

ADJOURNMENT UNTIL 11 A.M.  
TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 11 a.m. tomorrow.

The motion was agreed to; and at 5:15 p.m. the Senate adjourned until tomorrow, Tuesday, April 17, 1973, at 11 a.m.

## NOMINATIONS

Executive nominations received by the Senate April 16, 1973:

## INTER-AMERICAN DEVELOPMENT BANK

John M. Porges, of New York, to be Executive Director of the Inter-American Development Bank for a term of 3 years, vice Henry J. Costanzo, resigned.

## IN THE AIR FORCE

The following officer under the provisions of Title 10, United States Code, Section 8066, to be assigned to a position of im-

portance and responsibility designated by the President under subsection (a) of Section 8066, in grade as follows:

## To be lieutenant general

Maj. Gen. Joseph G. Wilson, ~~xxx-xx-xx~~  
xxx-xx-FR (major general, Regular Air Force)  
U.S. Air Force.

## IN THE NAVY

The following named officers of the Navy for permanent promotion to the grade of rear admiral:

## LINE

William J. Kotsch	Wayne S. Nelson
Robert G. Mills	Doniphian B. Shelton
Eugene H. Farrell	Alan B. Shepard, Jr.
James O. Mayo	Dewitt L. Freeman
Rowland G. Freeman	Henry S. Morgan, Jr.
III	Arthur W. Jrice, Jr.
David A. Webster	Edward W. Cooke
Rupert S. Miller	Charles H. Griffiths
Raymond W. Burk	Denis-James J. Dow-
Carl J. Seiberlich	ney
Lloyd W. Moffit	Charles D. Grojean
Joseph E. Snyder, Jr.	Chester G. Phillips
Samuel M. Cooley, Jr.	John M. Tierney
Forrest S. Petersen	Alfred J. Whittle, Jr.
Merton D. Van Orden	Isham W. Linder
Bernard B. Forbes, Jr.	James H. Doyle, Jr.

Charles P. Tesh	Wesley L. McDonald
Harry "E" Gerhard, Jr.	Samuel L. Gravely, Jr.
William Thompson	Earl F. Rectanus
James B. Wilson	Charles F. Rauch, Jr.
Frank D. McMullen	William F. Clifford, Jr.
	Stanley T. Counts
Donald B. Whitmire	Edward C. Waller III
Leonard A. Snead	Harry D. Train II
William H. Rogers	James D. Watkins
Tyler F. Dedman	William A. Myers III

## MEDICAL CORPS

Oscar Gray, Jr.
Charles L. White
Richard D. Nauman
Willard P. Arentzen

## SUPPLY CORPS

Philip Crosby
Kenneth L. Woodfin
Joe G. Schoggen
Edward E. Renfro III
James E. Forrest

## CIVIL ENGINEER CORPS

Foster M. Lalor
Donald G. Iselin

## DENTAL CORPS

Wade H. Hagerman, Jr.
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## HOUSE OF REPRESENTATIVES—Monday, April 16, 1973

The House met at 12 o'clock noon. The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

*He that doeth the will of God abideth forever.—I John 2:17.*

O God, our Father, at this high altar of our national life we bow our heads in prayer and lift our hearts unto Thee seeking wisdom and strength from on high. Guide us that we may meet our demanding duties with daring deeds, as with cheerful courage and unwavering faith we make our decisions, carry our burdens and work for the best interests of our country.

"In a world so filled with suspicion and strife—

Create in us the splendor that dawns when hearts are kind,  
That knows not race nor station as boundaries of the mind;  
That learns to value beauty, in heart, or brain, or soul;  
And longs to bind thy children into one perfect whole."

In the spirit of Christ we offer this our morning prayer. Amen.

## CALL OF THE HOUSE

Mr. SYMMS. 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 call was taken by electronic device, and the following Members failed to respond:

[Roll No. 87]

Alexander	Brown, Mich.	Davis, Ga.
Andrews, N.C.	Burke, Calif.	de la Garza
Ashley	Carney, Ohio	Dennis
Badillo	Chappell	Dent
Biaggi	Chisholm	Diggs
Blatnik	Clark	Dingell
Boland	Conyers	Dulski

Eckhardt	Landgrebe	Rooney, N.Y.
Evans, Colo.	Lehman	Ruppe
Flowers	McEwen	Ryan
Frelinghuysen	Maraziti	Skubitz
Gettys	Martin, N.C.	Staggers
Gilman	Mathias, Calif.	Steed
Goldwater	Minshall, Ohio	Stephens
Hanna	Mitchell, N.Y.	Talcott
Harvey	Mollohan	Teague, Tex.
Hawkins	Morgan	Udall
Heinz	Passman	Vigorito
Hudnut	Pepper	Waldie
Jones, Ala.	Podell	Wilson, Bob
Jordan	Price, Tex.	Young, Fla.
Karth	Rangel	Young, S.C.
Kemp	Regula	Zablocki
King	Reuss	Zwach

The SPEAKER. On this rollcall 361 Members have recorded their presence by electronic device, a quorum.

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

## 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.

Mr. CRANE. Mr. Speaker, I object.

## MOTION OFFERED BY MR. O'NEILL

Mr. O'NEILL. Mr. Speaker, I move that the Journal be approved.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts (Mr. O'NEILL).

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

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

The yeas and nays were refused.

So the motion was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair will advise that unanimous consent requests will be taken later in the day.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arlington, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 303. Joint resolution to authorize and request the President to proclaim April 29, 1973, as a day of observance of the 30th anniversary of the Warsaw ghetto uprising.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1975) entitled "An act to amend the emergency loan program under the Consolidated Farm and Rural Development Act, and for other purposes." The message also announced that the Senate agrees to amendment of the House to the amendment of the Senate numbered 4 to the foregoing bill.

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

S. 893. An act to authorize appropriations for certain highway safety projects, to extend and improve the Federal highway safety program, and for other purposes;

S. 1315. An act to extend diplomatic privileges and immunities to the Liaison Office of the People's Republic of China and to members thereof, and for other purposes; and

S.J. Res. 45. Joint resolution to provide for the erection of a memorial to those who served in the Armed Forces of the United States in the Vietnam war.

## CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar. The clerk will call the first bill on the calendar.

**PROMOTIONS OF MEMBERS OF THE UNIFORMED SERVICES WHO ARE IN A MISSING STATUS**

The Clerk called the bill (H.R. 4954) to amend title 37, United States Code, relating to promotion of members of the uniformed services who are in a missing status.

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

H.R. 4954

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 552(a) of title 37, United States Code, is amended by adding the following sentence at the end thereof: "Notwithstanding section 1523 of title 10 or any other provision of law, the promotion of a member while he is in a missing status is fully effective for all purposes, even though the Secretary concerned determines under section 556(b) of this title that the member died before the promotion was made."*

SEC. 2. For the purposes of chapter 13 of title 38, United States Code, this Act becomes effective as of November 24, 1971. For all other purposes this Act becomes effective as of February 28, 1961.

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. STRATTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of an identical Senate bill (S. 1493) to amend title 37, United States Code, relating to promotion of members of the uniformed services who are in a missing status.

The Clerk read the title of the Senate bill.

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

There was no objection.

The Clerk read the Senate bill as follows:

S. 1493

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 552(a) of title 37, United States Code, is amended by adding the following sentence at the end thereof: "Notwithstanding section 1523 of title 10 or any other provision of law, the promotion of a member while he is in a missing status is fully effective for all purposes, even though the Secretary concerned determines under section 556(b) of this title that the member died before the promotion was made."*

SEC. 2. For the purposes of chapter 13 of title 38, United States Code, this Act becomes effective as of November 24, 1971. For all other purposes this Act becomes effective as of February 28, 1961.

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. 4954) was laid on the table.

**MANDATORY CIVIL SERVICE RETIREMENT AT AGE 70 WITH 5 YEARS' SERVICE**

The Clerk called the bill (H.R. 3798) to amend subchapter III of chapter 83 of

title 5, United States Code, to provide for mandatory retirement of employees upon attainment of 70 years of age and completion of 5 years of service, and for other purposes.

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

H.R. 3798

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8335(a) of title 5, United States Code, is amended by adding at the end thereof the following new sentence:*

*"In the case of an employee appointed, or reappointed after a break in service of more than three calendar days, after December 31, 1973, this section applies when he becomes seventy years of age and completes five years of service."*

(b) Paragraph (4) of subsection (d) of section 8335 of title 5, United States Code, is amended to read as follows:

*"(4) an employee in the judicial branch, other than a referee in bankruptcy, appointed to hold office for a definite term of years."*

SEC. 2. Section 8706(b) of title 5, United States Code, is amended—

(1) by deleting the word "or" after paragraph (1);

(2) by inserting the word "or" after paragraph (2); and

(3) by inserting the following new paragraph after paragraph (2):

*"(3) after December 31, 1978, he has completed five years of creditable civilian service as determined by the Commission;".*

SEC. 3. Section 8901(3)(A) of title 5, United States Code, is amended by striking out the words "12 or more years of service for disability", and inserting in place thereof "12 or more years of service, or for disability, or after December 31, 1978, after five or more years of creditable civilian service".

With the following committee amendments:

Page 2, line 3, strike out "(b)" and insert in lieu thereof "(c)" and immediately above line 3 insert the following:

(b) Section 8335(b) of title 5, United States Code, is amended by striking out "until 60 days after he is so notified" and inserting in lieu thereof "until the last day of the month in which the 60-day notice expires".

Page 2, strike out lines 18 to 23, inclusive, and insert in lieu thereof the following:

SEC. 3. Section 8901(3)(A) of title 5, United States Code, is amended by striking out "Government, after 12 or more years of service or for disability;" and inserting in lieu thereof the following: "Government—

(i) after 12 years of creditable service;  
(ii) for disability; or  
(iii) after December 31, 1978, after 5 years of creditable service;"

The committee amendments were 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.

**IMMEDIATE RETIREMENT OF CERTAIN FEDERAL EMPLOYEES**

The Clerk called the bill (H.R. 6077) to permit immediate retirement of certain Federal employees.

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

H.R. 6077

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8336(d) of title 5, United States Code, is amended to read as follows:*

*"(d) An employee who is separated from the service—*

*"(1) involuntarily, except by removal for cause on charges of misconduct or delinquency; or*

*"(2) during a period when the agency in which he is employed is undergoing a major reduction in force, as determined by the Commission, and who is serving in such geographic areas as may be designated by the Commission;*

*after completing twenty-five years of service or after becoming fifty years of age and completing twenty years of service is entitled to a reduced annuity."*

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.

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

**PROVIDING FOR CONSIDERATION OF H.R. 6168, EXTENDING ECONOMIC STABILIZATION ACT OF 1970**

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 357 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 357

*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. 6168) to amend and extend the Economic Stabilization Act of 1970. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. Immediately after the reading of the first section of H.R. 6168 under the five-minute rule, it shall be in order to consider without the intervention of any point of order the text of H.R. 6879 as an amendment in the nature of a substitute for the bill. If said amendment in the nature of a substitute is not agreed to in Committee of the Whole, it shall then be in order to consider the amendments recommended by the Committee on Banking and Currency now printed in the bill notwithstanding the provisions of clause 7, rule XVI. At the conclusion of the consideration of H.R. 6168 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 with or without instructions. After the passage of H.R. 6168, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 398, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 6168 as passed by the House.*

The SPEAKER. The gentleman from Missouri, Mr. BOLLING, is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Nebraska (Mr. MARTIN), pending which I yield myself such time as I may consume.

Mr. Speaker, this is a relatively complicated rule, and I would judge from the attention given it when the matter was being read by the Clerk, that everybody understood it, because no one was listening to it being read.

I would like to try to explain entirely accurately to the House what the rule contains. It is understandable if you just read the rule, and I think it is very clear. No. 1, it makes in order the consideration of H.R. 6168, the so-called Patman bill, which is the bill that was reported from the Committee on Banking and Currency. That bill included a rollback to January 10, and certain rather stringent provisions on the control of interest. That bill will be debated, that bill and the ancillary matters will be debated presumably for 2 hours because there are 2 hours of general debate provided.

Immediately after the first section of that bill, the Patman bill, is read, another bill, the so-called Stephens substitute, H.R. 6879, will be in order as an amendment in the nature of a substitute to the Patman bill.

The Stephens substitute provides for a rollback until March 16. It provides for the Hanna amendment which changes the approach to interest, and for a third amendment which deals with certain prices that were a good deal lower on the 16th of March, as I understand it, than they might have been at another time, the so-called Young amendment.

It is important to understand what the parliamentary situation is going to be. As I understand it, an amendment to the Patman bill will be in order, and an amendment to the amendment in the nature of a substitute will be in order—in other words, it will be possible to perfect both bills.

Then at the very end of the proceedings, as I understand it, there will also be an opportunity to offer another substitute, and there will finally be an opportunity for a recommitment motion.

In other words, this is a wide-open rule making in order an amendment in the nature of a substitute, which will be the first item actually discussed and debated because of the nature of the rule. It gives everybody an opportunity to express every view, every point of view, and to work their will in every possible way. It is about as open a rule as we could get.

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

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

Mr. WYLIE. Will it be possible, assuming that the Stephens substitute is adopted, to offer an amendment providing for a simple extension, in other words, extending the present Economic Control Act for 1 year?

Mr. BOLLING. Our situation would be this, that that provision would have to

come in relation to the Stephens substitute, before its adoption, because there would have to be an amendment to that substitute, as I understand the situation. What I said earlier would still follow, but it would not come as an amendment; it would come as a motion to recommit. If the Stephens substitute is adopted, it would then only be on a motion to recommit that the opportunity for the 1-year extension would occur, but there would be other opportunities prior to that for that amendment to be offered.

Mr. WYLIE. Will the gentleman yield further?

Mr. BOLLING. I yield to the gentleman.

Mr. WYLIE. In other words, if the Stephens substitute is adopted, then the committee would rise, and the only way one could offer an amendment in the form of a 1-year extension would be on a motion to recommit?

Mr. BOLLING. That is correct.

Mr. WYLIE. Before a vote is taken on the Stephens substitute, and after it is offered, is it then in order to offer an amendment to, say, strike the section pertaining to the consumer counselor?

Mr. BOLLING. Any perfecting amendment would be in order at the right time. I mean one could not have it at anytime, but an amendment to the Stephens substitute would be in order.

Mr. WYLIE. If the gentleman will yield further, I think my real question is, at that point in time is the Stephens substitute considered to be open for amendment at any point?

Mr. BOLLING. The Stephens substitute is considered in effect as an original bill and open to amendment at any point after it is offered. The reason that I am being so cautious about answering is that the amendments have to be offered in a certain parliamentary way.

Mr. WYLIE. If the gentleman will yield further, as I understand, the rule which the committee adopted waives points of order insofar as section 7 is concerned, which is a rule relating to germaneness.

Mr. BOLLING. That is correct.

Mr. WYLIE. So that if there is something which is not germane in the Stephens substitute—and I have reason to believe that there is, because I have it in front of me—it would not be in order to offer a point of order on the ground that any portion of it is not germane? Is that a correct understanding of the rule?

Mr. BOLLING. No point of order would lie under the rule against it; that is correct. The amendment to strike would lie. In order to get the substitute up, it would be necessary to waive the points of order; that is correct.

Mr. WYLIE. The point I wish to make here is that the Rules of the House provide that a point of order will lie if a section is not germane. It will not lie in this instance?

Mr. BOLLING. That is correct, but that can, within the procedure that has taken place in the past on many other bills. There is one thing that could be considered unusual about this in relation to the routine practice of the Committee on Rules. When it was possible

in the recent past, we have tried to specify those things that would have been otherwise not in order and waive the particular rule on that particular subject.

In this case there were enough different problems involved in the original bill and in the substitute, which is really mostly the original bill, that the only way we could get at it was to have a general waiver. That is the only way we felt it was reasonable to get at it.

Mr. WYLIE. What is the procedure for objecting to a part of the first section by making the point of order that a certain portion of the Stephens substitute is not germane?

Mr. BOLLING. If the rule is adopted, the only way that I would know to get at it would be to offer an amendment to knock it out, but it would not be subject to a point of order.

Mr. WYLIE. In other words, what we have to do is vote down the previous question on the rule?

Mr. BOLLING. As far as the gentleman now speaking, I am not advocating that. I am for adopting the rule so that we can have an open discussion and amend all the different provisions that are before the House. If the gentleman chooses to do something else, that is his privilege.

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

Mr. BOLLING. I yield to the gentleman from Georgia.

Mr. LANDRUM. Without advocating or not advocating, I just want to ask this question. Once the Stephens amendment so-called is offered, it is from that moment on until it is adopted subject to amendment.

Mr. BOLLING. That is absolutely correct.

Mr. LANDRUM. But if it is adopted it is not subject to amendment.

Mr. BOLLING. That is correct.

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

Mr. BOLLING. I yield to the gentleman from New York.

Mr. WYDLER. Do I understand this procedure to be that after the Stephens amendment is offered we will be able to amend the Patman bill or any section of the Patman bill, any section of the original Patman bill?

Mr. BOLLING. My understanding of the situation, and I tried to understand it correctly, is that a perfecting amendment to the Patman bill would be in order and an amendment would be in order to the Stephens bill.

Mr. WYLIE. No, that is not correct.

Mr. WYDLER. Yes, but my question is directed to this: Is the Patman bill considered open at any point upon offering of the Stephens amendment?

Mr. WYLIE. Mr. Speaker, that is not correct.

Mr. BOLLING. Only the first section of the Patman bill will have been read.

Mr. WYDLER. That is correct, but I understand the gentleman stated otherwise.

Mr. BOLLING. The gentleman stands corrected. I misled the gentleman. The first section of the Patman bill is read, and then as soon as that is read obvi-

ously it is open to amendment, and then the Stephens amendment is offered and made in order and all of it is subject to amendment in the normal fashion, but the gentleman is correct, only the first section of the Patman bill is in order at that stage. If the Stephens amendment is turned down, then the Patman bill is subject to amendment all the way through.

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

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

Mr. WYLIE. Mr. Speaker, I beg to differ with the gentleman on the Rules Committee. Once H.R. 6879 is adopted, only the Stephens substitute is open to amendment and not the original Patman bill.

Mr. BOLLING. I am informed I am in error again, that section 1 of the Patman bill is not in order for amendment, is not subject to amendment until the Stephens bill is disposed of.

Mr. WYLIE. Mr. Speaker, is the understanding of the Speaker as to the parliamentary procedure with reference to the substitute of the gentleman from Georgia (Mr. STEPHENS) on the rule correct?

The SPEAKER. Will the gentleman yield for a clarification of the parliamentary situation?

Mr. BOLLING. Mr. Speaker, I yield.

The SPEAKER. This is a question for the Chairman of the Committee of the Whole and the Chair would not like to get into the parliamentary situation which would properly be considered in the Committee of the Whole.

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

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

Mr. POAGE. Mr. Speaker, I simply want to ask for the RECORD and I want the gentleman from Texas to hear me on this, this bill and the Stephens substitute both contain language which amends certain agricultural acts. I understand why it was done. I am not criticizing why it was done because it does fit in with the purpose of the legislation, but I would like to have assurance from the gentleman from the Rules Committee and from the chairman of the committee that this is not to be a precedent nor to set any claim that this is in within the jurisdiction of the Committee on Banking and Currency.

Mr. BOLLING. I will answer the gentleman that on the basis of my experience on the Rules Committee this certainly sets no precedent. The Rules Committee handles each complicated and difficult situation as it comes before the committee. I do not think this is any precedent at all.

Mr. POAGE. I take it this is the very reason that the committee provided for a waiver of the rules, that the committee recognizes this sort of thing.

Mr. BOLLING. That is correct. We faced a very complicated and difficult situation in trying to bring a bill to the floor under reasonable circumstances.

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

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

Mr. PATMAN. Mr. Speaker, the gentleman discussed the matter with me and I do not see any reason why our committee would consider this a precedent.

Mr. POAGE. I thank the gentleman from Texas.

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

Mr. BOLLING. I yield to the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Speaker, I appreciate the gentleman yielding to me.

I want to make sure I understand.

At the time the Stephens substitute is offered, as I understand, it is to be read entirely. Am I correct in understanding that section 1 of the Stephens substitute at that time, after reading, can be amended?

Mr. BOLLING. That is correct.

Mr. BLACKBURN. After the entire Stephens substitute bill is read, then we can offer amendments to section 1?

Mr. BOLLING. That is my understanding.

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

Mr. BOLLING. I yield to the gentleman from California (Mr. HANNA).

Mr. HANNA. Mr. Speaker, if I might recapitulate, what the gentleman from Missouri has been trying to say to the Members is that when the rule is concluded, and we go into the Committee of the Whole, the first thing which will be before us will be the committee version of the bill. At that point in time the Stephens amendment in the nature of a substitute will be the first thing in order.

Mr. BOLLING. That is correct.

Mr. HANNA. Assuming that the Stephens amendment in the nature of a substitute is adopted, then that substitute will be open to amendment at all points and, even in those sections where there is a point of order that has been raised, those sections will be open for amendment to strike or to alter in any way. Is that not correct?

Mr. BOLLING. I do not believe that is correct. I would like to try to recapitulate.

Mr. HANNA. The reason I asked the question is because the gentleman from Missouri had said that even though point of order is waived this does not preclude the possibility of amending a section to which a point of order might be made.

Mr. BOLLING. To that particular point I would have to answer that this is correct. An amendment is in order to a section that otherwise might be subject to a point of order. An amendment will be in order.

Mr. HANNA. It has to be raised at the appropriate time and under the regular rules of the House.

Mr. BOLLING. That is correct.

Mr. HANNA. I think, if we understand that, the matter is fairly clear. If the Stephens amendment is defeated, the Patman bill is open, as any bill is open subject to the points of order.

Mr. BOLLING. That, I believe, is correct.

Mr. BLACKBURN. Mr. Speaker, would the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Speaker, I appreciate the gentleman yielding to me.

As I understand now, after the Stephens amendment is adopted, and of course it could not be amended, any amendments to the Stephens substitute would have to be adopted prior to its adoption.

Mr. BOLLING. Correct.

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

Mr. BOLLING. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. I thank the gentleman for yielding. Mr. Speaker, there was a statement made which I want to be sure is correct.

The gentleman from California stated, I believe, that immediately after the rule is adopted we would take up the Stephens amendment. There will be 2 hours of debate first; is that not correct?

Mr. BOLLING. Correct.

Mr. ROUSSELOT. So we do not go to the amendment process until after the 2 hours of debate is completed.

Mr. BOLLING. That is correct.

Mr. ROUSSELOT. Mr. Speaker, I think the highly complicated nature of this rule has been brought out partially in the previous discussion. The issue of whether we can challenge the germaneness of certain areas of clear conflict in committee jurisdiction with the Committee on Banking and Currency has really not been properly addressed. We will not be able to truly debate or challenge these conflicts after the rule is passed.

Second, I think that even the gentleman from Missouri himself must admit that in his own discussion of this rule he himself has found the parliamentary procedure somewhat confusing. That is why I think it is highly important that we seriously consider voting down this very complicated rule. This is a bad precedent-setting rule.

Mr. BOLLING. I would like to comment briefly.

Mr. Speaker, I certainly did not describe the situation with perfect accuracy on the first occasion. I agree with that. But as I read and reread the rule, I feel that this is not the fault of the rule, but it is my fault.

This rule is quite clear. It is entirely within the rules of the House, and what we propose to do is not unusual.

If those who oppose having this kind of a debate, which opens up everything to amendment, wish to do so, they can make the argument on the question of germaneness, because undeniably it will not be possible to make points of order on questions of germaneness.

I do not believe it would be possible to consider any bill from the Committee on Banking and Currency and this subject except a very simple extension without waiving germaneness, because there are so many different acts involved.

I would frankly admit that the gentleman from Missouri did not do a good job of describing it in the first place, but I do not believe that is the fault of the Rules Committee, nor do I believe it is a criti-

cism of the way in which the matter is being considered.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield further?

Mr. BOLLING. I am glad to yield further.

Mr. ROUSSELOT. I appreciate the gentleman's candor in admitting it is difficult to discuss this rule with any clarity.

I, as did the gentleman from Missouri, sat through much of the debate and discussion before the Rules Committee itself. I believe we have only brought out in part in this discussion the great difficulty that even the Rules Committee had in arriving at a genuine decision as to how to bring this highly complicated and disasterous bill to the floor.

Actually what the Rules Committee has done is it has allowed a Stephens substitute in basic conflict with the House rules. I know the gentleman from Georgia is very sincere in his effort to make this bill (H.R. 6168) less complicated than it already is. It was put together at the last minute in the Rules Committee as to how this substitute would be offered in such an unusual way on the floor.

I believe we should really understand, when we vote for this rule, we are establishing a great number of unusual precedents. We are denying the House Members the right to challenge the germaneness.

The gentleman from Missouri himself has said that this bill does cross into many other areas of jurisdiction. I believe the gentleman should not be so harsh on himself for not understanding totally what this rule does, because of its highly controversial nature, and was only hastily drawn last Thursday.

Mr. BOLLING. The gentleman has now put some words in my mouth. I was not criticizing myself except for inaccuracy, not for a lack of understanding.

The real problem that confronts us and that confronted the Rules Committee is the fact that the act expires on the 30th of April. The Rules Committee was trying to find a vehicle to get this matter before the House in a manner that would be fair to all Members of the House. I believe we have done so. The majority believes we have done so.

The gentleman from California (Mr. HOLIFIELD) is seeking recognition?

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

Mr. BOLLING. I am glad to yield to the gentleman from California.

Mr. HOLIFIELD. The gentleman takes the floor for the purpose of pointing out that section 207 in each one of these bills goes far afield and sets up a consumer counselor and methods of appointment and staff and many other things which I will not go into at this time.

I call to the attention of Members of the House that a bill that would establish a consumer agency was referred to the Committee on Government Operations some 3 or 4 years ago. It was eventually brought to the floor of the House, and it was passed by a vote of 344 to 44.

It was a good bill. It was a well-drafted bill. It stood the test of many, many hearings and many hours of staff work. It was passed in the House with the sup-

port of Members on both sides of the aisle.

That bill did not carry in the other body. They proceeded to change it around, and put a lot of amendments on it that were knocked down in the House. As a result, they never got the bill out of the committee.

At the beginning of this year the Speaker announced that one of the items of high priority would be the establishment of a Consumer Protection Agency. Bills were introduced and again referred to our committee. It is the intention of our committee to take up the bill which is identical with the bill that was passed in the House by a vote of 344 to 44.

There will have to be some amendments made to it because the President has taken some executive actions in changing Mrs. Knauer's department and putting it over in HEW. But those will be in the nature of corrections as a result of subsequent action by the President.

Mr. Speaker, it is the intention of the committee, of course, to bring this bill to the floor. I will not discuss at this time the quality of paragraph 207 in Mr. PATMAN's bill but I will say that there will be an amendment offered to delete that from either the Patman bill or the Stephens substitute whenever the opportunity is proper in the House from a parliamentary standponit.

Mr. Speaker, if the gentleman from Missouri will yield further—

Mr. BOLLING. I yield further to the gentleman from California (Mr. HOLIFIELD).

Mr. HOLIFIELD. There have been several confusing statements made. One confusing statement was that as soon as the Patman bill is up for consideration in the House, the first order of business will be the substitute of the Stephens bill.

Now, that is not true. The first order of business under the rule now before us will be 2 hours of debate, and at the conclusion of 2 hours of debate, the first amendment that will be in order will be the Stephens amendment, and at that time, if the Stephens amendment is carried, either in its present form or as an amendment, then that will conclude the matter, when it is finally passed by the House. But it will be subject to amendment.

Mr. BOLLING. That is correct. The gentleman is correct.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) has consumed 25 minutes.

Mr. WAGGONNER. Mr. Speaker, will the gentleman from Missouri (Mr. BOLLING) yield?

Mr. BOLLING. I yield to the gentleman from Louisiana (Mr. WAGGONNER).

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

It would appear to me from the discussion we have had up to this point during the consideration of this rule that unless a Member is opposed to even extending the present legislation, there is little, if any, justification for voting this rule down, because the committee has brought a bill to the floor which obviously is controversial, but the Commit-

tee on Rules, with the rule which we are now debating, made an amendment in the form of a substitute in order. That is the so-called Stephens bill.

Mr. Speaker, when during the amendment process, after we start reading the committee bill, that bill is offered as being in order, it then is subject to any amendment that anyone chooses to offer, as I understand it, including an amendment which would provide for a simple extension of the existing legislation. And if such an extension amendment is offered, the vote would occur first on that substitute language, and if the Congress adopts such a proposal to extend the existing legislation, then action would have been completed on the Stephens substitute which is offered in the form of an amendment. If it is not, we will continue to debate for amendment purposes the Stephens substitute, and whenever we have taken final action on the Stephens substitute, if it is adopted, no action is then possible on the committee bill. But if the Stephens substitute is rejected, action then becomes in order on the original committee bill.

Mr. Speaker, it just simply seems to me that as complicated as this is, as controversial as it is, the Committee on Rules has brought a rule here which will allow the House to work its will, and the thing that seems to be in controversy right now is what the will of the House is in this instance.

So I believe that unless a Member is opposed to anything, we ought to go ahead and adopt this rule and get along with the debate.

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Louisiana (Mr. WAGGONNER) for his contribution. He has made it very clear.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) has consumed 28 minutes.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, after this long discussion which we have had on House Resolution 357 and the explanation by the able gentleman from Missouri, I will not further discuss the resolution making the rule in order. I would like to discuss some of the content of the committee bill and particularly the substitute bill H.R. 6879 which is made in order by this rule, and some of the dangers inherent in this legislation which we are considering today.

First of all, the committee bill would roll back and freeze prices at January 10, 1973, levels. The Stephens bill would roll back prices on all commodities to March 16. However, that is a little bit erroneous. If you go a little further along in the bill, Mr. Speaker, you will find that there is a possibility that prices could be rolled back to levels not lower than those existing on May 25, 1970. Let me quote from the bill:

Immediately, but not later than 60 days after the enactment of this section, the President shall—

And this is mandatory when you use the word "shall"—

shall by written order stating in full the considerations for his action, roll back prices—to levels lower than those prevailing on March 16, 1973.

It directs the President to roll them back even from the March 16th date. It does not say to where he should roll them or at what point. It is very ambiguous.

Then you go over on the next page, and I want to quote again from the bill:

Whenever the Consumer Price Index as compiled by the Bureau of Labor Statistics for a calendar month exceeds (A) an annual rate of 3 per centum for any three consecutive months or (b) an annual rate of 2.5 per centum for any 12 consecutive months, then within 30 calendar days the President is authorized and directed to issue orders and regulations to establish a mandatory program to (i) stabilize prices, wages, and salaries at levels not less than those prevailing on May 25, 1970.

We have control of rents. The Stephens bill, however, restricts some of these rent controls, but it remains that we have rent controls on everything—homes, commercial properties, and investment properties. This we do not need. There is no need for controls, particularly of commercial or industrial properties or residential properties where we have a surplus of housing available.

Then we have the consumer counselor section, which was just debated and was discussed by the distinguished gentleman from California (Mr. HOLFIELD). It seems strange in this bill no money is authorized for the consumer counselor. He is set up as an arm of the legislative branch of the Government. The appointments and so forth come through the executive branch of the Government. In checking with the counsel on the committee I find that there are no funds authorized to be spent for this office. This is a result of hasty work in the committee in the writing of this legislation.

Another point I want to make is this: This amends the Export Administration Act of 1969, which is not germane to the legislation under consideration. The Rules Committee waived that point of germaneness in the rule.

One of the serious defects in this bill and in the amendment of the Export Administration Act of 1969 is that it repeals the hide export exemption enacted by the Congress last year.

Mr. Speaker, I am sure you are well aware of the great debate that we had and the controversy concerning the exemption of hides that was brought up in the debate last year.

In regard to wages, there is no rollback in wages in this bill, in fact, it adds a new provision in the act that states that a substandard wage is a wage of less than \$3.50 an hour. Seventy-five percent of all nonfarm labor in the United States receives less than \$3.50; these are all exempted.

In food processing, practically 100 percent of your labor receives less than \$3.50 an hour. They are exempted under the provisions of the Economic Stabilization Act, and the bill we are considering here today.

These are very serious defects, Mr. Speaker.

Then there is one more item concerning interest rates. The Stephens bill provisions limit the interest rate ceiling, and rollback five categories of loans of most importance to the individuals, small businessmen and farmers. This provision could be expected to guarantee a serious shortage of credit in these five areas since money flows almost instantaneously to markets where yield is more advantageous, and there is no control over the larger loans.

Then, Mr. Speaker, in closing I would like to quote from a newspaper editorial from the Washington Post on prices and freezes.

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

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I quote from the editorial:

The only question worth discussing is the nature and terms of the freeze. The House Banking and Currency Committee has provided an example of the kind of solution that ought not be considered. The committee's bill has all of the characteristics of genuinely mischievous legislation: it is willful, ill-considered and reckless. It expresses frustration in its demand for a rollback of prices of Jan. 10, but it contains no evidence of concern for the innumerable injustices that a rollback would cause to the innocent as well as the guilty. If a farmer has had to buy feed for his pigs at the soaring prices of the past three months, it is manifestly unfair to require him to sell ham and bacon at last January's prices. There are doubtless many cases of pure and unconscionable gouging in which a rollback will be fully justified. But the cases need to be judged one by one. Incidentally, the committee's bill also includes the inevitable concession to its single-minded chairman's concern with interest rates. To hold down interest rates by act of Congress, in a period of accelerating inflation, is merely absurd.

Mr. Speaker, when you take away the profit incentive you remove the incentive to produce, and you are going to do that with this type of bill, and you will create shortages and black markets in this Nation.

The SPEAKER. The time of the gentleman from Nebraska has again expired.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I believe it was the distinguished gentleman from Louisiana (Mr. WAGGONER) who made the comment a few minutes ago that although he was unhappy with the bill reported out originally by the Committee on Banking and Currency, and equally unhappy with what has come to be known as the Stephens substitute, that he thought perhaps it was the better part of wisdom to go on with the adoption of this rule, making that substitute in order so that presumably we could, with the proper amendment at the appropriate point in these proceedings, offer an amendment or a substitute that would do what needs to be done.

I realize that the Members may be divided on that question on both sides of the aisle, and I take this time merely to suggest to the membership of the House that it seems very, very strange to me in-

deed that after the House Committee on Banking and Currency had been laboring and holding hearings for I do not know how many weeks, and had finally finished with a bill that became known as the Patman bill, or the committee bill, that literally overnight there emerged the substitute offered by the distinguished gentleman from Georgia (Mr. STEPHENS) that was assembled in such haste that when we in the Committee on Rules considered this matter on Thursday last all we had was a very hastily assembled series of Xerox copies of the changes and amendments that had been made in the original committee bill.

I, frankly, for one, did not have the amount of time that I felt I should have as a conscientious member of the Committee on Rules to thoroughly analyze that bill and what the impact would be.

It is true they made what purport to be some simple changes. We are going to change the rollback date from the 10th of January to the 16th of March instead. I had some questions that I did not even have time to ask in the Committee on Rules because of the severe time limitation under which we were operating. I wanted to ask, for example, how great would be the losses to retailers occasioned by the requirement that they sell their inventories, which they acquired at current prices, at the level prevailing on the 16th of March? Would these losses result in any significant number of bankruptcies, and, if so, how many? How much of a drop in farm income would result from passage of the bill on an annual rate basis? How great would be the losses to cattle-feeding operations who have had to pay current high prices for feed grains, but who would be forced to sell the cattle at the March 16 price level? Those are all questions, and I could go on with a long list that I have compiled which simply had to go unanswered in my own mind at the time that the Committee on Rules took final action on this bill.

And I dare say that there are not very many Members on the floor of this House who could answer some of the questions, or indeed any of the questions, I have put.

So in addition to the other points that were raised, I would suggest that the gentleman from Nebraska is quite right in suggesting that when we grant a rule waiving points of order on totally non-germane sections of this bill, when we, for example, set up a Consumer Counselor that is described on pages 46 and 47 of the report, as a new branch of Congress, and then we are going to have an executive agency appoint the head of this new branch of Congress, where are all these people who are concerned about the aggrandizement of executive power at the expense of the legislature? Is not this about as clear an example of the kind of folly that we can fall into when, without proper hearing before the committee of proper jurisdiction—in this case the Committee on Government Operations—we undertake to waive points of order on that particular section of the bill?

I am told that the Export Control Act

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is one of the most intricate, involved pieces of legislation that we have on the statute books, and again we simply waive points of order on very material amendments to that important act, without even permitting the appropriate and competent committee to act on that particular measure.

This is a bad rule. It was hastily assembled literally overnight so that the Committee on Rules did not even consider a report on the bill, or anything else.

I would suggest—even though it is possible under the parliamentary procedure that will prevail—to offer the kind of substitute to both the Patman bill and the Stephens substitute that should be offered, that maybe it would be wise to turn down the rule and to offer the kind of rule that would enable this House to promptly work its will on a 1-year extension of the present act.

Mr. ROUSSELOT. Will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from California.

Mr. ROUSSELOT. In other words, I understand the gentleman to be saying all those who worked so hard to make sure that the congressional reform was enacted into law into 1970 have been rebuffed.

The SPEAKER. The time of the gentleman has expired.

Mr. MARTIN of Nebraska. I yield to the gentleman from Illinois 2 additional minutes.

Mr. ANDERSON of Illinois. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I understand that all those who were very much concerned about the method of procedure for bringing bills to this House floor and being able to raise questions of germaneness, to raise points of order, those member reformers have now been repudiated. The Committee on Rules has in fact given us a rule that totally flaunts all of that effort; reform effect of 1970.

Mr. ANDERSON of Illinois. I think the gentleman is correct, and I would repeat, we are not simply nitpicking when we point these matters out. They are of fundamental importance as far as the ability of this House to work its will in an intelligent way on very, very important substantive questions.

Mr. ROUSSELOT. If I understand the gentleman correctly, on the motion for the previous question we should vote it down?

Mr. ANDERSON. It would be my opinion that this would be the way that we could then offer the proper kind of rule.

Mr. ROUSSELOT. I appreciate the gentleman's comment.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Speaker, I appreciate the gentleman from Nebraska yielding me a few moments to discuss this bill.

I think it is rather obvious that we are facing a highly irregular rule on a highly irregular procedure. If we are going to have orderly processes, we should

insist that the House Rules Committee, which is our policeman, which is our watchdog, so to speak, to insure that proper legislative processes have been followed should itself follow those rules. Yet we are seeing ourselves debating here a bill which is admittedly going to be offered as a substitute to the so-called Patman bill because the Patman bill could not get a rule. Yet none of us on the House Banking and Currency Committee has discussed or deliberated one moment the so-called Stephens substitute. How can we expect the other Members of the House who have not been involved in this for the last 6 months to exercise orderly judgment on a bill of this importance?

There is no question that the Stephens substitute does not represent a substantive change from the Patman bill. It has a little window dressing to give some members of the Rules Committee an excuse to vote out a bill, but as far as getting us out of the economic chaos the Patman bill would have created, I submit the Stephens bill would also create economic chaos.

Of primary importance, there is a serious constitutional question as to whether Congress is justified in passing a bill of this sort. The courts have upheld the right of Congress to impose wage and price controls in times of war, when men are being asked to put their lives on the line and when all citizens are being asked to make sacrifices. But we are not at war today and yet we are asking the citizens of our country to face the discomforts and loss of property which will result from the price and interest controls under this legislation.

Let us suppose a man owns a cow which he can now sell for \$450, and then we inject the instrument of law into the picture and say he cannot sell that cow for more than \$300. We will have taken away from that man the difference between the \$300 and the \$450 he can get for it on the open market now.

How can we justify injecting the heavy hand of Government into the private economic affairs of our country at this time when we are not facing a national war emergency?

