman wanted me to listen and wanted me to respond.

Mr. PATMAN. However, they take this money that the gentleman says is no good, printed money and credit and they buy Federal Reserve Government bonds with this money. For awhile it amounted to only \$1 or \$2 billion. They were doing it so they would not have to come to Congress for money.

But after awhile, it got to be \$25 billion and they wanted the power to let the banks have these bonds, because the banks needed the revenue from these bonds. The Federal Reserve did not want to do it. There was testimony before our committee. But, anyway, they did not get by with it.

The amount of money in that portfolio—and this will really shake you—now amounted to \$70 billion. And that was bought by the Federal Reserve bank, an agent of the U.S. Government. By using printed money and Government credit that is also a Government obligation that did not cost them a penny. They traded this for these Government bonds to the extent of \$70 billion. The interest on that amounted to \$4 billion last year and will amount to \$4 billion this year. They spent it for any purpose. They want no restriction or limitation authorized by Congress although the Constitution says that our money should only be spent by an appropriation of the Congress. There is no appropriation bill. Yet they collect \$4 billion from the Treasury who collects it from the taxpayers of the country and they spend it for what they want to, for any purpose. They spend about \$300 million a year, and the rest of it goes into the Treasury.

So, the point is that unless those bonds are canceled, we owe two debts—\$70 billion of money outstanding and the bonds that the money were to pay for. That is not a very satisfactory way to run a railroad or to run a government. We will never get this corrected until we cancel those bonds. There is where the gentleman can make a fight where it will be worthy of consideration and where it will be in the public interest and everyone will praise the gentleman for joining forces with those who believe that when you pay a debt, the debt should be canceled and that the taxpayers should not be required to pay those bonds twice. That is what they will have to do unless you cancel these bonds.

Now, of course some Members claim that they do not have enough to do in Congress; that they need to get positions of chairmanship and seniority so that they can do something in Congress that is worthwhile. That is something, I will say to the gentleman from Iowa, that is worthwhile, and I make this statement today and no one can contradict it.

Mr. GROSS. Well, will the gentleman yield?

Mr. PATMAN. No; I am not yielding now.

Mr. GROSS. Will the gentleman yield in order to give me an opportunity to contradict it?

Mr. PATMAN. I am using my own time, and I hope that the Chairman of the Committee of the Whole House on the State of the Union is not taking this time out of my time.

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

Mr. PATMAN. I cannot yield at the present.

So, there is \$70 billion that has been handled in this fashion and this should be corrected.

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

The preferential motion was rejected. Mr. PICKLE. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, I hesitate to participate in this debate. I do not consider myself an expert in international affairs, particularly as it pertains to devaluation, but I do think some observations ought to be made.

When it was announced that we were going to devalue our dollar, some of the administration leaders claimed that this was a great victory and we would have 500,000 new jobs. Another administration leader said it would be as many as 750,000 new jobs. That was misleading if not false political claim. They hailed it as a great victory.

I do not consider what happened a victory. I think it was an embarrassment to the United States. When we devalue that is an admission that our financial matters are in trouble. We ought to admit that it is not a happy situation for us, but it is a fact.

For years, off and on, we endured a deficit in the balance of payments, 1 2, 3 billion dollars, and we rolled with that punch. But when about a year ago we also had a huge deficit in trade, those two factors combined made it necessary, as I see it, that we take some action, and the natural evolution was that we would devalue. But that does not mean automatically that we will have a victory, and we will have all these 750,000 new jobs. It does mean that we can have a better situation as they claim if we sell them more goods, if we export more goods than we bring into the country. I think that could be true. But just devaluation itself does not mean that. Devaluation can work only if we have increased productivity at a lessened cost. That we will have a great victory that they claim just does not hold up, as I see it. We must have increased productivity, and at a lessened cost, hopefully.

It means a very important thing. That means that we must be able to sell more goods than we buy. That means, conversely, the people who are in Europe and in Japan must necessarily be willing to buy more than they are going to sell. Well, if I know anything about my good German friends and French friends, or our NATO friends, they like to sell a lot more than they like to buy. And that is going to apply the same way with the Japanese.

If that is true, then how can we pass judgment that must automatically endorse this bill?

I rather think that devaluation is something that we should do. However, I do not think it means that it is necessary to talk in personality terms with reference to the Secretary of the Treasury. The Secretary of the Treasury is probably the strongest man in the U.S. Government today, and I do not think he needs any defense by us, or by the Government. I would invite anybody who wants to take him on to come before the proper committee to do so because I think he will take care of his work just as well as he takes care of the U.S. business, and in a very able fashion.

But what the Congress does need to know is what are these trade agreements. I do not know what we have really worked out with NATO. What insurance

do we have that NATO is going to buy more than before the big deficit to make up the \$13 billion deficit? Also, what assurance do we have that Japan will accept a strong trade agreement? And what about Canada?

Do we know what the trade agreements are? Have any of you seen it?

I do not propose that Congress ought to preempt the field of trade negotiations or agreements, that should be left with the executive branch of the Government, but there ought to be a better coordination, there ought to be some kind of a directing force in the Congress.

It needs a broad spectrum of all of the Members in which we can actually examine these trade agreements because then, if we know what is in the agreements, then we can bring them to the floor and vote more intelligently on whether we ought to devalue or not; at least, I certainly hope that the Congress can set up such a task force. I guess that devaluation is probably a necessary step. It may give us a little advantage right now in this 8 percent increase, but it looks like we are going to have 2 percent or 3 percent or 5 percent of inflation, and that inflationary degree of increase is automatically going to eat up any advantage we will have with respect to the devaluation.

I believe that we must set our own fiscal house in order if we are going to hope that devaluation will have the meaningful degree of success that we hope and pray it might have.

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

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

Mr. GONZALEZ. Mr. Chairman, I just want to comment that this is precisely the thrust of my dissenting views as they are found on page 14 of the committee report. I was the one Member who voted against this, and who raised the questions which the gentleman has raised, and to which I had no satisfactory answers.

I thank the gentleman for yielding.

Mr. PICKLE. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Texas (Mr. PICKLE) has expired.

(Mr. PICKLE, at the request of Mr. PATMAN, was granted permission to proceed for 2 additional minutes.)

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

Mr. PICKLE. I yield to the chairman.

Mr. PATMAN. May I suggest to my friend that the trade agreements are mentioned throughout the hearings. I wish the gentleman would get a copy of the hearings. Not only does the Secretary of the Treasury discuss them fully and insert the excerpts that he should, but also Mr. Eberle, who is the Special Representative to the President for Trade Negotiations testified and also discussed the agreements and what they were.

I hope the gentleman will read the hearings please.

Mr. PICKLE. In mentioning the trade agreements, did he mention them with reference to commodities?

Mr. PATMAN. Yes, he does.

Mr. PICKLE. Does he go into a full discussion of commodities?

Mr. PATMAN. I think that is full and complete, I believe.

Mr. PICKLE. I am surprised to hear that. I have talked with other members of the committee who have said they did not know really what was in it—the agreements.

But if there is a full discussion of it, I have not seen it.

Mr. PATMAN. They put out a separate report in which they discussed it fully, about all the trade agreements. They are fully discussed in the hearings, I will say to my friend.

Mr. PICKLE. Is the gentleman saying to me because we have these strong trade agreements that this ratio will reverse itself and that we will correct this \$13 billion deficit?

Mr. PATMAN. No—I do not claim that, but I do say it will be a forward step and a giant step in that direction.

Mr. PICKLE. I do not challenge the gentleman's reference about what is in the report. I have not seen it—or found it yet—but I will read it with a great deal of interest. All I have seen so far is a lot of generalities.

Mr. PATMAN. It is in both the committee report and in the hearings.

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

Mr. Chairman, I shall not use my 5 minutes, but I would like to direct the attention of the gentleman from Texas to pages 110 and 111 of the hearings because the issue of farm commodities and what we have accomplished in our trade negotiations with the Europeans is the subject discussed.

I think you will find progress has been made in this area. Nevertheless, frankly, I am not satisfied with the progress made with respect to farm commodities. I think we could have been somewhat tougher with our Common Market friends because, after all, our favorable consideration of their insistence on our devaluation of the dollar was conditioned on their agreement to participate in serious trade negotiations and progress in eliminating trade restrictions on American products.

The Common Market countries presently have pulled a double whammy on us when it comes to farm products. They not only have maintained prices, but also they provide export subsidies which even compound the problems, and as a consequence American farm commodities do not have a real opportunity to compete in other markets.

Mr. Chairman, I would say progress has been made. And, that progress in trade negotiations contemplated our action here today and ultimate devaluation of the dollar. I think the administration should be commended on its program in this regard and for the progress it has made.

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

Mr. BROWN of Michigan, I yield to the gentleman.

Mr. DOW. Mr. Chairman, I think a great deal of attention has been focused here today on the trade agreements and our ability to hold our own in the foreign field and to sell our goods as effectively as others sell to us.

But I do feel we have overlooked some of the abnormalities that have led to this

devaluation. I mentioned before the excessive investment by American corporations in industries overseas. I would like to quote from the committee report on this bill on page 6 which says:

To some degree—

And that is an understatement—the persistent U.S. payments problems—particularly the imbalances with Europe—have been caused by the high level of U.S. defense expenditures abroad.

Instead of worrying and fussing about whether we can keep up in our trade with these other countries—and we certainly can—we should think about the past abuses of our trade balance, and particularly the appalling expenditures overseas for Vietnam and places like that where we are wasting not only blood, but treasure.

If we do not correct these past failures, what is going to happen to us in the future? Let us use the experience of the past to take care of the difficulties that will arise in the future.

Mr. BROWN of Michigan. I hope the gentleman will give me an opportunity to answer. The gentleman, I think, would have to agree that we have reduced our expenditures overseas in Vietnam. He would have to agree that progress has been made in the European area, as far as NATO and other countries are concerned, with respect to those nations picking up local troop costs. The gentleman in all fairness would have to agree that progress has been made; though it may not be as much as he would like it to be, it is much better than it was before.

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

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. GONZALEZ. Mr. Chairman, I believe that in this discussion we should be very serious because this is a very serious matter. A while ago the gentleman from Iowa brought up what I considered to be a proper question. On page 9 of the committee report we have a paragraph that reflects one of the reasons why I was a member who voted against this bill in the committee. That is double talk. I do not think it is fair to any one of us to try to use double talk in espousing any particular cause or bill, whether I am for it or whether I am against it.

The gentleman from Iowa raised the question about the budgetary outlays which would result. I do not think he received a serious answer, and I think it is a proper question. The fourth paragraph on page 9 of the report states—

Thus, in the Fund, as a result of the change in the par value of the dollar, the total increase in assets equals \$575 million and the increase in liabilities amounts to \$525 million. The \$525 million in letters of credit that are to be issued to the Fund will not result in budgetary expenditures even when drawn upon, since transactions with the Fund represent exchanges of assets that are outside the budget.

That sounds good, but then comes the clincher:

However, in order to issue these letters of credit an appropriation of approximately \$525 million will be requested.

I consider this double talk, because the first sentence, the prior sentence, talks about no budgetary outlay, and then the very last sentence says, "Oh, yes, but we will have to come and ask for, request \$525 million in appropriations."

I am not saying that that is right or wrong. I am saying it is not right to have this kind of double talk in trying to present the true impact of what the Congress, particularly the House, will be voting upon today. This has reference only to the impact with respect to our participation in one fund. Naturally, in every other one of our assets, our commitment, or whatever way you want to describe it, we will have a corresponding increase of 8 percent that we will have to ante up.

The basic reasons I voted against this bill, I repeat, are outlined on page 14 and it is not my intention at this time to raise this kind of issue because I was the only member of the committee to vote against it, and quite obviously that makes me a small and minute minority. It would not be fair now to raise the issue on the House floor when I know the circumstances are not proper. I believe that nothing would be hurt at all if the Congress would wait a little bit longer and look into this matter a little bit more thoroughly, because the way we are doing it assures we will have a repetition of consideration of this very same issue within the near future.

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

Mr. GONZALEZ. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I am pleased the gentleman from Texas has taken the floor to make these remarks. May I inquire whether the gentleman from Texas was on the floor when the gentleman from Ohio (Mr. HAYS) made his remarks as to the effect of this bill?

Mr. GONZALEZ. I was here and heard part of it.

Mr. ABERNETHY. Here is what he said. And up until that point I had intended to vote for the measure, but I am a little bit shaken up now. I do not know now what I will do. I do not think I will support the bill—not that I would influence anyone.

The gentleman from Ohio said that the bill would result in the importation of foreign goods at higher prices, and it would be a natural thing for the American producer to allow prices to go a little higher. But the consumer of the Nation will be the one who will have it taken out of his pocketbook. Does the gentleman agree with that?

Mr. GONZALEZ. I believe the gentleman from Ohio stated the question substantially correctly when he said that imported goods will naturally cost us more. But the advocates of the proposed change use that argument in favor of the change because it would mean that we would import less goods, and it might provide an opportunity to sell American-made goods more cheaply abroad.

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

(On request of Mr. ABERNETHY, and by unanimous consent, Mr. GONZALEZ was allowed to proceed for 2 additional minutes.)

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

Mr. GONZALEZ. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. If the prices of imported goods go up—which, of course, they will—that would make a broader spread between imported goods and domestically produced goods; is that not correct?

Mr. GONZALEZ. I would think so.

Mr. ABERNETHY. And, therefore, that affords the domestically produced goods an opportunity to go up in price and still maintain the same competitive position; does it not?

Mr. GONZALEZ. I would agree with that, except that the argument advanced by the advocates of this, which is in favor of the change, is because it would stimulate our exports because foreigners could buy them cheaper. I do not know exactly how it works.

Mr. ABERNETHY. I do not see how it could make it good at both ends of the line.

Mr. GONZALEZ. That is true, we cannot have it both ways.

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

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

Mr. GROSS. Mr. Chairman, I commend the distinguished gentleman from Texas (Mr. GONZALEZ) for throwing more light upon that part of the iceberg that cannot be seen in this bill. In other words, he has already revealed the huge additional cost to just one international fund. The Members of the House ought to realize, and I am sure the gentleman will agree that this is going to cost much, much more money in other areas of our contributions to foreign institutions.

Mr. GONZALEZ. There is no question of that. Of course, the gentleman knows I have taken this floor in behalf of some of the other institutions to which our country contributes, but I think the truth is necessary, and no matter how unpleasant we ought to face it, and no matter what the cost is that should be faced. I see nothing wrong with that.

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

Mr. BARRETT. Mr. Chairman, I urge prompt passage of the par value modification bill. The most important feature of this bill is the authorization given to the Secretary of the Treasury to communicate a new par value for the dollar to the International Monetary Fund. The new value would be one thirty-eighth of a fine troy ounce of gold instead of the current par value of one thirty-fifth of an ounce.

The relationship of the dollar to gold is not what this bill is all about however. Gold only serves as the common international measuring device for expressing the values of currencies. What this bill really accomplishes is the implementation of the domestic legal steps which the United States must take in order to ratify the agreement for a realignment of exchange rates reached by the major Western trading nations on December 18. This realignment, so beneficial to the United States, was not easily won. Under-

standably, countries with undervalued currencies, which were earning large payments' surpluses, could see little reason why they should adjust. But the United States was at a substantial competitive disadvantage because of this artificial rate structure and change was absolutely necessary. In addition, our balance-of-payments difficulties also stemmed in part from trade barriers to our exports and inequitable burden sharing in the defense area.

August 15 demonstrated that the United States had come to the full realization that our major trading partners had reached economic maturity. In this new era the United States recognized that it would have to pursue its own economic self-interest in the context of continuing to pursue the goal of world prosperity.

The exchange rate realignment which this bill would ratify has had the strong endorsement of individual Congressmen since the agreement was arrived at. This strong interest in the international economic position of the United States is not new. Numerous committees of the Congress have held extensive hearings on the balance-of-payments position of the United States. Many but not all of these examinations have focused on our exports. The loss of our traditionally large trade surplus has been the subject of intensive inquiry. Remedial actions have been taken. The most recent action that Congress has taken is the provision of a new corporate form, the Domestic International Sales Corporation, which is a tax measure for restoring equity to our tax treatment of U.S. exporters, putting them in a tax-neutral position to compete abroad, both against U.S. overseas manufacturing operations and foreign exporters. The DISC, as it is called, is now being studied for use both by existing exporters and by firms who have not had experience in foreign trade. Removal of a tax barrier to exporting, which the DISC accomplishes, is one of the elements that will help restore our trade account surplus.

Another trade-related measure passed by the Congress last year was the Export Expansion Finance Act of 1971. This act is designed to assure that Export-Import Bank financing is sufficiently available to be competitive with foreign financing. Sales are not to be lost because of better export financing being made available by our foreign competitors.

Other measures also work toward improving our trade account. The job development credit will be used to modernize plant and equipment. This will tend to make U.S. products more competitive due to plant efficiency. Also very important is the Economic Stabilization Act, which is being used to curb U.S. inflation. A lower relative rate of inflation to that of our trading partners will automatically be felt in our trade account. As the prices of our exports rise more slowly than those of foreign products, our goods will sell better in foreign markets.

The exchange rate realignment gives the United States the opportunity to allow these other measures which we

have taken to take hold. Controlling domestic inflation, modernizing our plants, removing tax inequities on exporting, and assuring competitive export financing could only have halted the deterioration in our trade balance. In the absence of a change in exchange rates, we would not have been able to improve our trade picture dramatically. We now have that chance due to the Smithsonian Agreement. Prompt enactment of this bill ratifying the December 18 agreement will protect and formalize the new highly beneficial rate structure which was achieved at the Smithsonian.

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

Mr. Chairman, I would like to point out to my distinguished colleague, the gentleman from Mississippi (the Honorable Tom ABERNETHY) that our problem today is the fact that American products have been priced out of the world market and many areas of the domestic market. That is what is leading to our present problem, to our present unemployment. So, by devaluing the dollar, while at the same time other nations upgrade the value of their currencies, all we are going to do is to put ourselves back in the ball game so that we can be competitive with foreign products. It is not going to bring any windfall to any company, because the profits of almost every major employer in this country, with one or two exceptions, have been dropping steadily.

The gentleman from Texas in his dissenting views quotes the Treasury Department as saying:

Changes in the monetary system alone will not solve problems of balance of payments adjustment . . .

There is no question about it. That is one of the truest statements that has ever been made. The gentleman concludes his dissenting views by saying he is afraid of another devaluation of the dollar. What I say is this. This bill before us today will put us once again in a competitive position in the domestic market and in the world marketplace.

That is not going to be the entire answer. We do not have to have productivity at a cheaper cost. We have to have increased productivity at our present cost.

What has actually priced us out of the world market has been national unions negotiating national settlements anywhere from 10 to 12 to 15 percent a year. That has been added on to our domestic and world prices, and we have actually priced ourselves out of the markets.

If we can increase productivity and retain present costs while inflation is occurring in other countries, as it is doing and has been doing, then what we will be able to do is regain our leadership in world trade and our leadership in our domestic markets.

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

Mr. WILLIAMS. I yield to the distinguished gentleman from Mississippi.

Mr. ABERNETHY. As I understand the gentleman he is saying, in answer to the point made by Mr. HAYS, and in regard to the question I discussed with the gentleman from Texas, this will en-

able us to move more goods into these markets, to ship more goods abroad.

Mr. WILLIAMS. And also into our domestic markets.

Mr. ABERNETHY. If it be true that we are going to move more goods abroad, more goods into Germany, more goods into Japan, more goods into France, and so on, why is it that those countries receive this devaluation with such enthusiasm? It looks to me like they would reject it.

Mr. WILLIAMS. Somebody has deceived the gentleman, if they have told him that this devaluation of the American dollar and the upgrading of the value of other currency was received with any enthusiasm at all. We eventually managed to settle for something like a little over 8 percent, and the other countries accepted this with the greatest reluctance.

Mr. ABERNETHY. Do they not feel this will enable them to move more merchandise into the United States?

Mr. WILLIAMS. The foreign countries?

Mr. ABERNETHY. Yes.

Mr. WILLIAMS. No. Just the opposite is true, because right now, just to use one example, there is not a company in the United States making radios. We can go back just a decade and a half ago, or perhaps slightly longer, to when the United States was making most of the radios produced in the world. Today we are not producing a radio. The bill will enable American companies to start getting back into the domestic market, and will make it more difficult for the foreign countries to sell products in this country.

Mr. ABERNETHY. Is the gentleman making the point that the foreigners will move their merchandise here at higher prices, and therefore move less?

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

(By unanimous consent, Mr. WILLIAMS was allowed to proceed for an additional 30 seconds.)

Mr. WILLIAMS. What I am saying is that the bill we have before us today, plus the other steps we must take, which I have already described, will enable the foreign producers to move less products into the United States, and will enable the American products to become competitive, therefore helping the American economy.

Mr. ABERNETHY. But they will move them at a higher price?

Mr. WILLIAMS. If it costs a few more pennies to buy something domestically, so long as it is made in America and means jobs for Americans, then I say the gentleman may be right.

Mr. ABERNETHY. I thought the Japanese received this with considerable enthusiasm.

Mr. WILLIAMS. That is not true.

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

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

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

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

Mr. GROSS. Could it possibly be true

that the amendment which the gentleman offered on the floor of the House a short time ago was offered in the committee and that the chairman of the committee (Mr. PATMAN) ruled that amendment was not subject to a point of order in the committee.

Mr. CRANE. That is indeed correct, and is a point I wanted to touch upon.

Mr. GROSS. Is it possible that he could then have made a point of order against the amendment on the House floor?

Mr. CRANE. The gentleman is correct in recognizing that there seems to be an inconsistency and a contradiction there.

At this time, Mr. Chairman, I want to explain my vote in support of the devaluation bill in the committee, because I did not anticipate that a point of order would be made here on the floor of the House when I endeavored to submit an amendment I had submitted in committee and which was defeated at that time. I had submitted the same amendment that was submitted here on the floor. A point of order was made. The chairman of the committee (Mr. PATMAN) overruled the point of order on the grounds that my amendment was in fact germane. So I anticipated, as I notified the committee at that time, coming before the Committee of the Whole House on the State of the Union and resubmitting the amendment. There was forewarning, and I made the assumption on the basis of the chairman's ruling that we would have the opportunity for a free discussion of the amendment on its own merits and we would have the opportunity to vote on it.

That opportunity has now been denied. As a result, I would like to register my objections to the devaluation bill on the ground that I think it is meaningless legislation.

If you turn to the report, for example, under the statement "Need for Legislation" it indicates that it is necessary because the par value of the dollar in the International Monetary Fund cannot be changed without prior approval of the Congress. To be sure it cannot, but to me that is no explanation of the need for the legislation.

The "need for the legislation" is because of certain agreements that have been negotiated by the Secretary of the Treasury, amongst others, with international bankers from abroad—specifically the Group of Ten.

But what conceivable difference can it make whether one cannot convert short-term claims on American gold reserves at \$35 an ounce or at \$38 an ounce?

There were objections raised by both the Secretary of the Treasury, Mr. Connally, and Dr. Arthur Burns in the committee to my amendment on the grounds that it would have a destabilizing effect until we got some international monetary settlement. Yet any such international monetary settlement can only involve one of three possible options:

First of all, we demonetize gold; secondly, we maintain some official price for gold that does not correspond in any way to the market price; or, thirdly, we go to full convertibility.

If you will examine each one of the

possible options on its own merits, there can be no logical, supportable argument against immediate restoration to American citizens of their right to buy, sell, or hold gold. In the event of demonetization in the final monetary reform it is apparent that private ownership will not have any effect.