I submit to the Members our difficulties are not of a magnitude to justify the existence or passage of a bill of this sort. Gentlemen, I would suggest we not even allow the rule because of these questions.

There is an unwarranted delegation of authority to the President in this bill. We are proposing in this bill to give the President powers he has never asked for and which no President in history has ever requested.

We are saying there will be a ceiling on interest rates and then we give the President this authority:

The President shall take all necessary steps to insure a reasonable and adequate flow of loanable funds into the types of loans upon which interest rate controls are imposed under this subsection . . .

What does that mean? Does that mean the President will order the Bureau of Printing and Engraving to crank up the presses and crank out dollar bills when consumers or homeowners are seeking loans? Does it mean the President will

call in the Federal Reserve Board and order them to relax monetary policy to insure an adequate flow of financing? What does this mean?

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. BLACKBURN. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Is it not further the gentleman's understanding that the secondary market operations for both FHA and VA loans are conducted on an auction basis and a rollback of interest rates on home loans would completely disrupt the secondary mortgage loan market for these types of loans?

Mr. BLACKBURN. It would completely destroy that market. We cannot ask the country to go into a deep freeze while we are contemplating these changes in our economic structure.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. HEINZ).

Mr. HEINZ. Mr. Speaker, I rise in opposition to House Resolution 357, the rule to H.R. 6168, the Economic Stabilization Act.

To date phase III has been a failure. The evidence of this failure is visible everywhere: Soaring meat and food prices, large jumps in rent, rapidly climbing wholesale and industrial prices, and steadily rising interest rates. In retrospect, the President acted hastily in his decision to lift wage and price controls, and to rely on self-administration and voluntary compliance. Most probably, he should have decontrolled only those segments of our economy where increased production was necessary, production that would be possible only through upward price adjustment. Phase III was both unwise and premature.

But now strong, remedial action is demanded if we are to correct the glaring injustices surfacing under phase III. Unfortunately, however, H.R. 6168 fails to provide the flexibility necessary to handle either changing economic conditions or specific inequities which would inevitably arise from the imposition of sweeping price, rent, and interest rollbacks. This bill is completely impractical and unworkable, and if it passes in its present form, rather than stabilizing present dangerous inflationary forces in our economy, it will compound them. The Banking and Currency Committee's approach to these complex economic problems has been both simplistic and shortsighted.

According to the gentleman from Minnesota (Mr. FRENZEL), who is a distinguished member of the committee, the Banking and Currency Committee did not exercise its customary care and caution in writing this legislation. As the gentleman reported in his additional views to the committee report on H.R. 6168, the committee conducted itself in a manner which, "stifled needed debate and helped contribute to the confused nature of the final version." The result is the bill before us today, with its hodgepodge of poorly developed, impractical, and counterproductive provisions.

If we in Congress expect the Ameri-

can worker to exercise restraint in his wage demands in the approaching round of contract negotiations, then we must protect him from current inflationary price increases which pick money from his pockets and erode the real value of his weekly wage. Responsible congressional action would be to immediately clamp a ceiling on all prices and rents for the next 60 days. This ceiling would prevent further irresponsible boosts in prices while permitting downward price adjustments resulting from market pressures. Furthermore, Congress must act now to control profit margins of all banks and other lending institutions, thereby restraining and perhaps reducing, interest rates now in danger of pricing all prospective borrowers, both large and small, out of the credit market. In that 60-day period, the President should be required to devise and bring to Congress a program that would insure stability in our troubled economy. Congress would then approve, amend it or reject the President's proposal.

I believe that because of the President's failure to control current dangerous inflationary pressures, Congress must act swiftly and boldly. By clamping on a 60-day price rent ceiling and controlling the profit margins of financial intermediaries, the President would have adequate time to recommend to Congress a comprehensive approach to current economic difficulties. The Congress would then be able to exercise the calm and thoughtful review of this matter the American people rightfully expect. Only then can we accomplish what is so necessary—that is, restraining inflationary wage/price increases while insuring the production of adequate supplies of food, shelter, and other necessities by a full employment economy.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. RONCALLO).

Mr. RONCALLO of New York. Mr. Speaker, I wish to speak in opposition to the adoption of this rule.

I am sure many of my colleagues share my amazement at the way in which this legislation has been handled. It has been one of the most obvious vehicles of blatant partisan politics that we have witnessed in some time. I, for one, am convinced that this Nation's economy is too precarious and too important to be made a political football for the purpose of scoring a few cheap shots. If this legislation is enacted, those cheap shots may cost this country very dearly in the not too distant future.

Specifically, I think it is unconscionable that the rule waives points of order. I know exactly what the purpose of that maneuver is. If we adopt this rule, amendments contained in the bill relating to export and import controls will be invulnerable even though they have no business whatsoever in this bill and were, in fact, lifted from legislation pending before another committee and inserted in the bill during the markup session without adequate consideration.

If we adopt this rule, provisions which impose a responsibility on the Secretary

of Agriculture will be invulnerable to objection, even though they were inserted with little discussion by a committee which has no jurisdiction over agricultural matters and which was told by the Secretary of Agriculture that he did not want such powers.

This is only one aspect of the parliamentary tomfoolery which has surrounded the bringing of this rule to the floor today, and I want to register my strong protest that the leadership of this House would see fit to deal with such important legislation in so high-handed and unstatesmanlike a manner.

We deserve better treatment. The American people deserve better treatment. This is no way to run a Congress and it is no way to accomplish good legislation. I will not be a party to so callous a disregard for the spirit of the rules of this House.

I shall vote against the rule.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, the distinguished gentleman from Missouri (Mr. BOLLING) in describing this rule called it "a wide open rule." He also described it as "not unusual."

I would like to offer a contrary point of view; that is, that this rule is exceedingly unusual and hardly wide open. The waivers of points on germaneness on the original bill and all waivers on the substitute are unusual, in my judgment. It is not unusual for us to pursue a substitute under a waiver, but it is unusual for us to waive a substitute which no one has seen and was, in effect, invented at the last minute.

The waiver of germaneness on that substitute, I think, is insulting not only to the Committee on Banking and Currency, which has already been insulted enough, but also perhaps insulting to other committees who are seeing their jurisdiction invaded by this particular bill coming from the Committee on Rules.

Obviously, this is not the fault of the Committee on Rules. It was handed a bag of snakes in the form of a terrible bill given to it by the Committee on Banking and Currency. It was in a position where it had to do something very unusual.

Mr. Speaker, the problem is not in the Committee on Rules. It is a bad rule and the Committee on Rules should be censured by a vote against the previous question, but the fault is in the Committee on Banking and Currency which produced this awful bill.

The Stephens substitute is not much better. It simply pours a little perfume on a rotten body, but leaves us in about the same kind of situation as we would have if we were obliged to pass the original bill. I do not know how we are going to get to it, but I suspect the gentleman from Louisiana (Mr. WAGGONER) is right in saying that the key vote is going to be on that simple 1-year extension, which I hope most of the Members of this House are going to support.

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

Mr. FRENZEL. I yield to the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Speaker, I would like to ask the gentleman if he would not agree that a vote for the rule under these circumstances would not constitute an endorsement of the improper procedures that have brought us the state of confusion which exists here today?

Mr. FRENZEL. Mr. Speaker, the gentleman makes a good point, and one with which I concur wholeheartedly.

Mr. Speaker, finally I would simply say that the original bill is no good, the bill to replace it is no good, and the rule is no good.

What we now need is a simple 1-year extension. I urge the House to vote down the previous question, vote for the amended rule, and vote for the extension.

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

Mr. FRENZEL. I yield to the gentleman from New York.

Mr. WYDLER. As I understand the situation we are faced with here, the Rules Committee came to the conclusion that the Patman bill was no good, so they arranged to allow a substitute to be offered in place of the Patman bill. I can only say it is hard to imagine anything worse than the Patman bill, but I believe the substitute is worse, because it not only carries all of the mischief of the Patman bill, but also does not do the consumer any good. So I believe there is good reason to throw out the whole kit and caboodle.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 5 minutes to the distinguished minority leader (Mr. GERALD FORD).

Mr. GERALD R. FORD. Let me say, Mr. Speaker, as I have sat and listened to the debate one cannot help but come to the conclusion that this particular problem with which we are faced is not necessarily a partisan one but is one that involves a broad cross section of our economy and a broad cross section of political forces in the United States.

Let me, however, take just a minute to tell the Members what we would hope to do if the previous question is defeated. And I urge Members to vote against ordering the previous question.

The gentleman from Nebraska will be prepared to offer a substitute for or an amendment to the rule which I believe would help to straighten out the dilemma we face.

No. 1, in the amendment that the gentleman from Nebraska would offer is the following: On page 2, line 1 of the resolution from the Rules Committee, he would strike "H.R. 6879" and insert in lieu thereof "H.R. 2099."

H.R. 2099, as I understand it, is a bill that was introduced jointly by the distinguished chairman of the Committee on Banking and Currency and the distinguished ranking Member on our side, the gentleman from New Jersey (Mr. WIDNALL). It has bipartisan support.

Is that not more sensible than a hurriedly drafted proposal such as H.R. 6879?

Mr. PATMAN. Mr. Speaker, will the gentleman yield on that point?

Mr. GERALD R. FORD. Of course I yield to the gentleman from Texas.

Mr. PATMAN. That bill was introduced before phase 3 was actually formed and it was done as a courtesy so the administration's measure would be before the House.

Mr. GERALD R. FORD. I thank the gentleman. I appreciate the gentleman's contribution.

The second proposal in the substitute or the amendment to be offered by the gentleman from Nebraska is as follows: On page 2, lines 2 through 7, strike the words:

If said amendment in the nature of a substitute is not agreed to in Committee of the Whole, it shall then be in order to consider the amendments recommended by the Committee on Banking and Currency now printed in the bill notwithstanding the provisions of clause 7, rule XVI.

That change would knock out the waiver of points of order in the committee bill. Of course, if we substitute "H.R. 2099" for "H.R. 6879" it would be academic whether or not we have a waiver of points of order for the Stephens substitute.

To summarize, Mr. Speaker, if the previous question is defeated I presume the Speaker would recognize the gentleman from Nebraska. The gentleman from Nebraska (Mr. MARTIN) will offer this as an amendment to or a substitute for the rule now before the House.

Under those circumstances, we would end up, if that prevailed, with the committee bill up for consideration, with the bill that was jointly introduced originally by the gentleman from Texas and the gentleman from New Jersey as germane and in order, which is a 1-year extension. So we would have the opportunity for consideration of the committee bill and the opportunity for consideration of a substitute for a 1-year extension.

Ladies and gentlemen of the House, in my judgment this is the way to get out of this perplexing dilemma, the way to have an orderly consideration of legislation that is vitally important to the country as a whole.

Mr. Speaker, may I conclude by simply reiterating and reemphasizing this: Vote against the previous question, and we can straighten out the mess.

Mr. MARTIN of Nebraska. Mr. Speaker, I have no further requests for time.

Mr. BOLLING. Mr. Speaker, I would like to speak for 1 minute to this effect:

The committee bill, the Patman bill, is a bill that goes farther in terms of a rollback than the so-called Stephens substitute. The Stephens substitute in fact, really only has three amendments to the Patman bill: A March 16 rollback instead of a January 10 rollback, a different provision on interest, the Hanna amendment, and one other noncontroversial amendment.

Mr. Speaker, what we are really talking about is a bill that has a rollback to January 10, a bill that has a rollback to March 16, and a bill that just leaves it entirely in the hands of the present management of economic affairs for the country.

Now, I would suspect that those of the Members who think on it hard do not

want to give another blank check to the administration, and that is what a 1-year extension is. It is this administration that took off phase II and went to phase III.

The Stephens approach is the approach that tries to get right down the middle, and I urge a vote for the previous question, which I now move.

Mr. SIKES. Mr. Speaker, this is very probably the most controversial measure which has confronted the House during the present session of Congress. This is one of those situations where we are wrong no matter what we do. There just is not any way to please everybody on the subject of price controls.

Democratic House leaders have proposed a bill for stringent controls and a rollback in prices. Unquestionably, there is a serious threat that prices will get completely out of control and that runaway inflation will disrupt the domestic economic pattern. The administration has been unwilling to take strong action except in the case of meats. Obviously more is required. Congress is closely attuned to the thinking of the people and the Democratic House leadership has shown its willingness to assume responsibility for strong controls. Whether or not the proposed bill becomes law, it may stimulate more vigorous action by the President than he has seen fit to take thus far.

We have just seen the biggest jump in food prices for a single month within a generation. Rents are up, interest rates are up, and the price of lumber is skyrocketing. In just a year's time, the wholesale price of eggs rose more than 75 percent. Flour prices rose more than 32 percent. Wheat prices soared to price levels 66 percent higher than in 1972. Meat prices will not bear discussion.

Coupled with the problem of runaway food prices have been similar increases in the cost of other goods and services. Rents go up. Medical care goes up. Transportation goes up. And the dollar is devalued and devalued again.

There is no logical reason for this to be happening when there are control mechanisms available with which to bring food prices into line. But the machinery has gone largely unused while the housewives of America struggle each day to provide well-rounded meals that will not destroy the family budget. Nearly all prices are following the same pattern. It is beginning to look as if the Nation is beginning a period of accelerated inflation.

My apprehensions about phase III controls appear to be fully borne out. The controls in effect under phase II were not infallible but, while they were in effect, they gave our country the best record of any industrial nation in holding in check the forces of inflation. I felt that the standby controls which were used during phase II were the proper way to deal with the problem. The President then had the option of varying controls as the situation requires. But he gave up phase II controls and the result has been runaway prices.

It is obvious we no longer can afford—literally—to wait for phase III to work or for phase IV or V to come along. Es-

pecially hard hit are those on fixed incomes and retirement benefits. While the Congress in recent years has raised social security benefits by a third, the cost of living since 1959 has gone up more than 44 percent. Since 1967 alone, the cost of merely surviving has risen 24.2 percent.

Congress can and must serve notice on the world that the dollar will be protected. To freeze prices and encourage the implementation of more effective controls would be such a signal to the world financial community. More than that it would stop price escalation at home.

It is appalling to note that in 25 years, the cost of living has risen a staggering 77 percent. We are nearing the time when it will cost Americans twice as much to live as it did in 1948. Retirement benefits have not kept pace, nor have the wages of the average worker.

The Congress must do more than wring its collective hands and answer constituent complaints with meaningless verbiage. It is time for decisive action and it is clear it is up to the Congress to act.

I am prepared to vote for the rule and for the best obtainable bill to control prices, hopefully without a rollback. I cannot vote for a bill which rolls prices back to January 10, nor do I feel that the simple extension of standby controls will not be effective. The Stephens substitute with amendments appears to offer the best course of action.

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

The SPEAKER. The question is on ordering the previous question.

Mr. GERALD R. FORD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 147, nays 258, not voting 28, as follows:

[Roll No. 88]		
YEAS—147		
Abzug	Diggs	Kluczynski
Adams	Donohue	Koch
Addabbo	Drinan	Kyros
Anderson, Calif.	Eckhardt	Leggett
Annunzio	Edwards, Calif.	Lehman
Aspin	Elberg	Long, La.
Barrett	Evans, Colo.	McCormack
Bevill	Evins, Tenn.	McFall
Biaggi	Fascell	Macdonald
Bingham	Flood	Madden
Blatnik	Foley	Matsunaga
Boggs	Ford, William D.	Mazzoli
Boland	Fraser	Meeds
Boiling	Fulton	Metcalfe
Brademas	Gaydos	Minish
Brasco	Gonzalez	Mink
Breaux	Grasso	Mitchell, Md.
Breckinridge	Gray	Moakley
Brooks	Green, Pa.	Mollohan
Brown, Calif.	Griffiths	Moorhead, Pa.
Burke, Calif.	Hanley	Moss
Burke, Mass.	Hanna	Murphy, Ill.
Burlison, Mo.	Hansen, Wash.	Murphy, N.Y.
Burton	Harrington	Natcher
Carey, N.Y.	Hawkins	Nedzi
Carney, Ohio	Hays	Nix
Chisholm	Hebert	O'Hara
Clay	Hechler, W. Va.	O'Neill
Corman	Helstoski	Patman
Cotter	Hicks	Patten
Daniels, Dominick V.	Holifield	Pepper
Danielson	Holtzman	Perkins
Davis, Ga.	Howard	Preyer
Delaney	Jones, N.C.	Price, Ill.
Dellums	Jordan	Rees
Dent	Karth	Reid
	Kastenmeier	Reuss

Riegle	Staggers	Wilson, Charles H., Calif.
Rodino	Stanton	Andrews, N.C.
Roe	James V.	Ashley
Roncalio, Wyo.	Stark	Badillo
Rooney, Pa.	Stephens	Clark
Rosenthal	Stokes	Conyers
Rostenkowski	Stratton	Dingell
Royal	Studds	Dulski
St Germain	Sullivan	Frelinghuysen
Sarbanes	Thompson, N.J.	Harvey
Schroeder	Young, Ga.	
Seiberling	Tiernan	
Sikes	Van Derlin	
Slack	Vanik	
	Waggoner	

NAYS—258

Abdnor	Gilman	O'Brien
Anderson, Ill.	Ginn	Parris
Andrews, N. Dak.	Goldwater	Pettis
Archer	Goodling	Peyser
Arends	Green, Oreg.	Pickle
Armstrong	Gross	Pike
Ashbrook	Grover	Poage
Bafalis	Gubser	Powell, Ohio
Baker	Gude	Price, Tex.
Beard	Gunter	Pritchard
Bell	Guyer	Quie
Bennett	Haley	Quillen
Bergland	Hamilton	Railsback
Blester	Hammer-	Randall
Blackburn	schmidt	Rarick
Bowen	Hanrahan	Rhodes
Bray	Hansen, Idaho	Rinaldo
Brinkley	Hastings	Roberts
Broomfield	Heckler, Mass.	Robinson, Va.
Brotzman	Heinz	Robison, N.Y.
Brown, Mich.	Henderson	Roncalio, N.Y.
Brown, Ohio	Hillis	Roes
Broyhill, N.C.	Hinshaw	Roush
Broyhill, Va.	Hogan	Rousselot
Buchanan	Holt	Roy
Burgener	Horton	Runnels
Burke, Fla.	Hosmer	Ruppe
Burleson, Tex.	Huber	Ruth
Butler	Hudnut	Sandman
Byron	Hungate	Sarasin
Camp	Hunt	Satterfield
Carter	Hutchinson	Saylor
Casey, Tex.	Ichord	Scherle
Cederberg	Jarman	Schneebeli
Chamberlain	Johnson, Calif.	Sebelius
Chappell	Johnson, Colo.	Shipley
Clancy	Johnson, Pa.	Shoup
Clausen, Don H.	Jones, Okla.	Shriver
Clawson, Del	Jones, Tenn.	Shuster
Cleveland	Kazan	Sisk
Cochran	Keating	Skubitz
Cohen	Kemp	Smith, Iowa
Collier	Ketchum	Smith, N.Y.
Collins	Kuykendall	Snyder
Connable	Landgrebe	Spence
Conlan	Landrum	Stanton
Conte	Latta	J. William
Coughlin	Lent	Steed
Crane	Litton	Steele
Cronin	Long, Md.	Steelman
Culver	Lott	Steiger, Ariz.
Daniel, Dan	Lujan	Steiger, Wis.
Daniel, Robert W., Jr.	McClory	Stubblefield
Davis, S.C.	McCloskey	Stuckey
Davis, Wis.	McDade	Symington
de la Garza	McEwen	Symms
Dellenback	McKay	Taylor, Mo.
Dennholm	McKinney	Taylor, N.C.
Dennis	McSpadden	Teague, Calif.
Derwinski	Madigan	Thomson, Wis.
Devine	Mahon	Thone
Dickinson	Maillard	Thornton
Dorn	Mallary	Towell, Nev.
Downing	Mann	Treen
Duncan	Maraziti	Udall
du Pont	Martin, Nebr.	Ullman
Edwards, Ala.	Martin, N.C.	Vander Jagt
Erlenborn	Mathis, Ga.	Veysey
Esch	Mayne	Walsh
Eshleman	Meicher	Wampler
Findley	Mezvinsky	Ware
Fish	Michel	Whalen
Fisher	Milford	Whitehurst
Flowers	Miller	Whitten
Flynt	Mills, Ark.	Widnall
Ford, Gerald R.	Mills, Md.	Wiggins
Forsythe	Minshall, Ohio	Williams
Fountain	Mizell	Winn
Frenzel	Montgomery	Wyatt
Frey	Moorhead, Calif.	Wyder
Froehlich	Mosher	Wylie
Fuqua	Myers	Wyman
Gettys	Nelsen	Young, Alaska
Giaimo	Nichols	Young, Ill.
Gibbons	Obey	Young, S.C.

NOT VOTING—28		
Alexander	Jones, Ala.	Ryan
Andrews, N.C.	King	Talcott
Ashley	Mathias, Calif.	Teague, Tex.
Badillo	Mitchell, N.Y.	Vigorito
Clark	Morgan	Walde
Conyers	Passman	Wilson, Bob
Dingell	Podell	Young, Fla.
Dulski	Rangel	Zwach
Frelinghuysen	Regula	
Harvey	Rooney, N.Y.	

So the previous question was not ordered.

The Clerk announced the following pairs:

On this vote:

Mr. Andrews of North Carolina for, with Mr. Talcott against.

Mr. Morgan for, with Mr. Mathias of California against.

Mr. Rooney of New York for, with Mr. Young of Florida against.

Mr. Dingell for, with Mr. Zwach against.

Mr. Conyers for, with Mr. King against.

Mr. Podell for, with Mr. Frelinghuysen against.

Mr. Clark for, with Mr. Regula against.

Mr. Rangel for, with Mr. Mitchell of New York against.

Until further notice:

Mr. Dulski with Mr. Harvey.

Mr. Walde with Mr. Bob Wilson.

Mr. Vigorito with Mr. Badillo.

Mr. Alexander with Mr. Passman.

Mr. Jones of Alabama with Mr. Ashley.

Mr. Ryan with Mr. Teague of Texas.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENT OFFERED BY MR. MARTIN OF NEBRASKA

Mr. MARTIN of Nebraska. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Nebraska: On page 2, line 1, strike "H.R. 6879," and insert in lieu thereof, "H.R. 2099."

On pages 2, lines 2 through 7, strike the words: "If said amendment in the nature of a substitute is not agreed to in Committee of the Whole, it shall then be in order to consider the amendments recommended by the Committee on Banking and Currency now printed in the bill notwithstanding the provisions of clause 7, rule XVI."

Mr. MARTIN of Nebraska. Mr. Speaker, I would like to explain this amendment to the Members. The amendment makes in order the consideration of the committee bill, H.R. 6168. Then it makes in order the offering of H.R. 2099 as a substitute. This strikes out the Stephens bill and substitutes H.R. 2099, which is a bill which was jointly introduced by the chairman of the Banking and Currency Committee and the ranking minority member, and provides for a simple 12 months' extension of the Economic Stabilization Act.

Then in addition it strikes from the original resolution (H.R. Res. 357) the waiving of points of order in regard to germaneness. In other words, those are stricken from the resolution. That is all this amendment does.

Mr. Speaker, I yield to the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Nebraska for yielding, but I see no purpose in debating the matter further. I thank the gentleman again.

Mr. MARTIN of Nebraska. Mr.

Speaker, I urge adoption of the amendment, and I move the previous question on the amendment and on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the amendment offered by the gentleman from Nebraska (Mr. MARTIN).

The amendment was agreed to.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

#### DISPOSAL OF STRATEGIC STOCKPILE ITEMS—MESSAGE FROM PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-84)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Armed Services and ordered to be printed:

##### To the Congress of the United States:

In our current fight against rising prices, one weapon which has not yet been effectively employed is our national strategic stockpile. Today I am asking for authority from the Congress to sell those items in the stockpile which we no longer need to keep in reserve in order to protect our national security.

Because the world economy has grown so rapidly, short term demand for many industrial commodities has outpaced short term supplies. As a result, prices for industrial commodities have recently been increasing at unacceptably high rates—in some cases by more than 30 percent in the past 12 months alone.

These increases will eventually be felt in higher prices for the American consumer if we do not act decisively now.

By disposing of unneeded items in the strategic stockpile, we can strike a critical blow for the American consumer.

The purpose of the American strategic stockpile is to ensure an adequate reserve of vital materials in time of war without imposing undue hardships on our civilian population. The basic concept is an old one, dating back to the Strategic and Critical Materials Stock Piling Act of 1946. Ninety-five percent of the current stockpile was acquired before 1959—the bulk of it during the Korean War.

The present strategic stockpile totals \$6.7 billion worth of material, ranging from metals, minerals, rubber and industrial diamonds to unusual items such as iodine.

Because our economy and technology are dynamic, our capability to find substitutes for scarce materials is far greater today than in the past. We are now able to meet defense requirements for materials during possible major conflicts without imposing an excessive burden on the economy or relying on an enormous stockpile, as was once necessary.

After a careful and searching review of the current stockpile, I have approved new guidelines that would tailor the kind and quantity of materials in the stockpile to the national security needs of the 1970's. The new stockpile would be substantially reduced, but it would contain the critical materials that we need in quantities fully adequate for our national security requirements.

Our new guidelines would provide the needed commodities to cover our material requirements for the first year of a major conflict in Europe and Asia. In the event of a longer conflict, these 12 months would give us sufficient time to mobilize so that we could sustain our defense effort as long as necessary without placing an intolerable burden on the economy or the civilian population.

Under existing law, the Administration has the authority to sell approximately \$1.9 billion worth of stockpile material, including substantial amounts of zinc, aluminum and lead. However, to dispose of the remaining \$4.1 billion in unnecessary items, congressional authorization is needed.

Historically, the sale of each commodity has been subject to individual legislation, but this procedure is time-consuming and redundant. To improve on it, the authorizing legislation I am recommending to the Congress takes the form of a single omnibus bill for all excess stockpile commodities; it includes individual authorizations for 16 major commodities.

At the same time that they fully provide for our national security and economic health in the event of an emergency, our new stockpile guidelines also enhance national efficiency and thrift. Specifically, they would permit us to sell \$6 billion in no longer needed stockpile material over the next several years.

I urge the Congress to take prompt and favorable action on the stockpile legislation I am submitting. By doing so, the Congress will demonstrate its willingness to act in positive cooperation with the executive branch in a way that is in the best interests of all Americans.

RICHARD NIXON,  
THE WHITE HOUSE, April 16, 1973.

#### EXTENDING ECONOMIC STABILIZATION ACT OF 1970

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. 6168) to amend and extend the Economic Stabilization Act of 1970.

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. 6168, with Mr. BOLLING 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 1 hour, and the gentleman from New Jersey (Mr. WIDNALL) will be recognized for 1 hour.

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

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

Mr. Chairman, H.R. 6168, and the substitute H.R. 6879, are a true test of the ability of this Congress to deal with an economic crisis.

There are some in this House who will counsel us to abandon our responsibility, to hide, to dodge, to be evasive and simply give the President an extension of his authority to impose phase III on the Nation. I sincerely hope that this is a minority because nothing could be more damaging to the economic future of this Nation than a congressional endorsement of the President's phase III policies—policies which have brought us the highest prices in 22 years.

Mr. Chairman, the big business lobbyists have descended on Capitol Hill and this campaign has been developed and orchestrated by the White House in an attempt to block this legislation. Every industry, every special interest has a special problem and many of them are demanding that the Congress take special pains to deal with each and every one of these special problems in the statute. Such a move would destroy this legislation and would make a mockery of economic stabilization. The House must rise above these special pleas.

While many people—many groups—have special problems, all of them will be benefited if we can develop a program to truly stabilize the economy. Surely, this concern—for the general economic health of the Nation—overrides the special problems of any group or individual industry. Surely, there is no manufacturing corporation, no bank, no agricultural organization, no business trade association, no labor union that believes it can benefit in the long run if the Congress weakens and lets inflation overtake and rip apart the economy.

We have already gone much too far down the road to ruinous inflation and it is the height of irresponsibility for any Member of this House to ignore the clear warnings of a Wholesale Price Index which is increasing at an annual rate in excess of 26 percent and a Consumer Price Index moving up at an annual rate of 10 percent and still climbing. And the buffeting of the dollar on the world markets in recent months is another clear signal for the Congress to act, to do the things the President has been unable or unwilling to initiate.

Mr. Chairman, I regret greatly that the President's economic policies have placed us in a situation where we must take such strong action. But, we must face the facts as they are and not as we wish them to be. The economic facts require us to take the hard road, the difficult road; we can no longer afford the luxury of soft easy answers.

Under present economic conditions, there are no easy answers and no soft roads to economic stabilization. In urging adoption of this measure, we do not, for one moment, underestimate the diffi-

culties, the complexities and unpleasantness of economic controls. Controls are not popular, but ravaging inflation that could destroy the economy is even more unpopular.

Despite all the propaganda and lobbying which has erupted around this legislation, this is not a radical measure. It is simply a necessary measure. A few of the calmer voices in the business community—conservative voices—have begun to face the hard facts and endorse the basic thrust of H.R. 6168 and H.R. 6879. Last week, the chairman of the Federated Department Stores, Ralph Lazarus, wrote President Nixon urging an abandonment of phase 3. Mr. Lazarus wrote the President:

I urge you to take action to restore the sense of confidence and stability which prevailed during Phase 2 of your Economic Stabilization Program.

The reimposition of mandatory controls adapted to the present economic situation would be an important initial step to achieve this goal.

This is no radical voice, but a businessman—the head of the Nation's largest department store chain—who sees the dangers of the President's permissive policies on the economy.

Many have expressed special concern about the problems of the agricultural community and I share their concern that this segment of the economy be treated equitably under any controls program. I have much agriculture in my district and farmers are concerned about the high interest rates they must pay for farm production loans, for cattle feeder operations, and for mortgages. This bill will control these costs and lift a burden from the agricultural community.

Farmers are concerned about rapidly escalating costs for machinery, tractors, combines, trucks; and this bill will stabilize these prices and make it much easier for the farm operator to come out with a profit. In short, the rapid increases in prices farmers must pay will be halted—and in some cases rolled back—under this bill and this will be a big plus for the entire agricultural community, particularly the small family farmer who has been hit the hardest by the price squeezes.

Mr. Chairman, the interest rate section is essential if we are to have equity in this program. Everyone in the economy pays interest, either directly or indirectly, and the high cost of money is reflected in the higher food prices, higher rents, and the higher costs of all goods and services. Unless we control interest rates, we cannot expect to have an effective stabilization program.

The Federal Reserve and the so-called Committee on Interest and Dividends have gone to great lengths to hide the facts about interest rates, and have urged the banks to "cool it" until the Congress completes its consideration of the wage-price legislation. The message from the Federal Reserve to the banks is clear—delude the Congress into ignoring interest rates and then, as soon as the law is signed, you will be free to raise rates. And when this happens it will be too late for the Congress to correct its mistake.

Unless we want a return to the credit crunches of 1969 and 1970—when interest rates rose to their highest levels in 100 years—the time to act is now. And let no one fool you—the trend on all interest rates is up. Mortgage rates are approaching 8 percent in many areas of the Nation, a fact which prices millions of Americans out of decent homes. Farm production loans are up again in the figures released by the Federal Reserve last week and this means more pressure on food prices. Since the legislation was introduced, the Small Business Administration has announced another increase in interest rates to small businessmen to 9½ percent. The rates are climbing and only the Congress can give the people relief.

The cost of money has been rising more rapidly than anything else in the economy in recent years. Since 1965, yields on high grade municipal bonds have increased 62 percent. Many corporate bonds have seen an increase of at least 65 percent in interest yields and short-term Treasury bills are up more than 60 percent since the mid-1960's. Mortgage rates are up nearly 50 percent.

Mr. Chairman, I cannot overestimate the role these higher interest rates are playing in the higher prices. But, let me quote from a recent statement by Dr. Sidney Weintraub, a respected professor of economics at the University of Pennsylvania:

Those "buying" money now—borrowers—thus have cause to howl along with the housewife buying meat. The cost of doing business with borrowed money has skyrocketed. The higher business operating costs contribute to the advance in product prices. More significantly, however, to cover the higher financing charges our regulated public utilities have also secured price relief. The cost of borrowed money is thus reflected in our telephone, electric, gas and transport bills.

Higher interest rates thus compel higher prices. Higher mortgage terms also inflate the cost of living. All of us, in many ways, pay more because of higher interest rates.

Unless we have the courage to control interest rates, prices and rents, there is not a chance that we can moderate wage demands the remainder of the year. On the other hand, if we can assure stability, workers and their unions will be in a better position to hold down demands at contract time. We have a great opportunity to break the cycle of price increases, followed by new wage demands, followed by more price increases. It is up to this Congress to halt the cycle.

Mr. Chairman, this legislation can restore the confidence of the American people in the ability of their Government to deal with an economic crisis. And this confidence is at a fantastically low level at this moment. The American people do not believe that President Nixon has the ability to deal with the crisis; they are looking to the Congress.

Just last week, the Louis Harris poll was released and it showed that only 26 percent of the American people had confidence in President Nixon's ability to keep the economy healthy. A whop-

ping 69 percent replied that they lacked confidence in his ability in this area.

More specifically, this poll found that only 12 percent of the people had confidence that the President was doing what was necessary to keep down the cost of living. Eighty-six percent replied in the negative—86 percent have no confidence in the ability of the President to keep down the cost of living.

The President—with only 12 percent of the people reflecting confidence in his actions—is urging that this Congress simply give him more power to continue phase III—to extend the Economic Stabilization Act for another year. Mr. Chairman, I suggest that the House should stick with the great majority of the American people—the 86 percent who the Harris poll says want something more than the President's impossible voluntary program of economic permissiveness.

Mr. Chairman, we have seen a series of disheartening economic indicators released—indicators which tell all of us that inflation is threatening to destroy the entire economy. Shortly after this House votes on these amendments and shortly after we return home for the recess, still another set of indicators will be released—the Consumer Price Index for the month of March. I predict that this CPI will reveal even more shocking figures—more shocking price increases—and it is something that will be on the minds of our constituents when we are in our home districts next week.

The Members of this House have an opportunity today to cast votes against high prices—against inflation—and against the discredited and sadly misguided economic policies of the Nixon administration. These are votes that will be long remembered, long talked about. The ring of cash registers in the land will remind the people of our votes for months to come.

Mr. WIDNALL. Mr. Chairman, I rise in opposition to the legislation that is currently before us. I intend to offer an amendment that will be a simple extension of the existing authority for 1 year. No other amendments. Just that.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Pennsylvania (Mr. JOHNSON).

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I rise in support of the Patman-Widnall substitute, H.R. 2099.

Mr. Chairman, we are meeting today in a period of hysteria over price increases, and this Congress is being asked to enact a measure which could well throw this Nation into an economic tailspin and precipitate a depression. We are considering this bill at a time when the economic conditions in this country are at the highest level since World War II.

We are debating this bill without the slightest idea of the disruption that it would cause if enacted. As a matter of fact, the bill applies to all prices, and no one really knows as to what prices will be covered. Is it the price of gold in New York and not London? Is a price the price of stocks on the New York Stock

Exchange? Does it cover all professional fees, theater tickets and highway tolls? It seems like the bill should have defined the prices covered.

That is the consummate confusion in the bill and why its enactment would be foolhardy and dangerous. The bill would take away from the President the flexible power to regulate prices for 1 year. In other words, the Nation would be in an economic straitjacket for 1 year. It would mean a complete regimentation of the country for that period.

I do not believe that Congress wants to do this. The statesmanlike and safe thing to do is to extend the act for 1 year and thus retain in the President the power to regulate prices and wages. If it is necessary to reinstate phase II, the President should do it, and I am sure he would do it if the spiraling of prices continues. Controls are a deprivation of freedom. They should be taken off as soon as possible. Only by extending the act for 1 year, through H.R. 2099, will it be possible to have an early end to this denial of economic freedom.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. I appreciate the gentleman's yielding to me.

Mr. Chairman, I should like to tell the Committee that, honestly, H.R. 6768, in my opinion, is the worst legislation that I have ever seen come out of the committee.

Mr. Chairman, it has been my privilege to serve on our Banking and Currency Committee in the House of Representatives for 9 years. We have been most fortunate in our committee over the years to have Representatives on both sides of the political aisle who have shown great dedication to their work. Together, we have written legislation which, with few exceptions, I have been able, in good conscience, to wholeheartedly support.

I regret to have to say that, on this day, I find myself in complete and total disagreement with the bill reported from our committee—H.R. 6168.

Mr. Chairman, there is so much wrong with this bill that I hardly know where to begin. In studying the views of members of the committee contained in the report, I was especially pleased to read the remarks of one of my colleagues on the other side of the political aisle which expressed my thoughts far more eloquently than I can. While I disagree with his finding and his solution, I admire the gentleman from Texas for clearly understanding the dilemma with which we are faced.

Truly, this committee did not have the time nor the resources to create a law that would establish a just and effective stabilization program. It would be impossible for any committee, no matter how well endowed with talent and determination, to fully comprehend all the complexities of our vast economy and impose just control over it in the 2 days of action we were allotted.

At this time, Mr. Chairman, it might be well to point out that, while our Committee knew that this act was to expire on April 30, we made no move to hear witnesses until less than two weeks ago. This was a very serious mistake. Having heard witnesses, both pro and con, no committee could write in two days—the total time of our Executive Session—a bill that would solve the problems of our economy and do justice to a problem that we all readily admit exists.

Congressman GONZALEZ, with whom I wholeheartedly agree, states:

Only the President has the resources to draw up an effective economic control program. Only administrative regulations are sufficiently flexible to meet the needs of a rapidly changing situation. Only administrative authority is sufficiently broad to overcome the inequities that are endemic to economic controls. In short, there is no way that Congress can legislate in an area that only Executive Authority is equipped to act in.

H.R. 6168 is a hopeless and unmanageable piece of legislation. Although it does contain some good ideas, I am firmly convinced that the bill cannot accomplish its stated goal of controlling inflation. Regrettably, in my opinion, it is so bad that it is beyond repair.

Many of the speakers who will follow me will outline these faults in detail. I hope that the Congress will pay close attention as H.R. 6168 is discussed, section by section, and its unworkable provisions clearly pointed out.

Mr. Chairman, it is regrettable that we find ourselves pressured by time as we are today. I am firmly convinced that this basic legislation has to be continued. All but one witness testified that any other course of action would only further fan the fires of inflation. No one dislikes the high cost of food more than I do. No one is more frustrated by the increases that have crept into the pipeline in all facets of our economy in the last few months. Congress definitely has a responsibility in this regard. We should make it very clear to all manufacturers and services, to all wholesalers and retailers, that any unjustified increases that have taken place since January 10 cannot be allowed. The Cost of Living Council, in my opinion, has failed in this regard. If they have a big stick, they should have been using it.

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

Mr. WIDNALL. I will now yield to the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Chairman, I appreciate the gentleman's yielding to me.

Mr. Chairman, the parallel between the problems of the Soviet Union and those of the United States might not be obvious, but they exist.

The parallel I speak of is in the problems of the marketplace. American housewives have been unhappy with food prices, meat prices in particular, and some Members of Congress are screaming for new, tougher price controls on meat, rents, and who knows what else.

In the Soviet Union, where state controlled prices have been a fact of life

since the revolution, housewives have been experiencing miseries due to shortages of food and other consumer goods. The Government has traditionally responded with a series of economic reforms. Lately, they responded with yet another economic reform, which, I would guess, will be no more effective in meeting consumer needs than have those of the past.

Needless to say, the Soviet consumers have the worst of it by far, and have had for as long as anyone can remember. But then, Soviet governments started much longer ago to try to repeal the laws of market economics. For all practical purposes, the U.S. Government only joined in this noble cosmetic experiment in August 1971. But, the way things are going, it may not be long before the United States has a nonmarket economy that works as badly as has the Soviet Union's nonmarket economy.