If you maintain the official price of gold at \$38 an ounce with the world price at \$48 an ounce or higher—and I can assure you that the world price will continue to climb—then quite obviously it does not make any difference whether Americans are restored their basic right.

And under that third condition—namely, full convertibility—it would require devaluation in the magnitude of 37 percent now, and yet we are discussing only an 8.5-percent devaluation.

As Secretary of the Treasury Connally testified before our committee, such a massive devaluation would trigger reciprocal devaluations on the part of all of our major trading partners. That is an unavoidable consequence if you are talking in terms of full convertibility, which we are not.

They both indicated—Secretary Connally and Dr. Burns—that we are not talking in terms of a long-range settlement involving either full convertibility or demonetization, with due respect to the gentleman from Wisconsin (Mr. REUSS) who I know is a supporter of demonetization. Dr. Arthur Burns says our trading partners would not go along with that.

But I will say in support of the view of the gentleman from Wisconsin, whom I know favors demonetization, as does Dr. Milton Friedman, the noted economist from the University of Chicago, that it seems to me that the opportunity extended again to American citizens to enjoy the right to buy, sell, or hold gold would have hastened the day that their objectives might have been realized.

Finally, there are those present today who urge consideration of the question of private ownership of gold on its own merits. When I first submitted my own bill on this subject—which is identical in language to this amendment—that was my wish. But that was January 22, 1971. I requested a report on the bill from the Treasury Department in the spring of 1971 and yet had failed to receive such a report at the time we held hearings on H.R. 13120. Further, I asked the chairman of the committee for hearings on the bill last summer. After exhausting this avenue, I had no alternative for giving Members of this House the opportunity to decide the issue on its merits except by attaching it to a piece of germane legislation coming out of the Banking and Currency Committee—and the chairman ruled it germane even though I was defeated in that effort—or bringing it in amendment form before the Committee of the Whole House, which I did.

Perhaps I erred in notifying the Chairman and the Banking and Currency Committee of my intention, but I considered it the honorable thing to do. Yet, after what happened on the floor this afternoon it is apparent that I would have had a better chance to permit the democratic process to work its will had I

stealthily sprung the amendment on the committee by surprise.

Under the circumstances, I will accept at face value the expressions by Secretary of the Treasury Connally, Dr. Arthur Burns, and my colleagues on the Banking and Currency Committee of support for separate hearings this year on H.R. 1258, which would restore to American citizens the lost right to buy, sell, or hold gold.

Mr. PATMAN. Mr. Chairman, I wonder if we can terminate the time for debate as of now. I ask unanimous consent that we close all debate at this point.

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

Mr. ROUSSELOT. Mr. Chairman, I object.

Mr. PATMAN. I wonder if we can have an understanding on how many will want to speak. Mr. Chairman, I ask unanimous consent that all debate close in 10 minutes.

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

There was no objection.

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

Mr. SCHMITZ. Mr. Chairman, I come before the House today to urge most solemnly that we lift one of the most arbitrary, tyrannical, and indefensible restrictions of individual liberty ever imposed on the American people: the denial of their right to own and trade in monetary gold—a right respected by nearly every other free country in the world. Whatever reason or excuse might once have been given for denying this right at the height of a worldwide financial panic nearly 40 years ago, there can be no possible justification for maintaining the prohibition, now that our Federal Government itself will no longer trade in gold. The bill before you presents a natural vehicle for removing this prohibition. Proposals to remove it have gained widespread support.

Throughout history, the most dependable intrinsic economic value has been found in precious metal—gold and silver. Nearly all advanced civilizations have used gold as their basic monetary standard. Its attributes of durability and beauty have given it a character apart from that of any other metal, a character that has remained untarnished throughout the ages. Gold commands respect in all quarters for its beauty and imperishability. You may throw it into the ocean, you may hide it in the earth, or you may subject it to the heat of the furnace, but it remains essentially unchanged and unmistakable in its appearance.

And, as long as gold may be freely owned and traded, the very qualities which give it so much intrinsic value also act as a check on the inflation of other media of exchange, whose value will inevitably be measures in terms of gold. When gold is in circulation, the people cannot long be fooled about what is happening as the value of their paper money is diluted.

The prohibition on owning and trading in monetary gold by American citizens dates back to the depths of the Great

Depression, to an Executive order by President Franklin Roosevelt in 1933, followed up by implementing legislation and upheld by a 5-4 Supreme Court decision in 1935—over a magnificent dissent by Mr. Justice McReynolds now unfortunately almost forgotten—invalidating the "gold clauses" in private contracts. The time has come to remove this extraordinary restriction on private ownership by citizens of what is supposed to be, and ought to be a free country.

Writing in the June 2, 1969 issue of *Monetary Notes*—a publication of the Economists' National Committee on Monetary Policy—Dr. Walter E. Spahr surveyed the causes and consequences of the attack on our money and predicted exactly the crisis which has now arrived. Here is Dr. Spahr's analysis:

When our national government confiscated our people's gold in 1933-1934, and forced them to accept irredeemable bills of credit in exchange, the purpose was to provide the government with liberty to do as it pleased with other men, and the product of other men's labor, while depriving the people of the liberty to convert the products of their labor into gold if they so desired. This revolutionary act by our government opened wide the door to government tyranny which has shown itself in wild government spending, heavy taxation, a radically depreciated currency, a huge national debt, much socialization, and a high degree of government management of our economy.

It may not be long now until an important day of reckoning is at hand. Its arrival is being invited; and an ominous consideration is whether, when it arrives, we shall have officials who can be counted on to understand why it arrived and where the proper solution lies.

Writing in *The Freeman* in August 1971 just as the international money crisis which led to the present bill was breaking out into the open, distinguished economist Henry Hazlitt said:

There appears to be no alternative now to our government doing frankly and de jure what for the last three years it has been doing without acknowledgement but de facto: it should openly announce that it can no longer undertake to convert dollars into gold at \$35 an ounce. . . . The government should also announce that until further notice it will neither buy nor sell gold.

These things have already been done, and the bill before us formalizes them. But Mr. Hazlitt went on to say:

Simultaneously, however, the United States should repeal all prohibitions against its citizens owning, buying, selling, or making contracts in gold. This would mean the restoration of a really free gold market here.

Professor Hans Sennholz, chairman of the department of economics at Grove City College in Pennsylvania and a leading disciple of the world-famous economist Ludwig von Mises, agrees. Declaring that:

Every friend of freedom is dedicated to the restoration of free money which is also sound money.

Professor Sennholz has said:

The first objective must be the freedom to trade and hold gold. . . . There must be no government interference with the gold markets, no regulation or controls, no taxation or dictation that would sabotage the gold markets. The next objective must be the individual freedom to use gold in all economic exchanges. . . . The legal tender law which de-

crees that government money must be accepted in payment of all debt, public and private, must exempt "gold contracts" and "gold clauses" that specifically call for payment of certain measures of gold.

The amendment offered by the gentleman from Illinois (Mr. CRANE) would remove all present restrictions on the ownership, buying and selling of gold by American citizens, and could be interpreted so as to allow payment of contractual obligations in gold if both parties to a contract agree to it. Its effect is thus similar to or identical with legislation I introduced—H.R. 6790—to give effect to these two excellent suggestions of Professor Sennholz. Therefore I most strongly support the gentleman's amendment and hope it will be adopted by the House, or at the very least that it may be voted on without avoiding the issue through any procedural technicalities.

(By unanimous consent, Mr. SCHMITZ yielded the remainder of his time to Mr. CRANE.)

Mr. CRANE. I thank the gentleman for yielding.

Mr. Chairman, I would simply like to add one additional point which I know my colleague from Idaho (Mr. McCURE) can amplify upon dealing with a further aspect of this bill and the amendment we attempted to attach to it. That aspect has to do with the resurrection of a vital American industry that has been largely dormant since the Gold Reserve Act of 1934, namely, gold mining.

As I understand it, the Bureau of Mines has indicated that there are gold reserves in the United States equal to that of the Republic of South Africa. That was an industry that formerly employed thousands of Americans. With this kind of gold reserve, quite obviously the United States could be an exporter of gold and, first, we would thus provide the opportunity to provide jobs which is one of the economic objectives of this administration; and second, help redress the imbalance in our foreign balance of payments situation by becoming a major exporter again in this vital field.

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

Mr. CRANE. I am glad to yield to the gentleman from New York.

Mr. BIAGGI. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the intent of the Crane amendment and associate myself with the remarks of the gentleman from Illinois (Mr. CRANE) to restore the right to buy, sell, or hold gold to American citizens.

The policy of the United States has been directed toward diminishing the monetary role of gold. Moreover, the formal change in the par value does not terminate the suspension of the convertibility of the dollar into gold.

Since the role of this commodity is diminishing and since the suspension of convertibility remains, this is an excellent time to restore this right to deal in gold for American citizens.

When an eventual over-all monetary settlement is reached, the role of gold would be one of the following:

First, if gold is demonetized there cannot be any objection to immediate restoration of this right;

Second, if fractional backing is retained, there should be no objection to this proposal, since there is no link between the official price of gold which is \$38 per ounce, and the world price, \$49 per ounce, and convertibility is impossible.

Therefore, there should be no objection to allow American citizens the right to buy, sell or hold gold.

Finally, I support this measure because the people of this country should have the right to invest in this commodity just as they invest in anything else. Moreover, other free world countries provide this right.

In addition, the trend toward a reduction in the monetary role of gold was started with President Roosevelt and is now completed.

Finally, this proposal would create an increase in the number of jobs in the mining industry and enable the United States to once again be a major exporter of gold. These increases in the amount of exported gold would have the effect of reducing our balance of payments deficit.

I, therefore, would urge my colleagues to join with me in support of this amendment so that the right to invest in gold will be rightfully returned to American citizens.

Mr. CRANE. I thank the gentleman from New York and I simply, in conclusion, express great dismay that other Members were not given the opportunity under our democratic process to have the chance this afternoon to have gone on record in support of or in opposition to the restoration of this vital right.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho (Mr. McCURE).

Mr. McCURE. Mr. Chairman, I was shocked earlier today to find that a point of order would be raised against the amendment offered by the gentleman from Illinois (Mr. CRANE) with respect to the right of individual citizens of our country to own and hold gold. I was shocked for two reasons.

First, that the point of order had been raised in the committee and had been overruled by the chairman of that committee; and second, there was no expectation that this would be approached differently on the floor of the Committee of the Whole House on the State of the Union.

I want to underscore the statement made by the gentleman from Illinois (Mr. CRANE) concerning the ability of the mining industry of this country to respond to a demand for gold. The evidence is in. The evidence is clear. The facts are indisputable that a very large gold mining industry would be stimulated by any increase in the price of gold which would be matched in the marketplace for this commodity.

Certainly, we are not going back on the gold standard at this time. Certainly, there is no one here today advocating that that be done without exception or qualification. But, to argue as has been done today, that gold is absolutely essential to the international monetary system—and, therefore, we cannot go to private ownership of gold—and then to make the point of order that that very

point is nongermane to the subject matter of this bill is absolutely inconceivable to me.

I was shocked also because it seems to me that this is a matter of fundamental importance and that the proponents of this legislation should have welcomed free and open discussion of the very serious matters that are involved rather than seeking refuge behind an arbitrary ruling of the Chair on the question of the germaneness of this amendment.

There can be absolutely no question that there will be no convertibility of the gold at any time that the official price of gold is below the world price of gold. It is, as a matter of fact, nonconvertible and we know that will be the case so long as the price increase is no larger than proposed here—and I do not think anyone could really dispute that there can be no opening of the gold window so long as the official price is below the world price and that is exactly what you are asking us to do in this legislation.

I recognize that today we are in a very serious international monetary crisis. If it were not so, I would have asked for an amendment to increase the price of gold in a much different way. I have legislation pending before this Congress, and have had it pending for the last 3 years, which would have accomplished just exactly that. But we cannot get a hearing on that legislation. We are not given an opportunity for open discussion on that kind of legislation, and we are throttled and hamstrung by rulings on the floor of the House that forbid us from bringing this to the attention of the country.

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

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

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

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

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

Mr. Chairman, I do not want my colleagues in the House to accept as the full and unmitigated truth the allegations of those who have recently spoken regarding their opportunity to be heard on the gold ownership proposition.

That amendment was offered in the committee. It was at that time permitted to be voted upon in the committee, and of the 37 on the committee there were only three votes for it.

I think that many of us would be willing to consider the merits of their proposal as separate legislation. It was our objection to the inclusion of that proposal in what was purely and distinctly a devaluation bill that led us to oppose their amendment in the committee and to object to its consideration here on the floor of the House.

The committee chairman indicated by the very fact that he permitted their amendment to be discussed in the committee that he is willing to consider legislation of this nature, and if such legislation is proposed properly, then I am sure that such an opportunity will be given to them.

But there is no reason to clutter up the discussion of this devaluation legislation

with gold ownership legislation. It is a separate issue, deserving separate relief, separate discussion, and certainly deserving a separate vote.

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

Mr. PATMAN. Mr. Chairman, the gentleman from Michigan (Mr. BROWN) has correctly stated the facts. We wanted everyone to have an opportunity in committee. Why sustain a point of order, even if the question was close? We did not know exactly what the amendment was; we wanted to find out. We would rather vote on it, and give the proponents an opportunity, and it was voted on. And as the gentleman from Michigan stated, out of the 37 members on the committee, only three voted in favor of the amendment. We felt that that was giving them a fair chance. The decision was a close one, and having had time to study the matter, I now feel the amendment was not germane, which is how the Chair rules.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. VANIK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 13120) to provide for a modification in the par value of the dollar, and for other purposes, pursuant to House Resolution 900, he reported the bill back to the House.

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

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

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

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

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

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

The SPEAKER. Evidently a quorum is not present.

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

The question was taken; and there were—yeas 343, nays 43, answered "present" 1, not voting 44, as follows:

[Roll No. 84]

YEAS—343

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| Abbt | Betts | Buchanan |
| Abourezk | Bevill | Burke, Fla. |
| Abzug | Blester | Burke, Mass. |
| Adams | Bingham | Burleson, Tex. |
| Addabbo | Blackburn | Burlison, Mo. |
| Anderson | Blanton | Byrne, Pa. |
| Calif. | Blatnik | Byrnes, Wis. |
| Anderson, Ill. | Boggs | Carey, N.Y. |
| Anderson, Tenn. | Boland | Carney |
| Andrews | Bolling | Carter |
| Archer | Bow | Casey, Tex. |
| Ashley | Brademas | Cederberg |
| Aspin | Brasco | Celler |
| Aspinall | Bray | Chamberlain |
| Badillo | Brooks | Chappell |
| Barrett | Broomfield | Chisholm |
| Bagch | Brotzman | Clancy |
| Bell | Brown, Mich. | Clark |
| Bennett | Brown, Ohio | Clausen |
| Bergland | Broyhill, N.C. | Don H. |
| | Broyhill, Va. | Clawson, Del. |

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| Cleveland | Hungate | Price, Ill. |
| Colmer | Hunt | Price, Tex. |
| Conable | Hutchinson | Purell |
| Conte | Jarman | Quile |
| Corman | Johnson, Calif. | Railsback |
| Cotter | Johnson, Pa. | Randall |
| Coughlin | Jonas | Reuss |
| Culver | Jones, Ala. | Rhodes |
| Curlin | Jones, N.C. | Roberts |
| Daniel, Va. | Karth | Robinson, Va. |
| Daniels, N.J. | Kastenmeier | Robinson, N.Y. |
| Danielson | Kazen | Rodino |
| Davis, Ga. | Keating | Roe |
| Davis, Wis. | Kee | Rogers |
| de la Garza | Keith | Rooney, N.Y. |
| Delaney | Kemp | Rooney, Pa. |
| Dellenback | Koch | Roush |
| Dellums | Kuykendall | Roy |
| Dennis | Kyl | Roybal |
| Dent | Kyros | Ruppe |
| Devine | Landrum | Ruth |
| Dickinson | Latta | Ryan |
| Dingell | Lent | St Germain |
| Donohue | Link | Sandman |
| Dorn | Lloyd | Sarbanes |
| Dow | Long, La. | Scheuer |
| Downing | Long, Md. | Schneebell |
| Drinan | Lujan | Schwengel |
| Dulski | McCloskey | Sebellus |
| Duncan | McClure | Seiberling |
| du Pont | McCollister | Shoup |
| Eckhardt | McCormack | Shriver |
| Edmondson | McCulloch | Sikes |
| Edwards, Ala. | McDade | Sisk |
| Edwards, Calif. | McDonald, | Skubitz |
| Ellberg | Mich. | Smith, Calif. |
| Erlenborn | McEwen | Smith, Calif. |
| Esch | McFall | Smith, N.Y. |
| Evans, Colo. | McKay | Snyder |
| Fascell | McKevitt | Spence |
| Findley | McKinney | Springer |
| Fish | McMillan | Staggers |
| Fisher | Macdonald, | Stanton, |
| Flood | Mass. | J. William |
| Flowers | Madden | Steele |
| Flynt | Mahon | Steiger, Ariz. |
| Foley | Mailiard | Steiger, Wis. |
| Ford, Gerald R. | Mallory | Stephens |
| Ford, | Mann | Stratton |
| William D. | Martin | Stuckey |
| Forsythe | Mathias, Calif. | Sullivan |
| Fountain | Mathis, Ga. | Symington |
| Fraser | Matsunaga | Talcott |
| Frelinghuysen | Mayne | Taylor |
| Frenzel | Mazzoli | Teague, Calif. |
| Frey | Meeds | Teague, Tex. |
| Fulton | Melcher | Thompson, N.J. |
| Fuqua | Miller, Calif. | Thompson, Wis. |
| Gallagher | Miller, Ohio | Thone |
| Garmatz | Mills, Ark. | Tiernan |
| Gettys | Mills, Md. | Udall |
| Gialmo | Minish | Ullman |
| Gibbons | Mink | Van Deerlin |
| Goldwater | Minshall | Vander Jagt |
| Goodling | Mitchell | Vanik |
| Grasso | Mizell | Veysey |
| Gray | Mollohan | Vigorito |
| Green, Oreg. | Monagan | Waggoner |
| Green, Pa. | Montgomery | Waldie |
| Griffin | Moorhead | Wampler |
| Grover | Morgan | Ware |
| Gubser | Morse | Whalen |
| Gude | Mosher | Whalley |
| Halpern | Moss | White |
| Hamilton | Murphy, N.Y. | Whitehurst |
| Hanley | Myers | Widnall |
| Hanna | Natcher | Wiggins |
| Hansen, Idaho | Nedzi | Williams |
| Hansen, Wash. | Nelsen | Wilson, Bob |
| Harrington | O'Neill | Wilson, |
| Harsha | Passman | Charles H. |
| Harvey | Patman | Winn |
| Hastings | Patten | Wolf |
| Hathaway | Pelly | Wright |
| Hechler, W. Va. | Pepper | Wyatt |
| Heckler, Mass. | Perkins | Wydler |
| Heinz | Pettis | Wyllie |
| Helstoski | Peyser | Wyman |
| Henderson | Pickle | Yatron |
| Hicks, Mass. | Pike | Young, Fla. |
| Hill | Pirnie | Young, Tex. |
| Hogan | Poage | Zablocki |
| Hollifield | Podell | Zion |
| Horton | Poff | Zwack |
| Hosmer | Powell | |
| Howard | Preyer, N.C. | |

NAYS—43

| | | |
|-----------|-------------|--------------|
| Abernethy | Caffery | Gross |
| Alexander | Camp | Hagan |
| Ashbrook | Collier | Haley |
| Baker | Crane | Hall |
| Blaggi | Davis, S.C. | Hammer- |
| Brinkley | Denholm | schmidt |
| Byron | Gonzalez | Hays |
| Cabell | Griffiths | Hicks, Wash. |

| | | |
|--------------|-------------|---------------|
| Ichord | Quillen | Scherie |
| Jones, Tenn. | Rarick | Schmitz |
| Landgrebe | Roncalio | Scott |
| Lennon | Rousselot | Terry |
| McClory | Runnels | Thompson, Ga. |
| Nichols | Satterfield | Whitten |
| O'Konski | Saylor | |

ANSWERED "PRESENT"—1

Collins, Tex.

NOT VOTING—44

| | | |
|---------------|--------------|--------------|
| Annunzio | Galifianakis | O'Hara |
| Arends | Gaydos | Pryor, Ark. |
| Baring | Hawkins | Pucinski |
| Belcher | Hébert | Rangel |
| Burton | Hull | Rees |
| Clay | Jacobs | Reid |
| Collins, Ill. | King | Riegle |
| Conyers | Kluczynski | Rosenthal |
| Derwinski | Leggett | Rostenkowski |
| Diggs | Metcalfe | Shipley |
| Dowdy | Michel | Stanton |
| Dwyer | Mikva | James V. |
| Edwards, La. | Murphy, Ill. | Stokes |
| Eshleman | Nix | Stubblefield |
| Evins, Tenn. | Obey | Yates |

So the bill was passed.

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Arends.
Mr. Rostenkowski with Mr. Riegle.
Mr. Burton with Mr. Clay.
Mr. Stubblefield with Mr. Belcher.
Mr. Hébert with Mr. King.
Mr. Shipley with Mr. Derwinski.
Mr. Kluczynski with Mr. Eshleman.
Mr. Evins of Tennessee with Mrs. Dwyer.
Mr. Rooney of New York with Mr. Galifianakis.

Mr. O'Hara with Mr. Reid.
Mr. Murphy of Illinois with Mr. Michel.
Mr. Mikva with Mr. Stokes.
Mr. James V. Stanton with Mr. Jacobs.
Mr. Hull with Mr. Baring.
Mr. Rosenthal with Mr. Conyers.
Mr. Rees with Mr. Rangel.
Mr. Nix with Mr. Dowdy.
Mr. Diggs with Mr. Pucinski.
Mr. Gaydos with Mr. Collins of Illinois.
Mr. Yates with Mr. Hawkins.
Mr. Leggett with Mr. Metcalfe.

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

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 900, the Committee on Banking and Currency is discharged from the further consideration of the bill S. 3160.

The Clerk read the title of the Senate bill.

The Clerk read the Senate bill, as follows:

S. 3160

An act to provide for a modification in the par value of the dollar, and for other purposes

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

SECTION 1. This Act may be cited as the "Par Value Modification Act".

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to take the steps necessary to establish a new par value of the dollar of \$1 equals one thirty-eighth of a fine troy ounce of gold. When established such par value shall be the legal standard for defining the relationship of the dollar to gold for the purpose of issuing gold certificates pursuant to section 14(c) of the Gold Reserve Act of 1934 (31 U.S.C. 405b).

SEC. 3. The Secretary of the Treasury is authorized and directed to maintain the value in term of gold of the holdings of United States dollars of the International

Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the International Development Association, and the Asian Development Bank to the extent provided in the articles of agreement of such institutions. There is hereby authorized to be appropriated, to remain available until expended, such amounts as may be necessary to provide for such maintenance of value.

SEC. 4. The increase in the value of the gold held by the United States (including the gold held as security for gold certificates) resulting from the change in the par value of the dollar authorized by section 2 of this Act shall be covered into the Treasury as a miscellaneous receipt.

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

A similar House bill (H.R. 13120) was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, and to include extraneous material.

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

There was no objection.

SOCIAL SECURITY BENEFITS

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

Mr. HANNA. Mr. Speaker, just recently our colleague Chairman MILLS, of the Ways and Means Committee, sponsored legislation to increase social security benefits by 20 percent. While this is commendable, and with all due respect, I do not feel that it does enough for our oft forgotten and too frequently neglected senior citizens. We need, I believe, a broader approach, one which both recognizes the unique status of our elderly in our society and will provide for a utilization of some equally unique talents and abilities presently untapped.