It is not too late to profit from U.S.S.R.'s bad example, although I would have to admit that the House Banking and Currency Committee has sounded increasingly as if it had been getting its basic research from the inner riches of Soviet Gossplan, the central planning agency. Possibly it comes from those countless toilers who spend their life over wholesale price lists trying to decide, more or less intuitively, whether hairpins, tack hammers, hat racks, and hay forks should be marked up, or down, a kopeck.

It would not be overstating the case to say that a fundamental weakness of the Soviet economic system lies within the mindless effort to manage prices by state fiat. The consequences abound through the land. Residential blocks or perhaps even entire cities sometimes have no services that westerners take for granted—maybe dry cleaning establishments are missing, or eyeglass stores. Aspirin cannot be bought even in exchange for pure gold. Or the constant swings from surfeit to shortage in consumer items—one year there is a surplus of clothespins, the next, none at all to be found. And through it all, the letters to *Pravda* and *Economic Gazette* argue the question, "Who is to blame? The farmers? The factory managers? The coal miners?"

If that is the way the letters to the *New York Times* and the *Wall Street Journal* are beginning to sound, it is no slight coincidence.

In fact, the ones to blame are the theorists, and those who, in parrot fashion, repeat the empty slogans, who insist that the consumer benefits when the state substitutes its economic management for market forces. It is a beguiling concept. The market forces sometimes are painful when prices of some necessity go up. So the state removes the pain by ordering the prices to stay put. The Soviets decided a long time ago that the idea had such simple beauty that they built their economic system upon it.

It is a little too simple, however. Markets and prices allocate resources—we sometimes wonder why we have to keep repeating this—and do it with far greater efficiency than could a million plan-

ners armed with a million computers. A free market is itself an all-encompassing computer, the best ever designed, constantly accepting billions of buying decision inputs, assigning values to the goods bought and thereby allocating a nation's finite productive resources to satisfy those human needs and wants that the buying decisions reflected.

Why do not the Russian Communists try the market approach? A conjectural answer is that while the existing system is maddening for consumers, it is comfortable for the Communist Party apparatus and for the managerial bureaucracy. It does not take much creative thought to respond to an order from Moscow to produce 10 million alarm clocks and sell them at two rubles apiece. Who can be blamed if nobody wants that many alarm clocks? A more profound answer might be that the Soviet authorities fear the long-term consequences of a real decentralization of decision-making power. Economic and political power are certainly not unrelated. So the Soviet Government came up with yet another token decentralization. It set up a group of large government corporations to take over management of groups of industrial plants. Some of the decisionmaking authority over the plants formally exercised by government ministries will be transferred to the corporation. We will not hold our breath awaiting the Renaissance.

But, we might hold our breath while the U.S. Congressmen and officials flirt with the beguiling concept of economic control which has brought Soviet citizens so much grief. You might say that it cannot happen here. But you might also say that it already is happening. Only I am afraid when our population starts to suffer from food and other commodity shortage there will be no capitalistic Uncle Sam around to bail us out as the recent Soviet grain purchase from the United States bailed the Soviets out.

Freezing individual prices and wages, and that is what it is, despite its new name "ceiling," in order to halt inflation is like freezing the rudder of a boat and making it impossible to steer in order to correct a tendency for the boat to drift 1 degree off course. The price ceiling is cosmetic and not therapeutic.

#### WHAT HATH PRICES AND WAGE CONTROL WROUGHT

A major reduction in the rate of inflation, to judge from much press commentary and economic punditry.

A trivial effect on the rate of inflation, to judge from much cold statistics. Here they are from the Cost-of-Living Index number: Annual rate of rise at the inflationary peak early in 1970, 6.4 percent during 1971, 4.3 percent. The Consumer Price Index turned in a respectable performance in 1972, raising 3.3 percent, a significant improvement over the previous year.

The initial sharp tapering off in the rate of inflation clearly owes nothing to controls, which were introduced in 1971. The further decline—which came to an end in early 1973—may well have occurred despite rather than because of

controls. But it is also possible that it understates the effect of controls. Perhaps, in the absence of controls, inflation would have speeded up instead of tapering off a mite further. Our instruments are too crude to enable us to make such judgments accurately. But one thing is crystal clear: whether controls lowered or raised the rate of inflation, the effect was minor in magnitude—it would be a bold man who would assess the effect at more than 1 percentage point.

Why the impotence of price controls? How is it, that, despite all the fuss, the controls had so little effect?

First. Controls were introduced when inflation had already tapered off. Permitted wage and price increases averaged close to those that would have occurred anyway.

Second. After the initial freeze, controls were selective. They covered, in anything more than name, well under half the economy—as measured by value of output, wages paid, or any other broad yardstick. As a result, controls probably had a larger effect on specific sectors of the economy than the economy as a whole.

For example, the controls, in addition to the Soviet grain deal, clearly contributed to the rapid rise in food prices. Insofar as they held down the prices of automobiles or refrigerators, or similar items, they left purchasers of such items with more to spend on other things, and this excess purchasing power naturally flowed to items exempt from controls, such as tools.

But, you may ask, does the past impotence of controls guarantee that their reintroduction in a more stern fashion would be of a greater consequence for the future? The answer is that what happens to inflation from here on out depends upon what happens to total demand and not on controls.

And what happens to total demand in turn depends entirely on monetary and fiscal policy.

Inflation tapered off in 1971 and in 1972 because the rate of monetary growth was reduced sharply from 1968 to 1969. Inflation stopped tapering off in early 1972 because the sharp reduction in the rate of monetary growth in 1970 was followed by a higher rate. Last year's 8-percent rise in the monetary supply, currency, and bank checking accounts, was undoubtedly too rapid, and much of the current demand pressure stems from the Federal system's excessive money creation during the period of 1970-72. Inflation threatens to speed up in 1973 and 1974 because the rate of monetary growth has speeded up sharply in recent months. If recent monetary growth were to continue, no conceivable controls could prevent inflation from accelerating. On the other hand, if the Federal Reserve cuts monetary growth sharply and holds it there, inflation will continue to taper off with or without controls.

Lowered Government spending is important primarily because we are not getting our money's worth for what the Government spends. But it is important

also because large deficits tend to raise interest rates which induce people to hold the cash to their income and also puts pressure on the Fed to finance the deficits. If the President succeeds in holding down Federal spending, he will do the most important single thing he can to hold down inflation. If inflation, nonetheless, speeds up, the Fed, and the Fed alone, will be responsible. It will have no excuses, no scapegoat to blame. It will be on the spot.

A major cost of controls has been to divert attention from the basic issues to a minor sideshow.

On the other hand, controls, or the imposition of price ceilings, as some gentlemen in Congress prefer to call it, are certain to produce not only market distortions, but a permanent pattern of expectations, a conditioned response, that will make their removal impossible. In clearer terms, we are facing a step toward a big brother society so well depicted in George Orwell's "1984."

Mr. BARRETT. Mr. Chairman, I rise in strong support of the bill, H.R. 6168, to extend and amend the Economic Stabilization Act of 1970. We are considering this bill at a time in which this country is experiencing the worst inflationary surge since the end of World War II. It is an inflationary surge for which the Nixon administration is principally responsible. There have been so many mistakes in the handling of our economy by the Nixon administration; it is one of repeated failures, general disinterest, and too little and too late responses to economic developments.

Nowhere on the economic front is there bright news. The prices of farm products, processed foods, and feed grain last month alone jumped at an adjusted annual rate of 56.4 percent. For raw farm products alone, the March spurt was at an annual rate of 72.2 percent, the biggest monthly increase since 1947. Industrial commodities rose at a 14.4 percent annual rate, the sharpest climb since January 1951, as prices of lumber, nonferrous metals, metal cans, paperboard, and other basic products climbed sharply. The prices of consumer finished goods increased at an annual rate of 26.4 percent equaling a 25-year-old record. For the entire first quarter of 1973, the wholesale price index rose at an adjusted annual rate of 21.5 percent, the sharpest increase since 1951. Rent increases in some parts of the country have risen by almost 40 percent, particularly hitting the moderate-income families.

It is no secret now that businessmen rushed through a raft of price boosts soon after the administration dropped its phase II controls on January 11 in favor of the no-control policy of phase III. While we can rest much of the blame for current economic crises on the failure of the administration to pursue an adequate economic policy, additional blame can be laid at the administration's doorstep in basic policy mistakes. The Secretary of Agriculture, Earl Butz, in his appearance before the House Banking and Currency Committee, admitted as much in stating that the administration had

failed to properly gauge the great increase in foreign and domestic demand for American agriculture products.

Secondly, the administration simply forgot about the domestic grain and soybean demand in arranging its special export deal with the Soviet Union. We have exported a large portion of our grain products this year at a subsidized and beneficial rate to the Soviet Union, which has greatly increased the price of grain products for the American family.

On the international scene, the administration has done little to correct our foreign financial problems and has permitted two devaluations of the American dollar in the last 15 months. It can be argued that the value of the dollar was too high and had to be readjusted. I believe that the first reevaluation of the dollar some 15 months ago was a necessary step, but the second devaluation was caused purely and simply by the failure of the administration to pursue the economic controls of phase II. Foreign financial markets, gold speculators, and foreign governments expressed a vote of no confidence in the Nixon administration's economic policy during the recent mass of speculation on the dollar.

Since Nixon has been in office, the Committee on Banking and Currency has urged President Nixon the authority to exercise controls over the economy. I believe that our colleague, the distinguished gentlelady from Missouri, LEONOR SULLIVAN, best summed up the feeling of those of us on the Banking and Currency Committee regarding the administration's opposition to controls. Mrs. SULLIVAN addressed her remarks to Dr. Arthur Burns, Chairman of the Federal Reserve Board, when he appeared before the committee a week ago Monday.

Mrs. SULLIVAN told him:

Dr. Burns, after four years, I am finding it very difficult to take seriously at face value the warnings which come to us from this Administration about the terrible consequences of the legislation we happen to have under the consideration of this committee, which the majority on this committee feel is a solution to a serious national problem.

Now, going back to 1969 when we were working on legislation which became the Interest Rate Control Act, giving the President the authority to have the Federal Reserve Board regulate materials and conditions of all types of credit as a means of combatting inflation, the President warned that this was a very bad move on our part and that we shouldn't pass it. And we did pass it under circumstances that the President felt he could not veto the bill on which the bill was attached. And he denounced the Congress for irresponsibility for passing this kind of legislation. And then you came before us just a few months later in February of 1970 and said, in effect, that you were very happy this authority had been enacted by Congress and was on the books and was available to be used in case it should be necessary to use it, although you didn't think it would be necessary.

And then to move forward. In 1971, after we had been complaining bitterly that the authority to regulate interest rates had not been used, the Administration came in and asked us to amend the Economic Stabilization Act to include interest rates through the Cost of Living Council rather than the Federal Reserve Board and we provided that authority, too, but it has never been used.

Now we also have the story about the Economic Stabilization Act itself. When we proposed it in 1970, the Administration accused us of playing politics, of demagoguery, and said that if we got such legislation it would never be used and we were just grandstanding. Exactly a year after the measure became law again on a bill that the President did not feel he could veto, he put it into effect with a great flourish on Aug. 15, 1971, just a year after it had been enacted...

So, how can we believe the warnings that we receive from this Administration about the dire consequences of mandatory interest rate control? The Administration track record on such predictions is very bad because it has usually ended up doing exactly what it said it would never do and shouldn't be done.

Now, let me tell you why I think the Administration's position on interest rate control rather than the things in the stabilization battle is wrong. I mean the Administration, I am sorry to say, doesn't seem to have any confidence in the economic morals of the American people. We all know about the food price fiasco, and it has taken a position that it cannot control agricultural prices because all of the farmers and all of the consumers are going to turn into black marketeers. And on this interest rate thing, the attitude seems to be if we hold down the interest rate in the United States, American capital is going to flee abroad to get a better return.

Well, we are not asking anyone to forego a reasonable rate of return on their capital, and we are not asking anyone to invest money at a loss, but I think there certainly is no lack of investment opportunity in the U.S. and I don't believe that the people who hold the money have absolutely no patriotism. It is something completely divorced from the character of the people who own the money and I don't think those who administer the economy of our country give the American businessman or the investor enough respect insofar as his consideration for his own money over his own country is concerned. And I just wonder what are we going to have as a policy that we can rely upon?

H.R. 6168, Mr. Chairman, gives the President flexible authority in administering the program so that he, on a case-by-case basis, can make adjustments for the purposes for assuring effective control over inflation. This bill imposes a ceiling on all prices and interest rates and provides authority to the President to make adjustments in respect to that ceiling, including authority to roll back prices and make exemptions from the ceiling consistent with the goal of controlling inflation.

Other provisions of the bill would include:

Stabilization of rents to levels prevailing on January 10, 1973, the last day of phase II;

Regulation of credit margins for commodity futures;

Creation of an Office of Consumer Counselor to insure consumer representation in the formulation of stabilization policies and actions;

Authorization of the General Accounting Office to review action of the stabilization program to accomplish congressional oversight;

Special provisions for public carriers and utilities;

Explicit reporting requirements con-

cerning the performance of the stabilization program;

Authorization for the President to allocate petroleum products;

Explicit definition of substandard wages;

Definition of wages and salaries in respect to fringe benefits;

Requirements that, in price and wage adjustments, the President, in granting or not granting such adjustments, reveals the basis for his decision;

Requirements that the President report to the Congress on health costs, including health insurance prices, during the duration of the stabilization program;

Requirement that the General Accounting Office study, evaluate, and report to Congress the relationship between changes in consumer food prices and trading in commodities; and

Authorization of the Secretary of Commerce to exert control over the export of raw materials when needed to control domestic inflation.

Mr. Chairman, the Members of the Committee recognized that inequities may arise in some industries as a result of the price freeze under this bill. Therefore, in subsection (a) of section 204 of the bill, we gave the President ample authority to take corrective action in such cases, to make adjustments, and to correct inequities.

Feeling that the principle of doing equity in all cases was so important, I requested and got unanimous consent—during the markup of the bill—to include language in the report dealing with this Presidential authority, which language is as follows:

The Committee recognizes that freezing all prices as of January 10, 1973, may cause some inequities among firms in a limited number of industries. The Committee has in mind those industries which under Phase II and Phase III rules and regulations were authorized to apply the so-called "special volatile price rule" to the pricing of their finished products. In such industries, normally, there is a time lag between an increase in the price of the raw material, from which finished products are manufactured, and compensatory adjustments in the price of these finished products. Thus, freezing the prices of both "the volatile" raw material and the finished product as of the same date, i.e., January 10, 1973, may produce inequities. The Committee expects the President to examine situations of this kind and to take appropriate action pursuant to the authority conferred upon him in Section 204(a).

Regrettably, this language was inadvertently left out of the committee report.

I am sure the chairman will confirm that this is what happened.

I would like to include as part of my remarks here, Mr. Chairman, the Cost of Living Council definition of the volatile prices rule:

(f) *Volatile prices—Special rule.* Subject to paragraphs (g) through (i) of this section, a prenotification firm that has customarily priced an item in a manner immediately responsive to frequent and customary market price fluctuations of the raw materials or partially processed products which it uses in that item, may, when and to the extent authorized by the Price Commission, increase the price of that item to the extent

of any significant market price increase of those raw materials or partially processed products, without regard to paragraphs (a) through (d) of this section. However, in the case of a price increase based on an increase in the price of a partially processed product, only that part of the increased cost of the partially processed product that is due to an increase in the market price of the raw materials in that product may be used in computing any allowable increase under this paragraph. For the purposes of this paragraph and paragraphs (h) and (i) of this section "raw materials" include raw agricultural products, raw seafood, and other raw materials used by the prenotification firm in preparing an item for which an authorization is sought under this section.

(g) *Limitation.* No firm may increase a price pursuant to an authorization granted under paragraph (f) of this section to the extent that the price as increased would result in an increase of its profit margin over that which prevailed during the base period.

(h) *Notice on invoice.* A firm which increases a price on any partially processed product pursuant to authorization granted under paragraph (f) of this section, shall indicate on each invoice to its manufacturing and processing customers that part of any increase that is due to an increase in the cost of the raw materials used in making the partially processed product.

(i) *Reduction of prices.* Each firm that increases a price on an item pursuant to an authorization granted under paragraph (f) of this section shall reduce that price to the extent of any later decrease in the cost of the raw material or partially processed product upon which the price increase was based, but is not required to decrease the price of the item concerned below its base price.

Finally, Mr. Chairman, it seems apparent to most of us that the administration does not see much hope in the next few months of any of the recent price increases leveling off or even declining. In fact, as Secretary Butz told us prices will be going up until the end of the year. Earlier this week, Dr. Arthur Burns of the Federal Reserve Board expressed concern to the commercial banks of the apparent large volume of loan pledges outstanding and sharp increased use of bank commitments by its corporate clients, which the Federal Reserve feels will cause banks to overextend themselves in the next few months. The Federal Reserve is asking the bankers to reevaluate this situation and to set up appropriate loan policies to monitor any additional commitment loan programs. In other words, Mr. Chairman, monetary authorities are telling the bankers to cut back on their loans for the rest of the year. Unless the provisions of this bill are enacted and approved by the President, this country can expect continued inflation which makes the lives of our citizens uncomfortable, our international financial situation difficult, and economic planning impossible.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Missouri (Mrs. SULLIVAN), a member of the committee.

Mrs. SULLIVAN. Mr. Chairman, from the vote taken a few moments ago on the question—it looks as though the majority of the House Members are satisfied with today's prices and have given a vote of confidence to the President on phase III. Mr. Chairman, for years the urban Members of this House have supported legislation to provide the farmer with

what amounts to a minimum wage—floors on agricultural prices, so that the farmer could obtain a reasonable return for his products. These floors raised consumer prices somewhat, but the price supports have helped to assure an abundance of agricultural production, by assuring the farmer that his surplus output would not ruin him. We used those surpluses to feed the hungry all over the world. We passed a food stamp program to make sure the needy in this country could also share in that agricultural abundance.

Most of the Members know that the only way we were able to get a food stamp program enacted was, as part of a package to help the farmer.

But from what we have been hearing the past week or so, in connection with this legislation to stop inflation, the farmer apparently does not want or need our help any more, and does not want to help us stop the skyrocketing cost of food.

The consumers of this country paid taxes for two generations to help the farmer derive a better income than he could have obtained from market forces alone. Apparently, the agricultural community thinks that the millennium has now arrived. Cattle prices have jumped over the moon; fruit and vegetable prices are up in the stratosphere; and the spokesmen for the farmers tell us, that only now—for the first time—are agricultural prices "just right"—just where they should be.

And so they want to keep them there—without any interference by price control. President Nixon has exempted agricultural prices from any controls at all.

In this legislation, we are trying to bring them under control. If we fail, I hope the Members will remember this debate when the inevitable wage increases begin to pile up this summer.

And I hope they will remember it, too, when the inevitable downturn in farm prices occurs in the next recession.

Remember it when the social security pensioners cry out that they cannot survive on the 20-percent increase we voted last year, because their rents are higher than their incomes, and their food dollars will not even buy hamburger.

Remember it when the independent gasoline stations run out of supplies and their pumps are dry.

Remember it when interest rates throw thousands of our small businessmen into bankruptcy.

Remember it when the voters ask: "Why did you let this happen to us?"

Remember it, too, when you pray.

For, unless we stop this outrage—stop this inflation which is eating away the economic health of this Nation—we will have much to pray for, and we will be praying for our country through tears.

There has been more misinformation spread during the past week about H.R. 6168 than about any bill we have had before us in years.

This bill does not force anyone to sell at a loss. It sets ceilings—not only on prices—it sets them at the same time on the costs which have made the higher prices necessary. Prices and costs are

controlled in the same way. And it provides for necessary adjustments in both.

Whether the ceiling date is March 16 or January 10, it does not mean that higher costs which occurred after that date are ignored in setting the new price ceilings. I urge the Members to read what the bill says in this respect—not just listen to the erroneous statements of those who like prices the way they are now and who do not want anything to happen to reduce them.

In conclusion, I say to the Members of the House—are you satisfied with today's price levels? If so, then you oppose this bill. But, if you are scared or frightened as I am of what has happened to the average family and what inflation is doing to this country, then you will support the committee bill.

Mr. PATMAN. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts (Mr. BURKE).

Mr. BURKE of Massachusetts. Mr. Chairman, I rise in support of what I feel is one of the extension of the Economic Stabilization Act's most important provisions, that of section 11 which amends the Export Administration Act of 1969. This section would direct the Secretary of Commerce to impose controls on exports when there is a threat of domestic inflation or short supply.

I was very happy to see this provision included in the Economic Stabilization Act. Just a few weeks ago on March 22 I testified before the Banking and Currency Subcommittee on International Trade urging adoption of my bill (H.R. 3639) which would allow the President to impose export controls on cattlehides. At that time I detailed the impact of excessive cattle hide exports, contributing to inflation, loss of business and unemployment. Under the pseudo-controls of phase 2, the price of hides rose 200 percent, approximately 60 times the national average which was 3.6 percent. This astronomical price rise has continued during the sham of phase 3. The result of high hide prices has been the closing of shoe factories and tanneries all over the country and in New England especially. In my home State of Massachusetts alone, 68 shoe factories have been shut in the last 5 years throwing approximately 12,000 workers out of their jobs. Just last Tuesday I took the floor to notify my colleagues of another shoe factory closing in Massachusetts and rumors circulate constantly of still more closings.

Export controls on cattle hides would go a long way toward preventing these unnecessary events. The Subcommittee on International Trade and the full Banking and Currency Committee received much testimony indicating that the successive devaluations of the dollar had resulted in a rush on the part of foreign purchasers to obtain materials of all kinds, particularly cattle hides. This sudden increase in foreign demand has accelerated the increase in domestic prices and diminished supply. The committee took intelligent action in including section 11 to provide procedures to diminish and to forestall the inflationary impact on domestic prices and

conditions of domestic short supply caused by abnormal foreign demand.

Mr. Chairman, action of this type is long overdue. The sense of this legislation is that Congress is asserting itself in the fight to control inflation and reduce unemployment. Time and time again we on Capitol Hill are attacked as being "fiscally irresponsible." The powers that be in the administration seem to feel they have a monopoly on responsibility brushing off Congress as "beholden to special interests." Well, Mr. Chairman, passage of this amending of the Export Administration Act will help prove that the Congress is not only responsible in fiscal matters, it is intelligent. The irrational tendencies of the administration, shown in their cut, cut and more cuts syndrome, is repudiated by the Congress. We should be working to create jobs, not destroy them. Imposition of controls on cattle hide exports and other commodities will have benefits for all Americans. Jobs will be saved, business prosperity will return, prices to consumers will stabilize and possibly drop, and overall our economy will surely benefit.

I do not ask for favoritism for any particular group in our economy, only equity. The present imbalance in exports is hurting America, at home as well as abroad. Section 11 is a responsible, intelligent step for the good of all Americans. I urge all of my colleagues to resist any efforts to delete or weaken the export control provision in the extension of the Economic Stabilization Act.

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

Mr. REUSS. Mr. Chairman, H.R. 6168, the committee bill, while by no means sunk and while a very meritorious bill, as the gentlewoman from Missouri has just pointed out, is in trouble. And the parliamentary procedure with which we shall be confronted in a few moments, when we take the bill up under the 5-minute rule, is that there will be immediately in order an amendment in the nature of a substitute to be offered by the gentleman from New Jersey (Mr. WIDNALL) which will be a simple extension of the present phase III price control, wage control machinery for 1 year.

To that amendment in the nature of a substitute I shall offer an amendment which I shall now describe.

It is very simple. It will freeze all prices except for agricultural prices at the farm level. The date of the freeze shall be today, April 16, and there is no mandatory provision for a rollback.

That amendment is designed to give us an opportunity to be recorded on what seems to me the fundamental issue; is there an inflationary danger in this country, and is phase III as administered by Mr. Nixon adequate to deal with it?

I believe we have only to list the unhappy events of the last few weeks—two and a half devaluations of the dollar; an increase in wholesale prices in the index for March at the annualized rate of 26 percent, the worst increase since Korean war days, a generation ago; cost-push inflation and demand-pull infla-

tion entwined, dragging this country into a hopelessly chaotic and inflationary situation.

In these circumstances the minimum necessary, in my judgment, is to blow the whistle, to declare a freeze as of today. My amendment, which is a brief paragraph, would do just that. I will quote it:

Ceiling on prices.

Notwithstanding any other provisions of this Act, a ceiling is imposed on all prices except agricultural prices at the farm level at levels no higher than those prevailing on April 16, 1973, except that no price shall be subject to a ceiling at a level lower than any level allowed to prevail for such price under phase II. The President may, by written order stating in full the considerations for his action, make adjustments with respect to prices in order to correct inequities.

There it is: fair, just, suitable for doing the job, far milder than the committee bill, which in my judgment is precisely what is needed—but nevertheless a good instrument to enable Members to record themselves on whether they are satisfied with phase III, or think something more meaningful needs to be done.

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

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

Mr. GROSS. I thank the gentleman for yielding.

I thought perhaps the gentleman from Wisconsin was rising to offer an amendment to roll back the price of what some call "barbaric gold."

Mr. REUSS. I thank the gentleman.

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

Mr. REUSS. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I am very much interested in the gentleman's amendment. Could the gentleman explain why he would be excluding agricultural prices?

Mr. REUSS. I would be excluding agricultural prices, at the farm level only, although I, myself, believe they are in fact amenable to controls, and were controlled in World War II, simply because of widespread difficulties offered by our colleagues.

Mr. Chairman, I want, in short, to present an amendment which is adept at doing the job, and not one bit tougher than is necessary to do it.

Mr. GIAIMO. Mr. Chairman, may I ask one second question?

Does the gentleman's amendment also provide for a freeze of wages as of today?

Mr. REUSS. No, it does not. That would be palpably unfair, since the wage question is now under agreeable settlement between the administration and organized labor, working out at wage increases of something like 5.5 percent a year, to which labor, incidentally, has adhered. To freeze wages would be automatically to redistribute all the fruits of productivity from the workingman to the stockholder, and that does not make any sense.

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

Mr. REUSS. I yield to the gentleman from Iowa (Mr. Gross).

Mr. GROSS. As to the gentleman's response to the question by the gentle-

man from Connecticut (Mr. GIAIMO), I presume the gentleman would not roll back farm prices because he wants to eat. Is that not about the answer?

Mr. REUSS. I want to eat the fruits of a victory here on the floor today. As far as eating beef is concerned, I could do that even with a rollback.

Mr. WIDNALL. Mr. Chairman, at this time I yield 5 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, it is my judgment, after sitting through 2 weeks of Banking and Currency Committee hearings and hearings before the Rules Committee, that we should pass a simple 1-year extension of the present law and not vary from that.

Earlier, I had thought that a 1-year extension with a temporary ceiling on food prices was preferable. I offered an amendment for ceiling on food prices in committee as of March 16. My amendment went only to food prices. I had thought a ceiling on food prices for 90 days would show our concern to the American housewife and provide a 90-day period for food prices to percolate downward and fortify the President during the period of adjustment.

Now, I feel the ceiling would become the floor and we would have the same problem all over again in 90 days. Right after I made my original statement, the President imposed a ceiling on prices for red meats, so my amendment became academic.

I feel the President needs a flexible program of restraints and that our chances of having an enlarged supply of food products come next year are greater under a simple 1-year extension.

The Economic Stabilization Act was originally introduced as part of the extension of the Defense Production Act on June 2, 1970. The act provided standby authority for wage and price controls. Since that time, the standby authority has been renewed repeatedly—on December 10, 1970; March 29, 1971; May 5, 1971; and December 22, 1971. The last act, Public Law 92-210, amended the law and extended the President's authority until April 30, 1973. This is the authority under which he now operates the stabilization program.

The wage-price law was not used until August 15, 1971, when the President imposed a freeze on wages, prices, rents, and salaries. This freeze remained in effect until October 15, 1971, when it was replaced by phase 2 of the economic stabilization program. Under phase 2, the President appointed a Cost of Living Council, a Price Commission and a Pay Board to administer the stabilization program. On January 11, 1973, phase 2 was replaced by a program of largely voluntary guidelines. Under phase 3, only the Cost of Living Council remained as a central administrative arm of the stabilization program. Health services, construction, and some elements of the food industry remained under mandatory controls, and in the face of rising prices the President imposed a ceiling on the price of beef, lamb, and pork on March 29, 1973.

On the simple question of whether the

Economic Stabilization Act should be continued, we found in hearings before the Banking and Currency Committee that the answer is very difficult. We had about as many different solutions as we had witnesses. There was widespread disagreement among committee members as to the type of bill which should be brought to this floor.

For 1 day during committee deliberations—using the word advisedly—all prices were to be rolled back to May 1972. Even the majority members of the committee saw the folly of this too obviously political move and changed the date within 24 hours to January 10, 1973. After a full day of hearings before the Rules Committee on last Wednesday it was evident that this would be unworkable and impractical. Hearings were continued on H.R. 6168 from last Wednesday until today. And they in an emergency hurry-up session on Thursday, it was agreed to adopt a rule making possible a substitute which adopts March 16 as a rollback date for prices.

Yet, I do not believe our problem is all that complicated. The increase in the cost-of-living index was exacerbated by the sharp rise in food prices. And this problem can be isolated when we look at the rise in the cost of red meat, which I have done in my additional views. The President has acted on this score.

After sitting through hearings for 2 weeks, it became obvious that there are areas of government where the executive branch must be given the authority to act quickly. Congress cannot act on a day-to-day basis to meet the complexities of our economic system.

Most everyone agrees that the root cause of our inflation is excessive Federal spending which adds Federal deficit on Federal deficit. If Congress is to act responsibly to control inflation, it must somehow bring spending within its revenues. Yet, here we are imposing a ceiling on prices so that those caught up in our inflation practices cannot recoup their costs forcing them into a deficit situation. I suppose the theory is, what is good for the country is good for bull moose.

The present law states:

It is hereby determined that in order to stabilize the economy, reduce inflation, minimize unemployment, improve the Nation's competitive position in world trade, and protect the purchasing power of the dollar, it is necessary to stabilize prices, rents, wages, salaries, dividends, and interest. The adjustments necessary to carry out this program require prompt judgments and actions by the executive branch of the Government. The President is in a position to implement promptly and effectively the program authorized by this title.

The President is authorized to issue such orders and regulations as he deems appropriate. Such orders and regulations shall provide for the making of such adjustments as may be necessary to prevent gross inequities.

In carrying out the authority vested in him, the President shall issue standards to serve as a guide.

Then, in this bill, we take it all back on prices and interest, leaving the President to worry with wages. That is a cute political trick.

I feel the only reasoned approach would be a simple, 1-year extension of

the Economic Stabilization Act. If and when such controls are needed, and I agree that they may be needed now, this approach will allow the flexibility to apply an economic stabilization program when and where needed for only as long as it is needed and will insure a return to the free markets that we all desire as soon as possible.

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

Mr. WIDNALL. Mr. Chairman, I yield to the gentleman from Texas (Mr. PRICE).

Mr. PRICE of Texas. Mr. Chairman, I favor a 1-year extension of the Economic Stabilization Act without amendments. I am adamantly opposed to any ill-advised attempt to roll back prices, be they to January 10, 1973, or March 16, 1973, levels. The passage of any type of rollback amendment would serve only to cripple our economy by threatening business shutdowns, the disruption of production, the creation of dislocations, more shortages, possible rationing, and the loss of many jobs. The threat of the passage of such an economically damaging amendment has generated a great deal of concern among all segments of our society—and rightly so. In my office alone hundreds of letters, telegrams, and calls protesting the passage of a rollback amendment have been received. I have yet to receive any favorable correspondence on this matter.

We all realize that the cost of living has been increasing steadily for a number of years, but this increase has, on the whole, been taken in stride along with an increase in salaries. If we are to roll back prices at this time and freeze them at March 16 or earlier levels, many businessmen, ranchers, and farmers will find themselves incapable of recovering those costs of production already incurred under existing prices. This is a situation under which not only they, but all Americans, will suffer.

In my 13th Congressional District of Texas alone, which is highly dependent on agriculture, the economic impact of the passage of a rollback amendment would have the disastrous effect of crippling farm and ranch operations. Let us take into consideration the fact that the total cost of producing agricultural goods has increased 109 percent during the last 20 years. During this same period, taxes have gone up 297 percent, the cost of labor has increased by 141 percent and the cost of machinery is up 100 percent. Yet during this time period, the income of the farmer and rancher has only increased an average of 11 percent gross while industrial workers, for instance, have seen a wage increase of 129 percent.

We find today that some grain sorghum farmers have actually made a profit on their grain crop. When we consider that the cost of producing grain sorghum ranged from \$2.31 to almost \$4 per hundredweight, the recent prices of \$2.65 to \$3 per hundredweight cannot be considered excessive. This is especially true for those farmers who are still struggling to save their crops due to poor

harvesting weather. When feed costs increase we also find that the prices of poultry, beef and pork must increase in order to offset these increases. We complain about meat costs, yet a typical 1,000 lb. steer will consume about 1 ton of grain during his feeding period.

The cost of grain priced at \$2 per hundredweight, to feed this steer will be about \$40 or if the grain is priced at \$3 per hundredweight, \$60. The total cost of feed grain per pound of liveweight animal will then be 4 cents or 6 cents, respectively, making a difference of only 2 cents per pound—the amount cattle prices must increase in order to offset the additional cost of the higher priced grain. Still, the consumers in the United States are receiving the best bargain in history when we realize that the average family spends only 15.5 percent of their disposable income on food.

At a time when farmers and ranchers have increased their productivity more than any other industry in order to meet rising consumer demands, we cannot cripple farm and ranch operations by not allowing the farmer and rancher the ability to recover their losses incurred by increases in the cost of production. The result of this action can only be the loss of great sums of money and possible bankruptcy for some, the loss of jobs and decreased production that could lead to even higher prices and perhaps a black market.

By rolling back prices and establishing inflexible price ceilings other segments of our economy will also suffer losses. An interest rate rollback and freeze would bring disaster to the financial market by curbing public and private borrowing, stagnating business, and promoting a massive outflow of dollars abroad. A Federal freeze of all rents would disrupt construction and deny individual communities the right to decide whether or not rent controls are actually needed.

It is my hope that my distinguished colleagues will take an objective look at the overall situation relative to the cost of living prior to casting their votes and that no actions will be taken to further threaten our economy. A price rollback and freeze is not the answer to our highly complicated problems. This measure can only be considered counterproductive, ill considered, and reckless. It can only result, if enacted, in a disjointed and artificially controlled economy.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I rise in opposition to H.R. 6168. I believe that I will be constrained to oppose the basic concept and amendment that the gentleman from Wisconsin (Mr. REUSS) has just suggested. I do not really believe it changes very substantially the basic amendment that the gentleman from Georgia (Mr. STEPHENS) was trying to encourage this House to enact. To me it is not much of a change from the bill (H.R. 6168) which I also opposed in committee.

Mr. Chairman, I would like to ask the

gentleman from Wisconsin (Mr. REUSS) if, by establishing the freeze date of April 16, he is not, in effect, establishing a very high price structure for many areas of pricing to which many Members in this House are already objecting? Isn't the gentleman's amendment just encouraging all others in the marketplace to immediately push up their prices to meet the new deadline date of April 16 and cause even more inflationary pressure on prices?

Mr. REUSS. I thank the gentleman for yielding. The answer is clearly "No."

Mr. ROUSSELOT. How would you avoid that problem?

Mr. REUSS. In the same way President Nixon did when he used the word "ceiling." He was very meticulous in the use of that word. Prices can and should fluctuate below the ceiling. This is a ceiling and not a floor.

Let me say in answer to the other question the gentleman asked that my amendment which I will offer is indeed different. I have to concede it is less onerous than the so-called Stephens substitute amendment.

Mr. ROUSSELOT. What do you do about rents in your amendment?

Mr. REUSS. My amendment has nothing to do with rents or with interest rates; it has no rollback. Instead of a March 16 date, it uses an April 16 date. Finally, it excludes agricultural prices at the farm level.

Mr. ROUSSELOT. I will get to the subject of agricultural products in just 1 minute. I have additional questions on the subject of the gentleman's amendment.

I am very much concerned about the gentleman's suggestion that by establishing a ceiling or freeze on April 16 you do, in fact, encourage all of those who have not raised prices immediately to jump into the marketplace and push up their prices. Those who set prices will say "Congress just approved a situation where we can all push our prices way above what those prices are now and move up to what others are receiving on April 16."

Mr. REUSS. I really think that the gentleman should take his verbal difficulty to President Nixon, because Mr. Nixon was at great pains to show the word "ceiling" means a system whereby prices cannot go through the ceiling but may go down, down, and down. The word "freeze" is indeed the kind of word it would have been dangerous to use, because it might have suggested that prices were frozen at the April 16 level. But it is my hope that prices will go down, down, down, and indeed the President is authorized to roll them back, not by this amendment but by the basic law.

Mr. ROUSSELOT. The reason why I find myself in genuine disagreement with the gentleman from Wisconsin is that no matter what you call it, ceiling or freeze—and I know there is a legal difference—you still encourage the marketplace by so-called congressional acts to rush in and move up their prices if they have not done so already on April 16. I think you create more of an inflationary

pressure by what you are suggesting in your amendment.

May I ask some additional questions about the area of agricultural products?

By omitting agricultural products, do you mean prices on agriculture all the way to the marketplace; is that correct?

Mr. REUSS. No. I mean precisely the exclusion the President mandated under his meat control program 2 weeks ago Monday.

Mr. ROUSSELOT. But he did not put a ceiling on all agricultural products in the marketplace at the retail store. What does your amendment do to agricultural products at the retail marketplace?

Mr. REUSS. It puts a ceiling on them.

Mr. ROUSSELOT. It does not. You said you have excluded agricultural products, which means food products, at both the farm and retail level.

Let me say I want to make it clear that I oppose—and I did in the committee—all wage and price controls. I do so because I do not think any bureaucracy in this country is smart enough to manage wage and price controls at a central level. That is my position. But I think the gentleman's amendment is mischievous.

Mr. REUSS. Will the gentleman yield further?

Mr. ROUSSELOT. In just one moment. I will yield further after I have made my point.

I believe the gentleman's amendment to exclude agricultural products will do tremendous damage to the very field he is trying to address himself, that is food prices, and which he told us so consistently in the Committee on Banking and Currency, that he is so concerned.

Mr. REUSS. Will the gentleman yield?

Mr. ROUSSELOT. If I can obtain additional time I will be glad to yield to the gentleman. If not, we can discuss his amendment when it is taken up during the reading of the bill.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, a very wise man one time said that one of the few things that Government could do is to wage war, and inflate currency. I would amend that, and say that we have done a very good job in this country of inflating our currency, and I think that H.R. 6168 is like rubbing vaseline on the real cancer of inflation and high-rising prices. It is like mopping the floor without shutting off the faucet—the faucet being the printing press and the central—Federal Reserve banking systems expansion of the money supply.

When my constituents in the State of Idaho go to a local merchant to make a purchase, they are casting a ballot, with their dollars, in favor of the producer of that product. If great numbers of my constituents, and the constituents of my colleagues, vote in this manner in favor of any given item, then that producer is going to prosper. He will be able to grow, to provide new jobs, new and better products, and he will attract others into entering his field of production when they see there are profits to be

made. The more producers there are in the field, the greater will be the competition, the more the price will fall, and the more will be the benefit to the citizens we are here to represent. An artificial ceiling, or freeze, on the price that the market determines is going to prevent new competitors from entering the market, as they not only have costs of production to meet, but initial investment as well. It will also prevent present producers from expanding their production as there would be no room in the budget for new facilities. This very simple economic pattern holds true in every field. There is no avoiding the law of supply and demand. If we freeze the price of cattle, we will stifle any increase in the production of cattle, shortages will develop, black markets will develop, and ultimately the consumer will pay exorbitant prices, or do without, and thus we will have created the very situation we set out to avoid.

Today we are talking about rolling back the prices of food. Nowhere in the world are the prices of food as low, as reasonable in proportion to other prices, as they are in the United States. Farmers and ranchers across this country have worked hard for many years, without much complaint, and have produced food and fiber in unprecedented quantity. Now, when a nominal increase in prices promises to reward these people for their productivity, the Government suggests forcible reduction of food prices. Let us face it, gentlemen and ladies, the real reason that prices have risen is because of the inflation caused by Government spending and the subsequent decline in the value of the dollar. If we punish the producers of this country for the monetary irresponsibility we have engaged in here in Congress, we are asking for serious trouble.

Gentlemen and gentlewomen, people will not work without incentive and reward, and they will not produce if they are punished for hard work—except in a slave society.

We are currently experiencing the birth pangs of an energy crisis. We are much too dependent on the unstable Mideast for our oil supplies, yet the environmentalist goes into shock at the suggestion of a pipeline in Alaska, or the construction of a nuclear power-plant. Our entire economy runs on energy and we are being crippled at every turn in attempts to solve the problem. I have been personally contacted by several small, independent oil dealers in Idaho in this regard. In one case the dealer was suffering severe economic losses because of a price differential imposed on him by his supplier. In the other cases the independent dealers are simply being forced out of business because they can no longer obtain fuel. This is a pattern which now should be familiar to every Member of Congress, because it is happening all over the country and it is a direct result of Government interference with the pricing and supply mechanisms of the free market. If we are going to avert a severe energy crisis, we must move as quickly as possible to remove the environmental

regulations, import controls, and price controls that prevent our businessmen from maintaining adequate supplies of an absolutely critical commodity.

The problems developing in this country are not confined to energy, however, for businessmen at all levels—those people who supply our wants, our needs, and the necessities of everyday life—those people in industries, large and small, are becoming disillusioned, discouraged, and angry. In spite of the fact that millions of board feet of timber are destroyed each year by pests and disease, our lumbering industry is being gravely threatened by unreasonable restrictions on harvesting operations. Very few people in this industry are there to "rape the land." They know that sound timber management and reforestation are vital to their survival, and that our forest resources must be cared for responsibly if there is to be any future harvest. Yet they are treated like pillagers and we are faced with enormous rises in the costs of all wood products. And, listen what happens to a producer who does a really good job. I recently received word of a small Idaho lumber dealer who managed to have a rather good year last year and his company made a larger profit than has been deemed allowable under our Government's guidelines. He is therefore subject to severe penalty, and has been informed that if he "disgorges" his profit, he will be allowed "to purify himself" and will be forgiven for his wrongdoing last year.

Gentlemen, I ask you what are we coming to when we punish a producer for producing well, for using hard work, good judgment, and initiative, to make a profit—and I further ask you if the words "disgorge your profit" and "purify yourself" are not straight out of the teachings of Chairman Mao?

There is no well-informed person who would claim that there are never any abuses in business, nor that all participants in the marketplace are all "good guys," but there is no Member of this body that can fail to be aware that every time the Government intervenes in the economy in any given area that the ultimate results worsen the problem that was supposed to be alleviated—or—worse yet, create problems that never even existed before.

The citizen, with his hard-earned dollars in his hand, is the best judge of what prices should be—for if he deems them too high he will not buy, an oversupply will develop, and prices will drop. He does not need us to decide for him what choices he should have. Workers are capable of deciding what wages they are willing to work for and if they deem a wage too low they will work elsewhere and the low wage employers will raise their wages or go out of business for lack of workers. The American citizen should be inviolate in the marketplace, free to make his own decisions, without Government coercion, for Government has proven repeatedly that it is the destroyer of freedom when men allow it to govern every aspect of their lives. Men are not sheep, we are not shepherds. Our responsibility is to protect their freedoms, not take them all away. We are to provide

an atmosphere where men can develop responsibility—not take over all this responsibility.

I for one am absolutely opposed to the further destruction of our freedoms and will not participate in this continuous drift toward the totalitarian state. The American experiment in freedom has produced the most dramatic improvement in the condition of mankind in recorded history, and it is time we dedicated ourselves to the preservation of freedom for one and all, instead of the acquisition of power by some men over the lives and work of others.

There are two ways prices are decided—one voluntary and free in the marketplace; the other at gunpoint—I urge you to choose freedom.

(Mr. SYMMS asked and was given permission to revise and extend his remarks.)

Mr. PATMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Rhode Island (Mr. ST GERMAIN).

Mr. ST GERMAIN. Mr. Chairman, President Nixon's management of the economy has again placed us in an emergency situation. Phase III has been a disaster. Inflation is once again on a runaway course devouring salaries and savings at an unprecedented rate. The prices of food and rent are completely out of control. Interest rates climb upward. The only response from the White House is high sounding promises and assurances of some distant better day.

In February, the first month of phase III, the consumer price index jumped up sharply at an annual rate of 9.6 percent. That was the largest 1-month increase 22 years. For the past 6 months the increase in grocery prices stands at 14.8 percent. For the first quarter of this year the Wholesale Price Index showed an increase of 21.5 percent on an annual basis.

In Rhode Island, rent increases have moved sharply upward. I have a recent report that the Rhode Island Department of Community Affairs is estimating rent increases average 45 percent since the end of phase II. Some individual increases have been over 50 percent.

In the midst of this galloping inflation President Nixon wants nothing more than a broad extension of his powers to manage wages and prices. But what he has given us in phase III are vague guidelines that have been totally ineffective. He has conveyed to Congress no hint that he has plans for a serious attack on inflation. There is every reason to believe that the future will be only a continuation of the past and present. Prices will go up and up. Corporate profits will continue to bulge. Interest rates will climb higher. Wages alone will be held down. Yes, the average American will be the one who suffers, but not the President's friends in big business.

As I see it, the Congress has no choice, but to act decisively to avert economic disaster. At this moment a freeze on prices is the only constructive alternative. Should the freeze be fixed at March 16? It is certainly true that even this would be an improvement over the President's inaction. However, by March 16, prices had already reached an extra-

ordinary level. In general, they had never been higher. That is why I support a rollback to January 10.

Sitting as I do on the House Banking and Currency Committee, I have heard countless reasons how and why increased costs have pushed up prices. Everyone has his justifications and statistics to support the increase. No one claims to be at fault. The farmers, the wholesalers, the retailers—one and all—maintain that what they have added to the price is justifiable and necessary.

I am not going to point a finger at any group and say, "You are to blame." It may be that no one is to blame. But I do know this. Everyone is being harmed by these higher prices. Retired persons on fixed incomes are seeing the value of their savings and their pension checks move steadily downwards. Lower middle-income families are dropping below the poverty level. The average American is fighting a losing battle to keep his standard of living at the same level. The cost of the basic necessities is outstripping wage increases.

The Congress, as I said before, must act firmly and decisively at this time to bring inflation under control. The situation has deteriorated so far that, in my opinion, a freeze is not enough. A price rollback is necessary; otherwise, in simple equity, the controls on wages will have to be lifted.

I am not blind to the fact that a rollback to January 10 will meet opposition from many groups in our society. In some cases there will be good reason, but for the country as a whole I believe that a price rollback will have a beneficial effect.

Not all objections to a rollback, however, are based on respectable grounds. One Member of Congress who represents one of the wealthiest urbanized districts in the entire country, has been besieged with phone calls and telegrams over the weekend arguing against a rollback in meat prices. The reason? People who need a tax shelter for their wealth find that investing in cattle is a lucrative tax loophole. They have been filling out their tax forms in recent days and are very much aware that higher cattle prices mean higher capital gains for them.

In today's votes, I, for one, am not going to be swayed by what will be of greatest advantage to the big corporations or agribusiness or wealthy individuals seeking tax loopholes. I am concerned about the average American consumer who cannot afford to buy steak anymore—or even hamburger for that matter. I am concerned about the ordinary worker whose salary is being held down while his expenses for necessities climb ever higher. With that in mind, in spite of all the difficulties involved, I am going to vote for a rollback in prices to January 10.

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

Mr. HANNA. Mr. Chairman, if this body were meeting at the time that Mr. WIDNALL and Mr. PATMAN had first introduced a bill to extend the existing

powers for 1 year, then all of this would make sense to me. I would think that we were acting as responsible Representatives of the people who elected us. That is not the case.

Since that bill was introduced, we have had phase III, with its all too obvious failures, thrust upon us.

I care not what the politics of Members are or from what section of the country they come, the impact of the change from phase II to phase III has been very, very burdensome upon the people we represent.

We are asked here to come and work our will on some legislation relative to the Economic Stabilization Act, and what do I hear? That we unfortunately are too weak of will to do any more than to say to those who have written us letters and who have come to see us and who have approached us when we were in our districts, if we were brave enough to go there:

I know you are suffering, I know you are having trouble, but all we can say is that you are in the hands of your President and what he is doing is all that can be done and we have nothing that we can add to those powers which he is now wielding in the fashion which is hurting you so badly.

Is that the will of the Congress? Apparently, from what I hear, that is so.

I can only join the chorus of voices that say how bad the legislation is that came out of our committee. The Members who sit with me on that committee know in what a minimum of high regard I hold the bill that came out. The members of the committee know I tried to offer amendments and some even joined in that, some Members from the Republican side. But that does not mean we should give up, it seems to me, without saying something that is meaningful to show that we hear the cry of the people and that we will say something to the President other than—"keep on doing what you are doing."

So if we are going to pass only that part of the legislation which gives a 1-year extension and nothing else, I cannot be with that. We must have something in this legislation which says to the President: Stabilize.

But that is what the Economic Stabilization Act is all about. We are not stable. The prices are not only high now, but they will, our Secretary of Agriculture says, continue to climb through September and thereafter the climb is not going to be so bad. How do the Members like to pass that on to the people and tell them we will say to the President:

Keep on doing what you are doing. Stabilize.

What did he do in phase I? To stabilize, he had a freeze, he had to come to a halt, and then we had something called phase II which we thought was something we could all support. Let me say to the free market: Thank you for standing still.

Let me talk to the Members about the free market and the capital market. I tried to bring in an amendment that would say we have to allocate credit to the little guys and I was told we cannot

live in an America that is half free and half slave. Baloney, because we are already half free and half slave. Where is the freedom?

I will tell the Members where the market allocates funds. Because of the tax law and the investment tax credit, the market allocates money to the big corporations. Because of its emphasis on prime rate and because the windows of the Federal Reserve and the windows of the other institutions of this great country give liquidity to the banks and to the savings and loans through the practices that say to the big guy: "Come and get your money. Bring in your paper. We will give you more money," allocations of credit for the big borrower is assured.

But does the little man have a chance to go to any of those windows when the bank money is stiff? Where do they go for a loan? Can they go out and float a loan? Can they go out and get commercial paper sold? Can they go to the Euro-dollar markets? They cannot. So I say to the Members we had better say something more than a 1-year extension to the President of the United States. We must force the administration to make a fundamental change in their policies with respect to credit allocations. I am convinced that the mechanisms which the Federal Reserve has used to allocate credit to the large corporate borrower can with some modification be used with equal success to allocate credit to the small borrower. I ask my colleagues, who should the weight and muscle of the Federal Government be behind—ITT and its corporate brethren? No—they have economic muscle enough to take care of themselves. The weight of Federal influence on the credit markets ought to be directed in defense of the small borrower, the consumer, the independent farmer, and the small businessman. But this is not the case, and despite some lip-service we are hearing, I do not see any reason to think that Federal policy will be brought to the aid of the small borrower without a clear and direct mandate from the Congress to do so.

Whenever this country has faced a "tight money market" or "credit crunch" as some call it, who has been the first and longest to suffer, the small borrower. There is always money for the GM's and the like, if not at the banks, then at the other money markets. The credit sources for the consumer are very limited, he has the bank, the savings and loan, the credit union. The Federal Reserve, so far, has done nothing to assure an availability of credit for these borrowers. When the tight money time is here, they take care of the big borrowers. The inequity of this is unacceptable and the continuation of this uneven handed application of Federal authority and power should no longer be tolerated by those of us who are elected by people who are in the main small borrowers.

Mr. PATMAN. Mr. Chairman, I yield to the gentlewoman from Texas (Miss JORDAN).

Miss JORDAN. Mr. Chairman, like many of my colleagues, I have recently been receiving a large volume of mail on

the extension of wage and price control authority from both consumers and producers of food, goods, and services. Generally the producers, led by farmers and cattle raisers, have been urging a simple extension of economic controls, leaving the President the authority for regulating wages and prices which he has already chosen to relax substantially. These producers, although they sometimes express less than complete satisfaction with phase III and its restraining effect on the inflationary spiral, argue that the free market forces of supply and demand are the only reliable methods for assuring adequate supplies at reasonable and stable prices.

On the other hand, consumers express shock, outrage, and disbelief at the incredibly sharp upward turn in the Cost of Living Index over the past few months. Every time they pass by a cash register they are reminded that consumer prices are rising faster than at any time in the past 22 years. In the first quarter of this year the Wholesale Price Index has risen at the staggering seasonally adjusted rate of 21.5 percent. What makes these figures even worse is the fact that these are not short-term deviations from an otherwise stable economic pattern, but a trend that threatens to continue for months or years to come.

I think the consumer has a right to expect more from the Federal Government than a simple extension of discretionary wage-price control authority for the President. It is time to take the stick out of the closet where it was stored by the administration in January and apply some clout in an effort to stop inflation. The Banking and Currency Committee's original proposals to roll back all prices and interest rates to January 10th levels with further reductions mandated is one possible answer to the need for firm Government action in this inflationary crisis. However, I think it is too extreme a measure. It would create chaotic conditions in several if not all sectors of the economy, especially in food production and processing, which would ultimately result in reduced supplies and/or increased prices. Instead, I will support the proposed rollback in prices, rents and interest rates to March 16, 1973 levels as a more prudent but still effective brake on runaway inflation. This rollback, coupled with provisions which allow the President to make exceptions to this ceiling to correct gross inequities, would provide a powerful and flexible instrument for halting inflation. In view of the complete failure of phase III, this rollback is vitally necessary if we seriously expect to stabilize economy. I am convinced that this is a workable, reasonable response to the present inflationary problem that confronts the Nation, and that it would avoid the variety of disruptions and black markets its opponents predict.

I also support the "trigger" mechanism in this bill, which requires the President to impose mandatory controls on all elements of the economy whenever the annual rate of inflation exceeds 3 percent for any 3 consecutive months. The establishment of detailed, case-by-case con-

trols, such as those used in phase II, are clearly the only effective means for soothing the inflationary fever which seems to infect the economy whenever the rate of inflation edges over 2.3 percent.

These provisions form the basis for a thoughtful, balanced and effective inflation control program. The Congress clearly cannot rely on giving the administration discretionary authority to control prices, rents and interest rates, but must instead mandate a positive program of action to bring the cost of living back into line.

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

Mr. KOCH. Mr. Chairman, I rise in opposition to the substitute and in support of the committee bill. The substitute guts the bill by removing the price rollback and by exempting interest rates from any limitation. The committee bill is not perfect—no bill ever produced in this very complicated area of economic controls could ever be described as perfect—but I am convinced that it would do the job in protecting the checkbooks of the citizens of this country from being further rifled by this runaway inflation. Those who gut this bill will, I believe, be remembered by the citizens of this country as having allowed this inflation to continue to eat away at our incomes. I urge all my colleagues here to make the control of inflation their overriding concern in considering this issue.

Mr. PATMAN. Mr. Chairman, I yield to the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. Chairman, I am pleased to learn that the committee recognized the inequities which may arise in some industries as a result of the proposed price rollback, and intended that the President shall take corrective action in such cases under the authority conferred by the bill. This is particularly important to those industries whose ceiling prices under the stabilization program were determined by the application of the so-called volatile price rule. There is in some industries often a time lag between an increase in the price of raw material and compensatory adjustments in the price of the final product. I commend the committee for recognizing that a freeze of both the raw material price and the finished product price as of the same date may give rise to inequities, and for authorizing corrective action in situations of that kind. I want to be sure, however, that the President has the authority and would be expected to act in all situations where the volatile price rule has been applied under phase 2 and phase 3 rules and regulations, including those provisions applicable to cooperative associations and to certain market risk-sharing arrangements. That is my understanding of what the committee intended and ask the distinguished chairman if I am correct in so understanding.

Mr. PATMAN. The bill does allow for correction of gross inequities. If this situation is grossly inequitable as determined by the President, the gentleman

would be correct. The President should certainly consider these cases. On its face the situation which the gentleman described may indeed, be just such a case.

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

Mr. MITCHELL of Maryland. Mr. Chairman, on January 10, 1973, the President ended mandatory wage and price controls and instituted a new program which, according to the administration, would still control inflation, but at the same time, return the economy to free market conditions. At the time this new inflation control program—commonly referred to as phase 3—was announced, the American people were promised a reduction in the rate of inflation of 2.5 percent by the end of this year. To make good on this pledge, the administration implemented a control plan over wages and salaries, which was self-administering in large part, while at the same time, the President and his delegate, the Cost of Living Council would retain the authority to reimpose mandatory controls on any segment of the economy in which inflation might become a problem.

The program has been in operation just over 3 months, and the question we must consider is whether phase 3 worked. According to the latest economic data available, this program has failed miserably. On March 21, the Labor Department released the Consumer Price Index which showed that consumer prices rose in February at a seasonally adjusted annual rate of 9.6 percent. This is the sharpest 1-month increase in the Consumer Price Index in 22 years. February was also the first full month that the new phase 3 was in operation.

On April 5, the Labor Department released the wholesale price Index for March, and it showed that wholesale prices rose during March at a seasonally adjusted annual rate of 26.4 percent. This, again, was the steepest monthly increase in the wholesale price index in 22 years—a record. And, unfortunately, a record which must cause grave concern. These conditions should be quite disturbing to the Congress because on the one hand we have the sharpest increase in prices in 22 years, and on the other hand the Congress is being urged by the President to pass a simple 1-year extension of the Economic Stabilization Act, and, in effect, ratify phase 3—a program that is designed to reduce the rate of inflation to 2.5 percent. But, if the Congress examines phase 3 in reference to the thing it is supposed to accomplish—lower prices—then, in the judgment of your committee, it would be disastrous for the economy to approve a 1-year extension without also assuring the American people that inflation will be stopped.

Let us examine more closely the nature of the price increases that have occurred as a result of phase 3. Most of the attention has focused on the rapidly rising cost of food. But, the latest wholesale price index showed that all prices, not just foods, are rising at an extremely rapid pace under phase 3.

Wholesale prices of farm products,

processed foods and feeds rose at an adjusted annual rate of 56.4 percent. Raw farm products rose at an annual rate of 72.2 percent.

Prices of consumer finished goods rose at an annual rate of 26.4 percent—a 25-year record.

Industrial commodities rose at an annual rate of 14.4 percent—again the highest since 1951.

For the entire first quarter of this year—all but 10 days of which were under phase 3—the wholesale price index has risen at a seasonally adjusted annual rate of 21.5 percent. This, too, is the highest quarterly increase in 22 years.

The latest Consumer Price Index for February reflected sharply rising rents and your committee has received information of rent increases of up to 60 percent since phase 3 was announced. Rent increases of 10 to 15 percent appear to be commonplace in many areas.

Interest rates are on an upward trend throughout the economy. The prime interest rate, despite much-publicized jawboning by the Committee on Interest and Dividends, has risen by 2 full percentage points in the past 12 months—a whopping increase of 44 percent. Mortgage interest rates have been increasing slowly but steadily since last April and this has contributed to new pressures on rents as well as on the prices of existing and new single-family homes.

In many areas, mortgage rates are already approaching 8 percent, a figure which prices many low- and moderate-income families out of the market, and mortgage lending experts are openly predicting new peaks before the year is out.

Farm loans—both production and mortgage—have also been going up steadily and some of these increases are reflected in food prices.

The Banking and Currency Committee closed hearings on H.R. 6168, the Small Business Administration announced another increase in interest rates to 9 1/4 percent for bank loans guaranteed by the Federal Government. This reflects generally increasing interest rates for small business borrowers throughout the economy.

These figures show conclusively that phase 3 is a dismal failure and will throw the economy into catastrophe unless the Congress acts and acts decisively.

So that prices can be stopped and order restored to the economy, I urge the adoption of H.R. 6168. This bill accomplishes two extremely important objectives. First, it stops inflation. This is something that phase 3 has been unwilling to do. But, if adopted, H.R. 6168 will stop inflation. A second, equally important objective this bill would accomplish, is to give the President sufficient flexibility in administering the controls program to avoid economic disruption and promote orderly expansion of the economy. Your committee recognizes the need for administrative flexibility in administering any kind of economic controls program, and it has carefully provided that flexibility. So, what your Committee on Banking and Currency did was to take a tough stand on prices. This is something that has to be done.

Prices must stop their spiraling increases. People on fixed incomes, wage earners, poor people and even middle income people cannot live with prices as they are rising today. Another important facet of the problem in rising costs relates to wage increases. As everyone knows, the President and his economic advisers are very concerned about the so-called wage spiral and its contribution to inflation. But what may not be apparent to the administration is that if increases in wages are to be held at reasonable levels, the price spiral must be stopped. H.R. 6168 stops that price spiral in no uncertain terms. Second, H.R. 6168 gives the President the authority to make adjustments in respect to prices. It only requires that whatever adjustment he makes—be it a rollback or an exemption from the ceiling which is imposed—it be made on rational economic grounds. This requirement is very important because it would prevent unreasonable price increases, but, at the same time, allow price increases which are justified. An additional feature is that it gives the President the authority to examine prices and roll them back when he finds they are at unreasonable, unjustifiable and unacceptable levels.

Among the other provisions of the bill are:

Stabilization of rents to levels prevailing on January 10, 1973, the last day of phase 2;

Regulation of margins for commodity futures;

Creation of an Office of Consumer Counselor to insure consumer representation in the formulation of stabilization policies and actions;

Authorization of the General Accounting Office to review actions of the stabilization program to accomplish general oversight;

Special provisions for public carriers and utilities;

Explicit reporting requirements concerning the performance of the stabilization program;

Authorization for the President to allocate petroleum products;

Definition of wages and salaries in respect to fringe benefits;

Requirements that in price and wage adjustments, the President, in granting or not granting such adjustments, reveals the basis for his decision;

Requirements that the President report to the Congress on health costs, including health insurance prices, during the duration of the stabilization program;

Requirement that the General Accounting Office study, evaluate and report to Congress the relationship between changes in consumer food prices and trading in commodities; and

Authorization of the Secretary of Commerce to exert control over the export of raw materials when needed to control domestic inflation.

Mr. Chairman, my remarks to this point have been general in nature.

In as terse terms as possible, let me say that to merely extend this act will constitute a travesty on just ice and the people.

The people—as consumers and as workers—are appealing to us their elected representatives. We will hear from them at the ballot box if we fail them. This is no threat—this is fact. Yes, we have heard from the lobbies—the manufacturers and the cattle growers lobby. But I suggest we head the people this time—for once let us vote the people's interest and not bow to the vested interests.

Mr. PATMAN. Mr. Chairman, I yield to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, today's shocking action on the floor of this House constitutes a vote against the majority of the American people. Bankers and cattlemen have combined in enough arm twisting to overcome public demand for relief from the soaring cost of living. I for one will not vote to extend the Economic Stabilization Act in its present form, because it has obviously stabilized nothing. To extend the act for another year would be to provide time for the rich to get far richer, the middle-income group to slide into poverty, and the poor to be phased into welfare and desperation. I for one will continue trying to seek legislative relief for the working people whose incomes do not begin to cover the rising cost of such basic needs as food and shelter, and for those on fixed incomes such as pensions or social security who have no other means of subsistence.

I dread to think of the results of what the House is doing today. Already older people are being forced by soaring rents to move from apartments, uprooting their whole lives. Some landlords under the phase III lack of controls have raised rents from 15 to 60 or 70 percent. Younger families must stay in cramped quarters because they cannot buy homes at the new interest rates. Millions of families have had to adjust to less nutritious eating habits. Meat and other food boycotts and rent strikes are likely to be frequent, prolonged, and bitter. We are setting the stage for more hostile expression of already deep divisions in this country.

While the consumer suffers, big business is doing fine. Corporate profits after taxes in 1972 stood at a record high of \$53.1 billion—and continue to climb. Dividends during 1972 increased \$1 billion.

The gross national product climbed by \$101.4 billion, to a new level of \$1.152 trillion—an increase of 9.7 percent. But compare the increase in productivity with the increase in real wages. In 1972, output per man-hour for nonfinancial corporations in the private sector rose 4.7 percent; compensation per man-hour rose 6.2 percent. But since prices rose 3.4 percent, the increase in real wages was only 2.8 percent. Unit labor costs increased only 1.4 percent, so that more income went to corporate security holders and less to wage earners.

Meanwhile the person living on fixed income, the person making the minimum wage or less, as millions do, is close to panic—yet forced to cling to such inadequate jobs because unemployment is at an unacceptable 5.1 percent. For the 31 million female members of the labor force, unemployment is now at 6.8 per-

cent, and, for minority-group females, almost 13 percent.

Can anyone in his right mind call this stabilization? Certainly the public is not fooled by such doublespeak; they know when they are hurting, and they are telling us, loud and clear, that they want us to act. It is useless to give further economic control to a President who does not know what to do with it and can only listen when money talks. Better a laissez-faire marketplace than the off-again, on-again parody of "control" that we have had in recent months.

Mr. WIDNALL. Mr. Chairman, I yield to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, as presently written, there is one plus for H.R. 6168 so far as our economy is concerned. Three industries come to mind that have already benefited. I am thinking of Western Union, telephone companies, and our Postal Corporation. I believe first class postage is paying its way. There probably is not a Member of this body who has not been "snowed under" with communications in opposition to the proposed rollback of prices to the level of January 10, 1973.

It is completely unrealistic to think that we can freeze prices at January levels in the light of present production costs. I can think of no segment of the agricultural field which would not be seriously and adversely affected. Food processors in my area have purchased and processed large quantities of raw products since January. To force this segment of agriculture to roll back selling prices to the January level is completely unrealistic. The same would apply to livestock, dairymen, and poultry producers.

Every company which handles large quantities of food products has purchased inventories at prices higher than those in effect in January. A rollback as suggested in this bill would drive many to the verge of bankruptcy. This plan is not only unworkable but grossly unfair. It would require many items to be sold at a loss.

At the moment I can think of no long range benefit to either producer or consumer or the overall economy. In its present form, this bill should be defeated.

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

Mr. WILLIAMS. Mr. Chairman, and Members of the committee, I am not in agreement with H.R. 6168. Neither am I in agreement with a simple 1-year extension of the present Economic Stabilization Act. I do want to associate myself with the remarks of the gentleman from California (Mr. HANNA).

When we first passed the Economic Stabilization Act, the President said that he would never use it. When we reenacted it again in 1971, he said he would never use it. He did use it in August of 1971.

We then reported out amendments to the Economic Stabilization Act which permitted the President to set up the Wage Board and the Price Commission under what was called phase II. Phase II was working very, very well. I was re-

ceiving no complaints, and I am sure that no other Member was either.

Yet, for no reason that I have ever been given that will hold any water, the President on January 11 announced phase III. Then, we had a spiraling increase in the cost of food, meat, lumber, and some other products. I say that regardless of which bill is offered here today, H.R. 6168 or the simple 1-year extension, I am going to offer some amendments, because we should keep this in mind: If we are voting for a 1-year extension, we are voting for the status quo.

In my area, there have been boycotts that have decreased the sale of meat by 80 percent. In other words, the people themselves are saying that they do not want the status quo, and there is no reason for having the status quo.

I have heard comments today to the effect that the economy of Russia works a certain way. The economy of Russia functions under the Politbureau. The Politbureau is never elected. We people are.

I have heard comments today about inflated values of our currency. Certainly, our currency values have been inflated because we have been engaging in deficit Federal spending for as long as I can remember, but there is absolutely no reason to permit the present status quo to continue, especially when the Economic Stabilization Act has been used with such poor judgment.

As I said before, one of the amendments I will offer is to make the reestablishment of the Wage Board and the Price Commission mandatory.

I am also going to offer something that will place some reasonable control upon rents. I am not talking about any rollbacks.

All this is nonsense about a free economy. The free enterprise system is just nonsense. We have Government and State controls over every business in this country.

Free enterprise did not make the wheat sale. Free enterprise has not done a lot of things that have forced the Congress into taking action.

For the benefit of the gentleman from Idaho, we do not have any controls on the importation of crude oil now. I agree with the gentleman that we have to have more crude oil. One way we are going to be able to get it seems to be at this time the construction of the Alaska pipeline, to bring oil to the ice-free ports, so that we do not have to depend on the Arab countries for our crude oil, and the insignificant amount of crude oil that comes from Idaho.

So I say this to the Members: Do not maintain the status quo. Do not permit food prices to remain at their highest point in 22 years without reestablishing the wage board and price commission to resolve some of these inequities.

I am not talking about any rollback. Keep in mind that which the gentlewoman from New Jersey (Mrs. SULLIVAN) mentioned. In just a few months our major labor contracts will come up for renegotiation. If we go on the way we are going, inflation will run rampant.

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

Mr. FRENZEL. Mr. Chairman, every Member knows the issues before us. I believe that the majority and minority and supplemental views in the committee report present the essential arguments well.

The committee bill is a good example of what happens when good intentions outweigh good sense, especially when the good intentions are confused by a partisan desire to embarrass the Executive.

In its attempt to force the Executive to satisfy every constituent desire, the committee produced an unmanageable mess which carried little promise of price reductions, but which almost guaranteed irreparable harm to many segments of our country.

The Rules Committee action of rejecting H.R. 6168, and the House action of rejecting the rule, demonstrate current feeling on the matter. Neither H.R. 6168, nor the Stephens substitute will do. An alternative is needed. I believe the Widnall substitute, H.R. 2099, is the best alternative we can pass now.

There was a time when the House could have made constructive changes in the wage/price control authority. The Widnall substitute, H.R. 2099, was introduced January 15. The Banking Committee never even met to organize until 7 weeks later. 12 weeks after Congress convened, on March 26, the committee finally met on stabilization.

Had the stabilization program been given careful study, and careful consideration, in committee, we would not now be faced with these widely divergent alternatives.

Since the committee has not provided a constructive vehicle, we are now obliged to vote for the 1-year extension. I do not disagree with those who thought phase III premature. I thought so, too. Nevertheless, our duty today is clear. We are up against time limits—a situation we created for ourselves—and we must pass the extension.

Such an action would not relieve the Banking Committee from supervisory oversight, nor from the responsibility to act later—more sensibly I hope—if necessary.

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

Mr. SEBELIUS. Mr. Chairman, the legislation we are discussing would roll back farm prices to January 10, 1973. I realize food prices have increased dramatically during the past months and that farm prices have also increased. What I would like to emphasize is that farmers' costs have gone up too, and in most cases, they have gone up considerably more than any gains the farmer has experienced in increased prices. For instance, if the price of food has increased as much as the farmer's cost of a medium-sized combine, we would be paying \$4.05 for a pound of round steak.

For the past week, my telephone has been ringing off the wall and my office has received hundreds of telegrams from concerned farmers who have expressed their opposition to rollback legislation. These folks cannot understand why Congress would propose rollback legislation that is discriminatory. Farm product prices move up and down in response to

supply and demand. The farmer's costs have moved in one direction, and that direction is upward.

Several weeks ago, a good friend of mine from Almena, Kans., paid me a visit in my congressional office in Norton. He gave me these three bills as evidence of the increase in costs that the farmer must pay, I ask that my colleagues pay particular attention to this first bill dated in October 1968, for a new governor for a Ford motor on his combine. The bill was \$61.95.

In July of 1971, it became necessary to replace this governor on this same Ford motor, only this time the bill was in the amount of \$86.90. Some 14 months later, it again became necessary to replace this same governor on this same combine, and the bill was \$110. In less than 4 years' time, this farmer had to replace the governor on his combine three times and saw the price nearly double.

Now, if my colleagues cannot surmise what my friend had on his mind, I can assure you his message was simple. If Congress is going to roll back the price he receives for his product, why not be fair and also roll back the price he pays for the governor on his combine, or for that matter, the price of a new combine; or to carry it on logically, the price all farmers pay in order to stay in business?

I have three bills here that a farmer from Almena, Kans., paid that reflects inflation at its worst. We also have legislation before us today that would not roll back any of these costs but would roll back the income that the farmer receives, and the income from which he must pay these bills.

Many of my colleagues appear to believe the American consumer has a right to a plentiful food supply regardless of economic facts, and that the consumer has the right to purchase this good supply at an ever-decreasing share of his take-home pay.

My good friend in Almena, Kans., whose job it is to provide this food supply, cannot do it if the Government arbitrarily puts a ceiling on or rolls back his income—he also cannot stay in business if the consumers of this Nation boycott his product while at the same time his costs double or even triple.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. Mr. Chairman, back at the initiation of phase 2 controls the Wall Street Journal had an interesting editorial, wherein they pointed out that one of the great potential perils of the initiation of controls in the first place was that they attacked symptoms rather than causes of the problem, but to the extent that the American public genuinely thought that the controls would be efficacious, if at the end of a year or so of living under controls we still had continuing pressure on prices we might anticipate at that juncture a great hue and cry from the American public to impose even tighter controls.

I believe that clearly has been what activated our committee in reporting out H.R. 6168.

I would certainly agree with my colleague from California, Mr. HANNA, that there are many people writing us

expressing concern over rising prices, particularly those we have witnessed early in 1973.

But we must recognize that there is a duty and a responsibility the Members of the House have not to perpetuate error nor to contribute to an aggravation of misunderstanding of basic economic facts of life. The basic economic facts of life have been touched upon already in this debate as to what is the primary cause of the pressure on prices and the consequent damage to wage earners who are striving to keep abreast of the increased prices; that is fundamentally the responsibility we bear here in the Congress of the United States when we continue to run up the kinds of massive deficits that we have contributed to in the many spending programs we have supported over the past several years. Subsequent thereto the Federal Government resorts to a means of covering that indebtedness, that gets us off the hook here in the House. Unlike State legislatures, when they engage in the same practice and are forced to raise taxes, we are not forced to raise taxes in the ordinary way. We buck the problem to the Federal Reserve System which monetizes our indebtedness.

This is an indirect form of taxation, which eats away at the purchasing power of the dollar. In the process we avoid the responsibility for our own actions, and I think it is a deceit to the American public to suggest that one can blame the farmer or one can blame the lumberman or one can blame the retailer or the distributor or what have you.

Mr. Chairman, these are convenient political dodges for our share of responsibility for the problems we face.

President Nixon, back on October 17, 1969, made the observation that on the basis of his experience with wage and price controls under the OPA in World War II they did not work, that they were bad for the businessman, bad for the workingman, bad for the consumer, and that they led to black markets, rationing, and regimentation. It is the regimentation that comes under controls which is perhaps one of the most pernicious aspects, and I do not think a sufficient amount of attention has been put on the question of just exactly what the cost to the taxpayer would be of establishing the machinery necessary for the implementation of a program of such scope as H.R. 6168.

Mr. Chairman, back when we debated this before the committee a year and a half ago, the estimate was at least \$2 billion. Because this particular piece of legislation goes beyond what was being discussed at that time, I think we could talk about machinery costing considerably more than \$2 billion.

Mr. Chairman, there is an interesting book that was recently published by an author named Oto Sik, who is the man who managed the Czechoslovakian economy, and the title of the book is "Czechoslovakia, the Bureaucratic Economy." Oto Sik in this book—and mark you, he is a Socialist—nevertheless recognized the importance of liberalizing the Czech law regulating their economy; in effect getting the bureaucrats off the backs of the people so as to permit a freer market economy to prevail.

That is what, in fact, triggered the Soviet intervention in 1968.

But in Sik's book one of the main points he makes is that on the basis of their experience in Czechoslovakia he concluded there is absolutely no way that bureaucrats can effectively make the vital determination governing the marketplace as efficiently and as effectively over the long run as they will be made by individual consumers working in a situation essentially dictated by the laws of supply and demand.

We have had some pressure on prices thus far this year which most certainly represent an anticipation of just this kind of legislation. Many people undoubtedly felt they had better increase prices now, because they were confident we would extend further controls.

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

Mr. WIDNALL. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. Mr. Chairman, in committee Chairman Burns indicated, when touching upon the question of rent controls and interest controls, that the problems which our economy would suffer would be prodigious.

Paraphrasing President Nixon's 1969 remarks, I asked Dr. Burns if in discussing the question of a freeze or a ceiling on interest rates, in my district it was safe to say that this would be bad for the businessman, the workingman, the consumer, and so forth.

Dr. Burns agreed. I indicated to him then that I had somewhat deceived him, that I was quoting from President Nixon on the broad question of controls.

Mr. Chairman, in conclusion, I would simply like to remind all the Members present that it was Justice Brandeis who perhaps best described our activity when he said:

Americans should be most on guard against encroachments upon their liberties when government's intentions are benevolent; when its policies are initiated by men of zeal, well-intentioned, but without understanding.

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

Mr. CRANE. I yield to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I congratulate the gentleman on his statement and would like to associate myself with his remarks and say that I am for controls, I am for controlling Federal spending and putting controls on the Federal Reserve's ability to expand the dollar supply beyond a four percent increase per year. Our votes in Congress, causing continued deficits and the expansionist monetary policy of the Federal Reserve used to help pay for these deficits have brought about this addictive and high rate of inflation we seek to control today.

Mr. Chairman, I will not vote for another extension of the Economic Stabilization Act. I voted in the past to give the President the authority to impose wage-price controls, but that was when we were operating under a wartime economy, and I do not believe that controls are the answer to controlling inflation in a peacetime economy.

Soaring prices are the results, not the cause of inflation. When Government spends recklessly, runs chronic deficits, expands credit and prints more money, prices begin to soar. The rising of nearly all prices is the result of the monetary policies of the Government itself. Prices do not rise because businessmen suddenly become greedy; it can safely be assumed that producers are already getting what they successfully can for their items.

In a free market the demand and supply of each of thousands of different commodities and services are changing every day. When an increase in the money supply does not falsify the result, the goods and services in most demand rise in price while those in least demand fall. So the profit margin in supplying the goods in greater demand increases while that in supplying the goods in less demand falls. This causes more demand and relatively less to be produced of the goods in less demand.

Thus the thousands of different goods and services produced in the Nation tend constantly to be produced in the changing proportions in which they are most wanted.

Prices are indispensable signals to producers and consumers. They must tell the truth about supply and demand. Voluntary restraints, wage-price controls, and/or Government guidelines falsify the signals and disorganize the unbalanced production.

Monetary inflation is a dreadful thing. But what does considerably more harm than the inflation itself is the attempt to conceal or suppress its consequences through price and wage controls.

Government creates inflation by permitting, encouraging, or forcing an increase in the supply of money when it wants to spend more than it has the courage or ability to collect in taxes. The more dollars that are printed, in relation to the volume of production, the less each dollar can buy, and the higher prices must rise. And as I said earlier in the past year the money supply has been growing at an annual rate of over 8 percent.

Alan Reynolds, in a recent article in the Alternative, proposed a policy of restraint for our Federal Reserve which I feel would achieve monetary stability and help control inflation and I quote from his article:

Indeed, an up-dated "Keynesian" argument says the rise of interest rates, induced by government bond sales, will not only not reduce private spending, but actually increase it. This is because at higher interest rates it becomes more costly for people to hold money (which earns no interest), so they hold less of it and the rate of spending (velocity) increases. The demand for money is somewhat responsive to interest rates, but the effect on velocity of the comparatively minor interest rate variations associated with financing deficits is far outweighed by other effects: (1) the government's borrowing crowds out a roughly equivalent amount of private borrowing; (2) if reduced money holdings did raise price or output, people would begin holding more money again, because it would take more dollars to satisfy all the reasons why money is held; and (3) higher interest rates reduce demand for investment funds, state and local government borrowing, and mortgages.