I am, therefore, proposing that the Congress consider two actions in addition to the good chairman's suggestion: An immediate increase to \$4,000 the limit on extra earnings and a lowering to age 70 the time at which such a limit would be removed. While I am aware that the major social security amendments have already been acted on by the Ways and Means Committee and the House, I am hopeful Chairman MILLS will be making an effort to have his proposal acted on this year and that the bill I am introducing today will be considered at that time.

Many concerned with this country's critical unemployment will argue against my proposals, viewing such an increase in the extra earnings limitation as placing more pressures on the employment market. For two major reasons, I see no merit in such an argument, the most obvious being that this segment of our society is not large enough that those who would seek to avail themselves of this in-

crease would add measurably to the labor supply. Second, I believe that the great majority of those who would become active would be providing skills and services which have always and will continue to be in strong demand, skills which, in fact by my own experience, are not readily available in today's labor market.

I have, to this point, been speaking mainly to the benefits we as consumers of services would receive by my amendment. Far more important, to my mind, is the very real and immediate benefits to be realized by those affected by this proposal. Our past efforts in this field have fallen far behind the realities of today's living standards and costs which confront those living on fixed retirement incomes. My proposal will permit these people to help themselves better their position, will permit them a competitive position and role in life. We must do more—and this is, at least, a step in that direction.

SOCIAL INSECURITY

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

Mr. ROUSH. Mr. Speaker, age has always had poets to sing its praises, to applaud the virtues associated with maturity of years. A hundred years ago Robert Browning described growing old as "the best yet to be" and the time of life for which the rest was a preparation.

It is a good thing that his poem was devised in the 19th century and in a nation other than our own, for the fact is that we have not as a nation accorded to our senior citizens the recognition they deserve or the opportunity they merit to enjoy their later years as the best years of their lives.

Mr. Speaker, I rise today to speak for this group of citizens whose needs are little recognized and inadequately met. Yet our retired citizens have devoted many years to developing this Nation; they have supported this country in several major wars; they have suffered through a serious depression. Now when they are retired they find themselves impoverished, their self-reliance destroyed by rising prices, fixed social security benefits, and unrealistic real estate taxes.

Our revered elder citizens are required to beg from their children, unless, as is frequently the case, they are too proud to resort to begging. If that is the case they may be forced out of the homes they have spent years paying for simply because property taxes have no respect for age and these taxes increase faster than social security benefits.

We are asking our senior citizens today to subsist on pension benefits which are below what the Government has announced as a poverty level. Senior Americans, not just the people in India or Southeast Asia or Latin America, suffer malnutrition because they cannot pay the price for nutritious food. They may often feel unwanted, unappreciated, denied the respect and dignity merited by their contribution to society over the years.

What are we to do about this? Many

things are necessary. The House has passed a bill in H.R. 1 which would somewhat improve their condition, but it is not enough. Fortunately the chairman of the House Ways and Means Committee, Mr. WILBUR MILLS, has realized this and has introduced a bill to grant social security-beneficiaries a 20-percent across-the-board benefit increase effective for June of this year. I offer my enthusiastic support for this increase which, along with H.R. 1, would increase the average benefits of retired workers from \$133 to \$162 a month; those of aged widows from \$114 to \$153, and aged couples from \$222 to \$269.

It is my hope that the Senate, which is still considering social security legislation, will reflect upon the conditions confronting our senior citizens and will embody this 20-percent increase in any social security legislation they pass.

I am ashamed of our record of neglect for older Americans. It is time we amend that record now.

DISTRICT OF COLUMBIA INSTITUTING "OPERATION ID"

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

Mr. DANIELSON. Mr. Speaker, I was pleased to read in the Washington Daily News of Tuesday, March 14, that the District of Columbia is instituting Operation ID, a program to help police combat burglary by making stolen property easy to identify. Above the caption was a picture of District Police Chief Jerry Wilson showing how people should etch their social security numbers onto valuables with electric pens. Ralph Hubert, president of the Associated Builders and Contractors, sat by with a look of approval. The newsstory credited him with having "dreamed up Operation ID."

As I say, I was very pleased to hear that this project is being started here in Washington, and I believe that it will be instrumental in recovering stolen goods if people will cooperate and give their support to the programs. I am confident in regard to the potential of this program because as I reported nearly a year ago, on May 4, 1971, at page 13381 in the CONGRESSIONAL RECORD, the city of Monterey Park, Calif., originated Project Operation Identification several years ago and has found it valuable both in deterring crime and in assisting law-enforcement officers after items have been stolen.

At that time I included in my remarks an article which had been published in the Washington Post on April 25, 1971, written by Jack Harrison Pollack. His article was entitled: "Could a California Program Help Reduce D.C. Burglaries" and told in some detail of the development of this program in Monterey Park by Police Chief Everett F. Holladay, and of the adoption of the project by more than 30 other communities in southern California. In addition, this splendid crime prevention program, which was conceived and implemented in Monterey Park, Calif., became the subject of a feature article in the FBI Law Enforcement Bulletin, published many

months ago. It appears that we may, in the near future, begin to answer reporter Pollack's question with the initiation of Operation ID last week here in Washington.

I cannot resist one further comparison: the Daily News item indicates there are plans to ask Congress for funds to buy and distribute inscribing pens. I would like to mention, as I did last May, that the cost of the project in Monterey Park was underwritten by a local civic organization, the Exchange Club. The expenditure over the first few years of operation was only about \$300 and the civic-minded response of this group of business and professional men has worked very well for the protection of a whole community. I would suggest that instead of asking the taxpayers, through the Congress, to pick up this small cost, perhaps among the sponsors or other interested business leaders some might be found who would make such a civic contribution to this worthwhile effort right here in Washington.

TWELFTH LARGEST U.S. CORPORATION PAID NO FEDERAL TAXES IN 1971

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

Mr. VANIK. Mr. Speaker, in reviewing the 1971 annual report of the United States Steel Corp., I was shocked to learn that this corporation—the largest dollar value steel manufacturing company in the world—carried on a total business of almost \$5 billion, had a net income of \$154,515,754, and paid absolutely not one penny of Federal income tax in 1971.

United States Steel is an example of a corporation engaged in operations which contribute substantially to the pollution problems of America and in the course of its business activities, demands considerable Federal support in a variety of programs. Yet, United States Steel makes absolutely no contribution to the Federal Treasury. If an operation of this dimension pays no Federal taxes—pray tell, who should?

There are no alibis, there are no justifications for us to suffer the continuance of laws and administrative policy which permit United States Steel and others to throw the Federal tax burden on the individual taxpayers of America. Following is the full statement of United States Steel Corp's. explanation of its "no tax" status, as explained on page 26 of its 1971 report:

No provision for taxes on income is required for 1971 due principally to statutory deductions associated with mineral production and investment credits and since deferred taxes provided in prior years on foreign subsidiary earnings exceeded the taxes on such earnings repatriated in December 1971 because of credits for foreign taxes paid. Estimated United States and foreign taxes on income payable for the year 1971 of \$57.9 million are offset by deferred tax credits of a like amount.

The investment credits for 1971 and amortization of the pre-1968 investment credits, which are reflected in deferred taxes reduced the provision by \$23.5 million. In addition, the net effect of all timing differences served

to reduce the provision for income taxes by \$34.4 million. Such timing differences represent taxes applicable to items reported for tax purposes in a period different from the period in which they are included in the determination of net income for financial accounting purposes. Amounts charged for wear and exhaustion of facilities and amounts of earnings of certain foreign subsidiaries are typical examples of such reporting differences.

The provision for estimated taxes on income in 1970 reflects tax deductions associated with mineral production payments completed in that year and investment credits of \$31.1 million.

I have just examined the 1971 annual report of Westvaco, a timber and paper corporation which reports a \$4,016,000 net income but paid no income taxes in 1971 and received a tax refund of \$7,695,000.

Today I requested the Joint Economic Committee to determine how many of the 500 largest corporations of America paid no income taxes last year because of the Revenue Act of 1971, the administration's accelerated depreciation range and the galaxy of recent tax rulings flowing out of the Treasury Department. I have also requested a tabulation of 1971 tax refunds on these corporations.

Through these new devices, corporate taxation is rapidly vanishing as they become freeloaders on the American scene.

I feel very sorry for the average taxpayer of America who earns \$10,000 per year, has three dependents, and pays a heavy share of the tax load of this country. The cruelty of our tax system is the shame of America. The comprehensive reform of this tax system must be our first legislative priority.

FUTURE OF TRANSPORTATION VITAL TO URBAN-RURAL PROBLEM SOLUTION

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

Mr. EVANS of Colorado. Mr. Speaker, today I am introducing a bill which calls for a major, new, and total approach to research, development, and operation of transportation in the United States. It has become increasingly obvious our transportation problems are growing apace with the population and changes in our style of living and doing business.

Somehow a concept has developed that national transportation problems are involved only with the mechanical means of getting an individual and his goods from one major city to another from coast to coast and that the national scope of these problems stop at the limits of the standard metropolitan statistical areas.

I believe nothing could be further from the fact. According to the Bureau of the Census, 31.4 percent of our people live outside the SMSA's.

During preparation of this bill, I sent out more than 50 preliminary drafts to various companies, associations, State offices, and individuals directly involved with one phase of transportation or another. Many had suggestions, some of

which I was able to incorporate in the bill to make it more workable and even to expand it in scope. None indicated they felt the goals of this bill to be faulty.

I would like to quote from a 1971 research study prepared jointly by Colorado State University and the American Society of Civil Engineers and sponsored by the National Science Foundation.

Past studies of transportation have emphasized a search for practical changes in individual modes or combinations of modes. Such an approach is desirable and necessary to achieve continued efficiency and to develop the responsiveness of the several modes. But new concepts for transportation must be developed—concepts that will produce transportation systems that meet the unique desires and goals of people and programs. These concepts should include the use of quality of service to specify changes that will produce specific improvements in the quality of life rather than specifying modes or hardware systems.

The development of policy goals of this type is quite different from the conventional technique that requires more (or less) highways, faster (or more) trains, quieter (or larger) aircraft, more extensive and less costly public transit systems. The primary advantage to focusing on social or economic goals is that the real issues are faced directly rather than indirectly. Furthermore, transportation becomes much more obviously a means to some end rather than an end in itself; i.e., a better public transit system is needed only if a specific social or economic goal is achieved.

Most of our major cities of today and a very substantial number of the smaller communities were established as a result of transportation shortcomings, or capabilities, depending on how you look at it.

Usually cities were started at the ready source of fresh water which could not be transported in quantities. Some cities began at resting places before a perilous and exhausting journey over mountains or deserts. Sometimes cities began at railheads or at central points where food and other commodities could be gathered for shipment to mass markets.

Along the coastal areas, cities grew up where port facilities could be developed and some, in the mountains, sprang up where trails crossed or wagon roads could be built.

I believe transportation has historically determined where our population was to be located and there is no reason why, if properly and broadly assisted and used, transportation cannot today and tomorrow be utilized to solve many of the population and economic problems confronting us.

We do have staggering population problems because, once started we permitted, even encouraged centralization of people. There are few cities which have not mounted major efforts to attract more people and business, believing that the more they have, the better their city would be, at least in comparison with others.

Today the most successful of these cities, in the race for size, are reaping bitter rewards in unanswerable poverty, water, sewage, crime, and transportation problems. However, most of these cities, even today, continue seeking to grow even larger although they are unable to solve their present population-related problems.

To quote Lyle C. Fitch, president of the Institute of Public Administration, New York, from his article in "The Future of American Transportation" a book published in 1971:

Large new urban mass transit systems now under construction, or on the drawing boards, have the specific design objective of preserving and expanding the role of already existing large central cities in metropolitan regions. Thus the San Francisco Bay Area's rapid transit (BART) system, which will begin operating in 1972, represents an attempt to obtain as much regional growth as possible for the central city. This objective of San Francisco's businessmen was not supported by their counterparts in San Mateo County to the south, who had aspirations of capturing for their own area the development which, given the transit system, might locate in the central city. On the other hand, communities on the east side of the Bay, in Contra Costa and Alameda Counties, opted for the system in expectation that it would promote their own area development.

Since decision was taken, a number of construction projects, mainly office buildings, have gone forward in San Francisco, transforming the famed skyline. We do not know how much of this development would have been initiated in the absence of the decision to build the rail system, but even assuming that BART did promote the new skyline, we still have no basis for judging whether the region will be a better place than it would have been if some of the employment centers had located elsewhere. The office-building boom may be choked off by rising protests from those who believe that the skyscrapers are desecrating the San Francisco urban landscape and overcongesting the downtown area. The power of such a movement should not be taken lightly in a city which forced the abandonment of freeway construction, leaving several freeway extensions virtually hanging in mid-air, because of the aesthetic damage that (it was felt) freeways were doing to the city.

Unfortunately, too many city, county, State, and Federal planners still believe we should continue a massive development of transportation only within or directed to the big cities, and that all people wish to live there, work there, or can be directed to so wish. It is this fallacy in thinking that has led to the decline of true national transportation; that has seen transportation dwindle and disappear from areas outside the large cities, and that has contributed heavily to the decline of living in the big city itself.

Our greatest national transportation problem is, in fact, to make it possible for people to live, do business, work and find recreation where they want to under reasonable circumstances. In this era of possible 300- to 350-miles-per-hour transportation on the ground and thousands of miles per hour in space, we continue trying to jam people into our big cities.

Individuals by the millions have recognized and taken advantage of the advances in speed for the automobile. Few of these vehicles today are designed or constructed for the rural dweller. They are built for the high speeds and smooth riding of the major highways and city streets. The people who own these have moved to the suburbs to escape the problem, the way of life and the cost of big city life, only to have the city move out and engulf them within a few years, even months. Why? Because they moved out

only 10 or 15 miles. They could not go too far from their place of employment.

It might also be pointed out that less fortunate people from rural areas were moving into the cities and the less fortunate who could not move were trapped. The tax load grew greater in the city while the tax base dwindled. What we consider ghettos expanded and services declined. The inner city in almost all instances began to rot. The exodus quickened and the engulfment of former suburbs hastened apace.

Where did the people come from who were moving into the city while others fled?

The concentration of our manufacturing in the city, as a result primarily of transportation availability, and the almost total concentration of our economy and government on the problems of city life, resulted in a critical decay of rural life and economy.

Modernization of farming techniques resulted in a glutting of markets and reduction in farm employment. Factories were located in the big cities where giant labor pools were developing and where transportation was available for the mass markets. The farm economy, dwindling, was unable to sustain any but the smaller rural community. People departed, migrating to cities where factories employed thousands and where, at worst, welfare help was greater.

The results: The small cities began dying for lack of people and business while the larger cities were dying because they had too many people to be properly serviced.

How can we turn all this around? How do we subtract from the masses of people that choke the cities and require services they cannot pay for and that the cities cannot deliver?

We do this by leaping hundreds of miles from the big cities with our new developments, our factories and by expanding transportation capabilities into rural areas to handle this, or more properly, to induce it. We do all this by recognizing that today we can, with high-speed transportation, deliver people and goods to and from places of employment far removed from big cities. We can do this by no longer emphasizing development and construction of transportation aimed at getting people into the big city and from place to place within the big city. I by no means advocate cutting off assistance to big cities. Nor do I advocate simply making a few rural cities or areas larger in population. Rather, I propose that we encourage doing business and living over wide areas of this Nation by conscious transportation policies rather than simply patching up the system we have in large metropolitan areas that now exist.

A factory today is financially penalized when it operates in a rural area and must transport its finished products long distances, at high costs, on limited transportation means to reach mass markets. There are relatively few transportation systems available on a timely basis to rural America today.

We must change this. We must make it possible for the lower rural taxes, combined with timely transportation to market at reasonable rates to make it eco-

nominically feasible to locate business, not a few miles out, but hundreds of miles away from big cities. If rural areas cannot initially supply labor, I am sure that labor will move, or travel there at timely speeds from their homes near the big city.

This can all be done. I recognize that to some, the philosophy of making the large smaller and the small larger, may even seem heretical. The goal is essential and I believe the time has come when this approach must be recognized. I hope the time is not too late.

It is a start toward this goal that I believe can be made with the very broad transportation bill I have introduced.

To quote again from the study recently completed by CSU and the American Society of Civil Engineers:

Historical records reveal strong indications that the economic advance of a society is dominated or controlled by its transport system. The same records will indicate the strong influence of transportation on society's way of life, apart from the economic effects. There is no reason to believe the importance of transport on the social and economic well-being of society will not continue in the future. Therefore, how transport evolves will dramatically influence the character of tomorrow's society.

This bill provides specific means for compiling and using comprehensive information not now available on transportation. It provides for extensive input and self determination of needs and priorities at the State level. Finally, it provides equality of consideration and concern for all modes of transportation without subtracting from any existing programs.

I believe this to be a most comprehensive and fair treatment of our transportation modes and problems, and while I recognize the concept and approach is sizable and new, I introduce it in the hope it will be of value in the arrival at solutions we must have soon.

The text of the bill follows:

H.R. 13967

A bill to establish and implement a national transportation policy for the next 50 years, and for other purposes

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 "National Transportation Act of 1972".

TITLE I—NATIONAL TRANSPORTATION POLICY AND PLAN

NATIONAL TRANSPORTATION POLICY

SEC. 101. It is the policy of the United States to provide for coordinated research, planning, and development of a national transportation system within and between the States and at the Federal level which will meet the Nation's needs, both current and for the future, for the safe and timely transportation of people and goods. Such a transportation system shall be planned and developed so as to ensure that the growth patterns of the population, including the sites of its housing, employment, government, and recreation, are orderly and thereby assist in the solution, with the highest degree of public safety, of economic problems in rural areas and of overcrowding in urban areas. The transportation system shall also be compatible with the national goals of promoting social values and restoring and maintaining environmental quality and ecological values, and shall encourage, to the extent possible, a diversified approach to the solu-

tion of local, State, national, and international transportation problems.

NATIONAL TRANSPORTATION MASTER PLAN

SEC. 102. (a) For purposes of carrying out the national transportation policy set forth in section 101, the Secretary of Transportation (hereinafter in this Act referred to as the "Secretary"), within two years after the date of the enactment of this Act, shall develop a National Transportation Master Plan (hereinafter in this Act referred to as the "National Plan"), which shall set forth national transportation goals and means for their implementation for the 50 years following the day on which the National Plan takes effect, and which shall include specific goals and implementation to be achieved by the end of each 5-year period within such 50 years. The National Plan shall apply to all known transportation modes, including sub-surface, surface, air, space, and water, and may be amended, in accordance with the provisions of section 104, at any time the Secretary deems advisable, in order to take into account advances in technology, and changes in national needs. In developing the National Plan, the Secretary shall consult State and local governments and appropriate Federal agencies, and authorities on the solution of transportation problems in other nations, and may consult such other sources and make such studies as he considers to be pertinent to such plan.

(b) In developing the National Plan, the Secretary shall utilize—

- (1) United States population growth projections,
 - (2) studies of the scope of current and projected transportation problems which are nationwide in impact, and
 - (3) studies of the impact which the utilization of any one existing mode of transportation has upon the presence of or alleviation of congestion in the transportation of persons and goods.
- (c) The National Plan shall include, but not be limited to, the following means of implementation of national transportation goals:

- (1) research and development to improve existing modes of transportation and the operating procedures thereof,
- (2) research and development, and construction, to provide new modes of transportation,
- (3) the establishment of new cities and the revitalization of existing rural communities in order to relieve the overcrowding of population in existing standard metropolitan statistical areas, and
- (4) the establishment of an appropriate transportation balance of transportation systems and their schedules through the development of intermodal transportation points.

REVIEW OF NATIONAL PLAN BY CONGRESS

SEC. 103. (a) The Secretary, within 2 years after the date of the enactment of this Act, shall transmit the National Plan to Congress, together with a comprehensive explanation thereof. The Secretary shall have the National Plan delivered to both Houses on the same day and to each House while it is in session. Except as otherwise provided under subsection (b), the National Plan shall take effect on the first day after the close of the first period of 90 calendar days of continuous session of Congress after the date on which the National Plan is transmitted to it.

(b) If, between the date of transmittal to Congress of the National Plan and the end of the 90-day period, an Act is enacted amending such plan, the National Plan shall be effective, as amended thereby, on the date of the enactment of such Act.

SUBSEQUENT AMENDMENT OF NATIONAL PLAN

SEC. 104. At any time after the National Plan takes effect as determined under section 103, the Secretary may propose amendments

to the National Plan. Such amendments shall be effective after transmittal to Congress and approval by such committees of the House and Senate as are determined to be appropriate under the rules of each House. The Secretary shall have any such amendment to the National Plan delivered to both Houses on the same day and to each House while it is in session. For the purpose of this section, approval shall be deemed to have been given by a committee at the end of the first period of 30 calendar days of continuous session of Congress after the date on which any such amendment is transmitted to it, if such committee has not disapproved of the amendment within such period.

COMPUTATION OF CONTINUOUS SESSION

SEC. 105. For purposes of sections 103 and 104 of this Act—

- (1) continuity of session is broken only by an adjournment of Congress sine die; and
- (2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the 90-day period or the 30-day period, as the case may be.

TITLE II—STATE TRANSPORTATION PLANS AND PROJECTS

PURPOSES

SEC. 201. The purposes of this title are to provide aid to the States to enable them to undertake, in conformity with the national transportation policy set forth in section 101, such surveys, demonstration projects, planning and development programs, acquisition, construction, improvement, and operation of facilities as are necessary to meet their transportation needs for the next 50 years, and to enable the States to make such recommendations regarding the operation of existing transportation systems and to provide such assistance by loan to existing transportation systems as will improve transportation capabilities within and between such States.

STATE TRANSPORTATION BOARD

SEC. 202. (a) Any State desiring to avail itself of the provisions of this title shall have a State transportation board, which shall have such powers, and be equipped and organized in such a manner, as the Secretary shall determine to be satisfactory in order for such board to discharge the duties required of it by this title, and shall notify the Secretary of the existence or establishment of such board.

(b) Any State desiring to avail itself of the provisions of this title—

(1) may appoint an executive director, who shall be responsible for the day-to-day management of the operations conducted by the State transportation board, and who shall receive compensation at a rate not to exceed the maximum rate for GS-16 of the General Schedule under section 5332 of title 5, United States Code,

(2) shall compensate the members of the State transportation board at a rate not to exceed the maximum rate for GS-18 of such General Schedule, and

(3) may employ, in addition to an executive director, such technical, clerical, or other personnel, on a regular, part-time, or consulting basis, and at such rates of compensation, at it may deem necessary for the discharge of the functions of the State transportation board, with the approval of the Secretary.

PERSONAL FINANCIAL INTERESTS

SEC. 203. Any State transportation board desiring to avail itself of the provisions of this title shall establish rules which the Secretary determines to be adequate to insure that any member or employee of such board shall not receive compensation for services he performs, for which funds are provided under this title, from sources other than his employer, and shall not otherwise maintain any private interest in conflict with his public responsibility.

STATE TRANSPORTATION MASTER PLAN

SEC. 204. (a) Any State transportation board desiring to avail itself of the provisions of this title shall establish, within 2 years after the date of the enactment of this Act (or at such other time as the Secretary may permit), a State Transportation Master Plan (hereinafter in this Act referred to as a "State Plan"), which shall set forth such State's needs, goals, and priorities, and means for implementation, for the transportation of people and goods, for the 50 years following the day on which the National Plan takes effect. A State Plan established under this section shall be reviewed every two years and brought up to date in such manner as the Secretary shall require.