The obvious conclusion is that the expansionary impact of deficits mainly depends on

whether or not they are financed with new money: i.e., that "fiscal policy" is usually a roundabout type of monetary policy. Specifically, if new government bonds were all sold to the public (rather than to the Federal Reserve or commercial banks), there would be no increase in the money supply, and any expansionary effect would rest on the unlikely effect of deficit spending in increasing velocity. For deficits to be financed by sales of bonds to the public, however, interest rates on government bonds would have to be much more attractive than has been possible under law and Federal Reserve policy (Professor Gordon Tullock has calculated that the real value of federal debt held by the American public has actually fallen from \$252 billion in 1948 to \$152 billion in 1971—expressed in 1963 dollars). Conversely, if we want to increase the money supply, this can be done without deficits by simply buying outstanding bonds with new money. In 1966 we had a deficit without monetary expansion and the result was a mild recession; in 1968 we reduced the deficit with a tax surcharge, but the money supply continued to rise—and so did the rate of inflation.

So much for the theory. A large body of research clearly indicates that:

(1) All significant inflations and deflations have been preceded by sudden changes in the rate of growth of the money supply;

(2) The money supply can be controlled within sufficiently narrow limits if Federal Reserve open market sales and purchases of bonds are directed toward affecting the supply of currency and bank reserves;

(3) The factors that cause velocity to vary are more predictable than the (non-tautological) relationship between investment and income;

(4) Unpredictable lagged responses and the absence of omniscience make *ad hoc* variations in fiscal and monetary policy counterproductive;

(5) Various interest rates move up and down together, and do affect several types of spending.

#### TOWARD MEANINGFUL REFORM:

It follows that Congress should pass a law instructing the Federal Reserve to keep increases in the money supply within, say, a zero-to-four percent range. Better still replace the Fed's Open Market Committee with a computer programmed to achieve such monetary stability.

Perhaps even more important, the Federal Reserve must be expressly prohibited from its recurring habit of trying to keep interest rates low by making new money plentiful. This policy causes price-inflation and eventually raises nominal interest rates, because lenders demand higher rates to compensate for the expected erosion in purchasing power of the dollars with which they will be repaid. The idea that high interest rates are a sign of "tight money" is the opposite of the truth: High interest rates usually contain an inflation premium, made necessary by an earlier increase in the supply of money.

Artificial controls on rising interest rates must also be avoided, since they simply make more people anxious to borrow and fewer people willing to lend. The first to lose out under interest ceilings are the relatively "poor risks;" namely, small businessmen, innovators, and low-income families. Fairly high interest rates have been a necessary part of all periods of prosperity—they allocate a limited amount of loanable funds to the most productive uses government's inexcusable interest subsidies to the contrary notwithstanding.

Mr. Chairman, I would like to have inserted at this point the best editorial I have read on this misconception that price controls will cure inflation:

## TEACHING THE WRONG LESSONS

When Phase 3 was announced last January, we argued that the truly important economic development was the spurt in the money supply during December, pushing the year's growth to 8%. "Ironically, the administration may have relaxed controls just in time to keep them from blowing up in its face," we remarked. "If prices again start to soar, of course, many people will overlook the 8% money growth during 1972 and blame relaxation of controls."

It has perforce come true, but with a vengeance not anticipated even in these curmudgeonly quarters. By the end of last week, the clamor for controls had reached a deafening pitch. Wholesale prices took their biggest jump since the Korean war, and this doleful news lifted the stock market out of its doldrums. The bullish reasoning went, we're told, that things are finally so bad either Mr. Nixon or the Congress will have to reimpose controls.

Now, Wall Street is rumored to act on good economic advice, and it's not clear to what extent it really believes that controls are the answer to inflation. Quite likely investors merely believe that everyone believes this, and that it is belief rather than reality that makes stocks move. This is called sophistication, or mob psychology.

Suddenly, in fact, everyone has become a psychologist, including A. W. Clausen of the Bank of America (see nearby columns). Mr. Clausen wants to resurrect the income tax surcharge, only this time an automatic one, though he suggests and evidently hopes the tax will never be applied. As placebos sometimes do cure headaches, its enactment would solve the inflation problem by changing everyone's expectations.

With this approach any bit of nonsense can be justified provided enough people can be persuaded to believe it, a philosophy that sometimes succeeds in getting you through next week. Over a longer period of time, the fundamentals start to catch up with you. Psychology is about as effective in reversing the law of supply and demand as it is in reversing the law of gravity.

An 8% money growth, for one thing, is going to come out somewhere. If the money can't be spent on controlled items it will be spent somewhere else, on food and imports during Phase 2, for example. Similarly, if you reduce the supply of food by selling a lot of it cheap to Russia, prices of remaining food are likely to go up, whether under Phase 2, 3 or 4.

Nor are controls likely to touch the reason for the especially rapid price spurt we are currently experiencing, which seems to be devaluation of the dollar. Some of our economic seers calculated that since the devaluation would add 10% to the price of imports, and since imports are only 5% of our purchases, the effect on price indexes would be only 0.5%. This ignores the diminished impact of foreign competition in restraining prices of domestic goods, so the inflationary result of devaluation is turning out to be larger than such calculations predicted.

The Nixon administration understands economic fundamentals better than most, and it will be interesting to see how it responds to the current pressure for more controls. For in a very real sense the administration has been caught in its own psychological games. It turns out that price controllers who don't believe in what they're doing are the very worst kind. Because they keep an eye on the economic fundamentals they can keep the game going, and the psychological and political benefits coming, longer than anyone could if he really counted on the controls to work.

Thus, the administration introduced controls when prices were already coming under control; in fact, the consumer price index had already been falling for some 18 months. It relaxed the controls when it saw pressures coming that would leave them a shambles. And now it puts a ceiling on meat prices just

when they are peaking. The strategy is to give controls to people who want them, but in a way to cause the least economic disruption. The other result is to teach all the wrong lessons, to persuade people that controls work and make them anxious for more.

The string has run out, for better or worse. With an economic upturn pushing demand rapidly upward, this is absolutely the worst time to impose controls. If we wanted to play psychological games, we would say, fine, let's have the controls and watch them run on the reefs. At least it would teach the right lessons.

It may come to that yet, but we quake at the price. Better the administration should ride out the current clamor, veto the kind of unworkable controls now winding their way through Congress, keep fiscal and monetary policy under some restraint, and teach the lesson that if you can get the fundamentals in hand, you don't need the controls at all.

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

Mr. HUBER. Mr. Chairman, we have had considerable discussion today about the pros and cons of the free enterprise system. In my 30 years in industry, I see a minimum amount of enterprise and almost an elimination of freedom. When I entered the business world following my separation from the military service after World War II, I hoped to truly see a stable economy. But two wars and two depressions—or recessions depending on whether you were laid off or working—have convinced me that stabilization is a fine phrase but not very practical. I have watched the economy going up and down like an elevator. I have worked through periods of shortages and surpluses—one following the other with no system or regularity. All this talk about the need for stabilization leaves me a little nauseated when you consider that we are attempting to superimpose stabilization on a full employment budget that does not take into consideration the fact that full employment does not exist. On that quicksand basis there is nothing stable to be built. All of the talk revolves around the question of which comes first, the chicken or the egg. Do we freeze wages and protect prices or do we freeze prices and protect wages? I would vote for either or both if I thought my voting could control the situation. However, my experience indicates that the more government gets involved, the worse things seem to get. We have been involved as a Government in the national economy for almost 200 years and our Federal debt continues to rise in increasing proportions. We did not stabilize anything in 1971 when we were at war and we certainly are not going to stabilize in 1973 when we are at peace. I cannot imagine what is in store for 1974, 1975, 1976, and so forth. When we have balanced economy, when we have a sound dollar, when we have a favorable or balanced foreign trade relationship, when we have full employment and when we have good business conditions, we could then think about stabilization because it would become a reality. But, our economy today is anything but stable and that result has been because of big government trying to superimpose its arbitrary decisions on an economy that by its very nature is constituted to operate with a minimum of government interference. Too many cooks will spoil the broth and we have nothing but cooks in government.

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

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. O'NEILL).

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

Mr. O'NEILL. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Chairman, H.R. 6168 is perhaps the most important bill to come before the House of Representatives in a long time. It is legislation that is not only needed but demanded by your constituents and my constituents. The high cost of living has generated more mail to the Congress than any other subject in recent months. Most of the letters I have seen are quite simple. The writers simply want to know what Congress is going to do about prices in general and food prices in particular.

Today, in H.R. 6168, we have an opportunity to answer those letters and answer them with action.

Some might say that H.R. 6168 is a gut issue, but I say it is a gutless issue. Is the Congress going to stand up to the President and pass meaningful legislation designed to help people, or are we to continue our gutless way of letting the President steamroll us with the constant threat of a veto.

When this bill is read for amendments, there will be those who will try to gut the bill. I don't know the motives for their actions, but I just wonder how they are going to answer their constituents who write them about high food prices. Perhaps they can tell the housewives who complain that they cannot buy beef for their family that their congressmen were sorry about the situation but they had just voted to raise food prices again. And that is exactly what you will be doing unless you vote for this legislation and vote down any gutting amendments.

Mr. Chairman, when H.R. 6168 was before the Banking and Currency Committee, I was successful initially in securing adoption of an amendment that would have rolled food prices back to May 1, 1972. I selected that figure because it was only a few weeks before that date that I testified before the Price Commission at one of its regional hearings in Chicago and predicted the astronomical rise in food prices. At that time I pleaded with the Price Commission to put a ceiling on food prices, a power which that body held. No action was taken at that time even though it was needed. Had the Price Commission followed my suggestion a year ago, we would not be meeting here today and the American housewives could be planning roast beef for their dinner menu.

It has been argued that wages are responsible for increased food costs. Nothing could be further from the truth. Let us look at the record. Nearly 5½ percent of the labor force is still unemployed, representing close to 5 million Americans. An additional 2.3 million workers are compelled to work part-time, because full time jobs were not available. Surely with such widespread unemployment it cannot be said that wages are too high. But let us look further at the situation. From February 1972, just 3 months before my initial rollback date, through February

of 1973, the average yearly earnings of nonsupervisory workers increased 5.6 percent, which, of course, is almost identical to the 5.5-percent control standard set for wages by the Pay Board. However, during that same period consumer prices rose 3.9 percent or more than 50 percent faster than the 2.5-percent standard set by the Cost of Living Council. And the Wholesale Price Index rose 8.2 percent or more than three times faster than the Government's 2.5-price standard. The latest Department of Labor Wholesale Price Index shows that during March the index rose at a seasonally adjusted annual rate of 26.4 percent, the largest monthly increase since 1951. Wholesale prices of farm products, processed foods and feeds rose at an adjusted annual rate of 66.4 percent. Raw farm products rose at an annual rate of 72.2 percent. And what about profits?

The after tax profits of corporations were up 15.7 percent in 1972. This comes on top of a 14-percent increase in 1971 and another record year is expected during 1973. Mr. Chairman, I could go on for a long time quoting figures, but it is clear that those at the top are making the money and those at the bottom, the workers and the consumers, are being shortchanged.

The consumers have already indicated their unhappiness with the recent boycott of meat. I predict that unless action is taken to roll prices back through passage of H.R. 6168 that these boycotts will be continued and will be extended to other products.

And very shortly the worker will have his say. When current labor contracts expire, the unions, unless there are immediate across-the-board controls on all prices, will be seeking tremendous pay increases. These increases will not be justified if prices are rolled back, but will clearly be justified if we fail to take action.

Mr. Chairman, I urge my colleagues to vote for this legislation so that they can tell their constituents that they are not only opposed to high prices but are doing something about lowering them.

Mr. Chairman, I insert as part of my remarks an editorial entitled "Price Controls," which was aired on WBBM-TV in Chicago and expresses strong support for this legislation:

#### PRICE CONTROLS

We are firm believers in the value of a free market. However, there are times when the free market goes so far out of balance there is obvious need for government intervention. Such a staunch advocate of a free market as President Nixon recognized this when he ordered Phase II economic controls on August 15th, 1971.

With the end of the Viet Nam war and, perhaps with a large measure of wishful thinking, he lifted most controls January 11th of this year—substituting voluntary guidelines backed by the threat of government intervention—or Phase III.

Phase III has been a dismal failure. The prices of farm products, industrial commodities and consumer goods have zoomed upward—with the climb accelerating in March. Raw farm products alone jumped at an annual rate of 72 percent in March. Again the President acted—a little. He placed a ceiling on the price of lamb, beef and pork. But that was not enough. Needed was a rollback of prices and interest rates to the January 10th

level, such as now proposed in legislation adopted by the House Banking Committee.

It would be better, we think, for the President to order the rollbacks before the full Congress acts, retaining for himself the option of removing controls. If the President does not act, then we believe the Congress should pass economic stabilization acts as approved by the House Banking Committee.

The alternative—further inflation—steep union wage increases and, perhaps, a reactive recession—in the view of the Management of WBBM-TV—would be disastrous.

Mr. O'NEILL. Mr. Chairman, we have before us today a dramatically significant bill that will contribute to our Nation's economic well-being.

And once again, Congress is taking the initiative to fill the hiatus made by the Nixon administration's inability to provide effective leadership in controlling inflation.

The first time was back in August 1970, when we realized the danger of runaway inflation after we had suffered 2 years of simultaneous inflation and recession under Mr. Nixon, and the unemployment rate had doubled from 3 to 6 percent.

So, Congress decided things had gone far enough.

Despite the President's objection, we enacted legislation giving him the power to institute wage and price controls. For 1 year, Mr. Nixon maintained that he would never lead this Nation down the road to wage and price controls.

Finally, after he had lost all that valuable time, he turned around 180 degrees and with much television fanfare announced phase I and its 90-day freeze.

Now, we all know that controls under phase II were not infallible. But the reluctant imposition of these controls by President Nixon gave this Nation, by far, the best record of any developed industrial nation of holding in check the forces of inflation.

Congress can assume credit for that, just as Congress is now offering an alternative to phase III that has teeth in it.

For, Mr. Nixon, in terminating the mandatory price and wage controls on January 10, took a serious economic gamble. And now he and the Nation have lost. The first substantial reading of the performance of phase III came on March 21, when the Department of Labor released its figures; and we discovered that consumer prices rose in February at a seasonally adjusted rate of 9.6 percent, the sharpest monthly increase in 22 years.

Let us take another look at what phase III has given us—Mr. Nixon's phase III.

Rent increased as much as 60 percent in some of our major cities, a far cry from the 5.5-percent voluntary guidelines of phase III. Housewives all over the country have had to pay 6.5 percent more for their weekly package of groceries than they did in December. Raw farm products increased at an astonishing annual rate of 72 percent. In many areas, mortgage rates are approaching an 8-percent figure, pricing many low- and moderate-income families out of the market.

These figures are by no means conclusive. But they are all illustrative of how much economic chaos phase III has given us. It has been a complete failure.

and the American people have already rejected this ineffective game plan.

Mr. Chairman, I am very practical and I can read the feeling of this Chamber. I personally think that the Stephens' bill was good legislation. Everybody, in my opinion, was against the Stephens bill but the people themselves. Everybody has been telling me of the telephone calls they received over the weekend. Now let me tell you that the greatest amount of people in America favor a rollback in prices because it is reasonable and the only effective means of cooling off the inflation triggered by phase III.

You know, so many Members from my own side came to me and said, "We gave Nixon the authority to impose wage and price controls, and, oh, what a tangled mess he made out of it! Let him get out of his own chaos." I do not believe that is the way to operate. Sure, the Nation's economy is in a catastrophic situation, and Nixon's phase III put us there; this is why Congress must assert its responsibilities to end this inflation.

Mr. Shultz has said we are going to have a rise in prices—a rise in prices—a rise in prices until we get to September, and then he expects that the curve will start to level off. If we take Mr. Shultz at his word—that prices will continue to increase until September—then let us stop this increase today and let us start the curve dropping from here.

Well, I am very practical. I know that this substitute is going to pass. But I do hope some of the people on the Republican side have enough courage to vote for some of the amendments that the people of this country want. For example, the amendment to be offered by the gentleman from Wisconsin (Mr. REUSS), which freezes prices today, April 16. If we can do that, and if we can have the amendment to be offered by the gentleman from California on mortgages, then I think we can accomplish something.

This is a challenge we should meet head-on and for which we must stand up.

Mr. Chairman, all regions of this country must work together to curb inflation. The failure of Mr. Nixon's economic game plan which gave us the world's first inflationary recession, followed by a general wage-price freeze, devaluation of the dollar, and phases I, II, and III, leading up to the second devaluation and the worse inflation in 20 years, inspires no confidence in the Nixon economic record.

It is, therefore, imperative that we all vote together in this House to end rampant inflation and to begin to stabilize prices once again.

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

Mr. CULVER. Mr. Chairman, I share the concern the Members of this body have about the inflationary pressures on our national economy. It is clear the President's economic policies are a bankrupt failure. One needs only to examine the wholesale price index, the condition of the stock market, the value of the dollar abroad, or his own family budget to see that President Nixon's attempts to abate the inflationary spiral have failed.

With this failure of the President's

policies, the necessity for congressional action becomes increasingly apparent. The public expects the Government to take such responsible and appropriate action as is necessary to curb inflation, but with minimal infringement upon traditional economic principles which have served our Nation for almost 200 years.

In my judgment, it would be unwise to pass a bill requiring a mandatory rollback of prices at this time. Such a restrictive provision would have adverse consequences upon many segments of the economy, but would be nearly disastrous to those Americans who depend upon agriculture for their family income. It is not an exaggeration to say that the price rollback proposal could very well mean financial ruin to many farmers in my State of Iowa.

I share the concern that many Americans have about the increased cost of food and other consumer products. A well recognized solution to this problem is to increase agricultural production to meet increased consumer demand. However, a bill rolling back prices will have just the opposite effect. In recent months, livestock feeders in Iowa have been expanding the number of cattle on feed even though the costs of livestock production have gone up sharply. A rollback of prices could make it impossible for them to recover their actual costs. Furthermore, it will discourage the expansion necessary to increase the supply and stabilize the price of food.

In addition, a rollback in prices will force many farmers to sell livestock at a loss and cause livestock producers to send animals to market before full weight to minimize losses. While a rollback might cause a temporary increase in meat at lower prices, the ultimate effect would be to greatly discourage production.

The result could be one of the most serious shortages of meat in our Nation's history. The reduced supply and shortage would create unprecedented price increases as well as pressures for rationing and a meat black market. Bankruptcy could occur for many livestock producers and other small businessmen in food related fields, while banks, who made good faith loans to stimulate supply, suffer losses. It is grossly unfair to ask one economic group to bear such a burden in the fight against inflation.

The time is long overdue for those who blame farmers for high food prices to realize that farmers already are facing runaway production costs and continually must accept substantial risks of economic loss. For example, last week's snowstorm in Iowa caused more than \$16 million in livestock loss, and cattle deaths alone may well reach 100,000 head according to some reports. For many farmers, especially those young farmers struggling to make farming their livelihood, such a loss can be ruinous.

The farm losses from this recent blizzard in Iowa are a tragic example of the high risks faced by farmers while providing an adequate food supply for the Nation's consumers. One can imagine the sense of frustration which results when farmers who have spent the day surveying their losses from this natural disaster

learn from their evening papers that Congress is considering legislation which jeopardizes their expectation of a reasonable profit on the remaining livestock.

We must avoid governmental actions which greatly increase food costs by destroying the independent family farm and turn the production of food and fiber over to large corporate farm operations.

Inflation is an enemy to all of us, but its effects are particularly severe on the poor, elderly, and others on fixed incomes. Since executive governmental spending is a contributing cause of inflation, both Congress and the President must act to hold down Federal spending. President Nixon has proposed a \$19 billion increase in Federal spending during the next fiscal year, including substantial increases for defense and foreign military spending as well as the continuation of unfair tax loopholes. Our objective in Congress ought to be to curtail wasteful spending and make sure that all Americans pay fair share of taxes while, at the same time, redirecting spending priorities into sound programs which will help meet human needs.

Mr. Chairman, I strongly urge the defeat of this ill-conceived rollback proposal.

Mr. WIDNALL. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado (Mr. ARMSTRONG).

Mr. ARMSTRONG. Mr. Chairman, the Economic Control Act of 1972 is a colossal sham.

The people of this country—housewives, farmers, working men and women, students, businessmen, older Americans, and others on a fixed income and all who have been so cruelly hurt by inflation—have every right to expect Congress to protect the purchasing power of their hard-earned dollars.

H.R. 6168 purports to do so.

It is a fake.

This legislation holds out a promise it cannot possibly fulfill.

But under the guise of quelling inflation, this bill will permit the politicians and bureaucrats to tighten their grip on the Nation's economy and take us another long step down the road to a totally regimented society.

Even if the repressive controls contained in this bill were sure to put a lid on prices, the human cost and risk to our free society would be too high to justify resorting to such controls. But this legislation, this monstrosity which the House is stampeding to enact, after a series of hearings conducted in a circus-like atmosphere, cannot possibly succeed.

When the first wage-price controls ever imposed on Americans in peacetime were applied, on what was termed a temporary basis, a year and a half ago, these controls were bound to fail. And it was predictable the first controls would bring a clamor to regulate previously free segments of the economy, to make voluntary measures mandatory with more stringent guidelines and to make temporary measures permanent with stiffer penalties for infractions. So it has come to pass in a mindless repetition of the past:

Price freezes are nothing new. The Romans tried them as long as 1700 years ago. And in those days they did not fool

around with injunctions. Capital punishment was meted out to violators.

In 1304, King Philip the Fair rolled back the price of grain in Paris. Within 2 days there was no grain for sale in Paris. And none was sold until the price freeze thawed.

Here in the United States, it took a half million employees and volunteers to run the OPA—Office of Price Administration—during World War II, plus a rationing system. But the black market thrived.

The United Kingdom has tried three periods of wage-price controls since World War II. None has worked.

For example, last November the Prime Minister declared a total price freeze. The result? Inflation is still above 6 percent, and some commodities are up 20 percent since the freeze.

In our own recent experience, controls—even the most stringent, the so-called phase I and phase II—have also flopped.

From August of 1971 when controls were first applied in peacetime history of the United States, to the end of February, 1973, consumer prices rose 5 percent, more than any 18-month period from 1951 to 1968.

Wholesale prices are up 10.5 percent in the 18 months since the 1971 freeze, the steepest increase since 1951—greater than the entire increase in wholesale prices from 1951 to 1967 and more than the total increase in wholesale prices from 1967 to August 1971.

In other words, wholesale prices increased more in 18 months under controls than in the 4 inflationary years preceding.

Of course it is easy to blame the administration. Or to say that controls are not stiff enough. But maybe we should ask ourselves, "If the Emperors could not make price control work when the penalty was death, how can we expect to succeed in a free country?"

And controls have not worked in any free society in peacetime:

Not in Great Britain, nor Denmark, nor France, nor West Germany, nor Canada.

And definitely not in the United States.

There is no reason to believe the future of wage-price controls will be better than the sorry past. Indeed, repressive measures mandated by H.R. 6168 will make the economic situation worse in at least two important respects:

First, the false hopes raised by this legislation will seem to justify further delay in coming to grips with the main problem—excessive Federal spending and mounting budget deficits.

Congress has been on a spending spree for years. And surely we all know by now that an economic catastrophe is inevitable if Congress fails to restrain spending.

This decision, one which congressmen are loathe to make, has been put off over and over again. Despite lip service to fiscal responsibility, Congress has repeatedly put partisan considerations, squabbling with the President and special interest in appropriations ahead of balancing the budget, which is essential to bank the fires of inflation.

Second, this reckless and ill-considered

legislation is bound to make existing shortages worse and create new shortages. So inflationary pressure will explode if controls are ever relaxed.

If prices are held below levels which provide an incentive to producers, manpower and capital will be diverted, and shortages in underpriced commodities will grow worse. Unless of course the sponsors of this legislation are prepared to conscript both labor and capital.

Who can doubt that this is inevitable in view of New York City's prolonged experiment with rent controls which has resulted in abandonment of buildings and a decline in rental units; the lumber shortage; the imminent crisis in natural gas; and shortages developing in other petroleum products, which are tacitly admitted by the gas rationing envisioned by this legislation.

Yes, Mr. Chairman, this bill will make a bad situation worse. But it is not the economic consequences of this legislation, nor the permanent damage already done to our national economy, which trouble me most.

These concerns are serious: but human considerations are paramount.

What this legislation seeks to control is people. Under this legislation, it will be a crime for working men to bargain freely with employers for pay rates exceeding an arbitrary limit; it will be a crime for buyer and seller to freely settle on a mutually acceptable price above the guideline.

It may be tolerable to accept such restrictions in time of war. But to accept such repressions permanently is unworthy of a free nation.

Of course we are told that the present emergency justifies "temporary" controls. But let us not kid ourselves. Who really believes that kicking the wage-price control habit will be any easier a year from now than it is today?

Mr. Chairman, we are seldom presented such a clear choice. This is an unremittingly bad bill. It rests on false economic premises; it promises benefits which cannot be delivered; it seeks to destroy a prominent feature of our economic system which has given Americans prosperity without parallel in human history. It takes the freedom out of free enterprise.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, my amendment to the Widnall substitute is in the nature of a substitute.

I offer this amendment because I believe it is the only way that we can carry out our legislative responsibilities.

Let us recognize one thing: The business of setting up workable economic controls is not easy. It is even less easy to set up economic controls that are fair to everyone. We do not have the time here, even if we took all week, to draw up a fair and workable economic controls program on the floor of the House. If we make mistakes in the heat of emotion or in the face of frustration and impatience, we will be setting into law conditions that might do great harm to the economy, or to huge numbers of innocent people.

Suppose we strike out on the course of rent controls, impelled by the known fact

that there are gougers in the market. It is possible that in our haste, in our passion, we will enact a requirement that penalizes large numbers of innocent people who have one or two units, and who could not gouge anybody if they tried. We might end up in failing to keep the big operators from hurting people, and at the same time hurting the little operators who never harmed anybody.

Suppose we set up interest rate controls. We can declare that we want interest rates to be low, but we cannot control the supply of money. We might end up with low interest rates and no money to lend at any price; or we might create a situation where some segments of the market—housing, for instance—might be able to get no credit at all. We might create conditions where equity kickers are reborn. In short, we might be able to say that we want interest rates to be low, but there is very little hope that we could in the haste we are working in create a law that would in fact make the cost of money low, and at the same time keep money available for lending.

Suppose we try to roll back food prices. Nobody wants high food prices, but neither do we want to put the producers and processors out of business. And if we roll back prices, no matter what date we select, we are going to inflict large losses on numerous producers and processors who are in no way responsible for high prices themselves, and who could not control the situation no matter how they tried. We've already had to recall one bill because it was plain that the roll-back feature was wildly unrealistic and would have only caused huge losses in the availability of food—we could have had low prices, but not very much to eat.

Now all of this adds up to one thing: the truth that we cannot effectively create in a matter of a few hours a realistic and effective program of economic controls. The likelihood of injustices is too great; the likelihood of gross errors is too great; and the likelihood of a plain failure is also too great.

Yet I do not believe that Congress can discharge its responsibilities merely by giving the President blank check authority. I opposed that in 1971, and believe it would be unwise to do so this year.

I believe that my substitute places responsibility where it belongs. It is the responsibility of the President to develop a workable economic controls program. He has the resources to do this. I believe, too, that only administrative regulations are flexible enough to meet changing needs, and respond to the injustices that inevitably take place under controls programs—no matter how wisely drawn up, no matter how carefully administered.

But to get a sound program, we do not have to legislate it. We do not need to attempt doing that for which we are unprepared and unequipped.

We can simply extend the act for a short period—I suggest 60 days—and instruct the President to bring forward detailed recommendations. He could implement such programs as he sees fit. We could review what he has done, give it our approval or disapprove it.

Thus, we could do what we are equip-

ped to do—legislate wisely, assigning responsibility where it belongs, and maintain our effective control over basic national policy.

It is wise legislative policy for us to extend this act for 60 days, because in so doing we can instruct the President to end phase III and start up effective controls at once. And we can also instruct the President to come forward with his estimate of what an effective and workable program is. By acting on that, we could exercise our responsibility of oversight—give him what we think good, add to it what we think necessary, and eliminate the whole package if we deem that warranted, even creating a program of our own if we think that would be wise.

But let us act with good sense, whatever we do.

Good sense requires that we reject a hastily drawn program—one that has never had a day of hearings—and replace it with a program that does allow thought, consideration, and reasonable action. My amendment offers us that chance and that choice.

Mr. MONTGOMERY. Mr. Chairman, we are down to the wire on the extension of the Economic Stabilization Act. As we are all only too well aware, we are recessing in 3 days for the Easter holidays. It is expected that we will not be back at work before the authority for all present controls expires. It is mandatory that we take swift action.

But in acting with dispatch, let us not design inappropriate legislation. The stakes are high. They are the health of our national economy. We must provide the Nation with a program that is workable—with one that is realistic.

I am greatly disturbed about the roll-back provisions which some of the proposals currently before us contain. A roll-back would be disastrous because it would be extremely difficult—if not impossible—to administer and because it would endanger the production of adequate supplies, the only real solution to spiraling prices.

Most of us can recall only too well our own experiences with wartime rationing. There were both shortages and black markets. There were problems of priorities, allocations, subsidies, embargoes, and passthroughs. Though agencies of enforcement often struggled heroically, they floundered and failed at all levels. As a result, even though we had the ration stamps to buy some meat or gasoline, too often it just was not at the butcher's counter or service station to be bought. And, of course, black markets developed.

Let us do the right thing. Let us extend the current authority so that the President—whom we have charged with responsibility in this area—will have the requisite mandate and flexibility to take whatever steps are necessary to stabilize the economy. In some areas of the economy, clearly, different approaches will be appropriate, by virtue of the inherent variations and complexities of our mighty economy. Let us not divert enforcement resources onto unworkable and unproductive approaches. Nor let us foreclose for the future discriminate efforts or innovative new approaches

which those we have charged with the success of stabilization efforts sincerely think are best.

It would be well, I think, not to lose sight of the fact that under current authority, if extended, rollbacks can be selectively ordered and strictly enforced in runaway areas of the economy where such enforcement efforts would be appropriate and—because focused—not unduly expensive or unmanageable. It would also be useful to keep in sight the appreciable compliance activities—including penalties imposed upon violating companies and special restrictions on the troublesome food, health services, and construction segments of the economy—which are possible under the present authority.

Let us provide forthright extension of the current authority. In so doing we will be taking responsible action in an area of our national life that is so important that we must not fail.

Mr. FAUNTRY. Mr. Chairman, as a cosponsor of H.R. 6168, I rise at this time to urge my colleagues to support this bill fully as it has been reported out by the House Banking and Currency Committee. My chief concern is that, contrary to the situation under phase III, Congress enact legislation which is fair and equitable in its application to every segment of our economy—business and consumer alike. Under phases I and II of President Nixon's new economic policy, there was at least a general belief that business as well as the consumer was sharing the economic burden entailed in fighting inflation. However, in phase III, it became quite apparent that the President had once again humbled himself at the altar of the moneyed interests in our society to the gross detriment of the individual Americans who—in their infinite wisdom—re-elected him. Since inauguration day, under phase III, retail prices for food, the cost of renting or purchasing a place in which to live, and prices for consumer goods have ascended at a dizzying pace. Hourly wage rates, however, did not increase correspondingly or even significantly in that same time period.

H.R. 6168 in its present form represents a wise, sober, and fair effort on the part of Mr. PATMAN's committee to bring the inflationary forces which the President unleashed on January 11 under control once again. In fact, the very reason this bill is so detailed in extending the President's administrative authority to control prices, wages, and interest rates stems from the fact that Executive irresponsibility on January 11 under the present law has caused a cost of living crisis far more pernicious and threatening to our economy than the currency crisis we experienced in February of this year.

For example, rent increases in the District of Columbia in the last four months have ranged as high as 30 percent and have averaged approximately 17 percent. Moreover, the cost of purchasing red meat has increased so sharply here in Washington that many of my constituents who formerly regarded meat as luxury presently find themselves unable to buy meat for more than one or two meals per week. Is this the American dream? Is this indicative of the kind of

domestic economy policy our government desires? My colleagues in the House Banking and Currency Committee have in H.R. 6168 firmly indicated that these symptoms of the phase III disease must quickly be ameliorated. To that end, Section 1 of this bill mandates a ceiling on all price at levels no higher than those prevailing on January 10, 1973. The selection of this date should not be interpreted as a partisan insult to a minority President, rather it is merely a frank acknowledgment by my Committee colleagues of the point in time at which retail prices exceeded reasonable levels. In fact, there was considerable minority support, spearheaded by the gentleman from Georgia (Mr. BLAKBURN) for an even more drastic rollback in prices. However, faithful to their obligations to be fair to all Americans, a majority of the committee fixed upon the January 10 date as the standard.

Another vital and commendable feature of the present bill is its exemption from wage controls in section 5 of those individuals who earn less than \$3.50 per hour. This provision was included in order to assure that the burden of financial fighting does not fall most heavily on those who can least afford to make the necessary sacrifices. This is particularly needed in the District of Columbia where a recent study by the Washington Center for Metropolitan Studies revealed that fully one-third of the District's working force earns less than a poverty wage. This working poor exemption, therefore, must not be compromised away. In the area of interest rates, I wholeheartedly agree with my colleagues that we must ensure that consumers, farmers, and small businessmen must be protected insofar as business and home mortgage loans are concerned.

Failure to control interest rates in the manner provided in his bill would mean that our goal of noninflationary economic expansion would become reality for the rich, while remaining a mere pipedream for average and low income citizens and businessmen.

This bill, then, represents an honest effort on the part of serious members to achieve a reasonable and beneficial economic climate. That our selected means for achieving this goal has not received the full approval of the White House is well known. However, more than that at any other time in the history of this Nation it is necessary that we in Congress adhere firmly to our constitutional responsibility to represent the people who elected us. That this bill was written to protect the people from being stampeded by higher prices, gouged by landlords, fleeced by money lenders, and exploited by profit hungry corporations is further evidenced in section 207 which would create the Office of Consumer Counselor and vest in such Counselor the right to intervene in all necessary proceedings for enforcement of the Economic Stabilization Act. The Consumer Counselor would receive, investigate, and act upon complaints of unlawful price increases communicated to him by members of the public. For all of these reasons, Mr. Chairman, I urge that the House expeditiously adopt the provisions of H.R. 6168 as they presently appear.

Mr. DERWINSKI. Mr. Chairman, for

too long, too many in this country and in this Congress have sought the easy way out of our fiscal problems. Instead of facing the truth on inflation, attempts have been made to delude ourselves that the problem of inflation can be solved through so-called wage and price controls.

Prices will rise and inflation will continue as long as there is fiscal irresponsibility. Inflation is not caused in the United States by consumer purchasing, by industry, or even by the Federal Government's ever increasing expenditures. The answer is not an expansion of Federal Government authority into areas of the private economy. The answer lies in bringing the Federal budget under control. Programs keep multiplying. Expenses of these programs soar. No procedure exists to compare governmental expenditures with governmental revenues.

Rather than telling the American people the truth about inflation, some would raise the panacea of wage and price controls. Controls do not work. Because controls do not perform, some say controls must be tightened and made more stringent. We have seen how stringent controls work in such places as the Soviet Union, China, Cuba, and many other countries. We have sold wheat to both the Soviet Union and China, because their controlled agriculture cannot feed their own people. The route that is marked by controls is also marked by the signposts of less freedom, less prosperity, and more governmental bureaucracy. Let us admit a wrong turn has been made and return to the road that has meant prosperity and freedom to the United States. Let us gain control of the runaway budget. Only by this means will we stop inflation. I have faith in America and my fellow Americans that we can overcome our fiscal problems. We will not do that by the passage of the present resolution. We will succeed in stopping inflation by gaining controls of the budget; not by adding more bureaucracy as would result if this bill is passed.

Mr. Chairman, at this point, I would like to have printed in the RECORD an item which appeared in the Washington Post of January 17, 1973, which tells us how the establishment of more bureaucracy cost the United States \$95 million for the 14 months phase 2 wage and price controls were in effect:

#### PHASE II COST UNITED STATES \$95 MILLION

The Phase II wage and price controls cost the country about \$95 million during the 14 months they were in effect, the government says.

But Treasury Secretary George P. Shultz says the costs of Phase III, which was announced last week, should be less.

The Phase II costs included \$62.7 million in expense for the Internal Revenue Service and \$3.7 million for the Justice Department. The remaining funds were spent by the Pay Board, the Price Commission and the Cost of Living Council.

Mr. UDALL. Mr. Chairman, after much anguish and thought, I have decided to support a simple 1-year extension of the President's authority to impose wage and price controls. Frankly, I am in some pain lining up with the President on this issue. It is a partisan issue and one can almost sense that public

frustration and anger over the President's handling of the economy has reached a point of alienation that could be profitably exploited by this and every other democrat.

The fact is the economy is out of control with inflation running at levels we are used to associating with banana republics. At the heart of the problem has been Mr. Nixon who has been led down the garden path by economic advisers who delayed the imposition of phase I controls until it was too late and then pulled phase II controls off too early. He has been badly advised and the country has been poorly served.

Regrettably though it is, Mr. Nixon has made some decisions that we and the country are going to have to live with. I wish we could return to January 10 or to March 16 or to yesterday, but the fact is we cannot and we are fooling ourselves and the country if we pretend that this is good economic policy.

Perhaps a rollback, as it is called, would send a healthy shockwave across this inflation ridden economy, and is supportable from that standpoint. I certainly do not criticize my colleagues who have proposed such strong medicine.

But before I could support it, I would want to be able to tell my constituents a little bit more about the consequences than we presently can. What happens to prices that have actually gone down this year—are they restored to higher levels? What is the impact on the small businessman who has already granted wage increases based on increased prices? Not the big corporations who can stand it, but the electrical contractor or small merchant who is already living hand to mouth. Perhaps worst of all, by rolling back prices, could we cause a consumer rush which might readily bring on shortages of essential commodities and require rationing? I think we take a real risk and as badly as we want to do something today I am not sure we could live with this result.

Mr. Chairman, as I said, I do not think we can remake the President's decision to abandon controls—we have to live with it and he has to. The only answer is to grant Mr. Nixon the authority to reimpose controls and make it clear that if he chooses once again not to use it, we will be forced to take stronger action later this year.

I can only conclude that he now knows the price of inaction. The longer he delays the greater the risk that we will soon face either a permanently inflated or permanently controlled economy.

Mr. DEL CLAWSON. Mr. Chairman, at a time when we should be pruning the Federal bureaucracy, efforts to freeze prices and establish economic controls would necessitate the addition of an army of employees to administer the prices and enforce the controls. The Office of Price Administration had a tremendous number of people on its payrolls. A similar agency established three decades later, with a vastly increased population, a more affluent society, and numerous increases in Government pay and fringe benefits would probably cost at least a billion dollars per year in salaries, fringe benefits, travel expense, and so forth.

On page 12 of the report accompany-

ing H.R. 6168, the committee expresses its desire to promote our private enterprise system. In the very next breath the committee finds that prices, rents, wages, salaries, dividends, interest, and Federal taxes and expenditures must be stabilized with Government controls. Under the private enterprise system, the law of supply and demand would regulate such matters as prices, rents, wages, salaries, and interest. Dividends would depend upon profits that would be made by industries and businesses operating under private enterprise. As for Federal taxes and expenditures, they have been out of balance almost continuously for over 40 years. No matter how high taxes are raised, they are never sufficient to meet the costs of the numerous programs dreamed up by spendthrift politicians and bureaucrats.