(b) A State Plan shall apply to all known transportation modes, and to all geographical areas within the State. In developing a State Plan, a State transportation board shall study—

(1) existing State transportation systems of all modes, their interrelationships, benefits, and deficiencies,

(2) population patterns in the State and projections thereof,

(3) patterns of commercial development in the State and projections thereof,

(4) land use patterns in the State, and natural resources and environmental qualities in the State in need of protection,

(5) the extent of and need for coordinated transportation systems and planning with other States,

(6) the need for the development, construction and operation of new systems of transportation, including new modes thereof, and

(7) the development of an appropriate transportation balance of transportation systems and their schedules by the use of intermodal transportation points.

(c) A State department of transportation may apply to the Secretary, for a period of one year at a time, for a grant of funds for total administrative costs incurred in the development of its State Plan, in the proportion and under the conditions provided in section 210(c).

REVIEW OF STATE TRANSPORTATION MASTER PLAN BY THE SECRETARY

SEC. 205. (a) Any State transportation board desiring to avail itself of the provisions of this Act shall submit, within 2 years after the date of the enactment of this Act (or at such other time as the Secretary may permit), its State Plan to the Secretary for his approval. Such approval shall be given if the Secretary determines that the State Plan is not inconsistent with the national transportation policy set forth in section 101, nor with the National Plan, and that the State Plan was developed in accordance with the provisions of subsections (a) and (b) of section 204.

(b) The Secretary shall assist the States in coordinating any State Plan with the National Plan. Copies of the National Plan, and such changes to it as may be necessary to provide complete information as to national transportation goals and policies, shall be made readily available to State transportation boards.

(c) The Secretary shall cause conferences to be held with State transportation board members and employees, on a quarterly basis during the first 2 years following the date of the enactment of this Act, and annually thereafter, for the purpose of fully informing the State transportation boards of the National Plan and the State Plans, and of achieving full coordination of activities undertaken pursuant to this Act.

FEDERAL FUNDING OF STATE TRANSPORTATION PROJECTS

SEC. 206. (a) After the Secretary has approved its State Plan, a State transportation board may submit to the Secretary for his approval plans for proposed transporta-

tion projects, including preliminary engineering studies and such other material and information as the Secretary may require. The Secretary shall act upon such proposed projects as soon as practicable after their submission. After a specific project has been approved, the Secretary shall enter into a formal agreement with the State transportation board for the payment of funds, in the proportion provided in section 210(a), to carry out the project. Such agreement shall make provision for State funds required for the State's proportionate share of the cost of such project as provided in section 210(d). After approval of a project, the Secretary shall also initiate such research as is necessary for the development of such project.

(b) No project of a State shall be approved for payment of funds unless the Secretary determines that such project is compatible with the State Plan, is not inconsistent with the national transportation policy set forth in section 101, and is not inconsistent with the National Plan.

(c) No project shall be approved for payment of funds unless it meets criteria which the Secretary shall establish, which shall be based on (but not limited to) one or more of the following transportation goals:

(1) redirection of population away from standard metropolitan statistical areas of high density,

(2) safety in operation,

(3) maintenance of high environmental quality and protection of natural resources,

(4) efficiency in moving people and things in a timely manner,

(5) satisfaction of future as well as present transportation needs,

(6) practicality of the project as a means of attaining the stated objectives of the State Plan,

(7) compatibility with existing and planned transportation systems,

(8) provision for the relief of transportation emergencies, and

(9) economic feasibility of the project, either immediate or future, as a means of attaining the economic purposes of the national transportation policy set forth in section 101.

PROJECTS INVOLVING OPERATION

SEC. 207. No transportation systems or modes developed and constructed under this title shall be operated by a State, or leased or sold for operation, and no assistance loan to any existing transportation system for operation shall be made under this title, unless the Secretary determines that the terms of such operation, lease, sale, or loan provide that—

(1) any profits of such operation, lease, sale, or loan shall be returned to the State and the United States Treasury in the same proportion as the amount invested in the project by the State and the Federal Government, respectively,

(2) in the case of a lease for operation, the lessee shall be required to pay annually an amount not less than 2 percent of the total project cost,

(3) in the case of a sale or assistance loan for operation, payment by the purchaser or borrower shall be made over any period up to 50 years, together with interest at the rate of not less than 2 percent annually on the unpaid balance,

(4) all lessees, purchasers, and borrowers shall maintain an adequate state of repair for safe and efficient operation of such systems or modes of transportation, and

(5) such other requirements as the Secretary may determine to be necessary to protect and maintain the public investment have been met.

In the case of a default in payment, the Secretary shall take such steps as he considers necessary to redeem and protect the public investment and, if the Secretary de-

termines it to be feasible in carrying out the national transportation policy set forth in section 101, such steps as he may deem necessary to maintain the capacity for operation of the transportation systems or modes involved.

CONFORMITY WITH COMMON CARRIER REGULATION

SEC. 208. All transportation systems or modes developed and constructed under this title shall be operated in conformity with the laws and regulations of the State and of the Federal Government which pertain to transportation by common carrier.

REPORTS TO THE SECRETARY AND ACCOUNTING PROCEDURES

SEC. 209. In approving projects for payment of funds, the Secretary shall require that any State transportation board make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports, provide for such fiscal control and fund accounting procedures as the Secretary may find necessary to assure proper disbursement of and accounting for funds paid to a State transportation board under this title, and provide for such other supervision as the Secretary considers necessary to carry out the purposes of this title.

PROPORTIONAL CONTRIBUTION OF THE FEDERAL GOVERNMENT

SEC. 210. (a) The Secretary may make grants (or in the case of a transportation emergency may grant or lend), from the sums appropriated for purposes of this title, to a State transportation board funds to assist in financing the total costs of transportation projects approved by the Secretary as provided in this title, in the following proportions:

(1) 90 percent of such total costs of any project which is part of an intrastate or interstate transportation system, or which is part of the development of an intermodal transportation point, whether or not such point is part of a standard metropolitan statistical area transportation system.

(2) 70 percent of such total costs of any project which is part of a standard metropolitan statistical area transportation system only.

Notwithstanding the above proportions, no more than 60 percent of the total funds appropriated to any one State under section 211 for a given fiscal year may be allocated by the Secretary to any single project within such State during such fiscal year.

(b) The Secretary shall pay the proportional contribution of the Federal Government to the total cost of an approved project in such increments, based on the time estimated for completion of the project, as he considers to be appropriate.

(c) The Secretary may pay, under such conditions as he considers to be appropriate, from the sums appropriated for purposes of this title, to a State transportation board, funds to assist in financing the administrative costs of such board incurred in—

(1) the development of its State plan, or

(2) in carrying out projects approved by the Secretary as provided in this title,

in an amount no greater than 90 percent of the total administrative costs therefor.

(d) No funds shall be paid by the Secretary under this section unless the State provides the portion of the total project or administrative costs indicated in its application for such funds which remains after the application of the appropriate proportional contribution of the Federal Government.

APPORTIONMENT AMONG THE STATES

SEC. 211. (a) Sums appropriated by the Congress for expenditure by the Secretary

under this title in any fiscal year shall be apportioned among the several States in the following manner:

(1) 50 percent in the ratio which the population of each participating State bears to the total population of all the States as shown by the latest available Federal census, and

(2) 30 percent in the ratio which the area of each participating State bears to the total area of all the States.

Of such sums appropriated, 6 percent may be used by the Secretary as he deems appropriate for the relief of transportation emergencies, and 14 percent may be used by him as he deems appropriate to administer the provisions of this Act, and to carry out transportation research not directly connected to specific State projects.

(b) Funds apportioned to participating States under this section, but not paid or contracted to be paid to a State transportation board under the provisions of this Act in any fiscal year may be added to the funds apportioned to all the States in the following fiscal year, on the basis of the formula provided in this section.

NON-ELIGIBILITY FOR FEDERAL FUNDS

SEC. 212. The Secretary may make grants or loans under this title only for State transportation projects (including projects for the relief of transportation emergencies) or portions of such projects which he has determined are not eligible for the receipt of Federal grants, or for the receipt of Federal loans, as the case may be, for transportation projects under any other provision of Federal law existing at the date of the enactment of this Act.

TITLE III—NATIONAL TRANSPORTATION COUNCIL AND DATA BANK

ESTABLISHMENT OF NATIONAL TRANSPORTATION POLICY COUNCIL

SEC. 301. (a) There is established in the Department the National Transportation Policy Council (hereinafter in this title referred to as the "Policy Council"), which shall consist of the Secretary, who shall be the chairman thereof, and the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, the Chairman of the Civil Aeronautics Board, the Administrator of the Environmental Protection Agency, the Chairman of the Federal Maritime Commission, the Chairman of the Interstate Commerce Commission, and the Administrator of the National Aeronautics and Space Administration.

(b) The Policy Council shall establish such specific and regular times for meeting as the Policy Council considers appropriate, and shall coordinate such of the activities of the several departments and agencies which are headed by its members as pertain to the purposes and goals of this Act. The coordination of such activities shall include the development of specific agreements for cooperation among the members of the Policy Council in pursuit of the purposes and goals of this Act.

(c) The members of the Policy Council shall provide the Chairman thereof with such assistance, information, research findings, and other data and materials as are essential to attaining the purposes and goals of this Act.

(d) The Policy Council shall make recommendations from time to time to the Congress for such legislation as the Policy Council considers essential to the attainment of the purposes and goals of this Act.

NATIONAL TRANSPORTATION AND DEVELOPMENT DATA BANK

SEC. 302. (a) The Secretary, in cooperation with the Policy Council, shall develop, establish, and maintain, for his own use and for the use of the Policy Council, the State

transportation boards of participating States, and the Congress, a National Transportation and Development Data Bank (hereinafter in this title referred to as the "Data Bank").

(b) The Secretary shall establish standard terminology and classifications of data for use on a nationwide basis, and shall develop a system for the acquisition of information, in order to facilitate fast and efficient storage, retrieval, and communication of information in the Data Bank. The Secretary may make use of electronic data processing systems and such other equipment and facilities as he considers necessary for such storage, retrieval, and communication.

PURPOSES AND CONTENTS OF THE DATA BANK

SEC. 303. (a) The Data Bank shall contain information on the location, size, capability, and safety of public and private carriers in all transportation modes, and such other information as the Secretary considers to be necessary in order to carry out the provisions of this Act.

(b) The Data Bank shall contain information relevant to transportation planning for the future, including such changes in transportation needs, technology, and policy, on an annually updated basis, as will enable the National Plan to reflect constantly a projection of existing transportation modes, and those in various stages of research, planning, and development, for a period of time 50 years into the future.

TITLE IV—MISCELLANEOUS PROVISIONS

ANNUAL REPORT TO CONGRESS

SEC. 401. The Secretary shall report annually, on the anniversary of the date of the enactment of this Act, to the Congress in writing with respect to activities carried out under this Act during the preceding year, and with respect to the progress made in accomplishing the purposes of this Act.

AUTHORIZATION

SEC. 402. For the purpose of carrying out the provisions of this Act, there is hereby authorized to be appropriated—

(1) for the fiscal year ending June 30, 1973, an amount not to exceed \$—, and

(2) for the fiscal year ending June 30, 1974, an amount not to exceed \$—, and

(3) for the fiscal year ending June 30, 1975, an amount not to exceed \$—, and

(4) for the period of three fiscal years ending June 30, 1978, and for each period of three fiscal years thereafter, such amounts as shall hereafter be authorized by Congress for such period.

INTERSTATE COMPACTS

SEC. 403. The consent and encouragement of the Congress is hereby given to any two or more States to negotiate and enter into agreements or compacts, not in conflict with any law or treaty of the United States, for cooperative effort and mutual assistance in coordinating their State Plans and in developing and operating State transportation projects which have been approved by the Secretary under section 206.

DEFINITIONS

SEC. 404. For purposes of this Act—

(1) The term "Secretary" means the Secretary of Transportation, except where otherwise provided in this Act.

(2) The term "Department" means the Department of Transportation.

(3) The term "appropriate transportation balance" means that condition where each transportation system and mode contributes from its potential for the safe and timely transportation of people and goods to the greatest degree possible under prevailing circumstances.

(4) The term "intermodal transportation point" means a compact area which contains such facilities as will make possible the efficient and timely transfer of people and goods

from one mode of transportation to other such modes.

(5) The term "State transportation board" means a board specifically designated by State law to deal with all modes of transportation and which is composed of five or more persons, politically nonpartisan, who have diversified knowledge of transportation modes, and who are selected in such a manner and for such terms as the State determines.

(6) The term "standard metropolitan statistical area" means that term as defined by the Office of Management and Budget.

(7) The term "State" means any one of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

(8) The term "participating State" means any State which has notified the Secretary of the existence or establishment of its State transportation board.

(9) The term "transportation emergency" means economic or physical damage to a transportation system which is so severe that, in the opinion of the Secretary, there is no means other than Federal financial assistance for returning such system to normal operating procedures within such time as the Secretary deems essential to avoid serious harm to the economy and the welfare of the nation.

(10) The term "single project" means a transportation proposal, which may include one or more modes of transportation, determined by the Secretary to contain elements which are essential to each other.

VOLUNTEER PHYSICIANS FOR VIETNAM PROGRAM

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

Mrs. GREEN of Oregon. Mr. Speaker, under the Volunteer Physicians for Vietnam program, some 700 American doctors have voluntarily ministered to the medical needs of the people of that beleaguered, war-torn country over the course of the past 6 years. Under the auspices of the American Medical Association, these highly skilled professionals have selflessly served in a great humanitarian effort at great personal sacrifice and often in the face of considerable personal danger. I am proud of the fact that one of these, Peter A. Nathan, M.D., is a constituent of mine.

Recently Dr. Nathan has shared with me his enthusiastic appraisal of the worth of the Volunteer Physicians for Vietnam program. It is a privilege for me, in turn, to share his letter with Members of the House. In a personal postscript, Dr. Nathan informs me that volunteers get "only airfare and \$10 per diem—plus the satisfaction that money cannot buy." I am sure that you will agree with me that that is a very big plus and that, while few of us possess the skills to earn the rewards of a job well done by volunteer doctors, we may all rejoice in the motivation which impels them to keep this most humane effort going.

It is ironic that in a time of continued high unemployment, skilled medical manpower remains in short supply and is, therefore, a commodity we can ill afford to export. This does not suggest to me that we ought to discourage dedicated professionals like Dr. Nathan from participating in a volunteer program which

takes them away from these shores even though, admittedly, there remain some communities without a resident doctor. Their contribution in Vietnam is unique, literally helping to bind up the wounds left by this pitiless war. Whatever good will remains after our exit from the most protracted conflict in our national history will doubtless owe much to the efforts of this small band of dedicated doctors. It is a sad commentary on a civilization as advanced as our own that too much of our technological know-how for export takes the form of weapons for destroying rather than healing mankind. If American leadership is truly to be a force for good in this suffering world, we should seize every opportunity to reverse this situation.

For as I see it, the greatness of the United States does not rest in our ability to do research for more and more destructive weapons—to manufacture military armaments—but the greatness of the United States is its ability to export doctors, technicians, agricultural experts, Peace Corps volunteers who are extending a hand to help—not weapons to destroy. This export of technical know-how could be a power more potent and majestic in a hungry world than all the nuclear bombs ever manufactured. Viewed in this light, the Volunteer Physicians for Vietnam is worth all the support we can give it, notwithstanding the shortage of doctors we continue to experience here at home.

The answer to the medical manpower dilemma, of course, lies in the increase of the supply, not only to meet our own needs but to be able to share the highest quality of medical skills available anywhere in the world today with nations far less fortunate. In 1971, there were 332,000 physicians in active practice in the United States. The fact that only 9 percent of these were women suggests to me that we have not begun to tap the available reservoir in meeting these needs. The Comprehensive Health Manpower Training Act overwhelmingly passed by this Chamber last July has as a prime objective the increase of practicing physicians in the United States to 436,000 by 1977-78.

Those in the Volunteer Physicians for Vietnam program have accomplished much but would be the first to admit that much more needs to be done. It is my fondest hope that as our own resources increase, more and more medical men and women will heed the following call from Dr. Nathan:

FEBRUARY 10, 1972.

HON. EDITH GREEN,
Rayburn House Office Building,
Washington, D.C.

DEAR MRS. GREEN: I have just returned from Vietnam where I had the privilege of participating in the Volunteer Physicians for Vietnam Program. I feel it most important that you be aware of the tremendous medical needs of the Vietnamese people secondary to the consequences of this war as well as from endemic disease.

It is particularly important at this time, as we withdraw our military forces, that we do not forget we have a humanitarian responsibility to help these people medically and this must not be confused with what is or is not our military obligation. These medical needs will exist for many years to come and it is important that we continue to

provide care in this area. This however need not be in costly medical supplies, but can be provided most effectively and quite inexpensively by supporting the Volunteer Physicians for Vietnam Program of the American Medical Association and encouraging particularly younger physicians and surgeons to donate two months of their time in this endeavor. A more active Oregonian participation would be ideal.

I hope your awareness of this program will be helpful.

Very truly yours,

PETER A. NATHAN, M.D.

ELECTRICITY AND THE ENVIRONMENT

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

Mr. ECKHARDT. Mr. Speaker, for the past decades, electric utilities have provided this Nation with an adequate supply of energy to meet the needs of a burgeoning population and economy. However, the toll exacted by the generation of electricity upon the quality and safety of our environment is very great, perhaps greater than the economic benefits provided by the electricity generated. By itself, the electric power industry has been unable to achieve a proper balance between this Nation's power needs and the safety of its environment. Obviously, we cannot afford to continue to rely on the traditional mechanisms that the electric utilities have provided for the planning, construction, and operation of electric power facilities. Rational Federal action must be taken if our Nation is to enjoy the benefits of both an adequate supply of electric power and a safe environment.

The widespread congressional response to this pressing national need has narrowed to two proposals, H.R. 5277, introduced for the administration by Mr. SPRINGER, and H.R. 11066, introduced by Mr. MACDONALD. Unfortunately, the provisions these two bills make for long-range planning and certification of power generation facilities and judicial review of relevant siting decisions perpetuate virtually the same planning, construction, and operating practices that experience has proven totally inadequate. The alternative powerplant siting bill I am introducing today addresses itself specifically to these inadequate practices and truly assures protection of environmental values while facilitating construction of needed power supply facilities.

All too often, the ecological effects of a powerplant are not adequately considered by electric utilities in the process of planning for new power generation facilities. Only after a facility has been in operation for a long time does the public realize the tremendous adverse impact that the powerplant has upon the surrounding environment. Obviously, by that time it is impractical to resite or substantially modify the facility to reduce environmental damage.

The logical solution to this dilemma is to establish a long-range planning mechanism that effectively represents all parties affected by power generation, ranging from the interests of the public,

Government, and environment to those of the utilities. Unlike H.R. 5277 and H.R. 11066, which essentially delegate sole responsibility and authority to the electric utilities to develop long-range plans concerning the size and site of powerplants, the bill I introduce today provides for the establishment of a Regional Planning Council in each power region designated by the Federal Power Commission. Each council is composed of a representative from the Federal Power Commission, the Department of the Interior, the Environmental Protection Agency, and the Council on Environmental Quality. Such representation insures that a broad range of technical expertise will be brought to bear on the complicated problem of sound regional planning. Each council has the responsibility of reviewing the site recommendations of the electric utilities, establishing an independent inventory of optimal sites, and developing a coordinated plan designed to meet the region's immediate and long-term power needs with minimum environmental damage. This provision for long-range regional planning represents a positive step forward that insures a broad and comprehensive accounting of all aspects of bulk electric power generation.

At present, most electric utilities are required to conform to a myriad of State and local regulations in order to be certified to build and operate a powerplant. It is important to remember that these certification procedures were never designed to guarantee a region an environmentally safe supply of electric power. This fact becomes more apparent in light of present threats of power brownouts and massive air pollution problems which can be attributed to the burning of fossil fuels in power generation. The obvious solution to this problem lies in the establishment of strict programs and regulations for certifying powerplants in accordance with long-range plans promulgated at the regional council level. Unfortunately, the Macdonald bill, H.R. 11066, essentially retains the clearly inadequate existing system, modifying it to the extent that utilities are required to disclose construction plans 2 years prior to construction. The administration measure, H.R. 5277, provides only that a State or States designate a certifying body to be operated in accordance with federally promulgated guidelines. Neither bill provides for the representation of either industry or environmental interests in the certification process.

On the other hand, the bill I introduce today specifically provides for the inclusion of environmental and utility interests on the State and regional certifying bodies. Additionally, the bill requires that these bodies be established within 12 months from the date of enactment, and that the Federal certifying agency assume the functions of a State or regional body in lieu of proper certification of such bodies. Under my bill, the Federal certifying agency would be composed much like its counterpart on the State and regional level. The agency would include representatives of the interests of the environment and electric power industry, the Federal Power Commission,

the Department of the Interior, the Environmental Protection Agency, and the Council on Environmental Quality. This representative composition of the State, regional, and Federal certifying, a vital point and distinguishing characteristic of the legislation I propose here today, guarantees a fuller accounting of the manifold costs of, and the public need for, electric power.

The final point on which my bill significantly differs from other power plant siting bills is on that of legal safeguards. The Macdonald bill commissions a three-man Federal review panel that has the power to override all State and local certifying laws in the event that a power "emergency" is declared by the Federal Power Commission. This precedent is very dangerous because it creates an incentive for the electric power industry, in concert with the FPC, to declare power emergencies to avoid proper environmental considerations in the generation of a bulk supply of electric energy. The danger exists that this limited review proceeding will result in dangerously narrow and prejudiced decisions. The bill I introduce today establishes rational mechanisms for planning, certification, and judicial review, not emergency mechanisms that would only serve the interests of the utilities.

While the Macdonald bill establishes a dangerous emergency mechanism, the administration bill provides for an equally dangerous exemption from the National Environmental Policy Act. NEPA has evolved into one of the most important pieces of environmental legislation, and any attempt to cripple it by exempting the utilities from preparing environmental impact statements would set a very dangerous precedent. These impact statements have enabled Federal agencies to pinpoint serious environmental problems before major Federal actions have been undertaken. To eliminate this requirement would seriously limit the capability of the State and Federal certifying bodies to guarantee a complete review of environmental hazards before construction was approved.

In summary, neither the administration bill nor the bill reported out by the subcommittee provides adequate guarantees that important environmental values will be carefully considered before construction of new generating facilities is approved. Such guarantees can only be provided by ensuring that both environmental and utility interests are represented in both the long-range planning and certification process. Mere participation is not enough. In addition, it is essential that adequate judicial review be provided to allow all affected parties a role in the decisionmaking process. Only in this way can we achieve the necessary confidence in the administrative process. In short, the bill I am introducing today provides for a rational siting and certification process by guaranteeing sound long-range planning and the representation of all interested parties in the decisionmaking process. For these reasons, I urge your support of this measure.

WORLDWIDE BROTHERHOOD DAY

The SPEAKER pro tempore (Mr. MAZZOLI). Under a previous order of the House, the gentleman from Michigan (Mr. ESCH) is recognized for 60 minutes.

Mr. ESCH. Mr. Speaker, music has long been the international language. Music speaks to all of us and we understand its message: whether it be modern, classical, or folk, human creativity is recognized and we reach across a room, a city, or the world with our understanding. Appreciation for musical talent knows no national or ideological boundaries.

Music brought about one of the first major breakthroughs in relations between the United States and Russia. Van Cliburn's magnificent performance at the Tchaikovsky festival brought the attention and recognition of all of the Soviet Union to his enormous talent playing the music of their most distinguished composer. This single concert performance built bridges between our two peoples that no official conference could ever have accomplished. The haunting strains of Marlena Dietrich's "Lilly Marlene" spoke to the men of World War II whether they were German or American and caught them in the longing and hoping which invariably accompany those who must face the uncertainty of war. More recently, the President's historic trip to Nationalist China witnessed a significant lessening of tensions when the Chinese band struck up "America the Beautiful" for the first time.

Music is universal. It is therefore appropriate that we in the House of Representatives take this time to recognize the musical efforts of the Howell, Mich., Jaycees to promote brotherhood. They have received national and international support for their program for a "Brotherhood Break" at 3 p.m. Greenwich meridian time, March 21. At this moment during the Spring Equinox the hope of springtime and the brotherhood of music will combine as everyone will stop in his daily round of work, meetings, and thought to sing a song for peace.

This program planned and sponsored by the Jaycees is symbolic of the many efforts which we have all taken to bring peace to the world and to recognize more fully than ever before that all men are truly brothers. All of us here in the House join with the Jaycees in praying that these 2 minutes of musical harmony around the world will presage a more permanent harmony in the relations of men.

Mr. GERALD R. FORD. Mr. Speaker, all of us who have seen and heard the Hill Top Singers on television have been filled with a warm feeling generated by the atmosphere of love and brotherhood conveyed by those young people.

Today I am pleased to join with my colleague, Representative MARVIN ESCH, and others in saluting the Jaycees for taking a cue from the Hill Top Singers and promoting a worldwide brotherhood sing on this day, March 21.

Gov. William Milliken of Michigan has

declared March 21 as Brotherhood Sing Along Day in Michigan, and I feel sure it is being so observed throughout the world whether officially or not.

Music is the language of love, and so it is most appropriate that the Jaycees have chosen a "sing along" as the medium for promoting world brotherhood. I join with them in this worthy mission.

Mr. RUPPE. Mr. Speaker, I am pleased to participate in this special order to recognize "Worldwide Brotherhood Day."

To be sure, all is not well with the world this day; it would be wishful thinking to forget devastated Bangladesh, the tense Middle East, war-weary Southeast Asia, and the hatred and prejudice which exists in other areas of the world.

However, I think that we in the United States have become bogged down in a psychology of despair. The news that makes headlines is often bad news, and in the past decade of American involvement in Vietnam, urban and campus riots, and assassinations, the news has been especially bad. However, it is time that we look beyond the tragic events and start to recognize the acts of kindness and brotherhood which take place each day. Every age is "the worst of times and the best of times," and our Nation needs to regain a more balanced view of the world.

"Worldwide Brotherhood Day" is an especially fitting time to restore our perspective on life. We should be reminded today of the great potential for world peace, recently symbolized by the handshake between Chou En-lai and President Nixon. Not only was this face-to-face meeting of two former antagonists a reason for new hope, but I think that equally important has been the reaction of the American and Chinese peoples to the new relationship between our countries. The immediate positive response to the President's China initiative indicates to me the desire of the American people for peace, and I strongly believe that this wish for peace holds true for the vast majority of the human race.

Why then do we have wars and hatred? While many partial answers could be given, I would like to share just one thought. That is, violence, prejudice, and the evil in man are largely taught, just as goodness and brotherhood are taught. Each one of us is a teacher, and the lessons we pass on to our children will add or detract from the harmony of our world. Therefore, when we recognize this "Worldwide Brotherhood Day," we should remember that love for our fellow man begins at home. Indeed, our world will never see true brotherhood if, while decrying the violence of wars overseas, we fail to show love for our families, friends, and all those whom we meet each day.

On this "Worldwide Brotherhood Day," let us renew our commitment to the well-being of the whole human family. Let us recognize the spirit of good in this world, and may we actively contribute to this spirit of peace and love by being living examples of those ideals in everything that we do.

GENERAL LEAVE

Mr. HEINZ. Mr. Speaker, I ask unanimous consent that all Members have permission to revise and extend their remarks on the subject of Mr. Esch's special order today, and to include therein extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

TAX REFORM AND THE DECLINE OF CORPORATE TAXATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 15 minutes.

Mr. VANIK. Mr. Speaker, today as we consider alternative recommendations for increasing Federal revenues to bring our Federal accounts into balance and reduce the national deficit, the question is how should Government revenues be increased and restored—and by whom?

The average American taxpayer has never shirked his responsibility in supporting his Government. If we apply the contributions test, the average taxpayer shoulders the heaviest tax burden. He has no tax shelters, he has no depreciation gimmicks, no tax-free bonds, no capital gains. He pays on every dollar of income.

DISMEMBERMENT OF CORPORATE TAX SYSTEM

It is my strong fear that the administration and the Congress are moving toward the dismemberment of the corporate tax system.

The Revenue Act of 1971 has failed to provide an economic recovery and stimulus, reasonably related to its cost in lost revenues. As I predicted, it has turned out to be a gigantic tax give-away to a few special interests. To add insult to injury in this same year, the Federal deficit may amount to \$44.7 billion while the Federal debt has skyrocketed out of sight.

In the next 10 years \$120 billion will be lost to the Treasury as a result of the 1971 Revenue Act—\$90 billion of that figure will go to business.

In 1971 corporate profits increased by \$10 billion to \$85.5 billion before taxes. The tax liability on corporate profits in the fourth quarter was almost \$1 billion below the third quarter rate, primarily because of the Revenue Act of 1971.

One of the most revealing sources of information as to the cause of reduced Federal tax receipts and the skyrocketing Federal deficits can be found in the various corporate annual reports for 1971.

In reviewing the 1971 Annual Report of the United States Steel Corp., I was shocked to learn that this corporation, the 12th largest American corporation—the largest dollar value steel manufacturing company in the world—carried on a total business of almost \$5 billion, had a net income of \$154,515,754, and paid absolutely not one penny of Federal income tax in 1971.

United States Steel is an example of a corporation engaged in operations which

contribute substantially to the pollution problems of America and in the course of its business activities, demands considerable Federal support in a variety of programs. Yet United States Steel makes absolutely no contribution to the Federal Treasury. If an operation of this dimension pays no Federal taxes—pray tell, who should?

There are no alibis, there are no justifications for us to suffer the continuance of laws and administrative policy which permit United States Steel and others to throw the Federal tax burden on the individual taxpayers of America. Following is the full statement of United States Steel Corp.'s explanation of its "no tax" status, as explained on page 26 of its 1971 report:

No provision for taxes on income is required for 1971 due principally to statutory deductions associated with mineral production and investment credits and since deferred taxes provided in prior years on foreign subsidiary earnings exceeded the taxes on such earnings repatriated in December 1971 because of credits for foreign taxes paid. Estimated United States and foreign taxes on income payable for the year 1971 of \$57.9 million are offset by deferred tax credits of a like amount.

The investment credits for 1971 and amortization of the pre-1968 investment credits, which are reflected in deferred taxes, reduced the provision by \$23.5 million. In addition, the net effect of all timing differences served to reduce the provision for income taxes by \$34.4 million. Such timing differences represent taxes applicable to items reported for tax purposes in a period different from the period in which they are included in the determination of net income for financial accounting purposes. Amounts charged for wear and exhaustion of facilities and amounts of earnings of certain foreign subsidiaries are typical examples of such reporting differences.

The provision for estimated taxes on income in 1970 reflects tax deductions associated with mineral production payments completed in that year and investment credits of \$31.1 million.

As one report of a typical major corporation, Atlantic City Electric, doing an annual \$100,000,000 business, says in the first three paragraphs of its annual report for 1971:

The words and pictures of this Annual Report record the results of 1971 operations of the Company, and give evidence of the sustained steady growth and development.

Sales in 1971 increased 5.9% over 1970. Operating revenues were \$95.4 million, 17.2% higher than in 1970.

Earnings for Common Stock amounted to \$1.89 per average share outstanding in 1971, compared to \$1.83 per share in 1970 on fewer shares then outstanding. Cash dividends of \$1.36 were paid in 1971. The quarterly dividend rate was increased from 34c to 35c effective with the January 15, 1972, payment. Dividends have been increased in each of the past 19 years and have been paid for 58 consecutive years.

The report further states that Federal income taxes in 1971 were \$156,730, compared with \$2,400,608 for 1970, a tax reduction of \$2,243,868. Thus, a corporation with glowing prospects has been able to achieve a tax reduction in 1971 of almost 1,600 percent.

As far as the Federal Treasury is concerned, this corporation, conducting a business of almost \$100,000,000 pays less

Federal income tax than a professional golfer.

In note 3 to the corporation's report it is stated:

Tax reductions resulting from the use of liberalized depreciation methods are reflected in Federal income tax expense currently in accordance with the rate-making policy of Utility Commissioners of the State of New Jersey. As a result of adopting Class Life (ADR) Depreciation System under the Revenue Act of 1971, Federal income tax expense was reduced in 1971 by approximately \$111,000. Also, the Company has elected the percentage repair allowance rule under ADR, and Federal income tax expense under this provision, was reduced in 1971 by approximately \$514,000.

As a result of investment tax credits, including \$110,000 under the new investment tax credit in the Revenue Act of 1971, Federal income taxes in 1971 and 1970 have been reduced by amounts of \$367,000 and \$433,000 respectively. The Investment tax credit for 1971 principally represents a carryback to be applied against taxes paid in a prior year. Amounts equal to the tax reductions have been charged to income and credited to Deferred Credits for amortization by credits to income over five-year periods, or over the life of the property in the case of the investment tax credit earned under the new Revenue Act.

Mr. Speaker, the Joint Economic Committee's recent study of subsidies pointed out some of the abuses in the field of tax supports to the timber industry.

I have just examined the 1971 annual report of Westvaco, a timber and paper corporation which had \$430 million in sales last year, reported a net income of \$4,016,000, paid no income taxes in 1971, and received a tax refund of \$7,695,000.

As the corporate report states:

Primarily as a result of these timing differences for the year 1971, the Company is entitled to a refund of \$7,695,000 of United States income taxes paid in prior years. During 1971, the Company received the income tax refund of \$3,160,000 recorded in 1970 resulting from the carryback of a portion of its 1970 investment credit.

In 1970, the Company's effective income tax rate was reduced to 16% because of the significant investment tax credit claimed in that year and the inclusion in consolidated net income of foreign and other income taxed at lower than ordinary U.S. rates. In 1971 the Company's provision for income taxes resulted in a credit to income principally because taxes on foreign source income were more than offset by the U.S. investment tax credit.

All this despite the fact that the company paid out more in dividends in 1971 than it did in 1970. The 1971 dividends amounted to \$11.2 million.

Thus we can begin to measure what we have done in last year's tax give-away. We are very near to completely eliminating taxes on business. This goal of the administration is being substantially achieved.

The Federal income tax on corporation net income is officially 48 percent. The Revenue Act of 1971 is estimated to reduce that tax level by up to 20 percent.

The question is, What percentage of Federal income tax are corporations actually paying now, before the Revenue Act of 1971 becomes fully effective?

For the last several days, members of my staff have been attempting to deter-

mine the effective corporate tax rate on 1969 income.

It is almost impossible to make an accurate determination of the tax paid. A careful check of corporation filings with the Securities and Exchange Commission shows that there is no standard format for submitting tax information. In short, there are so many qualifications and exceptions in the information submitted to the SEC that it is impossible to determine Federal tax payments.

A check of the financial information books, Moody's and Standard & Poor, is a little more helpful. In most cases, taxes paid to the Federal Government, State and local governments, and foreign governments are lumped together. In some cases, however, the amount of Federal tax is listed separately.

Checking through the top 60 American corporations as listed by Fortune magazine's listing of the top 500 corporations, the following samples of Federal tax payments are found:

CORPORATE RANK, CORPORATION AND 1969 U.S. TAXES PAID (Percentage)

1. General Motors, 41.8.
4. General Electric, 37.
6. Chrysler, 30.
15. DuPont, 46.
17. Westinghouse Electric, 41.
20. Goodyear Tire and Rubber, 30.
21. RCA, 47.
22. Swift and Company, 28.
24. Union Carbide, 31.
25. Bethlehem Steel Company, 17.
27. Eastman Kodak, 31.
28. Proctor and Gamble, 39.
31. International Harvester, 18.
40. American Meat Company, 40.
51. Continental Can, 40.
52. International Paper, 26.
56. American Can, 34.

As one can see, some corporations pay approximately the established rate of 48 percent. Others, however, pay as little as 18 percent. When the Revenue Act of 1971 becomes fully effective, these effective rates will drop even further.

I have not included the major oil and gas companies in the above list, because the percentage of Federal tax which they pay on enormous net incomes has always been notoriously low. For example, in 1970, Standard Oil of New Jersey paid 10.8 percent of Federal tax on net income before tax of almost \$2.5 billion. Texaco paid 6.4 percent on \$1.1 billion. Gulf paid 1.2 percent on taxable income of about one billion—and these examples are the rule—not the exception.

Through these tax escape devices, corporate taxation is rapidly vanishing, as they become freeloaders on the American scene.

Today I requested the Joint Economic Committee to determine how many of the 500 largest corporations of America paid no income taxes last year because of the Revenue Act of 1971, the administration's accelerated depreciation range and the galaxy of recent tax rulings flowing out of the Treasury Department. I have also requested a tabulation of 1971 tax refunds to these corporations.

VAT—ANOTHER TAX ON THE SMALL TAXPAYER

After all these giveaways the administration suddenly realizes we may need some revenue raising tax policies.

Out of the corner of their eyes, the ad-

ministration may view the value added tax as the panacea to support the inequitably financed school systems in our country.

I am strongly opposed to VAT. In the past, advocates of the value added tax saw it as a substitute for a part of—or perhaps ultimately for all of—the corporate income tax or the property tax. That connection made the value added tax very popular with the business community, but was another savage kick at the breaking back of the working man.

VAT provides no reform or aid to the hard pressed middle income taxpayer. This national sales tax is unfair—it is a regressive tax, as is the property tax—both hit the poor harder than they do the rich. The tax is paid entirely by the consumer and is not likely to take into account the ability to pay, and thus falls heavily upon low-income families, for they would pay a higher percentage of their income than would the wealthy.

The argument for believing that our trade will benefit from a VAT has been shown to be a murky illusion.

VAT is inflationary. In Holland, when they introduced VAT several years ago, they expected an increase in prices of 1.5 percent; actually, prices increased 5 percent in the first 3 months.

In Denmark, which introduced VAT in 1967, the cost of living rose by 7.9 percent in the first 6 months.

Belgium was to have introduced VAT on January 1, 1970, but on September 10, 1969, decided to postpone this by 1 year. This was for short-term economic reasons. The Belgium economy at the time was in a period of rapid expansion and of briskly rising prices.

VAT is a penalty tax on family life. It multiplies for each dependent supported by a taxpayer. It is designed for some other kind of social order in which dependents are supported by the State rather than the individual. For these reasons, it is un-American—it is alien to American principles of open taxation.

TAX REFORM

Comprehensive tax reform is the answer to our revenue needs. Additional revenues for consumer tax relief, for needed Federal programs, and for lessening the deficit, can be and should be obtained by a thorough tax reform bill which will close the innumerable tax loopholes that favor the very few.

In 1969, the last year before the Tax Reform Act of 1969 went into effect, 300 persons with incomes over \$200,000 paid absolutely no Federal taxes.

As a result of the 1969 Reform Act, the number of very wealthy persons paying no taxes remained at 300—including three with incomes in 1970 of over \$1 million.

It is obvious that there are still gaping tax loopholes that must be plugged to provide tax equity and raise needed revenues.

The size of the tax loopholes is absolutely staggering. The Joint Economic Committee has led the way by providing the first significant study of expenditure and tax subsidies—over \$60 billion worth—in our society.

Typical of the tax loopholes has been an ineffective minimum tax established in 1969 on certain tax preferences. A

minimum tax of 10 percent on income over \$30,000 was enacted on certain tax preferences such as the untaxed portion of longterm capital gains or deductions for fast writeoffs in real estate. While this has reduced the numbers of people paying no tax at all, it has caused only small damage to large sheltered incomes.

For example, a taxpayer who earned \$2 million and paid no tax previously, would now be taxed in the neighborhood of \$140,000 or at a rate of 6.7 percent of his income. One of his office boys, with an income of \$3,500 would pay a higher percentage rate. In addition, if one has a tax credit carryover, he can apply it to his minimum tax.

We must develop a belt-tightening policy on giveaways through preferences. For example, if the tax rate on the certain tax preferences included in the 1969 tax reform legislation on the minimum tax on wealth were doubled to 20 percent—and isolated from writeoffs—the revenues received by Treasury would amount to \$16 billion.

Other loopholes lower the effective tax rate—generally to the benefit of the very wealthy. For example, the avoidance of capital gains at death costs the Treasury \$3.5 billion per year. It has been estimated that \$22 billion worth of appreciation in stocks, real estate, and other property passed on to heirs at death or given away as lifetime gifts avoids the capital gains tax.

Thus, a well-to-do investor who holds 5,000 IBM shares worth around \$1.5 million now, but which cost him only a few thousand originally can avoid any taxes on his gains if he leaves the stock to his children—even if the children sell the investor's stocks immediately after his death.

I have introduced legislation to close this loophole.

Despite the reduction of depletion allowances on oil and gas from 27.5 to 22 percent—the major tax shelters are still intact. The reason is that depletion allowances simply provided a low tax rate if oil or gas were found, while the real shelter is the deduction of intangible drilling expenses regardless of the expedition's success—and intangible drilling expense has not been affected. To these oil taxpayers in high brackets, the deductions can still be used to shelter income, 70 percent of which might otherwise go to the Government.

Moreover, the intangible drilling expenses which include labor and materials with no salvage value can now be deducted before the well is drilled. Presently, the Government allows a taxpayer to deduct prepaid 1972 drilling expenses on December 31, 1971. This law allows a taxpayer to figure his taxes at the end of the year, determine how large a deduction he needs and then prepay the drilling expenses necessary to create it.

I have introduced legislation which would close a number of these loopholes and provide an additional \$6 billion per year to the Treasury. These provisions would, first, eliminate percentage depletion after the cost of drilling for oil or gas has been recovered; second, eliminate all depletion allowances on foreign mineral explorations; third, repeal intangible drilling and development costs;

and fourth, increase the holding period for capital assets from 6 months to 1 year before applying the lower capital gains rate to them.

In addition, if the oil import quotas were replaced by a 50 cent tariff per barrel on oil the Treasury would receive \$255,500,000 per year and a major, unjustified tax subsidy would be eliminated.

Forty-two days and still no word from President Nixon on tax reform.

Forty-two days ago, when the House of Representatives was considering the debt ceiling increase, the chairman of the House Ways and Means Committee wrote to President Nixon asking for the tax reform proposals which the President had promised last September. There has still been no reply to the chairman of the tax-writing committee. It is important that the administration assist the Congress in the complex task of tax reform. At a minimum, it is important to know which provisions the President would consider as subject to a veto. For this reason, I successfully sponsored the passage of a resolution by the House Democratic caucus advising the President that future increases in the debt ceiling would be in definite jeopardy unless the administration provides assistance in the development of a revenue-raising tax reform package.

If meaningful tax reform does not close these gaping cracks in our tax structure, I fear we are headed for a dreadful day of reckoning.

I go to my Ways and Means Committee every day filled with fears and frustration. I see the tax system of the Nation riddled with ambiguous injustice. We tax too many too much. We tax too many too little. We miss taxing entirely too many.

I am frightened by our insolvency. The administration's accelerated depreciation range, the investment tax credit adopted by Congress last year, the foreign tax credit—all of these things have made a sieve of the Treasury. In addition, we spend in disregard of our dilemma. For example, in revenue sharing, the Federal Government stands like a beggar dividing alms. We give away \$5 or \$9 billion to do what could be done with \$2 billion in the first years. The administration says that the full amount has been budgeted and should be given away.

There is a tremendous infectious drive within the Federal Government and without—to drain off the strength of the Nation and disintegrate the capacity of the Federal Government to solve the staggering social and economic problems which face our Nation in future years.

I see grave trouble ahead.

AGRICULTURAL LABOR RELATIONS ACT OF 1972

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. QUIE) is recognized for 10 minutes.

Mr. QUIE. Mr. Speaker, one of the few industries in which labor disputes remain unregulated is in agriculture. Today, we are witnessing increased organizational activity among farm employees and

unions representing farm employees with a resultant increase in strikes, boycotts, and disputes over wages and working conditions.

There is, therefore, a demonstrated need for an orderly procedure for settling disputes between farmers and farmworkers and their representatives. Representative LEGGETT, Representative ULLMAN, and Representative CHARLES TEAGUE and I have joined in introducing today a bill entitled the "Agricultural Labor Relations Act of 1972," which has a threefold objective. These objectives are equally important in achieving a necessary balance to any proposed regulation of such industry. Certainly, it is in the public interest to have an orderly procedure to resolve labor disputes in agriculture so that agricultural products will be readily available for the people of this country. Equally important, however, is that farm employees have the opportunity to organize and be represented in collective bargaining by representatives of their own choosing and that farm employers who will be required to recognize and bargain with labor organizations representing their employees, be protected from certain unfair labor practices. Hopefully, this bill, by establishing an orderly procedure for agriculture, will achieve that threefold objective of protecting the legitimate interests of the public, the farm employee, and the farm employer.

Without going into a detailed analysis of the bill at this time, I would like to review some of its major features and characteristics.

This bill establishes an independent Agricultural Labor Relations Board composed of three members, and a general counsel, all of whom would be appointed by the President subject to confirmation by the Senate. Because of the unique nature of agriculture and the necessity for timely resolution of labor disputes, it was concluded that the National Labor Relations Board, whose heavy caseload has resulted in substantial delays in the handling of cases and which lacks agricultural expertise would be totally inappropriate for the handling of agricultural labor disputes.

The Board would determine the appropriate unit for bargaining. The bill provides that except where an employer engages in flagrant unfair labor practices which makes the holding of a fair election impossible, an election would be the method for determining the bargaining representative. This protects both the farm employee and the farm employer from unlawful coercive tactics in that an employee can determine by a secret ballot, his choice as to a bargaining representative. With respect to an employer, such a process would lay to rest any doubts as to whether a labor organization's claims to represent his employees were legitimate.

With respect to jurisdiction, the Board would be authorized to assert jurisdiction over farm employers who employ more than 500 man-days of agricultural labor during any calendar quarter of the preceding calendar year, the same standard now utilized for coverage of agricultural employers under the Fair Labor Standards Act.

The bill contains essentially the same list of unfair labor practices as presently provided in the National Labor Relations Act and essentially the same procedures. It does add an unfair labor practice for both employers and unions who lockout or strike without fulfilling all the requirements set forth in section 13 of the bill. Section 13 requires a 20-day notice of intent to strike or lockout and also authorizes either party to invoke a 40-day period of mediation during which time the Federal Mediation Service would assist in resolving the dispute. Where the dispute is unresolved after 20 days, the parties are required to select a special referee who shall recommend a collective bargaining agreement to the parties. The party who did not invoke the mediation period may accept or reject the recommended contract. In essence, it provides for more direct involvement of the Mediation Service but is comparable in many respects to the 60-day notice period required prior to striking under the National Labor Relations Act.

In sum, the major thrust of this proposed bill is to set up a separate Board for handling labor disputes in the agricultural industry. It incorporates much of the language and procedures setting up the National Labor Relations Board but directs the Agricultural Board to give due regard to the special characteristics of agriculture. It will give to both employees and employers, protections not now afforded to either. For the farm employee, it will mean the opportunity to organize and be represented in bargaining for wages, hours, and working conditions and be protected from discharge or discrimination because he is engaging in such activities. For the employer, the orderly election procedures will enable him to ascertain and resolve an often hotly disputed question of whether his employees have in fact designated a labor organization to bargain on their behalf. Organizational strife and strikes have been a persistent problem in the agricultural industry which hopefully can be resolved by the passage of this bill.