Certainly the suggestion that Federal taxes and expenditures must be stabilized is a good one and it ought to be put into effect as promptly as possible. As soon as we start to cut expenditures, here in the Congress or at the executive level, our ears are assaulted by the screams of those who would be affected by such cuts. The past few months have been difficult for those who would like to practice economy by drastically cutting spending at the Federal level.

The best way to slow down inflation is to bring Government spending under control. This can be done only by elimination of unnecessary spending, consolidation of duplicated programs, shifts of justifiable programs from the national to the State and local levels.

Mr. HANLEY. Mr. Chairman, as a member of the Banking and Currency Committee, I very reluctantly rise to express my opposition to H.R. 6168. I am opposed to the price rollback features of the measure.

I was as anxious as any Member to go on the record in behalf of lower prices, and so I initially supported in committee the initial amendment to authorize and direct a price rollback. Upon long and serious reflection, I am required to exercise my right to change my mind. There are good and valid reasons for my action.

It is not enough simply to go on record, even though it is most attractive to do so, particularly with so volatile an issue as high prices. For every American who may be helped temporarily by a congressionally mandated price rollback, there will be one who will be seriously hurt by such action.

There are many complex factors which have brought the economy to its present state, and attempting to deal with these factors by simply issuing a proclamation that their effects will not be allowed to come to pass is irresponsible and foolhardy. Congress could just as well proclaim that the waters of the Mississippi pouring over the levees shall not flood the land along the river's bank.

When we first proposed and enacted the Economic Stabilization Act in 1970, we were nearly 1 year ahead of the President in realizing that controls on the economy were needed. We exercised wisdom in not trying to impose the controls ourselves. I feel that we should again provide the basic tools for the administration to stabilize the economy. I predict that it will take the President but a

very short time to understand that it is time to return to controls once again.

In thinking about it, I am convinced now that a rollback is unconstitutional, because it amounts to the confiscation of property without due process of law. A citizen who purchases an inventory at a certain time for retail sale at a later date is having his property taken away from him. A farmer who pays the currently inflated prices for the materials to produce his crops and livestock will be prevented from building these increases into the price of his product. That is unjust and unfair, and it will not work.

The problem of food prices is coming from what I believe to be bad agricultural policy. It started with the decision to sell to the world the raw agricultural products needed here at home. This is the decision that has to be reversed. The United States cannot cast its basic agricultural production into the world market without any regard to the effect this action is having on domestic food prices. I urge the President to abandon his plan to solve the balance-of-payments problem by sacrificing the American consumer's ability to buy the food we need at reasonable prices.

The administration has to take the blame for high food prices, and it has to act in the area of agricultural policy to develop corrective actions. A rollback of prices will not in itself change agricultural policy, nor will it lower prices. A rollback is sheer wishful thinking.

I am of the opinion that an effort to roll back prices without regard to the real causes of the existing situation will make matters substantially worse.

I believe that the rollback idea is shortsighted, unjust, and irresponsible, and I feel that it will lead to disastrous consequences for the American consumer as well as the American farmer.

Mr. MINISH. Mr. Chairman, I rise in support of H.R. 6168, the Economic Stabilization Act Amendments of 1973. This legislation is the most important measure to come before the 93d Congress thus far and it represents a clear mandate from the Congress for the restoration of stability to our Nation's economy.

As a member of the Banking and Currency Committee, I am proud to have played a role in the development of this much-needed legislation. The majority of my colleagues on the Banking Committee and I believe that passage of this measure is vitally necessary if we are to grant the American people relief from the onerous burden of inflation which has skyrocketed at such an alarming rate in recent months. It is clear that phase III is a failure and that we need strict economic controls, including rollbacks, if we are to restore the confidence of our citizens in our country's economy and in their Government's ability to cope with our economic problems.

Mr. Chairman, on January 10 of this year, the President announced phase III, which lifted controls on the economy and replaced those controls with "self-administered" or voluntary standards for wages and prices that did not require prior approval by the Government. Rent controls were completely abolished.

Since the January 10 announcement,

galloping price inflation has hit the economy and the consumer. Recently released figures, for example, show the biggest monthly increase in the Wholesale Price Index since 1951. Prices in March were up 2.2 percent, food prices were up by an unparalleled 4.6 percent, the sharpest increase since these records have been kept and three times the February increase.

In addition, tenants throughout the country have been subjected to exorbitant rent increases of up to 60 percent in some instances. Rent boosts of 10 to 15 percent have not been unusual.

Tenants have been helpless in the face of these increases. Dr. John T. Dunlop, in a statement to the Banking and Currency Committee, admitted that the administration has "been concerned with the rent increases that have taken place in some metropolitan areas in the past 2 months."

As the author of the section of the economic stabilization bill which deals with rents, I am proud that the committee supported my position that rents should be rolled back to their January 10 level—the day all rents controls were arbitrarily eliminated by the administration. I believe it is most important that this section pass without crippling amendments. One may substitute cheaper food, distasteful as it may be, in order to compensate for higher prices, but housing is a different problem—one can scarcely take it or leave it.

The rent section of the legislation would permit rents to increase above their January 10 level only where there has been a demonstrated increase in taxes imposed by a State or local government upon the landlord, an increase to the landlord in the cost of services or materials, or a capital improvement during the period of occupancy. The freeze would extend for the life of the law—until April of 1974.

In addition to the provisions on rents, the legislation before the House today places a ceiling on all prices and interest rates at the levels prevailing on January 10, 1973—the last day before phase III became effective. Furthermore, the President is directed by the legislation to immediately implement a plan to roll back prices and interest rates below the January 10 ceiling, and to report his progress to the Congress within 60 days, together with justifications for any exemptions he chooses to make from the ceiling.

Although I understand that a substitute will be offered to change the roll-back date to March 16, it is my belief that the rollback of food prices to January 10 should be maintained. Secretary Shultz, under questioning by me during hearings on the bill, conceded that food prices were the country's biggest inflation headache at the present time. He stated that the administration would be satisfied with its battle against inflation if it had been able to hold food price increases in line with other price boosts. It is clearly not enough to place a ceiling only on meat and only when meat prices are too high. We should promptly respond to the demands by consumers for a return to more reasonable food price levels.

In passing this legislation by an over-

whelming majority the Congress will succeed in gaining the confidence of the American people that our Nation is indeed on the road toward sound economic policy and well-being.

Mr. TREEN. Mr. Chairman, if this legislation (H.R. 6168) is defeated, and I hope it will be defeated, we will be in a position to begin to move in the direction of real economic well-being. The stimulation of competition in the free market is the only route to a healthy economy. In a competitive market, prices respond quickly to changes in supply and demand, and prices are the barometer of the economy. For the Government to intervene in the private sector distorts the whole economic picture. In a U.S. News & World Report interview, January 29, 1973, issue, Treasury Secretary Shultz replied to a question about what is going to prevent wages and prices from skyrocketing by stating:

The basic thing is competition—the free market. That is the fundamental force we rely on over a period of time to keep things under control.

In a U.S. News interview with Dr. C. Jackson Grayson, Jr., published in its March 5, 1973, issue, Dr. Grayson stated in response to a question about what impressed him most about the American business system during his tenure as Chairman of the Price Commission:

That the operation of our price system—the free-market system—is the best possible allocator of resources. It is far better than any control system ever could be. Controls can work—and they did work—over the short run. But in the long run, they never can substitute for the price mechanism as a way to get goods and services where they are needed.

Mr. COLLINS. Mr. Chairman, I strongly urge my colleagues to defeat this bill which will do irreparable harm to this Nation if it is enacted. As just one example of the misguided nature of this legislation, I should like to cite the proposed section 206—regulation of margin for commodity futures trading.

The committee report on H.R. 6168 says with respect to this section:

The possibility of achieving such tremendous returns—

And, one might add, tremendous losses:

On downpayments representing, usually, 5 percent or less of the value of the contracts has attracted numerous new investors in the futures market, creating real concern that excessive speculation in the commodities is unnecessarily increasing consumer prices and industrial costs.

Well, the "concern" may be there, but it is a completely irrational one. Virtually every informed witness who has ever testified regarding this proposal, either as embodied in H.R. 6168 or as it was considered by the Subcommittee on Consumer Affairs of the Committee on Agriculture during the 90th Congress, has said that this proposal is based on a misconception of the nature of commodity futures trading.

It has been pointed out over and over again that transactions involving margins which take place on the futures exchanges are not "credit" transactions analogous to those which occur with respect to stocks, bonds, and real estate. As the National Grain Trade Council has

stated, in its testimony of March 30, 1973:

In transactions covering agreements to sell or buy commodities for future delivery covering agreements to sell or buy commodities for future delivery or receipt, no title passes to the buyer and no title passes from the seller. Each party to such a contract enters into on a commodity exchange deposits with his broker an amount of earnest money to assure compliance with the contract when, in the future, it matures, or until an offsetting contract is entered into. Only if the contract is completed by delivery, when it matures, does a title pass. And then, contrary to the practice in transactions involving securities or goods and chattles or real estate, full payment must be made.

Moreover, it has been repeatedly pointed out that commodity futures speculation has little effect on the cost of commodities to the consumer. Rather, the futures markets represent a convenient and efficient mechanism for enabling producers of products which utilize commodities through the device of "hedging," to shift the risk of holding commodities to others, thus insuring themselves against drastic swings in prices.

The ultimate beneficiary of an orderly commodity process is the consumer, and it is the consumer who would suffer if this bill passes and imposes additional costs of doing business on those who deal in commodities. I know there is a temptation to think that because "speculators" are making and losing large amounts of money there must be something wrong with it, but it just is not so.

The only possible benefit that I can imagine coming from this provision is that some of the Members of this body will be educated in the workings of the commodities markets as a result of its failure. However, the lesson will surely be an expensive one, and I see no sense in imposing the cost of this experience upon the consumers of this country.

Mr. VEYSEY. Mr. Chairman, today we are debating one of the most monumental decisions this Congress will deal with. It is particularly important from the standpoint of the potential damage we could wreak upon the economy and upon our agricultural industry if we make the wrong decision.

We are considering legislation which would extend the Economic Stabilization Act, and with it, the President's authority to set wage and price controls. That in itself, is a major issue, and one which I cannot warmly support. I do not welcome the imposition or the extension of artificial controls on our economy.

However, I have come to the conclusion that such controls, on a temporary basis, may be the only viable solution to some of the severe ills which have beset our economy during the past decade. The proof of this is in the pudding, and President Nixon has succeeded during much of that period in restraining runaway inflation. He may need to exercise his control options with even more vigor in the future.

In light of this, I am supporting a simple extension of this authority for another year's time.

However, on another front, the legislation we are considering here today contains a threat to open the door to economic disaster by rolling back prices.

Anyone who stops to analyze the effect this would have on the system of supply and demand which governs our economy, cannot remotely consider supporting such a step. Furthermore, the impact on agriculture—the element of our economy which is almost totally dependent on supply-demand factors—would be brutal.

As an example, let us look at the effect a price rollback would have on a cattleman.

Feeder cattle prices have been as high as 60 cents a pound much of the past several months. Five hundred-pound steers have been moving into feedlots at \$300 per head and beef producers in California have bought hundreds of thousands of such feeders this year.

If we should roll back prices for feeders today to January 10 levels, as some have proposed—it would cost those cattlemen at least \$50 for each head of stock they have bought this year. That is a direct cash loss of half a million dollars to a cattleman who has filled a 10,000-head feedlot during that time.

The situation is the same with producers of other livestock and in all parts of the country. Their business depends upon their day-to-day expertise in analyzing the supply-demand situation, and the market prospects for weeks, months, and years in the future.

So much for the immediate loss to the livestock man. Let us look at the long term effect on meat prices which a rollback would have.

When we roll back prices, livestock producers will roll back production. When production is cut—the supply is cut. And when that happens—prices will go higher.

It is a vicious cycle which we are flirting with in any price freeze endeavor—but it is an especially sensitive situation when we apply such restrictions to agricultural production.

One can get a better perspective of the unique situation of the farmer—and the special problems he faces with price controls—if afforded an analysis of the past 20 years in American agriculture.

Because the time and space limitations will not permit that, let me simply make a few observations.

In 1972, the price a farmer received for cattle was almost exactly what it was in 1952. Other agricultural prices have fared similarly during this time period. Meanwhile, the share of the consumers' disposable income which goes for food has dropped steadily to 15 percent—by far the lowest in the world.

By comparison, if the price of beef had gone up as much as wages during the past 20 years—the farmer today would be getting 80 cents a pound instead of 45 cents.

If beef had gone up as much as postage, the farmer would be getting 77 cents per pound.

And if beef had gone up as much as hospital care, the farmer would now be getting \$1.76 a pound.

As beef has gotten proportionately cheaper and cheaper, the consumer has eaten more and more. In 1950, the per capita consumption was 63 pounds. Today, it stands at 115 pounds.

Meanwhile, the population has gone from 150 to 210 million.

The result has been a 285-percent in-

crease in beef production in just over 20 years.

Again—the situation for other agricultural products has been similar.

Now, the farmer is finally getting a small share of the general price increase afforded the rest of the economy on a regular basis. The farmer, simply, is sharing the inflation, and like it or not, inflation seems to be a built-in component of our economy as people demand more and more goods and services to match their increasing standards of living.

No, the answer to higher prices for meat and agricultural products does not lie in price rollbacks. The resulting juggling in the production chain would find farmers cutting back on production in great proportion—and sending prices soaring in the future.

The answer lies in providing farmers and ranchers with a fair profit margin over the long stretch, to encourage them to continue increasing production to match our increasing appetites. I urge that we soundly defeat the price rollback proposals.

Mr. DONOHUE. Mr. Chairman, I most earnestly urge and hope that in its traditional nonpartisan action in time of national emergency, this House will resolutely and resoundingly approve this pending bill, designed to extend the Economic Stabilization Act for another year and to authorize the imposition of certain mandatory controls over the major factors involved in the runaway price increases and inflationary spiral that are so seriously disrupting our whole economic system today.

Mr. Chairman, the technical and formal need for the enactment of "containing" legislation is attested to by a multitude of the most respected economists in the country.

The national practical urgency for the adoption of this "hold-up and hold-back" measure is attested to by the tumultuous testimony of the great majority of our American citizens and families who are increasingly being priced out of the marketplace, out of their living quarters, out of the basic nutritional necessities of life and out of their pocketbooks through the unconscionable cost increases and raging inflation which has unfortunately fallen upon them ever since the White House, inequitably and injudiciously, terminated the reasonably effective mandatory restrictions of phase II last January 11. The result of the administration's establishment of a "voluntary" phase III system has been the visitation of near disaster upon our economy which is only too vividly demonstrated by executive agency figures themselves.

Mr. Chairman, the very recent U.S. Labor Department statistics reveal that wholesale prices rose 2.2 percent during March, the biggest increase in 22 years and food prices climbed a record 4.6 percent. According to our knowledgeable economists, these tremendous increases in wholesale prices make it virtually inevitable that retail prices will persist in their continuing upward spiral for at least the next several months. The 2.2-percent wholesale price rise during this past month adds up to a projected annual rate of 26.4 percent, clearly indicating that a year from now prices will be fur-

ther advanced by 26.4 percent if the March increase rate continues to prevail unchecked.

Mr. Chairman, these distressing and threatening mathematical facts leave no alternative, in the national interest, other than speedy and sensible action to empower and direct the President to halt the still rising living costs and restrain the inflationary scourge that bedevils us. There should be no reluctance on the part of the administration to join in the accomplishment of this common objective, because it would otherwise definitely appear that the administration's pledged goal of reducing the inflationary rate at the consumer's level to 2.5 percent by the end of 1973 would be impossible of achievement.

Mr. Chairman, no matter what, under normal conditions, our feelings may be about the imposition of controls or the precise manner in which we may feel they should be applied, let me suggest and recommend that, in the face of all the most dismal and abnormal economic developments that presently surround us, this is no time to indulge in any partisan namecalling or blameplacing by the Congress or the administration. Rather, let us, each and all, conscientiously concentrate our attention and our diligence upon the absolute urgency of stopping the destructive plague of persistently rising inflation that is actually threatening to suffocate our entire economic system and that is actually thrusting intolerable financial hardships and suffering upon the poor, the aged, and the low- and moderate-income workers and families throughout this country. To preserve our national integrity it is imperative that cooperative legislative and administrative action be quickly taken to equitably return the costs of the necessities of modern American life to a level that is within the reasonable reach of the ordinary individual and family unit in this Nation.

Mr. Chairman, let us, therefore, unite the effectiveness of separate governmental powers and resources in approving and applying whatever measures are necessary for whatever time may be required to return our collapsing economic system to its traditional operating realm of right reason and just standards in order to restore the confidence of the American people in the ability of the executive and legislative branches of this Government to work together in service to the common good. Any other course would represent a disastrous retreat from our separate responsibilities and joint duty to our constituents and our country.

Mr. REID. Mr. Chairman, I wish to state for the record that I am reluctantly supporting a simple extension of wage and price control authority for 1 year.

In view of the President's obvious unwillingness to promulgate effective controls under phase III, I believe that Congress should mandate such controls legislatively, taking away the President's discretion to be irresponsible. We simply cannot afford, as a nation, the skyrocketing inflation which has struck since the President terminated phase II last January 11.

If the President permits this inflation to continue as it has in the past 3 months,

countless numbers of Americans will literally be unable to purchase adequate food, shelter, and clothing, to say nothing of other less essential items.

In spite of this crisis which the President refuses to address, it seems clear that a majority of the House today, for whatever reasons, will not approve any system of mandatory controls.

Faced with the choice of voting either for or against a single 1-year extension of the President's authority, I am compelled to vote for it. Without such an extension, we are left with no wage-price program whatsoever. As poor as the President's record is on controlling inflation, it is still better that he have the legal authority to do so than that such authority expire on April 30.

Mr. Chairman, I voted "yea" on the previous question, and I would vote "nay" on the 1-year extension if there were any better alternative. Let me also say for the record that I was prepared to offer an amendment to the rent control provisions in the committee's bill had that bill prevailed, the effect of which would have been to insure that Federal rent controls would apply to noncontrolled rental units in local jurisdictions having local rent control laws. This would have prevented exorbitant rent increases on rental units becoming exempt from local controls, such as under the New York State vacancy decontrol law. Some 144,000 units in New York City have been decontrolled since this law took effect nearly 2 years ago.

Let me conclude by saying that it will behoove the President to make effective use of the authority which we are providing him for another year. The American people deserve equity in phase III, and thus far they have not received it.

Mr. BADILLO. Mr. Chairman, the real issue involved in this debate and the forthcoming votes is whether Congress and the administration are going to establish economic policies that will deal effectively with inflation and provide a stability that has been lacking for too long.

In my judgment, the bill brought to us by the Banking and Currency Committee is not perfect, but it is a necessary measure and at least offers some hope of getting our economy under control. The Republican substitute, on the other hand, offers absolutely nothing. It asks Congress and the American people to accept on faith the promise that the Nixon administration will somehow restore order and sanity to the economy, but it establishes no guidelines or standards and it has no accountability whatsoever.

For those who insist that we need only give the President broad discretionary authority to deal with economic problems, we need only point to how such authority has been used in recent years. The Credit Control Act of 1969 has never been used. The Economic Stabilization Act of 1970 was not used for a full year after its enactment. Even then, the 90-day freeze ordered by the President excluded interest rates and basic commodities. When the freeze was lifted, it was succeeded by the so-called phase II program during which prices were allowed to rise under a system of controls. Then, starting with January 15 of this year, we

had the disaster of phase III, in which the entire economy was decontrolled and inflation ran rampant. Call it ineptitude, insensitivity, or what you will, phase III gave this country the most alarming surge in prices, rents, and interest rates since the early days of the Korean conflict.

It is abundantly clear that this administration, given only discretionary authority, will not act decisively or effectively to control inflation. In view of this, and despite the fact that mandatory controls are bound to create some dislocations, it remains for Congress to enact controls as a matter of law. The meat boycott of March 29 was the outward manifestation of the deepseated frustration and despair of American consumers who feel, and justly so, that their Government has ignored their basic interests and concerns.

H.R. 6168 is a proper response to those concerns. It rolls back rents to levels prevailing on January 10, and provides that rents may not increase unless there has been an increase in State or local taxes, a capital improvement during the period of occupancy, and increases in the costs of services and materials.

It places a ceiling on all prices and interest rates at the levels prevailing on January 10, and requires the President to roll back prices and interest rates below that ceiling within 60 days.

The bill also requires the President to establish a mandatory control program over all elements of the economy whenever the annual rate of inflation exceeds 3 percent for 3 consecutive months, or 2.5 percent for 12 consecutive months. Another important feature is the provision establishing an Office of Consumer Counselor to represent consumer interests. The provision empowering the General Accounting Office to review implementation of the legislation assures effective and timely congressional oversight.

I think it was unfortunate that during committee consideration of this bill a section was deleted which would have required public disclosure of information submitted to the Cost of Living Council. I offered such a provision to the economic stabilization legislation we dealt with in 1971, because it was necessary to assure adequate oversight of the program and public confidence in its fairness. Unfortunately, that provision was not adopted.

I am pleased, however, with two sections of the bill which deal with disclosure. Section 204(2)(b) provides that—

The public shall have access to all data and other information which is the basis for or is used in any manner to formulate any standards issued by the President under this section.

And section 208 authorizes the General Accounting Office to have access to all reports submitted pursuant to the act, and to transmit information to the Congress. While the bill clearly could go further and be more specific with respect to disclosure, these provisions should prove useful.

I urge support of the committee bill.

Mrs. GRASSO. Mr. Chairman, the simple extention of wage and price control

authority for 1 year was the single, sad alternative remaining after strengthening amendments, which I supported, were defeated by the House. The bill is inadequate. Yet, it provided the only viable vehicle for some semblance of price control and a brake on unbridled inflation that has so severely depressed the purchasing power of the American people.

Clearly, phase III has been a disaster for the American consumer. Before our very eyes, salaries are devoured by uncontrolled price increases. For those who live on fixed incomes, such as many of our elderly citizens, a trip to the market place wipes out a major portion of the check on which a month's living depends.

While the President earlier refused to use congressionally imbued authority to establish needed controls, the Congress yesterday refused to avail itself of the opportunity to establish a reasonable framework of economic controls to end the continuing spiral of inflationary price increases. The failure shared now by two branches of Government to exercise responsibility means that the citizens of our Nation will continue to be the unwilling prey of inflation which has now become the American way of life. The victims of this failure are clearly the people.

Mr. DORN. Mr. Chairman, every thinking American is opposed to inflation. Inflation is as dangerous to a nation and its economy as the worst kind of depression and we must be sure today that we do not compound this situation by adding scarcity, unemployment and higher prices. To roll back prices to the January level would be disastrous to the cattlefarmer, and eventually to the consumer. It would bankrupt the little cattleman in the Southeast and West, and also the lender who loaned him the money to feed his cattle during the hard winter.

The average cattleman, in my area, is a small cattle producer with a herd of maybe 10 to 50 head of cattle and there is no doubt in my mind that this legislation would put him out of business. In fact, the feeder cattlemen across the Nation alone would lose \$750 million.

Feeder cattlemen, pork, and other meat producers need to be encouraged to stay in business so that they can supply the ever increasing demand. This legislation will lead to scarcity, high prices, which soon would develop into complete price controls and a black market, a black market in meat would undermine not only the farmer, but have such an adverse effect as to undermine the moral fiber of the Nation. Housewives would be helpless and denied choice meat while those able to buy could purchase under the table and through the back door. It would cause inferior meat to be imported and dumped on the American market, thus destroying our high standards and inspection processes—which is the greatest protection the consumer has ever known.

I have seen the black market in England, Europe, and other areas of the world. You could get English horsemeat on Main Street and American steak in back alleys at fabulous prices. This crooked and corrupt practice reflected on

the moral character of the people. I never want to see this happen in the United States.

If our meat producers are not hamstrung, they will rise to the occasion and produce which will bring down prices; to roll back prices to the January level would not only be a serious blow to the meat producers, but also, Mr. Chairman, to the textile and timber industries. In the South and West, we were led to put our eroded hills in grass and pine trees, thus accomplishing one of the greatest environmental achievements in modern times. The cattle business in the South is a new industry in its infancy. This proposed legislation would destroy, or retard, this growing industry so essential to the future demand of urban America. Tree farmers have invested years in growing timber and pulpwood and for the first time he is now beginning to get a fair price for his products.

To roll back prices to the January level would be a serious blow to the textile industry and its employees, particularly the small operations with contracts signed a year ago to deliver goods now. The textile industry has already suffered and been hard hit by cheap foreign imports.

Forestry, cattle farming, and textiles, are the backbone of our economy in the Southeast. We must sustain this progress and growth in an area once listed as depressed when many of its people migrated to the overcrowded cities.

This legislation would be a calamity. So, Mr. Chairman, under the circumstances, I urge the House to adopt a simple 1-year extension of the present program which would give the farmer and the textile industry a chance to readjust, produce more, and bring prices down.

Mr. LONG of Maryland. Mr. Chairman, the legislation being debated would impose wage, price, and rent controls on the literally billions of economic transactions taking place every day. With these controls, the Federal Government hopes to slow down inflation. Yet—let us face it—the Federal Government is the chief cause of the current inflation.

Quite aside from the fact that the Federal Government indirectly causes inflation by its spending policies; quite aside from the fact that the last two devaluations—which greatly raised import prices—were a result of scores of billions of dollars of foreign aid giveaways and our tax breaks for U.S. capital invested overseas; the Federal Government directly causes high prices all the while it claims to want to halt inflation.

Present jumps in food prices have their roots in agricultural policies of crop years past. In fiscal 1971, during the phase 1 and 2 periods, the Federal Government paid farmers \$3.14 billion not to grow food. An additional \$54 million went to potential growers of a single crop—sugar beets—to block production of sugar. The Government withheld 37.2 million farm acres from production. By fiscal 1972, the figure had jumped to 61.2 million acres. Yet in that same fiscal year, the United States sold \$1.2 billion worth of grain to the Soviet Union—that same fiscal year in which wheat acreage “retired” was at an all-time high. Little wonder that the high cost of food is with us today, considering that the cattle we

are now eating had to spend several years feeding off price-supported grain in artificially limited supply.

Direct price supports have a more obvious impact on consumers' costs. The Federal Government now artificially boosts prices for cotton, wheat, corn, milk, tobacco, rice, grain sorghum, soybeans, peanuts, oats, barley, dry beans, rye, honey, corn, and wheat products, and rolled oats. This program is not new. It has been contributing to inflationary pressure for years.

The United States participates in international agreements jacking up the world prices of cotton, coffee, sugar, and wheat. This boost, too, is passed on to the consumer.

American import quotas unnaturally reduce the supply of foodstuffs coming into this country. We still have quotas on cattle, fish, butter, milk, cheeses, potatoes, cotton, peanuts, wheat, ice cream, animal feeds, wheat products, and sugar. Simple economics shows that this sort of restriction can only act to increase prices.

The Federal program of stockpiling items from aluminum to zinc—including billions of dollars worth of foodstuffs—has added fuel to the fires of inflation. Each time the Federal Government makes a purchase for its stockpile, it reduces supply, which means higher prices for the remaining goods. An inventory of some critical materials is certainly necessary to national defense, but as the President's action today in selling off our stockpiles has shown, the Government did not need most of what it bought.

Mr. Speaker, we cannot expect spending cuts, spending ceilings, tight money, high interest rates, or any combination of freezes and phases to work unless the Federal Government stops boosting price in the face of deep-seated inflation. A noted economist recently observed:

Much of the departure from a freely functioning competitive economy—in which monetary and fiscal measures would work more effectively than they have—results from the government itself. Frequently, government statutes and regulations have given rise to the problem that faces us.

We need to examine afresh all of the governmental legislation, rules and regulations which interfere with competition, unduly raise prices, or otherwise give the economy an inflationary bias. (Murray L. Weidenbaum, *Review of Economics and Statistics*, August 1972).

The truth is, the Federal Government is acting like an individual who keeps taking pep pills to stimulate himself at the same time he takes tranquilizers to calm himself. Commonsense would argue that if he stopped taking the pep pills, he wouldn't need the tranquilizers.

I propose, Mr. Speaker, that if the Federal Government got out of the business of pushing prices up, it would not need an expensive, almost unworkable system of price-wage-rent controls.

Mr. SHOUP. Mr. Chairman, to rollback beef prices would force undue hardship on the cattlemen of America—hardship that would put many out of business.

The cattlemen for too long has suffered from geometric price increases while the market money he receives for his product remained relatively stable. The cost of doing business has gotten to the point that he has saturated his

credit limits. Only now is he reaching the point where he can see the light at the end of the tunnel. His hopes of making a reasonable profit and eliminating prolonged indebtedness must endure.

I will not elaborate on the statistics of beef prices, but when medical care has risen 140 percent, public transportation costs have climbed 167 percent, rent has gone up 67 percent and disposable personal income has jumped 275 percent in a period stretching from 1951-72; a mere 12-percent increase in cattle prices is trivial to say the least. For example, if beef had increased as much as a postage stamp since 1950, then it would sell for \$2 per pound and if it would have gone up as much as the cost of having a baby has, it would be selling for \$3.11 per pound.

As you can see, beef has been an extremely reasonable commodity on the American market and it still is. Cattlemen are not making a fortune from the sale of their cows, but are just now starting to make a decent living. They would go bankrupt if forced to dump their cattle on the market as a result of a rollback just to meet operating expenses. The result may be lower beef prices in the short-run for consumers, but rationing is a distinct possibility in the not-too-distant future.

It is also worth pointing out that the cattle industry is not an assembly-line operation. Ranchers cannot increase or decrease production on a daily or weekly basis to meet demands as can General Motors. They plan years in advance for yearly production. Anyone who believes mother nature can increase the calf quota on Tuesday because there was a meat shortage on Monday, needs a tutoring session from the birds and bees. It takes years to increase the size of cattle herds and I might add with many long and back-breaking hours and with large outputs of capital, of which currently a great portion is borrowed.

The only rollback which seems worth considering is one in which all prices and wages were decreased proportionately to that of beef. Why unload the burden of inflation on just the farmer when it is the concern of all of us? Proponents of a beef price rollback would argue inflation controls must begin somewhere, but it is totally unacceptable to punish those who have been tortured most by increased prices.

It is a well-known fact that agriculture is the heart of America's greatness. Why force the cattlemen, a main ventricle of rural America, out of business? I am confident you will not cause this main artery of our society to collapse by voting for a rollback in beef prices.

Thank you, Mr. Chairman.

Mr. GONZALEZ. Mr. Chairman, this is the only opportunity we are going to have to vote in favor of not abdicating totally to the executive, or to vote hastily and compound the executive errors through congressional folly. This reflects a simple extension of 60 days on our part, but it retains control of the policymaking function of the Congress. It directs the President to do that which he has assumed, and that is to carry out the law and the policy formulated by the Congress.

Nobody debates the fact—even the

minority report reflects this—that the controls by the President have been a total failure. Now we are saying by trying to substitute hasty legislation that we want to take a hand in the total failure.

This amendment merely provides that we extend the Act until June 30, in the meanwhile advising the President to come forth with a specific plan on a specific basis, as recited here in this amendment, by May 15. At that time we will review it. We still hold and keep to ourselves our constitutional responsibility.

The CHAIRMAN. There being no further request for time, the Clerk will read.

The Clerk read as follows:

H.R. 6168

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

AMENDMENTS TO THE ECONOMIC STABILIZATION ACT OF 1970

SECTION 1. The Economic Stabilization Act of 1970 is amended by redesignating sections 204 through 220 as sections 209 through 224, respectively, and by inserting immediately after section 203 the following new sections:

“§ 204. Freeze of prices and interest rates

“(a) Notwithstanding any other provision of this Act, all prices and interest rates are hereby frozen at levels no higher than those prevailing on March 16, 1973. The President may, by written order stating in full the considerations for his action, make adjustments with respect to prices and interest rates in order to correct gross inequities.

“(b) Immediately, but not later than sixty days after the date of enactment of this section, the President shall, by written order stating in full the considerations for his action, roll back prices and interest rates to levels lower than those prevailing on March 16, 1973, in order to reduce inflation and otherwise carry out the purposes of this Act. The President may make specific exemptions from the rollback by written order stating in full the considerations for his action determining that such rollback is unnecessary.

“(c) (1) Whenever the Consumer Price Index (all items—United States city average) as compiled by the Bureau of Labor Statistics, United States Department of Labor, for a calendar month exceeds—

“(A) an annual rate of 3 per centum for any three consecutive months (the first such month of which begins after the sixtieth day after the date of enactment of this section), or

“(B) an annual rate of 2.5 per centum for any twelve consecutive months (the first such month of which begins after the close of December 31, 1972), then within thirty calendar days the President is authorized and directed to issue orders and regulations to establish a mandatory program to—

“(i) stabilize prices, wages, and salaries at levels not less than those prevailing on May 25, 1970, in order to reduce inflation; and

“(ii) stabilize interest rates and corporate dividends and similar transfers at levels consistent with orderly economic growth.

“(2) (A) Notwithstanding any other provision of this Act, no order or regulation may be issued under this subsection unless it is made on the record after opportunity for a hearing.

“(B) Notwithstanding any other provision of this Act, the public shall have access to all data and other information which is the basis for or is used in any manner to formulate any standards issued by the President under this section.

“§ 205. Stabilization of rents

“(a) Notwithstanding any other pro-

vision of this Act, the President is authorized and directed to stabilize rents at levels prevailing on January 10, 1973. Thereafter, the President shall only allow rents to increase by the actual amount of any increase in any tax, fee, or service charge levied by a State or local government and any necessary capital improvement after the beginning of the preceding period of occupancy (and not previously charged to any lessee) and allocable to that residence, and any reasonable increased costs of services and materials.

“(b) The President may roll back rents to levels lower than those prevailing on January 10, 1973, to carry out the purposes of this Act.

“§ 206. Regulation of credit for commodity futures trading

“For the purpose of preventing the excessive speculation in and the excessive use of credit for the creation, carrying, or trading in commodity futures contracts having the effect of inflating consumer prices and industrial costs, the Board of Governors of the Federal Reserve system shall prescribe regulations governing the amount of credit that may be extended or maintained on any such contract. The regulations may define the terms used in this section, may exempt such transactions as the Board may deem unnecessary to regulate in order to carry out the purpose of this section, and may make such differentiations among commodities, transactions, borrowers, and lenders, as the Board may deem appropriate.

“§ 207. Consumer Counselor

“(a) There is established in the legislative branch the Office of Consumer Counselor, which shall be headed by the Consumer Counselor, who shall be appointed for a term of one year by the Temporary Emergency Court of Appeals established by section 216 (b) (1) of this Act. The Consumer Counselor shall be compensated at the rate prescribed for level III of the Executive Schedule.

“(b) The Consumer Counselor may appoint such employees of the Office of the Consumer Counselor at such salaries as are necessary to carry out the provisions of this section.

“(c) Notwithstanding section 210, the Office of the Consumer Counselor, under the direction of the Consumer Counselor, shall have authority to investigate fully, on complaint from a consumer, or otherwise, all official actions of any board, commission, or similar entity charged with the duty to carry out the provisions of this title, and any such board, commission, or similar entity shall promptly upon request make fully available to the Office of the Consumer Counselor all records, information, and testimony relating to any matter which such Office investigates.

“(d) The Consumer Counselor, or his delegate, shall have authority for any purpose related to his official duties, to issue subpoenas for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents, and to administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpoena served on any person under this subsection, the Consumer Counselor may apply to the district court for any district in which such person is found for appropriate relief to compel such person to obey such subpoena.

“(e) The Consumer Counselor may, as the result of an investigation under subsection (c)—

“(1) intervene by submitting a written statement of his objections and the reasons therefor; or

“(2) require a public hearing and decision on the record as provided in section 556 of title 5 of the United States Code; in any rulemaking or adjudication or other decision of any board, commission, or similar entity, where the Consumer Counselor

determines such intervention or requirement is necessary in order to prevent the making of a rule, the adjudication of a case, or the making of any other decision contrary to law, contrary to the intent of the Congress, contrary to the Constitution, or contrary to the rules of such board, commission, or similar entity.

“(f) If any board, commission, or similar entity makes any rule, adjudication, or other decision notwithstanding the objections of the Consumer Counselor under subsection (e), the Consumer Counselor may apply to the appropriate district court for all appropriate relief to compel such board, commission, or similar entity to act in accordance with law, the intent of the Congress, the Constitution, or the rules of such board, commission, or similar entity.

“(g) The authority conferred upon the Office of Consumer Counselor and upon the Consumer Counselor by this section with respect to any board, commission, or similar entity charged with the duty to carry out the provisions of this title shall also extend to any action of any officer, agency, or entity of the Federal Government which in any manner affects the stabilization of prices, rents, wages, salaries, dividends, or interest.

“(h) The Office of the Consumer Counselor shall take all necessary action to advise consumers of information necessary to make intelligent decisions on the purchase of consumer goods and services and so effect cost-of-living economies.

“§ 208. General Accounting Office

“(a) Notwithstanding any other provision of this Act, the Comptroller General of the United States (hereafter referred to in this section as the ‘Comptroller General’) shall have authority to review all reports concerning prices, profits, wages, salaries, or interest rates submitted by any person to any officer, department, agency, board, commission, or similar entity established pursuant to authority granted the President by this title.

“(b) The Comptroller General shall promptly inform the Congress whenever the review provided for in subsection (a) reveals that any person has taken or is about to take action which departs substantially from the standards for prices, profits, wages, salaries, or interest rates established under the authority of this title. Neither section 210 of this Act, nor section 1905 of title 18, United States Code, shall in any way limit the information which the Comptroller General may transmit under this section to the Congress.”

PUBLIC DISCLOSURE

SEC. 2. Section 210 of the Economic Stabilization Act of 1970, as redesignated by section 1 of this Act, is amended—

(1) by striking out “All” and inserting in lieu thereof “(a) Except as provided in subsection (b), all”; and

(2) by adding at the end thereof the following new subsection:

“(b) (1) (A) Any business enterprise subject to the reporting requirements under section 130.21 (b) of the regulations of the Cost of Living Council in effect on January 11, 1973, shall make public any report (except for matter excluded in accordance with paragraph (2)) so required which covers a period during which that business enterprise charges a price for a substantial product which exceeds by more than 1.5 per centum the price lawfully in effect for such product on January 10, 1973, or on the date twelve months preceding the end of such period, whichever is later. As used in this subsection, the term ‘substantial product’ means any single product or service which accounted for 5 per centum or more of the gross sales or revenues of a business enterprise in its most recent full fiscal year.

“(B) Any person who raises any interest rate shall make public a report justifying any such raise.

“(2) A business enterprise may exclude

from any report made public pursuant to paragraph (1)(A) any information or data reported to the Cost of Living Council, proprietary in nature, which concerns or relates to the amount or sources of its income, profits, losses, costs, or expenditures but may not exclude from such report, data, or information so reported which concerns or relates to its prices for goods and services.

"(3) Immediately upon enactment of this subsection, the President or his delegate shall issue regulations defining for the purpose of this subsection what information or data are proprietary in nature and therefore excludable under paragraph (2), except that such regulations may not define as excludable any information or data which cannot currently be excluded from public annual reports to the Securities and Exchange Commission pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934 by a business enterprise exclusively engaged in the manufacture or sale of a substantial product as defined in paragraph (1)."

Mr. PATMAN (during the reading). Mr. Chairman, I ask unanimous consent that section 1 be considered as read.

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

There was no objection.

AMENDMENT IN THE NATURE OF A SUBSTITUTE  
OFFERED BY MR. WIDNALL

Mr. WIDNALL. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. WIDNALL: Strike out all after the enacting clause and insert in lieu thereof the following:

That section 218 of the Economic Stabilization Act of 1970 (title II of Public Law 92-210; 85 Stat 743) is amended by striking out "April 30, 1973" and "May 1, 1973" and inserting in lieu thereof "April 30, 1974" and "May 1, 1974," respectively.