ILLEGAL ALIEN HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, I wish to announce that Subcommittee No. 1 of the Committee on the Judiciary has scheduled 3 days of Washington hearings on the problems presented by illegal aliens and by nonimmigrants who overstay their visas and obtain unauthorized employment.

On Wednesday, March 22 and Thursday, March 23, these public hearings will begin at 10 a.m. and will be held in room 2212, Rayburn House Office Building. On Friday, March 24, the hearing will also begin at 10 a.m., but will be conducted in room 2237, Rayburn House Office Building.

These hearings will conclude the detailed investigation into the illegal alien problem which was commenced by the Subcommittee on Immigration and Na-

tionality in May of last year. Since that time the subcommittee has held field hearings in Los Angeles, Calif.; El Paso, Tex.; Denver, Colo.; Chicago, Ill.; Detroit, Mich.; and New York City.

On Wednesday, March 22, the subcommittee will hear from congressional witnesses and from officials of the Immigration and Naturalization Service.

Testimony from officials of the Department of Health, Education, and Welfare and the Department of Labor will be received on March 23.

On the last day of hearings, March 24, officials from the Department of State and various representatives of organized labor will be heard.

NATURE DESCRIBED AS MASSIVE POLLUTER OF THE ENVIRONMENT—GREATER THAN MAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. EVINS) is recognized for 10 minutes.

Mr. EVINS of Tennessee. Mr. Speaker, Lt. Gen. F. J. Clark, Army Chief of Engineers has provided me with a copy of an address by Dr. W. T. Pecora, Under Secretary of the Department of the Interior, which provides some very fascinating comments and observations concerning "Geologic Base Line for Conservation Philosophy"—the environment—nature versus man.

The basic thesis of Dr. Pecora's address is that, viewed globally, man's pollution of his environment is minuscule compared to pollution by nature—geologic science demonstrates that nature is a massive polluter of the environment.

In comparison, he adds:

Man's activity is of little consequence on a planetary scale.

Dr. Pecora is a recognized authority on this subject and his perceptive and analysis put the overall picture of pollution in perspective.

Because of the interest of my colleagues and the American people in this important matter I place the remarks by Secretary Pecora in the RECORD:

GEOLOGIC BASE LINE FOR CONSERVATION PHILOSOPHY

(By W. T. Pecora)

INTRODUCTION

To one who has spent his professional career in geologic science, conservation always has had special meaning. In the measurements so necessary to his work the geologist develops an integrity in the use of numbers and in the qualifications attending the validity of numbers. Scientific analysis of geologic events and sequence develops a keen sense of what is coincidental, correlative, and consequential. The geologist applies his science in evaluating hazards to man such as natural catastrophes and/or benefits to man such as earth materials that form the resource base of his society. But more than these the geologist has acquired a deep appreciation for the planet as a whole, its inner structure, its landscape, and the living things that abound.

By his training and avocation the geologist is an earth scientist and conservationist—therefore closer to nature in its entirety than any other scientist. There are many kinds of conservation in today's world. The classical stance showed its full face at the turn of the

century with the voices of John Wesley Powell, W. J. McGee, and F. H. Newell, all leaders of the U.S. Geological Survey speaking to multiple and prudent use of the land and all of its resources. Gifford Pinchot, the first head of the U.S. Forest Service, adopted the McGee concept of "greatest good for the greatest number for the longest period of time" as the theme for the new conservation movement. He so impressed President Theodore Roosevelt, our first Conservation President, that it became the theme of the Governors' Conference in 1908.

Largely because of World War I and the post-War recovery period, the New Conservation movement suffered severely from the New Economics and GNP. Industry and development became prevalent themes and minimum cost econometrics superseded total cost in practice. Social and environmental issues were essentially put aside.

CONCEPT OF UNIQUENESS

One basic concept of a classical conservation philosophy is identity of uniqueness in the natural environment. Proper application of this concept includes biological and geological resources—both renewable and non-renewable.

The establishment of Yellowstone Park a century ago was the first national step implementing the concept. Here, a major land area was set aside by Act of Congress in order to preserve unique natural features for the education and enjoyment of all people. The park has been protected in spite of great resource values known to exist within its boundaries such as gold, hydro power, and geo-thermal energy. The Everglades National Park is a similar preserve where visitors can enjoy a rare and delicate ecosystem peculiar to a sub-tropical water-based ecology in its natural state. Other areas, such as the Alaska Wildlife Refuge, are protected and exempted even from the kind of access permitted in National Parks. As of recent count the Federal Government has set aside 38 National Parks, 82 National Monuments, and 329 wildlife refuges. A wilderness system is currently in progress.

In like fashion mineral resource areas can be truly unique in their character and in their occurrence in the accessible part of the earth's crust. Famous mineral districts like Butte, Montana; Bingham Canyon, Utah; Lead, South Dakota, are rare occurrences on a planetary basis. Unlike the unique vistas and wildlife domains, unusual mineral deposits serve the public good if they are recovered in a systematic way. In the long history of man, exploration and development of mineral resources at specific sites have been temporary operations. With proper planning before extraction is begun and proper restoration of the terrain after extraction, there need be little adverse environmental impact in acceptable trade off of resource values and multiple use of the total resource base.

The concept of multiple use and sustained yield were two guiding principles of the classical conservation philosophy expressed at the turn of the century. Conflicting uses and permanent damage to other potential resource values have been elements of recent debate and will remain as important subjects in a pluralistic society which requires both renewable and nonrenewable resources to maintain its health, welfare, and vigor. It is understandable now that economic values received highest priority during the developmental stage of our society. Today the American society is mature in an economic sense. Understandable pressures are increasing to preserve our dwindling acreage of the natural terrain, particularly on the Public Lands.

The National Environmental Policy Act of 1969 represents the expression of a national conscience. This together with other bills before the Congress will eventually determine the course of our National Conservation policy. Hopefully, the voice of reason will be

heard throughout the land and prudent judgments will be made on the basis of factual information and thoughtful assessments. Only by examining man's effects in the light of natural processes can we reach long term decisions that will stand the test of time. For this reason any philosophy on conservation developed by an individual or a Nation must recognize geologic processes as a base line for reference.

CHANGING ECOSYSTEMS

The primitive indigenous American exercised minimal impact on his environment and rarely did things that degraded or altered his environment irreparably. This was not so much a matter of choice as a matter of capability. Modern man, however, through the sheer force of numbers and through spiraling science and technology has made major changes, some of them necessary for his existence and others merely to suit his fancy.

Transformation of large areas of woodland, bottomland and prairies into farms created an agricultural ecosystem that is now an essential element in our society, although the initial modification of land was in sharp conflict with the religious belief of the indigent Indian people. Cities have arisen which concentrate millions of people within a few hundreds of square miles. Natural shorelines of rivers and coasts have been modified for livelihood, industry, and recreation. The highway system of the United States aggregates the area of the States of Vermont, Rhode Island, Massachusetts, Connecticut, and Delaware (Elsaesser, 1971). Many rivers have been dammed to create reservoirs to provide water resources for irrigation, industry, and municipal use. The environmental changes brought about by these activities have been relatively rapid in comparison to most which occur in the natural state.

By contrast massive changes in earth features that have occurred slowly in geologic time are relatively inconspicuous. But for research in the field no awareness would have evolved in the validity of the Geologic Law of Uniformitarianism—that the present is key to the past (and the future). Seas exist where land masses once prevailed, and vice versa. Lakes formed and disappeared. Mountains became plains and gorges became broad valleys.

Only those catastrophic events of nature like earthquakes, volcanoes, landslides, floods, and hurricanes rival man's ability to wreak sudden change.

In small areas man's activity in grazing, agriculture, and settlement can increase sediment load 10-fold to 100-fold. Total sediment production in major drainage basins, however, is not significantly altered by man's activity (Leopold, et al., 1966). Annual average transport per square mile for U.S. rivers has essentially been the same since 1909 and an indication that nature dominates stream loads.

THE IMPURE ATMOSPHERE

Much concern has arisen over man's alteration of the earth's atmosphere and the potential effect on climate and health. On a planetary basis the pollution of man has been minuscule in comparison to the natural baseline. On a local basis, however, concentrated emissions into the air by man are unacceptably high for reasons of aesthetics, nuisance, or potential damage to the environment, however temporary.

Rain is looked upon as a purifying phenomenon. The residence time of particulate matter or chemicals in the lower atmosphere is indeed a function of the frequency of rainfall. This important role of rain and snow has been a boon in populous areas where industry exists in high concentration and the air needs clearing.

Rain itself, however, is not pure. In the hydrologic cycle the moisture that eventually falls as rain or snow carries with it chemical compounds derived from the ocean and from atmospheric processes. These include such

compounds as ammonia, chlorides, sulfates, bicarbonates, nitrates, and hydrocarbons. All are essential to the natural environment in which they serve as fertilizer to the plant kingdom that sustains all life.

From data of Robinson and Robbins (1968) one can calculate that about 95 percent of the estimated nine billion tons of chemical compounds annually entering earth's atmosphere are derived from natural sources. Of this amount less than one percent of the nearly 1.7 billion tons of hydrocarbons are derived from human activity; about one third of the more than 200 million tons of sulfur compounds are contributed by man, but only one percent of nearly seven billion tons of nitrogen compounds. These data exclude natural emanations from volcanic regions. Kimble (1966) estimated that 100 million tons of fixed nitrogen alone are annually brought from the atmosphere to the earth.

For the land area of the United States Junge and Werby (1958) estimate that 44 million tons of natural chemical compounds are carried down to the earth each year. In a local drainage basin covering 44,000 square miles of Virginia and North Carolina, Gamble and Fisher (1966) calculate that the 107 thousand tons of mixed solids (calcium, magnesium, sodium, sulfate, carbonate, nitrate) dropped from the air per year is equal to about one half the annual load carried by the local streams in the drainage basin. The airborne salts, moreover, are enough to account essentially for all the sulfate and nitrate in those streams.

Hundreds of volcanic eruptions during historical time have contributed vast amounts of particulate matter and gases into the atmosphere, in addition to devastation of land areas and damage to large biosystems. Recorded eruptions for example in the Mediterranean Region, Caribbean Islands, Central America, East Indies, and other places have accounted for many thousands of human fatalities, as well as damage to soil and plant and animal life. From my own calculations three eruptions alone—Krakatoa in 1883, Mt. Katmai in 1912, and Mt. Hekla in 1947—have contributed more particulate matter and may have contributed more combined natural gases to the atmosphere than all of man's activity. The force of these volcanic eruptions carries fine ash higher into the atmosphere than man's pollution and therefore results in residence times measurable in months or years (instead of days) and in fallout range in hundreds or thousands of miles (instead of miles).

Smoke stacks emitting products of the combustion of coal produce a continuing environmental harassment in populous areas and are also looked upon as aesthetic intrusion in pristine areas. If these smoke stacks are judged to be necessary, then heightening of the vertical column and technological dust and gas collectors must be introduced in order to reduce the aggravation of emissions. Also, waste disposal systems for the ash and liquids thus collected, must be devised.

It has been said in many places that man's combustion of energy fuels will seriously deplete the oxygen component of the atmosphere. Measurements show that oxygen makes up about 21% of the atmosphere and that no meaningful change has taken place in the past century. One group (MIT, 1970) calculated that if the World's reserves of coal, oil, and natural gas were all burned the amount of oxygen thus used up would be less than 1/10 of one percent of the existing reservoir of oxygen in the atmosphere.

Since the beginning of the Industrial Revolution it has been calculated that a significant increase in carbon dioxide has been generated over that normally generated by nature. For example, carbon dioxide now makes up about 320 parts per million (by volume) of the atmosphere and by the year 2000 about 60

parts per million increase could be generated. Volcanoes also add CO₂. Because of the three massive planetary reservoirs for gases—the biosphere, the atmosphere, and the hydrosphere—one cannot readily conclude that man's generation of CO₂ will be significant in climatic effect. Unexplained climatic changes in geologic time have resulted in periodic glacial episodes (ice ages) on the planet. Less spectacular climatic changes have occurred over centuries and millennia without influence of man. I frankly doubt that man's effect on the atmosphere is significant enough to change or speed up the massive natural trends.

It is apparent that natural atmospheric processes can have both beneficial and harmful effects locally. It is also apparent that a conservation philosophy should require better control of man's pollution of the air in response to his desire for an aesthetic environment and his requirement for reduction of aggravation from particulate matter or abusive gases. Prevention of adverse climatic effects appear to be less significant but more research is needed to confirm this.

IMPURE OCEAN

As the major sink for waste products of earth processes the oceans have developed their present character over a few billion years. Rubey (1951) assessed these chemical changes over geologic time. My own analysis leads me to a conclusion that man's activities have significantly altered the natural state in some estuaries and near-shore zones; but the mass effect of man on the chemical and physical character of the ocean has been negligible.

It has been estimated by Nace (1967) that 97.3 percent of all the earth's water is contaminated by natural salt and the ocean contains 317 million cubic miles of salt water. Durum, et al. (1960) calculates that 225 million tons of salt are carried to the ocean by U.S. rivers each year. More than 50 percent of this total is from natural sources by the Mississippi River alone and most of that is from natural sources. In geologic time salts are recycled in earth processes and many ancient geologic formations that were developed under marine conditions are characterized by beds of mixed salt compounds.

Marine fish kills reported offshore are frequently cited as a consequence of man's pollution. Discolored waters ("Red Tides") and related fish kills are mentioned in the Bible, in the *Iliad*, by Tacitus, and in logs of navigators of the 16th Century. Brongersma-Sanders (1957) and Rounsefell and Nelson (1966) have summarized historical references that document past events of worldwide occurrence. Geologists have long been interested in the causes of mass mortality and attempts to explain some of the remarkable examples of catastrophic deaths of marine animals, the records of which are preserved in geologic formations. For example at Lompoc, California, Jordan (1920) reports that a Miocene (10 million years ago) catastrophe resulted in death of more than a billion herring, 6 to 8 inches long, over an area of 4 square miles. Similar massive deaths and burial are found in many horizons in the geologic record, far back into Paleozoic time, where the record of the past one-half billion years shows extinction of many millions of species from earth.

Red Tides are caused by a variety of organisms and apparently represent an unusual coincidence of circumstances involving water temperature, natural nutrients, and hydrodynamic conditions. In some circumstances the oxygen concentration exceeds saturation and hence becomes a natural poison. Some organisms, for example, dinoflagellates like *Gyrodinium aureolum* are toxic to fish and cause widespread devastation.

Other agents, inorganic in origin that have likewise caused catastrophic death in the sea include volcanic eruptions, earthquake

shock, and sudden changes in salinity or temperature. Increasing research and better observations in recent years have brought the mortality phenomenon to our attention more frequently and is probably responsible for the widely held but erroneous conclusion that man's pollution is the prime agent.

In the area of the Mississippi delta according to St. Amant (1972) ditches dug into natural marshes have resulted in an increase of salinity which, coupled with increase in temperature induced by pipelines, has resulted in an epidemic increase in a fungus known to have a deleterious effect on oysters. In other areas of the U.S. coastal zone waste plumes carrying chemicals can be damaging to marine life and certain waste waters with wide ranging temperature can locally effect marine biota. In the Santa Barbara Channel, off Coal Oil Point, natural tarry substances escaping from the seafloor have been known certainly for at least hundreds of years but appear to permit a healthy and rich marine biota nevertheless. On the other hand, massive catastrophic spills of crude petroleum or its derivatives are known to have severe immediate effects on some sea life, particularly seabirds.

Because man's activities can in effect cause severe local damage to marine life, research should be speeded up to increase our understanding of causes and effect. In some places harvesting by man would appear to have even greater effect on certain species than natural or human pollution. Proper assessment of research and systematic observational data can certainly lead to regulatory controls that would prevent irreparable damage. A conservation philosophy demands this information in order to exercise proper controls.

TOXIC HEAVY METALS

The so-called toxic metals like mercury, lead, cadmium, zinc, selenium, arsenic, nickel, chromium, etc. are widely distributed in nature. They occur as chemical components of minerals, ores, soils, rocks, and waters and are natural trace components of the biosystem. Among them mercury is probably the most mobile (Pecora, et al., 1970).

The mercury content of the atmosphere and the ocean apparently is derived primarily from degassing the earth's crust (Weiss, et al., 1971). This process probably injects 10 to 100 times as much mercury into the planetary atmosphere as all man's industry combined, including chloralkali plants, fossil fuel combustion plants, cement plants, smelters, etc. The rate of escape of mercury from such geological arenas as the geothermal area of Yellowstone National Park, volcanic centers, and mineralized provinces is measurable and noteworthy. The ocean and sea bed is the long term sink for much of the mercury involved in successive exhalations and fallout.

In seawater the mercury content ranges widely but is estimated to average 0.15 to 0.25 parts per billion, exclusive of the amount held in sea bed sediments. In recent decades annual world production of newly mined mercury falls in the range of 5,000 to 10,000 metric tons. All the mercury mined by man throughout history would total less than 0.001 percent of that contained in ocean water. It is clear that mercury in the natural environment has been a persistent trace element throughout geologic time. Its toxicity, however, is a function of its chemical state and ingestion history.

Organic mercury compounds are much more troublesome than inorganic compounds, because they are more readily absorbed in the life chain. At Minamata Bay, Japan, human mercury poisoning developed from eating of fish and shellfish contaminated by effluent from a chemical plant that used mercury as a catalyst. Use of mercury compounds as agricultural pesticides has

enlarged the sphere of toxic influence in the biosphere.

Recent press reports on the discovery of mercury in many parts of the environment have created great apprehension and resulted in decrease in the public market for certain commercial fish. New information discloses comparable mercury contents in preserved fish caught many decades and centuries ago, lending credence to the conclusion that mercury ingestion by fish is not primarily from recent marine contamination.

Inasmuch as trace metals in toxic amounts place life and health in jeopardy, Government controls in use and disposal of wastes containing them are warranted. However, conservative attitudes should prevail until present quality standards are carefully evaluated against experience and records of the past. In the light of knowledge of the ocean's mercury balance, I am impelled to state that the occasional practice of eating tuna fish sandwiches or fish steaks need not be modified and that apprehension is not justified.

CHANGES IN THE LANDSCAPE

Nature has made many billions of scars on the surface of the land through normal geologic processes. Dry gulches, badlands, landfalls, alluvial washes, terraces are among many landforms so common to the geologist.

Meteor Crater in Arizona is a natural circular feature attractive to many tourists, as is a large open pit near Bingham Canyon, Utah, created by man to recover billions of pounds of copper for industry. Natural terrain underlain by limestone or salt formations display sinks and cave-ins, as do terraces underlain by underground mines. Roads and highways lace the country as do stream courses in drainage basins. Lands are necessarily cleared for airports, transmission lines, railroads, and pipelines.

Some look upon any intrusion of the pristine wilderness by man's construction to be a desecration of nature. The technical development that has set man's development on earth apart from the rest of the animal world has indeed made a profound impact on the surface of this planet in many places. In order to sustain man on earth landscape tradeoffs have been a necessary consequence. A burgeoning population requires more natural resources each decade. Even if zero population growth is attainable mankind's demand for resources is staggering. Some estimate that cumulative demand will triple or more by the year 2000.

The mature technical society of the United States has provided 50 to 100 times the worldly goods of its frontier counterpart. Today one penny's worth of gasoline provides the work of 25 men. Three people now provide the basic food for 100. Like it or not, this has been the accepted and preferred path of affluent consumers and skillful technology.

Appalachia is studied with remnants of poorly practiced open-pit coal mines that operated without regulatory controls. For less than two percent of the value of the coal marketed, most of these abandoned sites might have been acceptably restored. Today the cost would reach hundreds of millions of dollars. On public lands in the western states the Department of the Interior imposes restorations and reclamation requirements as part of the resource recovery mining system and part of the cost of operation. All leasing of public lands carry this contractual requirement.

A mature nation like the USA so dependent upon its natural resources cannot turn off its economic pattern of development without a major impact on its welfare and way of life. Nor can this nation continue its economic development without more regard for the environmental impact of its industry. The public interest is a multi-faceted structure requiring the full attention and prudence of Government.

Under consideration in Congress is a major reorganization plan whereby a proposed

Department of Natural Resources can serve as a focal point for national policy in this area. Along with management responsibilities for land, water, wildlife, and energy the new Department would combine research capability in total science of the earth. How better to develop management judgments about nature than with science and technology as handmaidens.

CONCLUSION

Over the past decade, increasing public concern over alteration and degradation of the human environment has focused serious attention on indiscriminate industrial development. Recognizing that alteration of the environment is not necessarily hazardous to man and his associates in the biosystem, environmental change, nevertheless, is being subjected to intensive review and critical analysis. Some vocal and active extremists demand full halt to all further economic development. Others require stipulations that all industrial activity, present and future, absorb substantial costs to avoid any further pollutants to air, land, and water and to initiate specific and costly recovery technology to enhance the environment or to offset unacceptable practice. These concerns and demands are generating new laws and regulations aimed at curbs and controls that have significant impact on our national resource base.

Inadequate data persist in the arena of assessment and decision making. Consumers demand a continuing supply of energy and resource products on one hand and demand maximum pollution protection on the other. Scientists and engineers are now victims of their own success. They have provided what the people wanted in a frame of lowest cost requiring great innovations in a maturing society and they now must respond in a short time frame to continue productivity without adding wastes to the environment.

Geologic science demonstrates that nature is a massive polluter of the environment. In comparison, man's activity is of little consequence on a planetary scale in some issues, but may be of serious consequence in a local context. Conservation ethic requires a better understanding of the natural base line before rigorous actions are taken out of apprehension and ignorance. Science and research are needed more than ever to provide guidance to courses of national action aimed at fulfilling human needs. As the most intelligent species on earth, man can certainly provide for himself and yet prudently protect the total ecosystem from unnecessary and unacceptable degradation.

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THE PRESIDENT AND BUSING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FULTON) is recognized for 5 minutes.

Mr. FULTON. Mr. Speaker, for many long months now the administration has given verbal assurances that it stands opposed to school busing for the purpose of achieving racial balance in our schools. The President has said on many occasions that he opposes such an instrument, busing, for this purpose.

For as many months, many communities such as my own Nashville, Tenn., which are currently under court order to bus have looked to and anxiously awaited encouraging words of hope and action from the administration.

For such communities the President's address of March 16 and subsequent detailed report to the Congress was at best a disappointment. For when all the rhetoric was stripped from the President's package, there was little left for communities under court order to bus other than disappointment.

With the exception of a pledge made by the President that the Justice Department would intervene in some cases where appeals are pending, Mr. Nixon offered school systems suffering under the burden of excessive court-ordered busing little, if any, prospect for relief. Rather, the future for them would appear to be one of continued busing.

In other respects, perhaps all respects, the administration's antibusing proposals offer no positive guarantee of any lasting relief from present or future busing.

He has called for legislation of questionable constitutionality which, in the main, would rely upon the Supreme Court itself to approve limitations on powers which it now may exercise.

I refer specifically to the President's proposal that the Congress legislate a temporary "moratorium" on new busing orders by the courts and that the Congress direct the courts to consider spe-

cific remedies for segregation according to a list of prescribed priorities.

Both suggestions are based on constitutional theories which heretofore, have not been tested in the courts.