The CHAIRMAN. The gentleman from New Jersey is recognized for 5 minutes in support of his amendment.

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

The CHAIRMAN. The Chair will count.

Eighty-one Members are present, not a quorum. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 89]

Alexander	Hébert	Regula
Andrews, N.C.	Horton	Rooney, N.Y.
Archer	Jones, Ala.	Rosenthal
Arends	King	Ryan
Ashley	Kuykendall	Sikes
Blatnik	Mathias, Calif.	Talcott
Carney, Ohio	Metcalfe	Teague, Tex.
Clark	Mitchell, N.Y.	Thompson, N.J.
Conyers	Mollohan	Ullman
Diggs	Morgan	Vigorito
Dingell	Passman	Waldie
Dulski	Pepper	Whitten
Foley	Perkins	Wiggins
Giaimo	Podell	Wilson, Bob
Gray	Quie	Young, Fla.
Harvey	Rangel	Zwach

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, 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. 6168, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, when 385 Members responded to

their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. Before the point of order was made the Chair had recognized the gentleman from New Jersey (Mr. WIDNALL).

Mr. WIDNALL. Thank you.

Mr. Chairman, during the general debate I indicated I would offer during the course of action on the bill an amendment in the nature of a substitute that would limit the extension of the bill to 1 year, from April 30, 1973, to April 30, 1974. That is exactly what has been offered at this time.

It is a very simple amendment and is broad in authority. I believe it will be in the best interests of this country if we can just have this simple extension at this time.

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

AMENDMENT OFFERED BY MR. REUSS TO THE  
AMENDMENT IN THE NATURE OF A SUBSTITU-  
TUTE OFFERED BY MR. WIDNALL

Mr. REUSS. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. REUSS to the amendment in the nature of a substitute offered by Mr. WIDNALL: At the end of the substitute insert the following new section:

SEC. 2. The Economic Stabilization Act of 1970 is amended by redesignating sections 204 through 220 as sections 205 through 221, respectively, and by inserting immediately after section 203 the following new section:

"CEILING ON PRICES

"SEC. 204. Notwithstanding any other provisions of this Act, a ceiling is imposed on all prices (except agricultural prices at levels no higher than the farm level) than those prevailing on April 16, 1973, except that no price shall be subject to a ceiling at a level lower than any level allowed to prevail for such price under phase II. The President may, by written order stating in full the considerations for his action, make adjustments with respect to prices in order to correct gross inequities."

Mr. REUSS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. REUSS. Mr. Chairman, I make the point or order that the Clerk inadvertently, I believe, misread the amendment in two particulars: The exception for agricultural prices should be "(except agricultural prices at the farm level)", and in line 6 the correct phrase is "inequities" rather than "gross inequities."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. REUSS to the amendment in the nature of a substitute offered by Mr. WIDNALL: At the end of the substitute insert the following new section:

SEC. 2. The Economic Stabilization Act of 1970 is amended by redesignating sections 204 through 220 as sections 205 through 221, respectively, and by inserting immediately after section 203 the following new sections:

"§ 204. Ceiling on prices

"Notwithstanding any other provisions of this Act, a ceiling is imposed on all prices except agricultural prices at the farm level at levels no higher than those prevailing on April 16, 1973, except that no price shall be subject to a ceiling at a level lower than any

level allowed to prevail for such price under phase II. The President may, by written order stating in full the considerations for his action, make adjustments with respect to prices in order to correct gross inequities."

Mr. REUSS. Mr. Chairman, I ask unanimous consent to strike out the word "gross" in the last line of the amendment.

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

Mr. GROSS. Mr. Chairman, reserving the right to object, what is it that the gentleman from Wisconsin now wishes to strike from his amendment?

Mr. REUSS. The word "gross" in the last line.

Mr. GROSS. Just to strike "gross"?

The CHAIRMAN. The Clerk will report the unanimous consent request of the gentleman from Wisconsin (Mr. REUSS).

The Clerk read as follows:

The gentleman from Wisconsin, Mr. REUSS, asks unanimous consent to strike the word "gross" in the last line of the amendment.

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

Mr. GROSS. Mr. Chairman, further reserving the right to object, would the gentleman from Wisconsin like to substitute "144"?

Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

Mr. REUSS. Mr. Chairman, there is before us the amendment offered by the gentleman from New Jersey (Mr. WIDNALL), in the nature of a substitute, to simply extend the existing phase 3 price and wage stabilization legislation for 1 year.

If the Members think that two devaluations and the monetary crisis abroad is a good record for phase 3; if the Members think that the most horrendous increase in the wholesale price index, 26 percent, at an annualized rate, the most terrific increase in 22 years, is a good record; if the Members think that alarming increases both in cost-push and demand-pull inflation are a good record; then I am sure the Members will want to vote for a pat on the back for phase 3 by supporting it with the so-called Widnall amendment.

If the Members believe, however, as I do, that we are confronted with a serious inflationary crisis, and that in addition to sound monetary and fiscal policy, responding to the crisis requires clear and pervasive direct controls, then I hope Members will vote for the ceiling embodied by my amendment.

This is a very reasonable ceiling. It does not roll back or crank back prices; it has as the ceiling level prices as of today. It exempts, because of technical difficulties, agricultural prices at the farm level, although, of course, it does impose them at the wholesale and retail distributional levels. There is no rollback. The date is today. It has nothing to do with interest rates and rents, or control of dividends or profits. It relates simply to prices, not to wages. I believe it is in the public interest.

Mr. ICHORD. Mr. Chairman, if the gentleman will yield, what would be the duration of the ceiling placed on prices under the gentleman's amendment?

Mr. REUSS. The duration of the ceiling depends entirely on the President, that is to say, any time that he feels that the ceiling is inequitable he may raise it, reject it, or do whatever he wants to do. In any event, it of course can only last a year, that is the outer limit.

Mr. ICHORD. Does the amendment offered by the gentleman from Wisconsin apply to wages?

Mr. REUSS. My amendment does not apply to wages for the reason, as both the administration and representatives of labor testified that under existing law, there is now an effective arrangement restricting wages to something on the order of 5.5 percent a year. To freeze wages would simply be mandating that the increase in the productivity of labor be transferred to excess profits of the corporation. Nobody wants that. But I would point out that the existing wage controls in the 1970 act which we are amending are plenty strong enough to permit whatever action the President might want to take.

Mr. ICHORD. As a matter of history, how about the price of rents?

Mr. REUSS. Rents are likewise within the purview of the existing act. However, as the gentleman knows, they have been very substantially disbanded under phase 3. I believe that an amendment with respect to rents may be offered later on. I wish to keep my amendment simple.

Mr. ICHORD. Further regarding the matter of legislative history, the gentleman has used the term "agricultural prices at the farm level." Is the gentleman using this term in the same sense that the President used it in his order setting a ceiling on meat prices?

Mr. REUSS. Precisely.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Michigan (Mr. BROWN).

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

Is the gentleman suggesting that the existing law does not also give the President the authority to do exactly what his legislation does?

Mr. REUSS. No; I am not. Supporters of this amendment deplore the fact that the President has not taken this action. We, therefore, think the Congress has to step in and act.

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

Mr. REUSS. I yield to the gentleman from New York.

Mr. WOLFF. The gentleman has indicated because of the possible technical difficulties he is not recommending a freeze on agricultural prices at the farm level?

Mr. REUSS. Because of technical difficulties—there are more technical difficulties on the floor here as well—with which the gentleman is thoroughly familiar.

Mr. WOLFF. I do not see how you can propose with grain prices up almost 200 percent in 1 year, we put a ceiling on prices at the retail or wholesale level and the manufacturing level without putting

a ceiling as well on agricultural products at the farm level.

Mr. REUSS. That is precisely, of course, what the President did with respect to meat controls, and while grossly inadequate in their coverage, his ceiling has at least prevented further increases in the price of meat to the consumer. This amendment would extend that principle to other food prices, and to all prices.

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

Mr. Chairman, my colleagues earlier today mentioned the fact that the cattleman and cattle feeder was taking advantage of high prices. Let me draw to the Members' attention a few facts this afternoon. Simply, for those who had beef today, the meat they consumed this noontime was born 2 years ago. The calf that is born on the range today will not come to market until the fall of 1975.

How in the world can anyone hedge on the market that far in advance? I do not know of a single gambler in the United States who would ever go to the tables of Las Vegas with the odds that a farmer faces each year when he goes to the field. There is not one single item that a farmer sells at the marketplace that carries a price tag. He is at the whim and will of the market—supply and demand prevails. A price is not established until it leaves first hands, the hands of the producer.

We all know that the problems created by a surplus or a shortage are simply the result of supply and demand. The system is no different on meat, automobiles, stereo sets, or anything else. The problem we have today is that beef is in short supply. The farmers are not holding back their livestock, because one thing we want to remember is that the farmer is dealing with a perishable product. When that animal is ready for market, it must be sold, because today's cost of grain makes it prohibitive to keep the animal any longer than the profit that the particular producer might realize in feeding that animal.

We should also remember the disastrous weather conditions we had in the Midwest this year. The normal gain for a 700-pound animal up to about 1,000 pounds would normally cost between 25 and 30 cents a pound. The cost this year, because of adverse weather has ranged as high as 60 to 70 cents a pound. With this in mind, there is no way the cattle feeder can absorb the losses or rollbacks contemplated under this piece of legislation. We all know who brought the prices up. It is very simple. The consumer brought the prices up—the very people who established the boycott or the same people who put the prices where they are today. Do not blame the farmer. He is a businessman just like everybody else is. His product went to market. It is in short supply. Everybody wants it, so the price has increased.

Another thing we ought to remember is that people have discovered a protein diet, not only in the United States but all over the world. They recognize meat and especially what it means to the average diet in Argentina, New Zealand, and all the countries that import into the United States, they have discovered that meat is a really wholesome item.

Let me try to reflect with the Members momentarily if I can when the U.S. Department of Agriculture refers to the "average market basket." That average market basket 20 years ago cost the consumer \$860. Today the consumer pays \$1,300 for that same basket of groceries. However, 15 percent of that increase is in food costs but 85 percent of that increase is in costs chargeable to labor, such as packaging, transportation, retailing, and so forth, and all the other items over and above the cost of the food alone. The average consumer 20 years ago paid 23 percent of his disposable income for food. Today he pays 15.7 percent. In 20 years because of the efficiency of the American farmer there has been a tremendous reduction in food costs. Because of that savings the people of this Nation have had \$53 billion to spend for other items such as campers, recreation, TV sets, cars, and other items.

One year ago the farmers of this country made \$7,500 a year. That was the average income. The blue collar workers made \$10,500 a year, and the white collar workers made \$14,500 a year. The agricultural segment of the economy has always been low.

Out of curiosity I called the Defense Department and asked how much an army colonel received in base pay 20 years ago and I was told it was \$8,000. That same colonel today is receiving \$21,000 base pay.

I tried to find the cost of an average single dwelling unit in the District 1 year ago. The National Association of Home Builders told me last year the cost was \$24,700. This year 1973 the same house was worth \$34,400, an increase of 23 percent.

I am opposed to the amendment and will support a simple extension of the present act.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the author of this amendment made some reference to productivity. I want to remind the Members that the productivity increase in the agricultural industry has been greater than in any other industry in this country. It has been at the rate of about 14 percent per year. This amendment would prohibit the agricultural industry, which has been the most productive, from getting any increase in price from the increases in productivity hereafter. In fact they would in addition thereto be required to absorb increases in cost from other industries involved in food manufacturing and if Congress sets a ceiling on the retail prices and meanwhile there is an increase in the cost or profit margin at any level between the retailer and the last man on the totem pole, which on food products is the farmer, the farm producer is going to have to absorb those increases in costs. So in effect the amendment would control the price of raw products, or attempt to.

I believe such controls are unworkable anyway and would be self-defeating by discouraging the needed increases in supply. In our system we have rationed products by price except for very brief periods, such as one in World War II where we had a floor, high enough to

encourage production and at the same time set the ceiling just above that. Price is our method of rationing products in this country. This amendment attempts to eliminate the present rationing system and not substitute another one for it. For example, a week ago, there was a storm in Iowa and 76,000 head of cattle and 240,000 turkeys died in 1 night. There have been other large losses of this kind in the last 4 or 5 months. Eliminating the use of DES has the effect of reducing supplies. This is not saying DES should or should not have been outlawed but the effect is the same on supplies.

Devaluation also encouraged temporarily some sales overseas. Although imports are 25 times as much as exports in volume, the supply is changed to some extent. Many things affect supply and whenever the supply is reduced, some way or another, there must be a rationing system which results in the end in somebody or everyone cutting down some on consumption. In World War II, we had ration cards and tried to cut everybody an equal amount, but we do not have a system like that and a whole agency to administer it. The only tool to use to ration is price and the amendment does not substitute another tool when price is eliminated. To put a ceiling on price and do away with that method of rationing without substituting something for it would be unworkable.

The system would have to devise tools of its own. For example, if the supply is not great enough to cover demand, and we're to go to the store to buy something not rationed through price, merchants might sell a limited amount to each customer.

In Syracuse, N.Y., in 1946, I saw two women get into a hair-pulling contest, because they were both after the last piece of meat in a store. That was in 1946, and it could happen again. For example, turkey producers raise more than one crop. If there is price control too low, some will simply not raise anymore or start any more poult. When there is too little turkey meat or red meat, the grocer may say, "There are only so many pieces per customer." The family of two would get the same as the family of 10. The family where the wife does not work or the wife who can stand in the line all afternoon, would receive more than where both husband and wife both work and neither can get there in the morning and stand in line.

We have to have some kind of rationing system, but what this amendment attempts to do, is to do away with our present rationing system, which is pricing, and not substitute anything else for it.

I also think such an amendment would cause us to not look sufficiently at the real problems. I know it has been a long time since the Sherman Act, the Clayton Act, the Robinson-Patman Act, and others, but believe me, the very things which existed at that time which resulted in noncompetitive pricing exist in this country today.

We have administrative pricing in a good many of our industries. That is where the real inflation is coming from.

There are monopolies, semimonopolies, and mergers; we have so many industries which just add on any cost or any increase in profit margin they want to and charge that amount without fear that competition will undersell them. This is where the real inflation is coming from.

For us to come in here and vote for a bill like this and think that we are really doing something would tend to cause us to just fool ourselves.

The committees of this Congress ought to look at the mergers, anticompetitive practice, and monopolies. The oil companies now own 25 percent, for example, of the coal reserves. They own 50 percent of the nuclear energy capacity or reserves. The top 20 oil companies own 84 percent of the refineries and control the imports of oil, which is supposed to be their competition, because imports are based upon refinery capacity for the previous year. Many other industries do not have effective incentive to produce more and meet competitive prices.

We cannot possibly have any effective action overall against inflation unless we deal with these problems, instead of deluding ourselves into thinking an amendment like this will take care of the problem.

This kind of amendment and bill also results in continuing inequities. Those articles priced too cheaply in comparison to other products are held down and those which are too high can continue. Competition is reduced for articles which are to high and additional production is not encouraged for articles which are too cheap. Adjustments corresponding to changes in world prices could not be made. I have prepared a list which is available to Members showing what has happened to prices of many commodities compared to wages and profits.

The fact of the matter is that, in the 20 years since 1952, the prices received by farmers for their commodities have not kept pace with the price paid by the housewife.

Since 1952, for example, the price received by farmers for beef cattle has increased about 30 percent. But the retail price for both round steak and chuck roast, during the same period, went up more than 63 percent.

In the last 20 years, the price received by farmers for wheat has gone down about 20 percent. During the same time, the retail price of white bread went up nearly 65 percent.

In the last 20 years, the cost of a new automobile has gone up 17 percent. During the same period, the price of a tractor jumped almost 60 percent.

Since 1952, the cost of a semiprivate hospital room has increased 375 percent.

The cost of auto insurance rates has gone up 157 percent.

The price of a movie ticket has jumped 212 percent.

Corporate profits have gone up 168 percent.

In other words, the farmer has lagged behind other sectors of the economy in the last 20 years.

And while food prices have gone up, they have risen at a more modest rate than most other items.

In order to put the food price controversy in its proper perspective, I have prepared a table showing the rate of increase—or decrease—for certain items from 1952 until 1972.

The table follows:

[In percent]

Item	Increase over 1952	
	1962	1972
Overall cost of living	13.8	57.6
U.S. per capita income before taxes	36.6	158.2
U.S. per capita income after taxes	36.0	150.8
Corporate profits, after taxes	59.2	168.4
Price of common stocks	154.6	345.7
Wages, private selected, nonagricultural industries	41.6	124.0
Welfare payments, family of 4 in Detroit <sup>1</sup>	30.5	111.1
Price paid by farmers for tractors	21.4	59.8
Price paid by farmers for all motor vehicles	20.8	76.4
Price paid by farmers for all types machinery, except tractors	22.1	98.5
Meat:		
Price received by farmer for beef	-12.4	30.7
Retail price for round steak	19.2	63.2
Retail price for chuck roast	19.4	63.5
Price received by farmer for hogs	-8.3	45.0
Retail price for pork chops	9.7	53.3
Grain:		
Price received by farmer for corn	-26.3	-15.1
Price received by farmer for wheat	-2.4	-20.1
Retail price for white bread	28.4	64.7
Furniture and bedding	5.6	41.2
Floor coverings	1.0	31.6
Apparel and upkeep	10.4	19.7
Women's shoes	6.6	43.3
Drycleaning	31.5	90.5
Transportation costs	19.9	67.8
New cars	9.7	17.0
Auto insurance rates	41.7	156.9
General physician office calls	35.1	127.7
Semiprivate hospital room daily rate	78.4	375.1
Movie admissions	57.1	211.7
Cigarettes	28.2	114.6
Beer	9.5	32.3
Buying and renting of housing	16.5	64.2

<sup>1</sup> Increases based on 1955 and 1961, as compared to 1972.

Mr. Chairman, I urge rejection of the pending amendment.

Mrs. SULLIVAN. Mr. Chairman, I rise in opposition to the Reuss amendment.

Mr. Chairman, the biggest complaint today is about the constant increase in the price of food, which is something felt by all individuals in this country, and is the most important failure of the stabilization program.

The constantly rising prices in food are hurting those on fixed incomes and the poor far more than anything else, and placing ceilings on food is more necessary than on automobiles, stoves, refrigerators, or clothing. Our purpose in placing controls over agricultural prices in H.R. 6168, as written, was to give a mandate to the President that inflation must stop and all products must be controlled across the board.

Why write into the law an exemption for agricultural prices? The President himself exempted them. Why should we ratify that action of his by writing such an exemption into the law?

I would rather let the law stand as it is right now and let the onus of the food price failure stay right where it belongs, at the White House, rather than have the House bail out the President's mistaken policy by writing an exemption for agricultural prices into the law.

Mr. ANNUNZIO. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I yield to the gentlewoman from Illinois.

Mr. ANNUNZIO. Mr. Chairman, I appreciate the gentlewoman yielding to me.

I want to associate myself with the remarks of the gentlewoman from Missouri. I want to commend her for a very fine statement.

I do not think the Reuss amendment will resolve our problems. Prices are at the highest they have ever been. We are not serving the American people by this action; we are just running away from our responsibilities.

I again associate myself with the gentlewoman from Missouri and will vote against the amendment.

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

Mr. Chairman, Members: I was prepared to offer an amendment, but I am long enough a Member of the legislative branch to read the signs, and I do not think any substantive amendment is going to pass this body.

I am just going to give you, the Members, a little prediction about where you will stand after this day on the floor. First, let us talk about the press. The press is going to see our actions as a victory for the President. Many of us on both sides of the aisle seem to be very concerned about the balance of power as between ourselves and the President.

Just remember that this day's work will be read out as a great indication that the will of the Congress has the tensile strength of a wet noodle.

If Members believe that is a bad situation, let me give them their position with the public. Their position with the public is something like the third act of Othello.

Here we are in the third phase of an equalization control program. How is it like the third act of Othello?

We have heard a lot of very intelligent, straightforward, I believe factual material here on the floor, but that is not what counts. It is, what is believed?

Do the Members remember Desdemona? Iago said all those bad things about her, none of which were true, but she was just as dead in the third act as if they were true. Because what killed her was what Othello believed. It mattered not what was true.

Now, the people believe that they brought a message to the Congress to say, "Look, please tell somebody down at 1600 Pennsylvania Avenue to do something about prices and rents." They said that very clearly. They said it to me. They said it to other Members. And they believe we can do something about it.

Now, if we do not say something positive in this extension, about prices or rents, then we have told the press we have no effective will. We have lost another battle for power. We have told the people that their belief in us is ill-founded. Their belief will continue that we could have done something about it if we had wanted to. This is the dangerous and operative fact.

All we have to do—and it is not so strenuous—is simply to tell the President to do something that the present act tells him he can do. We can tell him to freeze prices on agriculture. He can do anything he wants with the prices on agriculture, under this bill. We tell him to freeze rents. He can make any adjustments landlords reasonably demand.

Members had better listen to what the people are saying and had better think about what they believe, because lots of times what people believe is operative, and sometimes it is even imperative. Think about the next election.

Members may be in a bad state with the press, but they are going, like Desdemona, be dead in phase II with the public.

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

Mr. Chairman, the gentleman from Wisconsin has made a very important distinction in his amendment, as I understood it, when he proposes a ceiling to be imposed on all prices except agricultural prices at the farm level.

The reason why that is important is that prices at farm level on raw agricultural commodities would be absolutely unworkable. It is completely impractical to try to enforce them. The American people will never tolerate putting a Federal investigator or enforcer on every one of the family farms of America.

That is what is so completely absurd about the committee bill, in that it does impose a rollback on all prices, including prices on the farm. It would deny our livestock producers any chance of recovering their actual costs incurred in buying expensive replacement feeder cattle. But nothing has yet been said about the fact that the committee's rollback is also extremely unfair to the feed grain farmers of this country.

For example, by no stretch of the imagination can our corn farmers be said to be getting high prices for corn at the present time, and they were not on January 10, March 16, or any other time during the life of the Economic Stabilization Act. Last Friday, the prices at central Iowa markets were only \$1.29 to \$1.36 for No. 2 yellow corn, which is well below parity. Our corn farmers should be able to look forward to corn rising to a reasonably adequate price as heavy demand continues. Corn should be permitted to go up at least another 40 or 50 cents to be an adequate price, but the committee bill voted by 22 out of 23 Democrats on the Banking and Currency Committee would roll the price of corn back to the even lower prices of Jan. 10.

Similarly, oats were only from 79 to 90 cents, and that ought to go up another 20 cents a bushel for anything like an adequate price.

The important thing is that by rolling back prices, as the committee bill provides, we would be breaking faith with our farmers, who have been urged by everybody—not just the executive and legislative branches of Government, but also by consumer organizations, labor unions and everybody else—to expand production of food. They have been told that the way the farmers can contribute to alleviating the problems of consumers is by increasing supplies. The farmers have, therefore, gone out in good faith to increase supplies. They have bought feeder replacement cattle, at very high prices. If farmers who made such investments were now to be limited to the lower prices for fat cattle, which existed at some time in the past, they could not

possibly break even with the cattle they have on those feedlots today.

If we in the Congress are stupid enough to pass the committee bill rolling all prices back to January 10, we will be making the farmer lose at least 15 cents a pound on all of the gain he puts on such feeder cattle, and that is a very substantial loss. It is one which our typical family farmer simply cannot endure.

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

Mr. MAYNE. I yield to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Chairman, I wonder if the gentleman can tell us what effect the Soviet wheat deal and the feed grain deals have had upon prices.

Mr. MAYNE. Well, I would hope that the expansion of our foreign markets for wheat and feed grain will be recognized as very beneficial not only to American agriculture but to our entire economy. I know that as far as feed grains are concerned, the Soviet sale brought a very substantial price improvement to Iowa farmers for their corn last summer when such improvement was sorely needed. Corn went up about 15 cents a bushel last summer at a time when it is usually going down. The Russian sale also has contributed mightily to the diminution of our unfavorable balance of trade.

Mr. Chairman, if industry and the rest of the economy were doing one-tenth as good a job at selling our products overseas as American agriculture is doing today, we would not be faced with a \$6.4 billion deficit in our balance of trade.

I will say to the gentleman from New York (Mr. WOLFF) that the productivity of the American farmer is one of the real strengths which are keeping us going in this country, and we had better not do anything to penalize and handicap the farmer so as to make it impossible for him to produce food at reasonable prices. He has been doing a magnificent job, a much better job than labor, from the standpoint of productivity.

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

Mr. MAYNE. I yield to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Chairman, the point that is involved here is the fact that we took a vast quantity of feed grains out of the limited supply available to Americans at a time when we did not have the productivity to sustain it. As a result, we took feed grains away from the American cattleman and gave it over to the Soviets and to China. This according to all segments of the food industry is the basic reason why feed grain prices and wheat prices and meat prices in this country have gone to the point where they have today because we have taken from a limited supply instead of waiting until such time as we built up our productivity through unused acreage.

Mr. MAYNE. Feed grain prices have not gone up in this country. In central Iowa markets Friday, No. 2 yellow corn was only \$1.29 to \$1.36. I will say to the gentleman that that is a bargain for the buyer and represents a less than adequate return to the producer.

Mr. WOLFF. How about soybeans? According to the New York Times soybean prices have increased from \$3.58 per bushel 1 year ago to \$6.18 per bushel today. How about wheat? One year ago, before the Russian wheat deal, wheat sold at \$1.63, today it is \$2.29.

Mr. MAYNE. Soybeans were not in the sale we are talking about to the Soviet Union. They are not a feed grain.

Mr. O'NEILL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I spoke earlier in the day when there were fewer Members on the floor.

This entire bill has been extremely interesting. There are those on our side who have said, "The monkey is on the back of the President. Why do we not just leave it there. He has woven an economic web that has become difficult to entangle. Let him just stay in that web, get himself out of it alone."

Mr. Chairman, I do not think that is the right attitude. There are those who say we ought to go back to January of 1972; there are those who say we ought to go back to January of 1973; and then there are those who say we ought to go back to March 15, 1973:

Well, it is obvious to me as I read the will of this Congress that Members do not want to go back to any of these dates.

Mr. Chairman, the amendment offered by the gentleman from Wisconsin (Mr. REUSS) would freeze prices as of today. Now, what is wrong with freezing prices as of today?

Mr. Shultz the Secretary, not too long ago, said to the Nation:

We will continue to experience rising prices. Prices will ascend at a rate of about 2 percent a month, and we can expect this to persist until about September; then in September there will be a leveling off, and finally prices will stabilize.

He anticipates the rate of increase will be something like 4 or 5 percent for the year.

Now, Mr. Chairman, if the administration predicts a continual upward surge until September, why can we not stop it and cut it off right at this particular moment? That is what the amendment calls for. Let us see if we can get this curve-off now, and see if we can get it down below 4 or 5 percent.

Mr. Chairman, I think the amendment offered by the gentleman from Wisconsin (Mr. REUSS) is a fair amendment for both the consumer and the farmer. With a pessimistic forecast of a substantial increase in food prices for the whole year, freezing prices as of today is the surest way to guarantee that consumers are not priced out of the food market.

And if the farmers' costs for fertilizer, feed grain, and other necessary expenditures continue to increase at the current rate, imagine what future increases will accrue to the farmer when workers who build farm machinery and produce fertilizer demand higher wages because of increased food costs. I believe the farmer should get a fair and reasonable return for his labors, but inflated costs for farm machinery, feed, and fertilizer

hurt his family just as much as high food prices hurt urban families.

So I cannot fathom how any Member from the city or from the farm area can be opposed to the amendment offered by Mr. REUSS. All regions of this Nation must work together to curb inflation.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that all debate on the Widnall amendment and all amendments thereto close in 40 minutes.

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

Mr. GERALD R. FORD. Mr. Chairman, reserving the right to object, do you want to make it 30 minutes?

Mr. PICKLE. Mr. Chairman, reserving the right to object, is it the intention of the gentleman from Texas to preclude the offering of other amendments relating to this?

Mr. PATMAN. No. All amendments within 40 minutes and all amendments thereto, for debate only.

Mr. PICKLE. Are you saying, then, if you have an amendment prepared it has to be offered within that time?

Mr. PATMAN. Yes.

Mr. PICKLE. Mr. Chairman, I object.

Mr. PATMAN. Mr. Chairman, I move that all debate be closed in 40 minutes.

The motion was agreed to.

Mr. HANNA. Mr. Chairman, I would not seek to be on the list. I simply rise to move the previous question on Mr. REUSS' amendment, and I do that—

The CHAIRMAN. The Chair will have to inform the gentleman the previous question is not in order in the Committee of the Whole.

The Chair was going to suggest that those who seek to speak on the Reuss amendment to the Widnall amendment in the nature of a substitute seek recognition first so that we may dispose of that amendment and proceed to other amendments.

Mr. HANNA. Let me just put this in the framework of a question to the Chair:

Is it not true that if we could now vote on the amendment offered by the gentleman from Wisconsin (Mr. REUSS) to the amendment in the nature of a substitute offered by the gentleman from New Jersey (Mr. WIDNALL) that this would then give us all of the rest of the time to discuss some of the other amendments that are to be offered?

The CHAIRMAN. The Chair will state that that is exactly correct, and that is the purpose of the Chair.

The question is on the amendment offered by the gentleman from Wisconsin (Mr. REUSS) to the amendment in the nature of a substitute offered by the gentleman from New Jersey (Mr. WIDNALL).

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

#### RECORDED VOTE

Mr. REUSS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 139, noes 263, not voting 31, as follows:

[Roll No. 90]

AYES—139

Adams	Gonzalez	Pepper
Anderson, Calif.	Grasso	Pike
Aspin	Gray	Price, III.
Bennett	Green, Pa.	Pritchard
Bergland	Griffiths	Randall
Blester	Gunter	Rees
Blatnik	Hanna	Reid
Boggs	Hansen, Wash.	Reu
Boland	Harrington	Rieg
Brademas	Hawkins	Rinaldo
Brasco	Hays	Rodino
Brinkley	Heckler, Mass.	Rogers
Brooks	Hicks	Roncalio, Wyo.
Burke, Calif.	Holfeld	Rooney, Pa.
Burke, Mass.	Howard	Rostenkowski
Burton	Ichord	Roush
Clay	Johnson, Calif.	Royal
Conte	Jordan	Sarbanes
Corman	Karth	Schroeder
Coughlin	Kastenmeier	Seiberling
Cronin	Kazen	Sikes
Daniels,	Kyros	Staggers
Dominick V.	Leggett	Stanton,
Danielson	Long, La.	James V.
Davis, S.C.	Long, Md.	Stark
de la Garza	Lujan	Steele
Dellums	McCloskey	Stokes
Dent	McCormack	Stratton
Donohue	McDade	Stuckey
Downing	McFall	Studds
Drinan	Macdonald	Symington
Edwards, Calif.	Madden	Taylor, N.C.
Eilberg	Mathis, Ga.	Tieran
Evans, Colo.	Mazzoli	Van Deerlin
Evins, Tenn.	Meeds	Vanik
Fascell	Minish	Whitehurst
Fish	Mink	Wilson,
Flood	Mitchell, Md.	Charles H., Calif.
Flynt	Moakley	Wilson,
Ford,	Mollohan	Charles, Tex.
William D.	Moorhead, Pa.	Wolf
Fountain	Murphy, N.Y.	Wright
Fraser	Nedzi	Wyman
Fulton	Nix	Yates
Fuqua	Obey	Yatron
Gaydos	O'Hara	Young, Ga.
Gibbons	O'Neill	Zablocki
Gilmian	Owens	
	Patten	

NOES—263

Abdnor	Clancy	Green, Oreg.
Abzug	Clausen,	Gross
Addabbo	Don H.	Grover
Anderson, III.	Clawson, Del	Gubser
Andrews, N.C.	Cleveland	Gude
Andrews, N. Dak.	Cochran	Guyer
Annunzio	Cohen	Haley
Archer	Collier	Hamilton
Arends	Collins	Hammer-
Armstrong	Conable	schmidt
Ashbrook	Conlan	Hanley
Badillo	Cotter	Hanrahan
Bafalis	Crane	Hansen, Idaho
Baker	Culver	Harsha
Barrett	Daniel, Dan	Hastings
Beard	Daniel, Robert	Hechler, W. Va.
Bell	W., Jr.	Heinz
Bevill	Davis, Ga.	Helstoski
Biaggi	Davis, Wis.	Henderson
Bingham	Delaney	Hillis
Blackburn	Dellenback	Hinsshaw
Bowen	Denholm	Hogan
Bray	Dennis	Holt
Breaux	Derwinski	Holtzman
Breckinridge	Devine	Horton
Broomfield	Dickinson	Hosmer
Brotzman	Dorn	Huber
Brown, Calif.	Duncan	Hudnut
Brown, Mich.	du Pont	Hungate
Brown, Ohio	Eckhardt	Hunt
Broyhill, N.C.	Edwards, Ala.	Hutchinson
Broyhill, Va.	Erlenborn	Jarmar
Camp	Esch	Johnson, Colo.
Carey, N.Y.	Eshleman	Johnson, Pa.
Carney, Ohio	Findley	Jones, N.C.
Carter	Fisher	Jones, Okla.
Casey, Tex.	Flowers	Jones, Tenn.
Cederberg	Foley	Keating
Chamberlain	Forsythe	Kemp
Chappell	Frelinghuysen	Ketchum
Chisholm	Frenzel	Kluczynski
	Frey	Koch
	Froehlich	Kuykendall
	Gettys	Landgrebe
	Gaimo	Latta
	Ginn	Lehman
	Goldwater	Lent
	Goodling	Litton

Lott	Peyser	Spence
McClory	Pickle	Stanton,
McCullister	Poage	J. William
McEwen	Powell, Ohio	Steed
McKay	Preyer	Steelman
McKinney	Price, Tex.	Steiger, Ariz.
McSpadden	Quie	Steiger, Wis.
Madigan	Quillen	Stephens
Mahon	Railsback	Stubblefield
Mailiard	Rarick	Sullivan
Mallary	Rhodes	Symms
Mann	Roberts	Taylor, Mo.
Maraziti	Robinson, Va.	Teague, Calif.
Martin, Nebr.	Robinson, N.Y.	Thompson, N.J.
Martin, N.C.	Roe	Thomson, Wis.
Matsunaga	Roncallo, N.Y.	Thone
Mayne	Rose	Thornton
Melcher	Rosenthal	Towell, Nev.
Mezvinsky	Rousselot	Treen
Michel	Roy	Udall
Milford	Runnels	Ullman
Miller	Ruppe	Vander Jagt
Mills, Ark.	Ruth	Veysey
Mills, Md.	St Germain	Waggoner
Minshall, Ohio	Sandman	Walsh
Mizell	Sarasin	Wampler
Montgomery	Satterfield	Ware
Moorhead,	Saylor	Whalen
Calif.	Scherle	White
Mosher	Schneebeli	Whitten
Moss	Sebelius	Widnall
Murphy, Ill.	Shipley	Williams
Myers	Shoup	Winn
Natcher	Shriver	Wyatt
Nelsen	Shuster	Wydler
Nichols	Sisk	Wylie
O'Brien	Skubitz	Young, Alaska
Parris	Slack	Young, S.C.
Patman	Smith, Iowa	Young, Tex.
Perkins	Smith, N.Y.	Zion
Pettis	Snyder	

## NOT VOTING—31

Alexander	King	Talcott
Ashley	Mathias, Calif.	Teague, Tex.
Boiling	Metcalfe	Vigorito
Clark	Mitchell, N.Y.	Walde
Conyers	Morgan	Wiggins
Diggs	Passman	Wilson, Bob
Dingell	Podell	Young, Fla.
Dulski	Rangel	Young, Ill.
Harvey	Regula	Zwach
Hébert	Rooney, N.Y.	
Jones, Ala.	Ryan	

So the amendment to the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

## ANNOUNCEMENT BY THE CHAIR

The CHAIRMAN. The Chair proposes to recognize authors of amendments who were standing in the order of their seniority on the committee and then the Members after that, so that the amendments may be debated.

Mr. ABDNOR. Mr. Chairman, as I have been listening to this debate today over the setting of price ceilings on products, it is very obvious to me that the main concern of my colleagues seems to be over the price of food and its effect on consumers.

I would like to point out to this august body that food never has been as good a buy as it is in America today. I know this is a shocking statement to many persons, but I say the best criterion by which to measure whether food is a good buy or not is by one's wages.

Certainly we have been going through a period of inflation and no one has felt the effect of inflation any more than the farmer.

I heard today a statement that the price of meat never has been higher. What a shame that the price of beef has finally passed the point of what it was 20 years ago. Do you know of any product that sells today for less than it did 20 years ago?

As I said earlier, the best criterion with which to measure the cost of food is by the amount of food one can buy for an hour's work. Today a day's wages will buy over 23 pounds of beef. Back in 1952 that same day's wages bought only 14 pounds.

Sixteen and one-half percent of today's take home pay goes for food—the lowest percentage of any time in history.

Over the past 20 years the farmer has witnessed an 11-percent increase in the price he receives for his produce. But all the costs that the farmer has had to endure have risen much faster than 11 percent. Farm machinery costs over 20 years have risen 100 percent, farm labor costs have gone up 141 percent and taxes have gone up 297 percent. And bear in mind the farmer has to pay costs of living such as clothing, transportation, food and housing as do others. So, in these terms, you can see that food really is cheap.

Now, if we are going to find the culprit for high prices we are going to have to look at the overall picture and what goes into making the cost of food what it is today.

I am not condemning labor for being able to enjoy a substantial wage increase over the last 20 years. But I think when we are talking about trying to hold the price of inflation down, we certainly can not omit labor and the hourly wage.

In the same 20 years of rising costs, it is interesting to note that chain stores in 1952 were paying \$1.31 an hour for labor. In 1972, this same chain store paid \$3.42 an hour—more than a 150-percent increase. Again, I do not condemn labor for the increase, but I must say that in all fairness, farmers are entitled to an equal return on their investments.

Finally, I would like to point out one other thing—we have got to have a healthy agriculture in this day and age with the demand such as it is for food around the world. One of the underlying causes of today's inflation is America's import-export deficit. Here the farmers are going to play a vital role in helping this country restore its balance of trade. The one product that this country has that the whole world wants is food.

## AMENDMENT OFFERED BY MR. ST GERMAIN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WIDNALL

Mr. ST GERMAIN. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. ST GERMAIN to the amendment in the nature of a substitute offered by Mr. WIDNALL: at the end of the amendment insert the following:

SEC. 2. Section 207(b) of the Economic Stabilization Act of 1970 is amended by striking out the period at the end thereof and inserting the following in lieu thereof: "Provided, That such agency shall issue no order which has the effect of reducing wages, or salaries in effect, or proposed to be put into effect, in an appropriate employee unit unless such order is made on the record after opportunity for a hearing. Not less than thirty days after issuance of such an order a statement of explanation shall be directed to the affected parties and made available to the public. Such statement shall include a full explanation of the reasons why the

existing wage or salary, or proposed wage or salary adjustment, does not meet the requirements of or the standards established by the regulations prescribed by the agency."

The CHAIRMAN. The gentleman from Rhode Island (Mr. ST GERMAIN) is recognized in support of his amendment.

(By unanimous consent Mr. HANLEY yielded his time to Mr. ST GERMAIN.)

Mr. ST GERMAIN. Mr. Chairman, the amendment before us was adopted by the full committee without any dissent.

When Mr. Dunlop testified before us. He heads up the Cost of Living Council. I asked him if he did not agree that in instances where an adverse decision were about to be rendered upon a wage contract by the Cost of Living Council, that there should be an opportunity for hearing rather than just a presentation of briefs.

He concurred, and agreed that this would give an opportunity for hearing to those parties who would be aggrieved by an adverse decision as a result of a contract entered into between management and labor. Either party, management or labor, could request this opportunity to be heard. This amendment has nothing to do with the time frame within which a decision would have to be rendered. The 30-day provision refers to the fact that subsequent to the decisions having been made, the reasons for the decision would have to be forwarded to the parties involved.

Mr. Chairman, unless there are questions I yield back the remainder of my time.

Mr. ECKHARDT. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I believe it is fundamental that the opportunity for a hearing with respect to a negotiated wage agreement be given. It seems to me that any person affected by governmental action should have an opportunity for a hearing and there should be a requirement that the reasons for the action be given by the agency. I have defended exactly the same proposition with respect to business under all the regulatory agency bills I have had anything to do with.

It seems so clear on the face of things that there should be an opportunity to create a body of decision which is uniform and applicable on the basis of reason instead of on the basis of fiat that it would be impossible to vote against such an amendment as this without doing a great disservice to the program that is here established.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island (Mr. ST GERMAIN) to the amendment in the nature of a substitute offered by the gentleman from New Jersey (Mr. WIDNALL).

The question was taken; and on a division (demanded by Mr. ST GERMAIN) there were—ayes 91, noes 124.

## RECORDED VOTE

Mr. ST GERMAIN. Mr. Chairman, I demand a recorded vote. A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 271, noes 132, not voting 30, as follows:

[Roll No. 91]

AYES—271

Abzug  
Adams  
Addabbo  
Anderson,  
Calif.  
Anderson, Ill.  
Andrews, N.C.  
Annunzio  
Aspin  
Badillo  
Barrett  
Bell  
Bennett  
Bergland  
Bevill  
Biaggi  
Blester  
Bingham  
Blackburn  
Blatnik  
Boggs  
Boland  
Bowen  
Brademas  
Brasco  
Bray  
Breaux  
Breckinridge  
Brinkley  
Brooks  
Brotzman  
Brown, Calif.  
Broyhill, Va.  
Burke, Calif.  
Burke, Fla.  
Burke, Mass.  
Burlison, Mo.  
Burton  
Carey, N.Y.  
Carney, Ohio  
Carter  
Casey, Tex.  
Chappell  
Chisholm  
Clancy  
Clausen,  
Don H.  
Clay  
Cleveland  
Cohen  
Conable  
Conte  
Corman  
Cotter  
Coughlin  
Cronin  
Culver  
Daniels,  
Dominick V.  
Danielson  
Davis, Ga.  
Davis, S.C.  
de la Garza  
Delaney  
Dellenback  
Dellums  
Dennis  
Dent  
Diggs  
Donohue  
Drinan  
du Pont  
Eckhardt  
Edwards, Calif.  
Eilberg  
Esch  
Evans, Colo.  
Evins, Tenn.  
Fascell  
Findley  
Fish  
Flood  
Flowers  
Flynt  
Foley  
Ford,  
William D.  
Fountain  
Fraser  
Frenzel  
Froehlich  
Fulton  
Fuqua  
Gaydos

Gettys  
Giaimo  
Gibbons  
Gilman  
Ginn  
Gonzalez  
Grasso  
Gray  
Green, Oreg.  
Griffiths  
Gude  
Gunter  
Haley  
Hamilton  
Hanley  
Hanna  
Hansen, Wash.  
Harrington  
Harsha  
Hastings  
Hawkins  
Hays  
Hechler, W. Va.  
Heckler, Mass.  
Heinz  
Helstoski  
Henderson  
Hicks  
Hillis  
Holtzman  
Horton  
Howard  
Hungate  
Hunt  
Ichord  
Johnson, Calif.  
Johnson, Pa.  
Jones, N.C.  
Jones, Okla.  
Jordan  
Karth  
Kastenmeier  
Kazan  
Keating  
Kemp  
Kluczynski  
Koch  
Kyros  
Leggett  
Lehman  
Litton  
Long, La.  
Long, Md.  
McCloskey  
McCormack  
McDade  
McFall  
McKee  
McKinney  
McSpadden  
Macdonald  
Madden  
Madigan  
Maillard  
Mann  
Maraziti  
Mathis, Ga.  
Matsunaga  
Mazzoli  
Meeds  
Melcher  
Mezvinsky  
Milford  
Miller  
Minish  
Mink  
Mitchell, Md.  
Moakley  
Mollohan  
Moorhead, Pa.  
Moss  
Murphy, Ill.  
Murphy, N.Y.  
Natcher  
Nedzi  
Nichols  
Nix  
Obey  
O'Brien  
O'Hara  
O'Neill  
Owens  
Patman

Patten  
Pepper  
Perkins  
Peyser  
Picke  
Pike  
Price, Ill.  
Pritchard  
Railsback  
Randall  
Rees  
Reid  
Reuss  
Riegle  
Rinaldo  
Rodino  
Roe  
Rogers  
Rosenthal  
Runnels  
St Germain  
Sandman  
Roy  
Roybal  
Runnels  
Runnels  
Sikes  
Sisk  
Skubitz  
Slack  
Smith, Iowa  
Smith, N.Y.  
Staggers  
Stanton  
J. William  
Stanton  
James V.  
Stark  
Steele  
Steiger, Wis.  
Stephens  
Stokes  
Stratton  
Stubblefield  
Stuckey  
Studds  
Sullivan  
Symington  
Taylor, N.C.  
Teague, Tex.  
Thompson, N.J.  
Thomson, Wis.  
Thone  
Thornton  
Tiernan  
Towell, Nev.  
Udall  
Ullman  
Van Deerlin  
Vanik  
Wampler  
Whalen  
White  
Widnall  
Williams  
Wilson  
Charles H.,  
Calif.  
Wilson  
Charles, Tex.  
Wolff  
Wright  
Wyatt  
Wydler  
Wylie  
Wyman  
Yates  
Yatron  
Young, Ga.  
Young, Tex.  
Zablocki

NOES—132

Abdnor  
Andrews,  
N. Dak.  
Archer  
Arends  
Armstrong

Ashbrook  
Bafalis  
Baker  
Beard  
Broomfield  
Brown, Mich.

Brown, Ohio  
Broyhill, N.C.  
Buchanan  
Burgener  
Burleson, Tex.  
Butler

Byron  
Cederberg  
Chamberlain  
Clawson, Del  
Cochran  
Collier  
Collins  
Conlan  
Crane  
Daniel, Robert  
W., Jr.  
Daniel, Dan  
Davis, Wis.  
Denholm  
Derwinski  
Devine  
Dickinson  
Dorn  
Downing  
Duncan  
Edwards, Ala.  
Erlenborn  
Forsythe  
Frelinghuysen  
Goldwater  
Goodling  
Gross  
Grover  
Gubser  
Guyer  
Hammer-  
schmidt  
Hanrahan  
Hansen, Idaho  
Hébert

Hinshaw  
Hogan  
Holt  
Huber  
Hutchinson  
Collins  
Conlan  
Crane  
Daniel, Robert  
Ketchum  
Kuykendall  
Landgrebe  
Landrum  
Latta  
Lent  
Lott  
Lujan  
McClory  
McEwen  
Mahon  
Mallary  
Martin, Nebr.  
Martin, N.C.  
Mayne  
Michel  
Mills, Ark.  
Mills, Md.  
Minshall, Ohio  
Montgomery  
Moorhead,  
Calif.  
Myers  
Nelsen  
Parris  
Pettis  
Poage  
Powell, Ohio  
Price, Tex.

Quile  
Quillen  
Barick  
Roberts  
Robinson, Va.  
Robinson, N.Y.  
Rousselot  
Jones, Tenn.  
Ruppe  
Ruth  
Satterfield  
Scherle  
Schneebeli  
Sebelius  
Shipley  
Shriver  
Shuster  
Snyder  
Spence  
Steed  
Steelman  
Steiger, Ariz.  
Symms  
Taylor, Mo.  
Teague, Calif.  
Treen  
Vander Jagt  
Veysey  
Walsh  
Ware  
Whitelhurst  
Whitten  
Winn  
Young, Alaska  
Young, Ill.  
Young, S.C.  
Zion

## NOT VOTING—30

Alexander  
Ashley  
Bolling  
Clark  
Conyers  
Dingell  
Dulski  
Green, Pa.  
Harvey  
Hollfield

Jones, Ala.  
King  
Mathias, Calif.  
Clark  
Conyers  
Dingell  
Dulski  
Green, Pa.  
Harvey  
Hollfield

Regula  
Rooney, N.Y.  
Ryan  
Metcalfe  
Mitchell, N.Y.  
Morgan  
Mosher  
Passman  
Podell  
Rangel

Talcott  
Vigorito  
Walde  
Wiggins  
Wilson, Bob  
Young, Fla.  
Zwach

So the amendment to the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

SUBSTITUTE AMENDMENT OFFERED BY MR. GONZALEZ FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WIDNALL

Mr. GONZALEZ. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. GONZALEZ for the amendment in the nature of a substitute offered by Mr. WIDNALL: Strike out all after the enacting clause and insert in lieu thereof the following: "That (a) section 218 of the Economic Stabilization Act of 1970 is amended by striking out 'April 30, 1973', and by inserting in lieu thereof 'June 30, 1973', and by striking out 'May 1, 1973' and inserting in lieu thereof 'July 1, 1973'.

"(b) The President is authorized and directed to develop a detailed program to stabilize interest rates, rents, prices, and wages and to transmit such program to Congress on or before May 15, 1973, together with his recommendations for such legislation as he considers necessary to carry out such program."

## POINT OF ORDER

Mr. J. WILLIAM STANTON. Mr. Chairman, I make a point of order against the amendment.

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

Mr. J. WILLIAM STANTON. There is a lot of confusion, Mr. Chairman, but the way I understood the amendment, it was an amendment in the form of a substitute and not an amendment to H.R. 2099. I think it should come in order.

The CHAIRMAN. It is the understanding of the Chair that it is an amendment to an amendment in the nature of a substitute, which is thus in order. It is a substitute for an amendment in the nature of a substitute, and this is in order. The Chair overrules the point of order.

Mr. J. WILLIAM STANTON. I thank the Chair.

The CHAIRMAN. The gentleman from Texas (Mr. GONZALEZ) is recognized.

Mr. J. WILLIAM STANTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, when this amendment came before the Committee on Banking and Currency it was defeated. Very truthfully, at that time I supported it as the only alternative we had with the parliamentary process we had at that particular time. Since that time and during the hearings on the bill everyone agreed the worst possible thing we could do, regardless of whether we would want the bill or we would not want it was to write a short extension. Both the labor representatives and the National Association of Manufacturers, said the worst thing we could do would be to do something that would only last for 60 days.

Mr. Chairman, I urge defeat of the amendment.

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

Mr. Chairman, Secretary Shultz has said in the last week that perhaps the worst thing we could do with economic stabilization is to provide a 60-day extension. This would give us 60 days of uncertainty; it will give us 60 days for the cattle producers to wonder what to do with their herds; it will give us 60 days for our international partners to wonder whether we mean business about changing our international monetary system and extending trade. This will absolutely wreak havoc with the producers and create uncertainty throughout this great country of ours.

If we really think we should have a stabilization program, it has to have more durability than 60 days. There is nothing in the bill we are passing which will prevent the Banking and Currency Committee from going back and writing additional legislation, but to mandate more legislation by putting the Banking Committee in the picture in another 60 days will simply mean the committee will bring in a similar bill to that which we have had before us today.

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

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Texas (Mr. GONZALEZ) for the amendment in the nature of a substitute offered by the gentleman from New Jersey (Mr. WIDNALL).

## RECORDED VOTE

Mr. GONZALEZ. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 151, noes 253, not voting 29, as follows:

[Roll No. 92]

AYES—151

Abzug Ford, Nix  
 Adams William D. O'Hara  
 Addabbo Fraser O'Neill  
 Anderson, Fulton Owens  
 Calif. Gaydos Patman  
 Andrews, N.C. Giaimo Patten  
 Annunzio Gonzalez Pepper  
 Armstrong Grasso Pickle  
 Aspin Gray Price, Ill.  
 Badillo Green, Pa. Rees  
 Barrett Griffiths Reuss  
 Bennett Hanna Riegle  
 Biaggi Hansen, Wash. Roberts  
 Bingham Harrington Rodino  
 Blatnik Hawkins Roe  
 Boggs Hechler, W. Va. Roncalio, Wyo.  
 Boland Heckler, Mass. Rooney, Pa.  
 Brademas Heinz Rosenthal  
 Brisco Helstoski Rostenkowski  
 Breaux Hicks Roush  
 Breckinridge Holtzman Roybal  
 Brooks Howard Sarbanes  
 Burke, Calif. Johnson, Calif. Schroeder  
 Burke, Mass. Jones, Okla. Seiberling  
 Burleson, Tex. Jordan Shipley  
 Burton Karth Sisk  
 Carey, N.Y. Kazen Smith, Iowa  
 Carney, Ohio Kluczynski Staggers  
 Casey, Tex. Koch Stanton  
 Chisholm Kyros James V.  
 Clay Leggett Stark  
 Corman Lehman Studds  
 Cotter Long, La. Sullivan  
 Cronin Long, Md. Symington  
 Culver McCormack Thompson, N.J.  
 Danels, Dominic V. McFall Thornton  
 McDonald Tierman  
 Danielson Madden Van Deerlin  
 de la Garza Mathis, Ga. Vanlik  
 Delaney Matsunaga White  
 Dellums Mazzoli Wilson, Charles H.  
 Dent Meeds Calif.  
 Derwinski Mezvinsky Wilson, Charles, Tex.  
 Diggs Minish Mink Charles, Tex.  
 Donohue Mitchell, Md. Wolff  
 Drinan Moakley Wright  
 Edwards, Calif. Mollohan Yates  
 Ellberg Moorhead, Pa. Yatron  
 Evans, Colo. Moss Young, Ga.  
 Evans, Tenn. Murphy, Ill. Young, Tex.  
 Fascell Murphy, N.Y. Zablocki  
 Flood Nedzi

NOES—253

Abdnor Conte Gunter  
 Anderson, Ill. Coughlin Guyer  
 Andrews, Crane Haley  
 N. Dak. Daniel, Dan Hamilton  
 Archer Daniel, Robert Hammer-  
 Arends W., Jr. Schmidt  
 Ashbrook Davis, Ga. Hanley  
 Bafalis Davis, S.C. Hanrahan  
 Baker Davis, Wis. Hansen, Idaho  
 Beard Dellenback Harsha  
 Bell Denholm Hastings  
 Bergland Dennis Hays  
 Bevill Devine Hebert  
 Blester Dickinson Henderson  
 Blackburn Dorn Hillis  
 Bowen Downing Hinshaw  
 Bray Duncan Hogan  
 Brinkley du Pont Holt  
 Broomfield Edwards, Ala. Horton  
 Brotzman Erlenborn Hosmer  
 Brown, Calif. Esch Huber  
 Brown, Mich. Eshleman Hudnut  
 Brown, Ohio Findley Hungate  
 Brophy, N.C. Fish Hunt  
 Brophy, Va. Fisher Hutchinson  
 Buchanan Flowers Ichord  
 Burgener Flynt Jarman  
 Burke, Fla. Foley Johnson, Colo.  
 Burlison, Mo. Ford, Gerald R. Johnson, Pa.  
 Butler Forsythe Jones, N.C.  
 Byron Fountain Jones, Tenn.  
 Camp Freilinghusen Kastenmeier  
 Carter Frenzel Keating  
 Cederberg Frey Kemp  
 Chamberlain Froehlich Ketchum  
 Chappell Fuqua Kuykendall  
 Clancy Gettys Landgrebe  
 Clausen, Don H. Gibbons Landrum  
 Clawson, Del Gilman Latta  
 Cleveland Ginn Lent  
 Cochran Goldwater Litton  
 Cohen Goodling Lott  
 Collier Green, Oreg. Lujan  
 Collins Gross McClory  
 Conable Grover McCloskey  
 Conian Gubser McCollister  
 Gude McDade

McEwen Pritchard Steelman  
 McKay Quie Steiger, Ariz.  
 McKinney Quillen Steiger, Wis.  
 McSpadden Railback Stephens  
 Madigan Randall Stratton  
 Mahon Rarick Stubblefield  
 Mailliard Reid Stuckey  
 Mallary Rhodes Symms  
 Mann Rinaldo Taylor, Mo.  
 Maraziti Robinson, Va. Taylor, N.C.  
 Martin, Nebr. Robison, N.Y. Teague, Calif.  
 Martin, N.C. Rogers Teague, Tex.  
 Mayne Roncalio, N.Y. Thomson, Wis.  
 Melcher Rose Thome  
 Michel Rousselot Towell, Nev.  
 Milford Roy Treen  
 Miller Runnels Udall  
 Mills, Ark. Ruppe Ullman  
 Mills, Md. Ruth Vander Jagt  
 Minshall, Ohio St Germain Veysy  
 Mizell Sandman Waggoner  
 Montgomery Sarasin Walsh  
 Moorhead Satterfield Wampler  
 Calif. Saylor Ware  
 Mosher Scherle Whalen  
 Myers Sebelius Whitten  
 Natcher Shoup Widnall  
 Neisen Shriner Williams  
 Nichols Obey Winn  
 O'Brien Sikes Wyatt  
 Parris Skubitz Wydler  
 Perkins Slack Wylie  
 Pettis Feyser Snyder Young, Alaska  
 Pike Poage Spence Young, Ill.  
 Powell, Ohio Stanton, Young, S.C.  
 Preyer J. William Zion  
 Price, Tex. Steed  
 Steele Rooney, N.Y.

## NOT VOTING—29

Alexander King Ryan  
 Ashley Mathias, Calif. Stokes  
 Bolling Metcalfe Talcott  
 Clark Mitchell, N.Y. Vigorito  
 Conyers Morgan Walde  
 Dingell Passman Wiggins  
 Dulski Harvey Podell Wilson, Bob  
 Holifield Rangel Young, Fla.  
 Jones, Ala. Regula Zwach  
 Rooney, N.Y.

So the substitute amendment for the amendment in the nature of a substitute was rejected.

MR. PATMAN. Mr. Chairman, I ask unanimous consent that, on the amendment in the nature of a substitute offered by the gentleman from New Jersey (Mr. WIDNALL) and all amendments thereto, the debate close and we vote at 5:45 p.m.

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

MR. SEBELIUS. Mr. Chairman, I object.

## AMENDMENTS OFFERED BY MR. WILLIAMS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WIDNALL

MR. WILLIAMS. Mr. Chairman, I have two amendments, and I ask unanimous consent that they be read and considered. I will speak on them separately.

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

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. WILLIAMS to the Amendment in the nature of a substitute offered by Mr. WIDNALL:

SEC. 203. (a) Except as provided by subsection (b) the President or his delegate is authorized and directed to stabilize residential rents at levels prevailing on April 15, 1973. Thereafter, the President shall allow rents to increase by 2.5 per centum thereof with respect to each consecutive twelve-month period beginning at the end of the preceding period of occupancy or April 15, 1973, whichever is the later. In addition, the

President shall allow rents to increase by the actual amount of any increase in any tax, fee, or service charge levied by a State or local government and any reasonable capital improvements after the beginning of the preceding period of occupancy (and not previously charged to any lessee) and allocable to that residence, and any reasonable increased costs of services and materials.

(b) This section shall be applicable only in any incorporated city, town, village or in the unincorporated area of any county upon receipt of a resolution of its governing body adopted for that purpose in accordance with applicable local law and based upon a finding by such governing body, reached as a result of a public hearing held after twenty days' notice, that there exists such a shortage of housing as to require Federal rent stabilization in accordance with subsection (a) in such city, town, village, or unincorporated area in such county."

Section 204 shall be amended as follows: "There shall be established a Wage Board, to be composed of fifteen members, and Price Commission, to be composed of six commissioners and a chairman, appointed by the President, representative of business, labor and the public, for purposes of administering this Act, to hold the rate of inflation to 2.5 per centum annually.

"Where such boards, commissions and similar entities are composed in part of members who serve on less than a full-time basis, legal authority shall be placed in their chairmen who shall be employees of the United States and who shall act only in accordance with the majority vote of members. Nothing in section 203, 205, 207, 208 or 209 of title 18, United States Code, shall be deemed to apply to any member of any such board, commission, or similar entity who serves on less than a full-time basis because of membership on such boards, commissions or entities.

The Federal Reserve Board shall be responsible for enforcing controls on any and all interest rates."

THE CHAIRMAN. The gentleman from Pennsylvania has requested the Chair to advise him of the amount of time he will have on each amendment. The Chair recognizes him for 45 seconds on his first amendment.

MR. WILLIAMS. Mr. Chairman, under the present Economic Stabilization Act we leave the discretion entirely to the Executive branch. The first amendment that I am offering says that the President is authorized and directed to stabilize rents at levels prevailing today and would permit only a 2.5 percent annual increase in rents per year after that period of time plus other incidental expenses.

THE CHAIRMAN. The time of the gentleman has expired.

The Chair now recognizes the gentleman for 55 additional seconds on his second amendment.

MR. WILLIAMS. The second amendment simply goes back and uses almost exactly the same language as in the original bill only it mandates that the Wage Board and Price Commission shall be set up to control the rate of inflation. It simply takes the power away from the President.

MR. Chairman, I urge the adoption of these two amendments and ask that they be voted on separately.

THE CHAIRMAN. The question is on the first amendment offered by the gentleman from Pennsylvania to the amendment in the nature of a substitute offered

by the gentleman from New Jersey, Mr. WIDNALL.

The amendment to the amendment in the nature of a substitute was rejected.

The CHAIRMAN. The question is on the second amendment offered by the gentleman from Pennsylvania to the amendment in the nature of a substitute offered by the gentleman from New Jersey, Mr. WIDNALL.

The amendment to the amendment in the nature of a substitute was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. PEPPER).

AMENDMENT OFFERED BY MR. PEPPER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WIDNALL.

Mr. PEPPER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. PEPPER to the amendment in the nature of a substitute offered by Mr. WIDNALL: At the end of the amendment offered by Mr. WIDNALL, add the following new section 2:

"The President is authorized and directed to stabilize rents at levels prevailing on January 10, 1973. Thereafter, the President shall only allow rents to increase by the actual amount of any increase in any tax, fee, or service charge levied by a State or local government and any reasonable capital improvement after the beginning of the preceding period of occupancy (and not previously charged to any lessee) and allocable to that residence, and any reasonable increased costs of services and materials.

(b) The President may roll back rents to levels lower than those prevailing on January 10, 1973, to carry out the purposes of this Act."

Mr. PEPPER. Mr. Chairman and members of the Committee, this amendment is exactly the amendment on rent controls that was in the Stephens substitute which appears on page 5 of the Stephens substitute. It simply authorizes and directs the President to stabilize rents at the level prevailing on January 10, 1973, and thereafter the President shall only allow rents to increase by the actual amount of any increase in any tax, fee, or service charge levied by a State or local government, and any reasonable capital improvement after the beginning of the preceding period of occupancy, and not previously charged to any lessee, and allocable to that residence, and any reasonable increased costs of services and materials.

Mr. Chairman, I have had my rent increased twice since January, and most other Members of the House who also rent have had a similar experience. We can afford such increase better than most tenants.

But in my congressional district there have been instances where rent, sometimes on the poor, has been raised as much as 50 percent. My amendment would direct the President to reimpose rent controls as of the level of January 10, with the exception of any increases that may be proper under the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. PEPPER) to the amendment in the nature of a substitute offered

by the gentleman from New Jersey (Mr. WIDNALL).

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

RECORDED VOTE

Mr. PEPPER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device;

The vote was taken by electronic device, and there were—ayes 173, noes 225, answered "present" 6, not voting 29, as follows:

[Roll No. 93]

AYES—173

Adams	Gilman	Patman	Jones, N.C.	Roncalio, N.Y.
Addabbo	Gonzalez	Patten	Jones, Tenn.	Rose
Anderson,	Grasso	Pepper	Keating	Roush
Calif.	Gray	Perkins	Kemp	Rousselot
Anderson, Ill.	Green, Pa.	Peyser	Dickinson	Runnels
Annunzio	Griffiths	Pickle	Dorn	Rupe
Aspin	Gubser	Price, Ill.	Downing	Ruth
Badillo	Gude	Pritchard	Duncan	Sandman
Barrett	Haley	Randall	du Pont	Satterfield
Bennett	Hanna	Rees	Edwards, Ala.	Scherle
Bergland	Hansen, Wash.	Reid	Erlenborn	Schneebell
Blester	Harrington	Reuss	Esch	Sebelius
Bingham	Hawkins	Riegle	Findley	Shipley
Blatnik	Hays	Roberts	Fisher	Shoup
Boland	Hechler, W. Va.	Rodino	Flowers	Shriver
Brademas	Heinz	Roe	Foley	Shuster
Brasco	Hełstoski	Rogers	Ford, Gerald R.	Sikes
Breaux	Hicks	Rooney, Pa.	Forsythe	Skubitz
Brooks	Holfeld	Rosenthal	Fountain	Slack
Brown, Calif.	Holtzman	Rostenkowski	Frelinghuysen	Smith, Iowa
Burke, Calif.	Howard	Roy	Frenzel	Smith, N.Y.
Burke, Fla.	Ichord	Royal	Froehlich	Stanton, J. William
Burke, Mass.	Johnson, Calif.	St Germain	Frush	Steelman
Burlison, Mo.	Jordan	Sarasin	Gettys	Steiger, Ariz.
Burton	Karth	Sarbanes	Gibbons	Steiger, Wis.
Carey, N.Y.	Kastenmeier	Saylor	Ginn	Symms
Carney, Ohio	Kazem	Schroeder	Goldwater	Taylor, Mo.
Chappell	Kluczynski	Seiberling	Goodling	Taylor, N.C.
Chisholm	Kyros	Sisk	Green, Oreg.	Teague, Tex.
Clay	Leggett	Snyder	Gross	Thomson, Wis.
Collier	Lehman	Staggers	Gunter	Thorne
Corman	Lent	Stanton,	Hamilton	Thornton
Cotter	Long, La.	James V.	Hammer-	Towell, Nev.
Coughlin	McCormack	Stark	schmidt	Treen
Daniels,	McDade	Steed	Hanley	Udall
Dominick V.	McKay	Steele	Hanrahan	Montgomery
Danielson	Macdonald	Stephens	Hansen, Idaho	Ullman
Davis, Ga.	Madden	Stokes	Harsha	Vander Jagt
de la Garza	Matsunaga	Stratton	Hastings	Veysey
Delaney	Mazzoli	Stubblefield	Hébert	Waggoner
Dellums	Meeds	Studs	Heckler, Mass.	Walsh
Dent	Melcher	Sullivan	Henderson	Wampier
Diggs	Minish	Symington	Hillis	Ware
Donohue	Mink	Thompson, N.J.	Hinshaw	Whalen
Drinan	Mitchell, Md.	Tierman	Hogan	White
Eckhardt	Moakley	Van Deerlin	Holt	Whitehurst
Edwards, Calif.	Mollohan	Vanik	Horton	Whitten
Evans, Colo.	Moorhead, Pa.	Wilson,	Hosmer	Widnall
Evins, Tenn.	Mosher	Charles H., Calif.	Huber	Williams
Fascell	Moss	Wilson,	Hughes	Winn
Fish	Murphy, Ill.	Charles, Tex.	Hutchinson	Rinaldo
Flood	Murphy, N.Y.	Wolf	Jarman	Young, Alaska
Flynt	Natcher	Wright	Johnson, Va.	Young, Ill.
Ford,	Nedzi	Wyder	Johnson, Colo.	Young, N.Y.
William D.	Nix	Yates	Johnson, Pa.	Young, S.C.
Fraser	Obey	Yatron	Roncalio, Wyo.	Zion
Frey	O'Hara	Young, Ga.		
Fulton	O'Neill	Young, Tex.		
Gaydos	Owens	Zablocki		
Gialmo	Parris			

NOES—225

Abdnor	Breckinridge	Clancy	Conte	ANSWERED "PRESENT"—6
Abzug	Brinkley	Clausen,	Jones, Okla.	
Andrews, N.C.	Broomfield	Don H.	Minshall, Ohio	
Andrews,	Brotzman	Clawson, Del.		
N. Dak.	Brown, Mich.	Cleveland		
Archer	Brown, Ohio	Cochran		
Arends	Broyhill, N.C.	Cohen		
Armstrong	Broyhill, Va.	Collins		
Ashbrook	Buchanan	Conable		
Bafalis	Burgener	Conlan		
Baker	Burleson, Tex.	Crane		
Beard	Butler	Cronin		
Bell	Byron	Culver		
Bevill	Camp	Daniel, Dan		
Biaggi	Carter	Daniel, Robert		
Blackburn	Casey, Tex.	W., Jr.		
Bowen	Cederberg	Davis, S.C.		
Bray	Chamberlain	Davis, Wis.		

Dellenback	Jones, N.C.	Roncalio, N.Y.
Denholm	Jones, Tenn.	Rose
Dennis	Keating	Roush
Derwinski	Kemp	Rousselot
Devine	Ketchum	Runnels
Dickinson	Koch	Rupe
Dorn	Kuykendall	Ruth
Downing	Landgrebe	Sandman
Duncan	Duncan	Satterfield
du Pont	Landrum	Scherle
Edwards, Ala.	Latta	Schneebell
Erlenborn	Litton	Sebelius
Esch	Long, Md.	Shipley
Eshleman	Lott	Shoup
Findley	Lujan	Shriver
Fisher	McClory	Shuster
Flowers	McCloskey	Sikes
Foley	McCollister	Skubitz
Ford	McEwen	Slack
Gerald R.	McFall	Steelman
Forsythe	McKinney	Steiger, Ariz.
Fountain	McSpadden	Steiger, Wis.
Frelinghuysen	Madigan	Symms
Frenzel	Mahon	Taylor, Mo.
Froehlich	Mailliard	Taylor, N.C.
Frush	Mallary	Teague, Tex.
Gettys	Mann	Thomson, Wis.
Gibbons	Maraziti	Ullman
Ginn	Martin, Nebr.	Vander Jagt
Goldwater	Martin, N.C.	Veysey
Goodling	Mathis, Ga.	Waggoner
Green, Oreg.	Mayne	Walsh
Gross	Mezvinsky	Wampier
Gunter	Michel	Ware
Guyer	Milford	Whalen
Hamilton	Miller	White
Hammer-	Mills, Ark.	Whitehurst
schmidt	Mills, Md.	Whitten
Hanley	Mizell	Widnall
Hanrahan	Montgomery	Williams
Hansen, Idaho	Moorhead,	Young, Ill.
Harsha	Calif.	Young, S.C.
Hastings	Myers	Zion
Hébert	Nelsen	
Heckler, Mass.	Nichols	
Henderson	O'Brien	
Hillis	Pettis	
Hinshaw	Pike	
Hogan	Poage	
Holt	Powell, Ohio	
Horton	Preyer	
Hosmer	Price, Tex.	
Huber	Quie	
Hudnut	Quillen	
Hungate	Rarick	
Hunt	Rhodes	
Hutchinson	Rinaldo	
Jarman	Robinson, Va.	
Johnson, Colo.	Robison, N.Y.	
Johnson, Pa.	Roncalio, Wyo.	

NOT VOTING—29

Alexander	Jones, Ala.	Rooney, N.Y.
Ashley	King	Ryan
Boggs	Mathias, Calif.	Talcott
Bolling	Metcalfe	Vigorito
Clark	Mitchell, N.Y.	Waldie
Conyers	Morgan	Wiggins
Dingell	Passman	Wilson, Bob
Dulski	Podell	Young, Fla.
Eilberg	Rangel	Zwach
Harvey	Regula	

So the amendment to the amendment in the nature of a substitute was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I am aware that all Members wish to get this over with. I did intend to offer an amendment. I would like to read it to you:

"ROLLUP OF BOVINE GESTATION

"SEC. — Notwithstanding any other provision of law, any economic fact, or any principle of animal biology, effective January 10, 1973, all mammals which are members of the genus *Bos* (ruminant quadrupeds distinguished by a stout body and hollow curved horns standing out laterally from the skull) are authorized and directed to accelerate the gestation period for the production of their progeny by a ratio which bears the same relationship to such gestation period as the number 1 bears to the number 2."

The explanation is that as a response to some currently rampant unenlightened consumerism, this amendment would require cows to produce calves in one-half the time now devoted to such enterprise.

I submit to my colleagues that the Bovine gestation rollup amendment is germane and as a matter of fact is probably more germane than the bill we are considering here today, H.R. 6168 and related amendments.

Now, what we have here is a situation where many of my colleagues in the Congress are attempting to legislate the supply and demand of farm products in behalf of the American consumer; and, I might add, at the expense of the American farmer. The primary focus of this legislative attempt seems to be the so-called high cost of beef.

I am simply going to the source of the problem. This amendment would enable the leadership of the majority party and our urban and consumer-oriented colleagues to get more beef to the marketplace and more meat to the consumer. We have had serious losses in the cattle industry in my congressional district due to one of the worst winters on record. Many calves have perished. This bill would establish a congressional mandate that cows from this point on would "get with the consumer program" and produce calves in one-half of the time now devoted to such enterprise.

Let me point out that if one believes that if prices are too high for any particular product in our urban areas and that in order to solve the problem, all Congress has to do is roll them back; regardless of supply and demand or other economic consideration.

I refer to a case in point where a colleague from New York simply stated in the press that farmers are free to set prices where they wish—that the sky is the limit. I refer again to a case in point where several days ago the Cost of Living Council Director warned cattlemen they had better move their cattle to market or the Government would take appropriate action. I have it on good authority the Cost of Living Council is going to put a ceiling on bad weather to enable the cattle to move his cattle.

Now if it is germane for my colleagues in this distinguished body to state publicly that boycotting meat will lower the price despite the fact that the boycott can put the cattleman out of business, I think my amendment would have been germane.

If it is germane for my colleagues to claim that "cattle barons" are getting rich off of the consumer when in fact they are experiencing the first reasonable profits in 20 years. I think my amendment would have been germane.

If it is germane for the President to impose a ceiling on meat and endanger our Nation's entire food supply system, back off prices at the farm level, and cause meat shortages, then I think my amendment would have been germane.

If it is germane for the director of the Cost of Living Council to warn cattlemen of Government action if they do not move their cattle to market, despite the fact

the cattle are waist deep in mud, I think my amendment would have been germane.

If it is germane for consumer advocates to urge housewives across this Nation to boycott meat in an effort to stop inflation despite the fact that other costs—education, health care, housing, clothing, labor, entertainment—and other consumer goods have increased more than the cost of meat, then I think my amendment would have been germane.

If it is germane for the President, the Congress, the Cost of Living Council, and consumers across this Nation to give the farmer a black eye and single him out for unfair blame and discriminatory treatment, I think my amendment would have been germane.

Since this rollback bill is apparently the "answer" to high food costs that many of my colleagues want to take back to their constituents over the Easter break, let us promptly act. Using this same commonsense approach, we can enable all of us to say we took immediate action to satisfy the demand for meat products in this country. It apparently makes no difference that price rollback legislation will create chaos in the rural economy, cause many individual farmers to declare bankruptcy, and in the long run cause meat shortages. When that occurs, we will have licked the problem. Housewives will not have meat prices to complain about because there will be no meat. It is a matter of will. If the Cost of Living Director states cattlemen can "make a very nice living" with a cutback in cattle prices, despite losses running 200 percent above normal due to adverse weather, it is obviously a matter of will. And, if the executive branch can do this, I think we had better get busy here in the legislative branch.

I might point out I originally thought a good farm bill or making it economically possible for the cattleman to stay in business and increase his production would have answered this food cost and inflation problem. But, after paying close attention to my colleagues during the debate here today, I can see now it is simply a matter of will. That being the case, let us put this distinguished body on record and require cattle to produce calves in one-half of the normal time.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. ABZUG).

AMENDMENT OFFERED BY MS. ABZUG TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WIDNALL

Ms. ABZUG. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Ms. ABZUG to the amendment in the nature of a substitute offered by Mr. WIDNALL: at the end of the amendment insert the following:

SEC. — Subsection (h) of section 203 of the Economic Stabilization Act of 1970 is amended to read as follows:

"(h)(1) Notwithstanding any other provision of this Act, the President is authorized and directed to stabilize rents at levels prevailing on January 10, 1973. Thereafter, the President shall only allow rents to increase by the actual amount of any increase in any

tax, fee, or service charge levied by a State or local government and any necessary capital improvement after the beginning of the preceding period of occupancy (and not previously charged to any lessee) and allocable to that residence, but no increase permitted under this sentence shall exceed two and one-half per centum in any year for any housing unit.

"(2) The President may roll back rents to levels lower than those prevailing on January 10, 1973, to carry out the purposes of this Act.

"(3) This subsection shall pre-empt the applicability of the provisions of State and local rent control laws with respect to a rental unit only to the extent that such laws operate to permit to be charged for such unit a rent in excess of that permitted by this subsection."

POINT OF ORDER

Mr. FRENZEL. Mr. Chairman, a point of order.

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

Mr. FRENZEL. I did not hear the amendment completely, Mr. Chairman, but it sounded to me almost exactly like the amendment which the House just voted down. I would make the point of order that we are getting into redundancy.

The CHAIRMAN. The Chair will examine the amendment.

Mr. FRENZEL. It was an amendment offered by the gentleman from Florida (Mr. PEPPER), Mr. Chairman.

The CHAIRMAN (Mr. BOLLING). The Chair has had an opportunity to examine the amendments in question, and this amendment is different from although similar to the amendment offered by the Gentleman from Florida. Therefore, the Chair overrules the point of order and recognizes the Gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, before somebody moves to abolish the House I thought it might be useful if we got a significant rent control provision, so that we would at least have some place some of us could live in, at a rent we could afford, after abolition.

Like the amendment offered by Mr. PEPPER, this amendment would freeze residential rents at the January 10, 1973, levels, and would allow for increases for taxes and necessary capital improvements thereafter, but it would not allow for operating increases and would set an overall ceiling of 2½ percent annually, which is the inflation rate Mr. Nixon has suggested is permissible. Also, it would apply to housing covered by local rent control wherever it would set a lower rent than would the applicable local law.

I believe Members all heard the previous speaker on the subject. Rents have been rising sharply across this country. I do not know whether some of the Members in this House are aware of the fact that of all occupied units in the United States some 37 percent are renter-occupied.

I have seen a lot of votes here today for the less than 1 percent of the U.S. population which raises cattle. I believe it would be very useful indeed if we found it in our hearts, in our legislative efforts and will, to put forth a vote

here for the needs that tenants, who represent 37 percent of the American people, have to fight this increase, which is heightened due to the moratorium on federally assisted housing. Vacancy problems have been very serious. There have been increases in major areas throughout the country, in some cases 30 to 60 percent. Among the standard Metropolitan statistical areas whose rent increase rate in the latter half of 1972 exceeded the administration's goal of 2 1/2 percent are Boston, Buffalo, New York, Philadelphia, San Francisco, Washington, Chicago, Detroit, Honolulu, and Atlanta. According to a study recently prepared by the Library of Congress, with the lifting of mandatory rent controls under phase III, "competitive pressures on rents will be especially severe for those groups who can least afford higher rents—namely, the larger, low-income urban family."

Unless economic stabilization strictly controls all prices, rents, profits, and interest rates, allows working people some catch-up pay increases, exempts those who earn less than \$3.50 an hour from wage controls, and provides realistic enforcement procedures that will really protect consumers, the major burden will continue to be placed on the wage earner, the middle class and those on fixed incomes. It would be better not to extend the President's stabilization powers at all than to arm him further with the kind of discretionary authority that has lowered prices, rents, and profits to soar.

I urge the adoption of my amendment, and the defeat of the Widnall substitute.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Ms. ABZUG) to the amendment in the nature of a substitute offered by the gentleman from New Jersey (Mr. WIDNALL).

The question was taken; and on a division—demanded by Ms. ABZUG—there were—ayes 114, noes 185.

#### RECORDED VOTE

Ms. ABZUG. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 147, noes 250, answered present 5, not voting 31, as follows:

[