The constitutional basis for the moratorium is the theory cited by HEW Secretary Richardson in his news conference of this past Saturday that the Congress has "implicit" power to prevent courts temporarily from using a judicial remedy while Congress considers legislation to alter or limit that remedy. A portion of the basis of this theory is that Congress has the basic power to establish Federal courts. A second portion of the theory is not in the Constitution but was described by Mr. Richardson as "inherent reasonableness."

The theory relating to congressional establishment of remedial priorities holds the Congress may direct courts to consider specific remedies only according to a priority ranking from the most to least desirable. The Supreme Court has never been asked to rule upon the authority of the Congress to restrict the options available to the Federal courts in this respect.

Elsewhere the President has asked for more Federal funds to help provide quality classroom education for poverty students. This is a request which all can applaud and most fully endorse. However, one of the major elements required for improving classroom opportunity is the tremendous need nationwide for better classrooms, equipment and, in general, public school facilities.

To this great need the President hardly gave a glance other than to suggest that the construction and/or renovation of facilities might be one of the steps in his list of priorities which the courts could consider.

Overall, the President's message, at best can be viewed as little more than a possible holding action. It does nothing for those school districts already under court order and, at best, promises only a moratorium on new busing for 15 months at the most. It seeks to place restrictions on the courts which would be subject to the approval of these very same courts. Finally, it offers some new Federal funds to improve education, but it completely ignores one of the major financially deprived areas of education which contributes as much if not more than any other single factor to busing today, and this is the nagging need for moneys to construct new and renovate existing public school facilities which will enable local school districts to implement the innovations necessary to alleviate the need for excessive school busing.

Mr. Speaker, I welcomed the President's message and the pledge that the administration is today prepared to give this grave problem more than lipservice opposition.

What has been proposed may be some help for some communities in the future. But for those who think it is the answer to the busing problem, I would advise caution and a reconsideration of what is being offered through and asked of the Congress.

Mr. Speaker, some very incisive com-

ment on the President's proposals was provided in editorials by the Nashville Banner, "The President Missed His Bus" and the Nashville Tennessean, "Mr. Nixon Looks North, West With a Busing Plan." The Nashville Banner editorial appeared on Friday, March 17 and the Nashville Tennessean's was published on Saturday, March 18, 1972. I place these comments in the Record at this point and commend them to the attention of our colleagues.

[From the Nashville Banner, Mar. 17, 1972]

THE PRESIDENT MISSED HIS BUS

For the thousands of Nashvillians who have looked to Washington for a meaningful solution to the disruptive and arbitrary court-ordered school busing here, President Nixon's long-awaited statement is a disappointment.

The President's so-called busing moratorium provides no relief for Nashville schools and falls far short of the mark. The only glimmer of hope in Mr. Nixon's message comes from the possibility of Justice Department intervention in Nashville's appeal of the oppressive busing order. That has been a possibility all along.

In calling on Congress to order a moratorium on "more new busing," the President overlooked the worst part of the busing problem, school systems already hit by capricious busing orders.

Considering the stiff anti-busing legislation passed overwhelmingly by the House of Representatives recently and the surprisingly strong showing of antibusing strength in the Senate, the President's proposals are a virtual retreat from a realistic solution to hardships imposed by busing.

By a 2-1 margin, the House has passed legislation that would stay all court busing orders (Nashville's included) until appeals are exhausted, forbid use of federal funds for busing and prohibit federal agencies from ordering busing as a condition of receiving aid. That legislation—pending in conference committee—already is a good deal more potent than the President's message and offers at least some relief to school systems like Nashville's.

President Nixon voiced concern over the ill effects of recent busing orders: "The decisions have left in their wake confusion and contradiction in the law—anger, fear and turmoil in local communities and worst of all agonized concern among hundreds of thousands of parents for the education and the safety of their children who have been forced by court order to be bused miles away from their neighborhood schools."

With his proposed moratorium on future busing orders, however, the President is departing from his own diagnosis, prescribing no cure for the already existing cancer.

If ever there were a school system suffering from a malignancy, it is Nashville's. Court-imposed busing has produced all the ills President Nixon described and more. It has turned a progressive educational system into little more than a fief of the federal court; it has produced chaos and disorder that boggle the mind; it has ripped apart family habits and neighborhood pride; it has very nearly broken the spirit of a proud community.

If more busing is bad, and should be stopped, certainly existing busing is as bad and must be stopped. What is needed and what the President has not given us is a national policy on busing, applicable to all.

The President rightly recognized that opposition to busing cannot be equated with a call for segregation. He said:

"To conclude that 'anti-busing' is simply a code word for prejudice is a vicious libel on millions of concerned parents who oppose busing not because they are against desegregation but because they are for better education for their children. They want their children educated in their own neighborhoods."

No one will quarrel with his urgent suggestion to upgrade quality education North, East, West, South."

The President also left the way open to a Constitutional amendment to prohibit busing. Although he deprecates the time-consuming process that such an amendment would require, he said: "The constitutional amendment proposal deserves a thorough consideration by the Congress on its merits."

The door to the Constitutional amendment must be left open. If nothing else brings relief, the people will demand its adoption. Millions already are demanding it. More than a million demanded it in Florida this week.

The President said the key to the busing solution rests with Congress. He is right. Congress should accept the President's proposals but not stop there. Congress should pass whatever device is necessary to halt busing everywhere—past, present and future busing.

The people assuredly concur in his urging for "action now." But the "action now" needed requires far more, all circumstances considered, than the formula laid down. The expenditure of even \$50 billion for construction, etc., would not relieve the school situation this year—or next year, toward which confusion and conflict are disastrously pointing.

Terminating the busing where it is—not just where it otherwise might spread—is the action needed now.

The President missed his bus.

[From the Nashville Tennessean, Mar. 18, 1972]

MR. NIXON LOOKS NORTH, WEST WITH A BUSING PLAN

Nobody has ever accused President Nixon of great moral suasion where votes are to be harvested, and from his message on busing, he apparently believes the harvest lies in the North and West.

Mr. Nixon called for a moratorium "on new busing" until July of 1973 and past election time, but "old busing," which includes the whole South, will stand. The Justice Department will be asked to intervene in "selected" cases where lower courts are deemed to have gone too far.

What effect such intervention would have is debatable and in any case Mr. Nixon has had the power to ask such intervention all along. In the few places the Justice Department has intervened, it has been to try to stiffen the rules.

The President has cleverly placed the busing saddle on Congress and invited the public to ride it until it acts. If Congress fails to act, Mr. Nixon can say that he tried and put the blame on Congress. If Congress does act, whatever laws it approves will come before the Supreme Court which, jealous of its prerogatives in interpreting the Constitution, can simply knock them down. But the process of appeal would take quite a time and Mr. Nixon evidently believes he could be safely re-elected by that time.

Mr. Nixon can read the results of the polls as fast as Mr. George Wallace and he intends to undercut any surge of strength in the North and West for Mr. Wallace with his proposal to halt "new busing." As for the South, Mr. Nixon feels he has it safely in hand simply by his repeated assertions that he is against busing for purposes of achieving racial balance.

The President spoke Thursday night at some length on the problems of busing, and there are problems. Some lower court rulings have been arbitrary and inflexible. But the chief cause of some of the worst problems has been Mr. Nixon's own Department of Health, Education and Welfare. It has been rigid, bureaucratic, and indifferent to problems its advisers helped created in communities they know nothing about.

The HEW is still interfering in the affairs

of the Metro school system. The latest publicized incident was its illogical refusal to permit a teacher transfer delay until the end of the term—a transfer unnecessarily disruptive.

If Mr. Nixon had been interested in alleviating the worst hardships and problems of busing, he could have done it easily. He could have ordered HEW to keep hands off and let local people work out their problems. He could have asked the Justice Department to intervene to plead for more flexibility where hardship existed.

He still has that power. Instead, he has lambasted and undercut the lower courts, proposed a plan that is more shadow than substance and more political than helpful, increased the polarization on the issue, raised false hopes and defaulted on his own role of leadership in a thorny, bitterly divisive problem in this country.

FREEDOMS FOUNDATION AWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MORGAN) is recognized for 5 minutes.

Mr. MORGAN. Mr. Speaker, Mr. Norman Monack of Fallowfield Township, Charleroi, Pa., has been selected by the Freedoms Foundation, Valley Forge, Pa., to receive the National Freedoms Foundation Teacher's Medal.

Mr. Monack is a teacher of economics and problems of Democracy at the California Area High School, California, Pa. He has instituted in his teaching plans, a program relative to teaching the provisions of Public Law 77-829, which is known as the "Flag Code of the United States." In his teaching of this program, Mr. Monack explains to the students in his classes, the law and regulations pertaining to the U.S. flag, how it should be displayed, and flag etiquette. In his lesson plans, Mr. Monack utilizes the available resources of government from all levels—Federal, State, county, and local. This is done by inviting speakers, who are well experienced in their respective fields so that they can give the students firsthand knowledge of their work.

The California Area High School has been cited by the Pennsylvania Department of Education for the teaching of the Flag Code of the United States. Through the efforts of Mr. Monack, there is now pending before the General Assembly of the Commonwealth of Pennsylvania, legislation which would make the teaching of the U.S. flag mandatory in all high schools in Pennsylvania.

Mr. Monack, with the assistance of four students of the California Area High School, has also designed a congressional flag for the Congress of the United States. His proposal is now pending before the Committee on House Administration. It has received wide support from civic, service, and local organizations in my congressional district.

The Freedoms Foundation Award will be presented to Mr. Monack in a special assembly program at the California Area High School, California, Pa., in the near future. I want to take this opportunity to extend my congratulations to Mr. Monack for being selected as the recipient of this award.

ANNIVERSARY SALUTE TO KFI BY SOUTHERN CALIFORNIA AREA DELEGATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

Mr. DANIELSON. Mr. Speaker, radio station KFI will on April 16, 1972, celebrate 50 years of broadcasting service to Los Angeles and a large portion of southern California. Today the Members of Congress representing the area served by KFI join in extending congratulations and in saluting KFI on this golden anniversary of commendable service to the people of southern California.

The founder of KFI, the late Earle C. Anthony, first put the station on the air with an initial broadcast over a 5-watt homemade transmitter on April 16, 1922. KFI's growth was rapid. Within its first year the wattage was increased to 100 watts and again to 500 watts. By the end of 1924 its power had been increased to 5,000 watts. By mid-1931 KFI had grown in size to become the Nation's most powerful AM commercial broadcasting station, with a 50,000-watt transmitter and a class 1-A clear channel signal.

Perhaps the most significant factor in the growth and business success of KFI has been the continuation of the broadcasting standards and practices inaugurated by Earle C. Anthony 50 years ago. With a constant eye toward public service, KFI established in 1943 a continuing competition for young concert artists which won the Peabody Award.

Few people outside its boundaries realize that Los Angeles County is one of the leading agricultural counties in the entire United States and for many years it led the field in dairy products. For this reason KFI maintained a full-time farm director to supervise the broadcast of agricultural news, weather reports and the mighty frost warning broadcasts to the citrus industry.

Because of KFI's frequency and 24-hour power, the station was requested by the U.S. Government to return to its all-night programing which had been canceled at the conclusion of World War II. This request was made so that conelrad might utilize the station's frequency at any time in the event of a civil defense emergency.

One of the early milestones of the station's career was the first live symphony concert heard in the West in 1924. Quick to realize the cultural possibilities of radio, Earle C. Anthony followed this broadcast in the next year with the presentation of a Wagner opera in its entirety from the stage of the Los Angeles Opera House. That opera broadcast was such an important step in programing that General Electric made it the subject of a special booklet illustrating radio's strides and possibilities.

In its early years, KFI was instrumental in establishing west coast network broadcasting by establishing a hookup with KPO in San Francisco. KFI brought the West its first presidential inaugural broadcast and hundreds of people thereby heard President Calvin Coolidge repeat the oath of office.

KFI was the first radio station to broadcast a program to England in 1924, and to launch test broadcasts to Australia in 1925. Favorable reception of KFI was recorded in these broadcasts despite adverse weather conditions. KFI also pioneered in remote control broadcasting.

In addition to KFI's proud achievements of the past, it has future plans which will continue to distinguish it as a leader among radio broadcast stations. KFI's present location at 141 North Vermont Avenue in Los Angeles is soon to be enhanced by a proposed station-developed museum of broadcasting memorabilia.

KFI has, through its quality programming, served the public interest well, and the Members of Congress in the KFI listening area are pleased to make special note of the celebration of its golden anniversary.

It is my pleasure to set forth a list of some of the achievements of special note by KFI during the past 50 years:

"FIRST" IN KFI HISTORY

First remote broadcast on the Pacific Coast, origination of network broadcasting on Pacific Coast. First rebroadcast to England. First pickup of a complete grand opera from a stage. First football and general sports broadcast in the west. Origination of the First West-to-East network broadcast, the 1927 Rose Bowl contest.

The great names of the early Twentieth Century—Calvin Coolidge, Will Rogers, Thomas A. Edison, General John Pershing, Admiral Richard Byrd—made some of the First radio appearances over KFI.

First Southern California station to apply for a television license.

CHRONOLOGICAL HISTORY OF KFI

April 16, 1922—KFI goes on the air as 5-watt station.

October, 1922—Increase power to 100 watts.

December 15, 1922—Power increased to 500 watts.

November, 1924—Power increased to 5000 watts.

April, 1927—National Broadcasting Company established on Pacific Coast, KFI becomes part of network.

1927—KFI broadcasts first Hollywood Bowl Concert.

January, 1928—KFI begins 16 hour per day program schedule.

July, 1931—Power increased to 50,000 watts.

March 20, 1939—Date of filing of first application for TV experimental construction permit by Earle C. Anthony, Inc.

1941—KFI employs full time Farm Director.

1941—Inauguration of nightly frost warning service on KFI.

1944—KFI establishes Young Artists Competition, now known as Hollywood Bowl Auditions.

October 20, 1947—KFI-FM begins program operations.

October 6, 1948—KFI-TV begins commercial program schedule.

IS ANYONE LISTENING? DOES ANYONE GIVE A DAMN? JAY BRAND SAYS "YES"

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

Mr. TALCOTT. Mr. Speaker, some young persons are concerned about the

affairs of man and the challenges which confront our society.

"Some listen and learn; some come and participate; some work and contribute; some do all three. One of these is Jay Brand, a young student who lives in Atascadero in the congressional district which I have the honor to represent. He has actively contributed to the improvement of his school and community. He is attempting to tell his fellow citizens what he thinks. He recently won a speech contest in which I believe he captures the feelings of the high school student today.

I believe his speech is worth listening to by students and adults. I commend him for his views and especially for the actual contributions he makes to his school and community. I include Jay's speech at this point in the RECORD:

"IS ANYONE LISTENING? DOES ANYONE
GIVE A DAMN?"

Ladies and Gentlemen:

I'm new at making speeches, but I haven't run across a subject that has compelled me to speak as much as does tonight's. I'm listening, and I definitely give a damn.

But, in our country, how can anyone help but listen? We live in a time when people are more involved in what is going on in the world than at anytime in history. Today we have television, radio, and papers. Today we don't just read about events of the day, but we see every gory detail in living color. It seems that we hear and see every horrible act that a human being is capable of committing, because that's news.

When I think of news, I think of one man. This man was perhaps one of the most interesting newspaper men in history; because with him, if there wasn't any news, he'd just go out and make some. For this very reason many historians attribute him with the Spanish-American War.

My point? In our society of supply and demand, the news media must continually have a new supply of news to peddle. All of the networks and papers are forever fighting with each other to grab the most horrifying, startling, dramatic scenes and stories simply to sell another copy or gain an even higher rating. But then, can I, can we blame the news media completely? After all, we are the ones that are buying.

Yes, America is very informed, but our people are becoming tired of opening the paper and seeing Vietnam, turning on the TV and watching riots, or listening to the radio and hearing about starvation. They are tired of always feeling responsible for the world's ills. They are bombarded day and night and they are becoming frustrated. We as a country are rapidly leaning towards isolationism, and with as much as we take from the world, and with as much as we have to offer, this would truly be a crime.

But what of the new generation? What of us?

Well, as much as we continually hear about the younger generation, with their long hair and drugs, all is not lost. Here again we must go back to the media; they are forever telling us about the hippies, because a good-clean-cut kid just isn't news.

But the younger generation is different. It is? For our age we are more educated and aware than were our parents at the same age. True, we haven't had the responsibilities that our parents endured, but we do have a different type of responsibility; a nuclear one. And it is just as heavy. We have grown up in a world with weapons capable of destroying the world not just once, but hundreds of times over; weapons which we seek to rid the world of. Albert Einstein once said, "... against nuclear destruction

science can offer no defense. The answer is in the minds and hearts of mankind."

And we are a social generation. We care what happens to our world. We are an involved generation who is listening and certainly gives a damn. We will not let you down, we will make you proud. I would like to share something with you that I heard on a Los Angeles radio station. I feel it reflects the thinking of today's youth.

I have died in Vietnam,
But I have walked on the face of the moon.
I have befouled the waters and tainted the air of a magnificent land,

But I have made it safe from disease.
I have flown through the sky faster than the sun,

But I have idled in streets made ugly with traffic.

I have littered the land with garbage,
But I have built upon it a hundred million homes.

I have divided schools with my prejudice,
But I have sent armies to unite them.
I have beat down my enemies with clubs,
But I have built courtrooms to keep them free.

I have built a bomb to destroy the world,
But I have used it to light a light.

I have outraged my brothers in the alleys of the ghettos,

But I have transplanted a human heart.
I have scribbled out filth and pornography,
But I have elevated the philosophy of man.
I have watched children starve from my golden towers,

But I have fed half of the earth.
I was raised in a grotesque slum,
But I am surfeited by the silver spoon of opulence.

I live in the greatest country in the world in the greatest time in history,

But I scorn the ground I stand on.
I am ashamed. But I am proud.
I am an American.

Thank You.

COMMEMORATING BYELORUSSIAN INDEPENDENCE DAY

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

Mr. HANLEY. Mr. Speaker, 54 years ago today the Byelorussian people made a commitment to free and democratic government by proclaiming their national independence. Today, that commitment still lives, despite decades of invasion and attempted subjugation. The spirit of a free nationalistic society remains despite the systematic social and economic pressures put upon it by the Communist leadership in Moscow.

The present relationship with Moscow is colonial in nature. The Soviet Union exploits the rich Byelorussian resources, while attempting to eradicate Byelorussian nationalism. Only Russians are permitted to occupy key position in Byelorussian society and government. Industrial development has not been for the benefit of those who produced it in Byelorussia, but rather for Soviet empires in Central Asia. The native tongue of Byelorussia has been removed from all public use. Still, the Byelorussian people cling to their heritage of freedom. Nationalism thrives in the hearts of these tenacious people.

Those of us blessed with freedom often take it for granted. It is not fashionable these days to enunciate the attribute of America. But I think it is wise to look at

the oppressive situations other freedom loving people must endure in order to fully appreciate the liberty we enjoy. The peoples of the Captive Nations, by their vigilance and devotion to individual rights, make a contribution that can't be measured.

Just as the Czarist Russian oppression failed to break the free will of the Byelorussian people, so the Soviet rule will likewise fail. I salute those Byelorussian people who serve on the front lines of this ideological war, on this the 54th anniversary of their independence.

Only when all men are given the right to choose the government they live under will world peace be within our grasp. Until then, we must do all we can to morally and spiritually support the valiant freedom fighters in all the captive nations.

REPRESENTATIVE DANIEL J. FLOOD ADDRESSES THE SYRACUSE UNIVERSITY ALUMNI LUNCHEON

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

Mr. HANLEY. Mr. Speaker, on March 15, I was privileged to attend the Syracuse University Alumni Luncheon here in Washington. On that occasion one of that great university's truly illustrious alumni was the principal speaker, he also enjoys membership in the U.S. House of Representatives. I say "he enjoys" but I should qualify that by saying that the American people, by his presence in the Congress enjoy his extraordinary competence and dedication; America is indeed a better nation through his day by day contribution.

I refer to the esteemed Chairman of the HEW Appropriation Committee, my friend and neighbor, the gentleman from Pennsylvania, Congressman DANIEL J. FLOOD.

On that occasion Chairman Flood delivered an excellent message on the future of higher education, I commend its reading to my colleagues:

THE FUTURE OF HIGHER EDUCATION, AND THE ROLE OF PRIVATE AND PUBLIC UNIVERSITIES

(Address given by Congressman
Daniel J. Flood)

It is a great pleasure for me to be here today, and to share with you some of my reflections on higher education in America and the respective roles of private and public universities. I think there can be little doubt that education in America is confronting a great and continuing crisis, a crisis whose ramifications touch upon every area of our National life. The impact of mass education (too new in history to be evaluated adequately), the tensions between liberal arts on the one hand and vocational or technical training on the other, the growing financial crisis facing education at every level—these are problems which, heightened for the private university competing with the more ample funding of State schools, affect both public and private schools. Moreover, at a deeper level, there is the recurrent issue of the university's role in society: transmitter of learning, or active agent for social change.

I think it is fair to say that the future of higher education in America—if, indeed, it has one (and we who are here believe that

it has)—is inextricably bound up with the future of our society, its character and quality of life. In that future, whose shaping we are able to determine, if we will, there must be a place for both the public and the private university.

The conclusion of the Jellema Report, studying the financial status of private institutions of higher learning and sponsored by the Association of American Colleges, has become almost too well-known: "Private colleges and universities are apprehensive and they have reason to be. Most colleges in the red are staying in the red and many are getting redder, while colleges in the black are generally growing grayer. Taken collectively, they will not long be able to serve higher education and the Nation with strength unless significant aid is soon forthcoming."

Stated thus baldly, the nature of the problem facing our private schools seems very clear. However, the financial issue in higher education is multi-faceted and complex, defying any simplistic or across-the-board solution. Different categories of institutions experience the pinch, as it were, for different reasons: research-oriented universities must adjust to a slower rate of Federal grants; State schools are faced with cut-backs in legislative appropriations; community colleges confront huge capital demands; financially able students are too few for certain private schools to break even, and so on.

Many of the difficulties which beset our public institutions are due to an increasing competition for tax dollars and such other temporary situations as political reaction to student or faculty behavior. It is also true that the "politicization" of the university—as advocated by a minority of educators and students—may invite punitive legislation in the vital area of funding.

Private institutions, on the other hand, are affected by the obvious challenge of having to compete with subsidized public institutions increasingly able to match them both in quality and in the broad spectrum of educational offerings.

While we as a people are deeply committed to the expansion of our public institutions of higher learning, the fact remains that a full quarter of the college population—over 2 million students—are currently enrolled in close to 1500 private institutions, institutions whose students continue to win more than half of all Rhodes Scholarships, whose graduates win Nobel Prizes and other high-level research and scholarship awards out of all proportion to their number, and who serve in high positions in local, National, and international affairs in striking disproportion to the percentage of total college graduates they represent. In fine, our private colleges and universities have every reason to take pride in their role of leadership.

Moreover, not only in terms of faculty and programs but also in terms of costs, some private schools may be best-suited for the growing numbers of students who do not fit into the traditional mold. As the Carnegie Commission on Higher Education has pointed out, these schools already have both staff and program "geared specifically to the needs of the less academically able". In truth, our private colleges and universities are a precious and valued National resource, worthy of continuing and expanding support and encouragement by the Federal Government at every level. Unhindered by the necessity of coping with State legislatures, they are and have been and must continue to be at the cutting edge of reform, renewal, and creative experimentation. Further, they ensure cultural and social vitality.

For years the private sector in American secondary education has produced only about 11% of the total graduates of secondary schools. The rate at which private higher education is approaching a similar situation gives cause for serious reflection by all who are genuinely concerned in this matter. A

recent study of the changing ratios of enrollment, degrees, and number of institutions in public and private higher education concludes that "education at a privately controlled institution . . . will, by the end of the century, be experienced by only a small minority".*

We in the Congress—as throughout the Government—are committed to quality education for all Americans and to the preservation and continual improvement of all our educational institutions, both private and public. Legislative proposals now before the Congress embody four fundamental concepts of aid to higher education: under these proposals, private institutions would be equally eligible for assistance. The guiding concepts reflect our awareness of the different kind of problems facing different schools. They are:

1. equality of opportunity
2. institutional aid compatible with a National purpose
3. support for research
4. encouragement of innovation and reform.

These principles are translated into realistic financial aid—a process which must be continued and expanded in years to come. It has been well said that the true nature of the educational crisis we face is (in the words of the President of the University of Connecticut) "a crisis in confidence", in credibility and relevance. A noted sociologist (Daniel Bell) has lately spoken of "a great loss of nerve. The . . . moral legitimacy of the system (has been) called into action". Expanding on this, Professor Martin Rein of the Massachusetts Institute of Technology has declared that "doubt is now stronger than commitment for action" among an increasing number of students and faculty, but he adds, significantly, "doubt leads to the desire to know."

If we will, the crisis to which I have alluded can become the ground of opportunity for a creative turn in this Nation. To a very large extent, you who are engaged in the process of higher education today are faced with a challenge at once awesome, even depressing, and exhilarating, summoning all our initiative, idealism, and faith. Under God, we cannot fail.

HOMAGE TO ISABEL WILLIAMS

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

Mr. HANLEY. Mr. Speaker, I would like to take this time to bring to the attention of my colleagues a most talented and distinguished citizen of Syracuse, N.Y. Mrs. Isabel Williams, who was born in Auburn, N.Y., is a well known and most respected black artist in the Syracuse area. Mrs. Williams captures in her paintings the soul of "Negritude" and the very spirit and condition of black people. Mrs. Williams can well depict the feelings of black people, for her own paternal grandmother was a slave. As a child Isabel Williams knew the heroic leader of the underground railroad, Harriet Tubman. She attended the same church as Harriet Tubman and referred to her as Aunt Harriet. From her frequent discussions with Harriet Tubman, Mrs. Williams gained valuable insight into the emotional and physical struggles of the underground railroad.

Mrs. Williams has often been referred to as the local "Grandma Moses" because

* Elmer West and C. J. Anderson, "Changing Public/Private Ratios in Higher Education", *Educational Record*, Fall, 1970.

of her remarkable talent in her advanced years. Isabel Williams has said that she paints because of her nervousness and her desire to capture the anxiety of black people on canvas. She has filled the Syracuse area and many parts of the country with a great appreciation for the struggle of all black people.

At this time I would like to share with my colleagues the homage paid to Isabel Williams by Robert Pritchard of the Pan-American Association:

HOMAGE TO ISABEL WILLIAMS

(By Robert Pritchard)

Gandhi defines history as the perennial condition of war interrupted by occasional respites called Peace. Since Genesis, it seems that this Peace has gestated in the soul of man. It has lain dormant during the ages of the First and Second Worlds; and its stirrings have been felt in the age of the Third World. There comes to mind Beethoven's and Schiller's concepts of "the brotherhood of man," Tolstoy's utopian concepts, Neruda's and Senghor's Third World concepts of the "hombré nuevo" and "negritude" respectively, Martin Luther King's philosophy of "non-violent confrontation," Gandhi's "passive resistance" bridging the various Eastern humanistic rites to the West, destined by Kipling never to meet. Now the Fourth World rises like a Phoenix out of the flames of history's spurious promises to offer hope in our time of common humanity for survival with dignity.

The Fourth World derives its spiritual integrity from the ethos of the ancient and modern slave, Greek, Jew, African, Untouchable, nurtured from peonage to an awareness of the right to self-determination by the precedents of the French, American, Irish, Russian and Algerian Revolutions, refined through the fires of the struggle for sovereignty of "les Negres du Monde" and the Vietnamese people. The world, having miraculously survived the mercantile and industrial revolutions of England, America, Japan and Western Europe, is now inspired by the cultural revolutions based on ethnicity of the peoples of China, Bengal, Cuba, French-speaking Canada, of the indigenous Latin American peoples, and the Black, Chicano, Indian and Puerto Rican people of the United States. The role of the artist is to offer living testimony to the elevation of the Human in Man, not as an ethnic or chauvinistic elite—but as the medium of the collective human conscience, a role locally fulfilled by Syracuse's indigenous painter of the Black Presence, Isabel Williams, and internationally by such visionaries as the self-taught Brazilian diarist of the favelados, Carolina Maria de Jesus, or the Nicaraguan Revolutionary Poet-Priest Ernesto Cardenal, or the Elder Statesmen-Prophets and High Priests of International Black Letters, the late Dr. W. E. B. DuBois and Dr. Jean Price-Mars (who passed the mantle of Negritude on his 90th birthday to the New World Negritude concept of Dr. Robert Pritchard), or the Puerto Rican revolutionary and visionary respectively, Don Pedro Albizu Campos and Luis Pales Matos, etc.

Tonight's performing artists, Pianists Robert Pritchard and Henri-Georges Polgar, and Soprano Mary Gauthier, present with a high sense of purpose and obligation ancient and modern genre-masterpieces and experiments which reflect the genius of the New World's oppressed peoples, the sound of God in Man in his full Panamerican Multi-Ethnicity. In the words of Dr. Emile Saint-Lot (Haiti's Charter signer of the United Nations Charter, philosopher-founder of the Societe Africaine de Culture and the distinguished organ of "le monde noir," *Presence Africaine*) "In the purple mantle of Negritude" do they offer this musical sacrament to the concentric presence of the Third and Fourth Worlds.

NATIONAL MICROFILM WEEK

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

Mr. CONABLE. Mr. Speaker, I am introducing today a resolution calling upon the President to proclaim the week of September 11 as National Microfilm Week. In proposing this solution I am hopeful that such a proclamation will appropriately recognize the accomplishments of an industry and technological system which has revolutionized information gathering and dissemination in a way that has affected everyone's life.

Government, industry, commerce, schools and universities, and many other institutions utilize microfilm extensively. It has made possible economical and convenient preservation of our history and opened the portals of knowledge for all who desire it. The resolution takes note of all these facts, as well as the role of microfilm in preserving the Nation's historical records at the National Archives and of its use to provide V-mail to servicemen in war zones. Congressman FRANK HORTON, who also represents the Rochester, N.Y., area, is a cosponsor of this resolution. The Rochester area is one of the major centers of the microfilm industry.

Government is the largest single user of microfilm. Every social security record is microfilmed, kept up to date, and made accessible at over 800 locations to facilitate the handling of individual files. Technical reports of the Nation's defense agencies account for a large part of the Federal Government's involvement in this medium. The National Archives and Records Services, and the Library of Congress preserve the Nation's history and provide basic documentation for research in many fields by microfilming.

Microfilm's commercial applications began with checks in a bank, and today financial institutions account for a substantial percentage of microfilm's use. Most larger department stores and the Nation's credit card companies use microfilm to record purchase records before returning them to customers with monthly statements. Hospitals microfilm patient records, radiographs, and other vital records that make up their permanent files. Newspapers are on microfilm, as are most periodicals, books, and even unpublished manuscripts. In wartime, it was used for the V-mail program and in peace, it has made possible the miniaturization of messages left on the moon.

Mr. Speaker, microfilm has played a significant role in American society and its importance continues to expand as demands for information continue to grow. In recognition of these applications, Congressman HORTON and I are introducing this resolution and we are hopeful that it will receive congressional approval in the near future.

A 30-DAY LIMIT ON PRIMARIES

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

Mr. MONAGAN. Mr. Speaker, the procedure for the nomination of our candidates for President cries for revision. The brutal hodge podge of 25 primaries, including the one in Illinois today, which extends over a tortuous 4-month period, must be changed.

The primary proliferation this year has been disastrous. Originally designed as a reform, it has led to numerous regrettable results.

The Democratic Party has been fragmented in spite of the fact that unity is essential for success in this vital election for the Presidency of the United States.

The fantastic cost of campaigning in these primaries is a national waste of financial resources which could well be used in many other ways, including utilization by the ultimate nominee of the party at this time when the Democratic Party is financially pressed at the national level.

The extending of the primaries over a 4-month period exhausts the candidates physically and emotionally and has resulted in errors in tactics and an unbalanced list of priorities in the issues discussed. Significant has been the lack of discussion of issues upon which the fate of our country depends.

The participation of the voters in these elections has been extremely light and far out of proportion to the importance of the task of selecting a presidential candidate.

Moreover, it is evident that primaries can often be dominated by substantial expenditures of money. We have seen this in the past, and it is also present in the current campaign where some candidates have campaigned solely through the news media with massive purchases of time and space.

The present nomination procedure is no reform at all. The primary campaign is getting longer and longer, more and more expensive, and more confusing.

On May 20, 1971, I introduced H.R. 8606, to limit presidential campaigns to 60 days. As a companion to that proposed legislation, I am today introducing a bill to require that every primary election held for the expression of a preference for the nomination of persons for election to the office of President of the United States, be held not more than 30 days before the day established by such political party for the opening of such nominating convention. This will limit our overall presidential election process to 90 days.

I urge my colleagues to support this proposed legislation in an effort to bring some sanity to a situation which is getting totally out of hand.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. SAYLOR (at the request of Mr. GERALD R. FORD), on account of personal reasons.

Mr. ESHLEMAN (at the request of Mr. GERALD R. FORD), for today and the balance of the week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. VANIK, for 15 minutes, today, to revise and extend his remarks and include extraneous material.

(The following Members (at the request of Mr. HEINZ) to revise and extend their remarks and include extraneous material:)

Mr. HALPERN, for 5 minutes, today.

Mr. ROBISON of New York, for 10 minutes, today.

Mr. QUITE, for 10 minutes, today.

(The following Members (at the request of Mr. DENHOLM) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 10 minutes, today.

Mr. RODINO, for 5 minutes, today.

Mr. EVINS of Tennessee, for 10 minutes, today.

Mr. FULTON, for 5 minutes, today.

Mr. MORGAN, for 5 minutes, today.

Mr. DANIELSON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HANNA, and to include extraneous material.

Mr. MAHON in two instances, and to include extraneous material.

Mr. MILLS of Arkansas, and to include extraneous material.

Mr. SCHMITZ following the remarks of Mr. CRANE on the Crane amendment and the remarks of Mr. PELL.

Mr. HOLIFIELD, and to include extraneous material.

Mr. GROSS and to include certain pertinent material.

(The following Members (at the request of Mr. HEINZ) and to include extraneous matter:)

Mr. CRANE in five instances.

Mr. HALPERN.

Mr. QUILLIN.

Mr. GERALD R. FORD.

Mr. FRENZEL.

Mr. MALLARY.

Mr. WYMAN in two instances.

Mr. PRICE of Texas.

Mr. BOB WILSON in four instances.

Mr. THOMPSON of Georgia.

Mr. SANDMAN.

Mr. DUNCAN.

Mr. ZWACH.

Mr. MORSE.

Mr. MCKINNEY.

Mr. SCHMITZ in three instances.

Mr. STEIGER of Wisconsin.

Mr. HOSMER in two instances.

Mr. SNYDER.

Mr. HANSEN of Idaho.

(The following Members (at the request of Mr. DENHOLM) and to include extraneous matter:)

Mr. ALBERT.

Mr. CARNEY in two instances.

Mr. DENT.

Mr. RODINO in two instances.

Mr. HAGAN in three instances.

Mr. RARICK in three instances.

Mr. DINGELL in two instances.

Mr. KLUCZYNSKI in three instances.
 Mr. FOUNTAIN in two instances.
 Mr. REUSS.
 Mr. EDWARDS of California in two instances.
 Mr. ASHLEY.
 Mr. MOORHEAD in two instances.
 Mr. HAWKINS.
 Mr. STEED.
 Mr. MILLS of Arkansas.
 Mr. RANGEL.
 Mr. HICKS of Washington.
 Mr. FUQUA.
 Mr. DANIEL of Virginia.
 Mr. O'HARA in six instances.
 Mr. HÉBERT in two instances.
 Mr. GIALMO in five instances.
 Mr. HUNGATE in three instances.
 Mr. WALDIE in six instances.
 Mrs. GRIFFITHS in two instances.
 Mr. ICHORD.
 Mr. DONOHUE.
 Mr. ROONEY of Pennsylvania.
 Mr. GONZALEZ in three instances.
 Mr. HATHAWAY.
 Mr. DANIELSON.
 Mr. PIKE.
 Mr. PERKINS in two instances.
 Mr. DENHOLM.
 Mr. MINISH.
 Mr. BRASCO.
 Mr. ASPIN.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3353. An act to provide for the striking of medals in commemoration of the first U.S. International Transportation Exposition.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on March 20, 1972, present to the President, for his approval, a bill of the House of the following title:

H.R. 10390. An act to extend the life of the Indian Claims Commission, and for other purposes.

ADJOURNMENT

Mr. DENHOLM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 41 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 22, 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:

1760. A letter from the Assistant Secretary of Defense (Comptroller) transmitting a report for the second quarter of fiscal year 1972 of receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, and materiel, and for expenses involving the production of lumber and timber products, pursuant to section 712 of Public Law 92-204; to the Committee on Appropriations.

1761. A letter from the Assistant Secretary of Defense (Comptroller) transmitting a listing of contract award dates for the period March 15-June 15, 1972, pursuant to section 506 of Public Law 92-156; to the Committee on Armed Services.

1762. A letter from the Director, Office of Emergency Preparedness, Executive Office of the President transmitting the statistical supplement to the stockpile report for the 6 months ended December 31, 1971, pursuant to section 4 of the Strategic and Critical Materials Stock Piling Act; to the Committee on Armed Services.

1763. A letter from the Acting Administrator of General Services transmitting a prospectus for alterations at the Agriculture Administration Building in Washington, D.C., pursuant to section 7 of the Public Building Act of 1959, as amended; to the Committee on Public Works.

RECEIVED FROM THE COMPTROLLER GENERAL

1764. A letter from the Comptroller General of the United States transmitting a report on the extensive use of military personnel by the Department of Defense in civilian-type positions; 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. PEPPER: Committee on Rules. House Resolution 904. A resolution providing for the consideration of H.R. 13592. A bill to amend the Public Health Service Act to provide for the prevention of sickle cell anemia. (Report No. 92-938). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. ABZUG:

H.R. 13956. A bill to amend title 13, United States Code, to establish within the Bureau of the Census a National Voter Registration Administration for the purpose of administering a voter registration program through the mail; to the Committee on House Administration.

H.R. 13957. A bill to amend the Social Security Act to assure that whenever there is a general increase in social security benefits there will be a corresponding increase in the standard of need used to determine eligibility for aid or assistance under State plans approved under titles I, X, XIV, or XVI of such act; to the Committee on Ways and Means.

By Mr. ASHLEY:

H.R. 13958. A bill to raise needed revenues by gearing the income tax more closely to an individual's ability to pay, by broadening the income tax base of individuals and corporations, by integrating the gift and estate taxes, and by otherwise reforming the income, estate, and gift tax provisions; to the Committee on Ways and Means.

By Mr. BARING:

H.R. 13959. A bill to convey certain public domain to the Battle Mountain Colony, Nevada; to the Committee on Interior and Insular Affairs.

By Mr. BYRNE of Pennsylvania:

H.R. 13960. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CLANCY:

H.R. 13961. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the income tax of individuals for certain amounts of tuition paid for private elementary or secondary education or for college education; to the Committee on Ways and Means.

By Mr. DON H. CLAUSEN:

H.R. 13962. A bill to authorize the Secretary of Agriculture to establish a volunteers in the national forests program, and for other purposes; to the Committee on Agriculture.

By Mr. DELANEY:

H.R. 13963. A bill to amend section 902 of the Federal Aviation Act of 1958 to increase the penalties for certain offenses relating to aircraft, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DONOHUE:

H.R. 13964. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. DULSKI:

H.R. 13965. A bill to amend title 10 of the United States Code to permit hospitalized members of the armed forces to accumulate 90 days of leave, and for other purposes; to the Committee on Armed Services.

By Mr. ECKHARDT (for himself and Mr. HELSTOSKI):

H.R. 13966. A bill to assure protection of environmental values while facilitating construction of needed electric power supply facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EVANS of Colorado:

H.R. 13967. A bill to establish and implement a national transportation policy for the next 50 years, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EVANS of Colorado (for himself, Mr. ROYBAL, Mr. DANIELSON, Mr. BARRETT, Mr. COLLINS of Illinois, Mr. PRICE of Illinois, Mr. LEGGETT, Mr. TIERNAN, Mr. ROSENTHAL, Mrs. GREEN of Oregon, and Mr. RUPPE):

H.R. 13968. A bill to amend the Federal Food, Drug, and Cosmetic Act in order to provide for the registration of manufacturers of cosmetics, the testing of cosmetics, and the labeling of cosmetics, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FORSYTHE:

H.R. 13969. 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. 13970. A bill to amend section 709(g) (1) of title 32 of the United States Code to permit certain National Guard technicians to be absent from work on legal holidays; to the Committee on Armed Services.

H.R. 13971. 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.

H.R. 13972. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 13973. A bill to adjust the pay of the police forces at Washington and Dulles Airports; to the Committee on Post Office and Civil Service.

By Mr. FULTON:

H.R. 13974. A bill to amend the Internal Revenue Code of 1954 with respect to lobby-

ing by certain types of exempt organizations; to the Committee on Ways and Means.

By Mr. GALLAGHER:

H.R. 13975. A bill to assure the fair selection of jurors and enforce the equal right to jury service, and for other purposes; to the Committee on the Judiciary.

By Mr. HATHAWAY:

H.R. 13976. 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 semip perishable foods; to the Committee on Interstate and Foreign Commerce.

By Mr. HANNA:

H.R. 13977. A bill to amend title II of the Social Security Act to increase to \$4,000 the amount of outside earnings permitted each year without any deductions from benefits thereunder, and to reduce from 72 to 70 the age at which deductions from an individual's benefits on account of outside earnings will cease to be made; to the Committee on Ways and Means.

By Mrs. HECKLER of Massachusetts:

H.R. 13978. A bill establishing a commission to develop a realistic plan leading to the conquest of multiple sclerosis at the earliest possible date; to the Committee on Interstate and Foreign Commerce.

By Mr. HORTON:

H.R. 13979. 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. KOCH (for himself, Mr. DULSKI, Mr. FAUNTROY, and Mr. MURPHY of New York):

H.R. 13980. 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. LEGGETT (for himself, Mr. QUIE, Mr. ULLMAN, and Mr. TEAGUE of California):

H.R. 13981. A bill to provide for the establishment of an Agricultural Labor Relations Board for the purpose of regulating the agricultural industry and agricultural labor and for other purposes; to the Committee on Education and Labor.

By Mr. LONG of Louisiana:

H.R. 13982. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses; to the Committee on Interstate and Foreign Commerce.

By Mr. McCULLOCH (for himself, and Mr. GERALD R. FORD):

H.R. 13983. A bill to further the achieve-

ment of equal educational opportunities; to the Committee on Education and Labor.

By Mr. MAZZOLI:

H.R. 13984. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. MONAGAN:

H.R. 13985. A bill to regulate the time for holding presidential primaries; to the Committee on House Administration.

By Mr. QUILLEN:

H.R. 13986. A bill to provide financial assistance for the construction and operation of senior citizens' community centers, and for other purposes; to the Committee on Education and Labor.

By Mr. RAILSBACK:

H.R. 13987. A bill to amend the Administrative Conference Act; to the Committee on the Judiciary.

By Mr. ROY:

H.R. 13988. A bill to authorize the payment of a death gratuity to the survivors of certain members of the Armed Forces who have been in a missing-in-action status and subsequently determined to have died during a period when no Government life insurance program was in effect for active duty personnel; to the Committee on Armed Services.

H.R. 13989. A bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials; to the Committee on Government Operations.

H.R. 13990. A bill to amend title 38 of the United States Code to insure that beneficiaries under the Servicemen's Group Life Insurance Program of certain members of the Armed Forces in missing status are not denied the benefits of such program; to the Committee on Veterans' Affairs.

By Mr. ROYBAL:

H.R. 13991. 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. SPRINGER:

H.R. 13992. A bill to authorize the conveyance to the Columbia Hospital for Women of certain parcels of land in the District of Columbia, and for other purposes; to the Committee on District of Columbia.

H.R. 13993. A bill to amend the Public Health Service Act to provide for the prevention of sickle cell anemia; to the Committee on Interstate and Foreign Commerce.

By Mr. J. WILLIAM STANTON:

H.R. 13994. A bill to extend for 3 years the District of Columbia Medical and Dental Manpower Act of 1970; to the Committee on District of Columbia.

By Mr. ULLMAN (for himself, Mr. CAREY of New York, Mr. CORDOVA,

Mr. DANIELSON, Mr. DINGELL, Mr. LEGGETT, Mr. MILLER of California, Mr. SISK, Mr. VANIK, Mr. CHARLES H. WILSON, and Mr. YATRON):

H.R. 13995. A bill to provide for the selection of candidates for President of the United States in a national presidential primary election, and for the election of a President and a Vice President by direct vote of the people, and for other purposes; to the Committee on House Administration.

By Mr. WOLFF:

H.R. 13996. A bill to amend the tariff and trade laws of the United States to promote full employment and restore a diversified production base; to amend the Internal Revenue Code of 1954 to stem the outflow of U.S. capital, jobs, technology and production, and for other purposes; to the Committee on Ways and Means.

By Mr. ABBITT:

H.J. Res. 1122. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations shall not exceed revenues of the United States, except in time of war or national emergency; to the Committee on the Judiciary.

By Mr. BETTS:

H.J. Res. 1123. Joint resolution to authorize the President to proclaim annually the last Friday of April as "National Arbor Day"; to the Committee on the Judiciary.

By Mr. CONABLE (for himself and Mr. HORTON):

H.J. Res. 1124. Joint resolution to provide for the designation of the week which begins on September 10, 1972 as "National Microfilm Week"; to the Committee on the Judiciary.

By Mr. ULLMAN (for himself, Mr. CAREY of New York, Mr. CORDOVA,

Mr. DANIELSON, Mr. LEGGETT, Mr. MILLER of California, Mr. SISK, Mr. VANIK, Mr. CHARLES H. WILSON, and Mr. YATRON):

H.J. Res. 1125. Joint resolution proposing an amendment to the Constitution of the United States regarding the election of the President and Vice President and the nomination of candidates for the Presidency; to the Committee on the Judiciary.

By Mr. ROE:

H. Con. Res. 568. Concurrent resolution providing for the recognition of Bangladesh; to the Committee on Foreign Affairs.

H. Con. Res. 569. 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.

PRIVATE BILLS AND RESOLUTIONS,

Under clause 1 of rule XXII,

Mr. HENDERSON introduced a bill (H.R. 13997) for the relief of James K. Lewis, which was referred to the Committee on the Judiciary.

SENATE—Tuesday, March 21, 1972

The Senate met at 9:15 a.m. and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, as daily we pause to acknowledge Thy sovereignty, may we open our hearts and minds to the reality of Thy abiding presence at all times and

in all places. Emancipate us from all the petty evils which erode character, the cynicism which negates Thy reality, and the barriers of temperament which close the door to Thee. Open our minds and hearts that they may be large enough to comprehend the love that redeems us from our littleness and the grace that endues us with power for all our tasks. Make us partners with Thee and with one another in striving for a better nation, of better people for the making of a better world.

We pray in the Redeemer's name. Amen.

DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. ELLENDER).

The legislative clerk read the following letter: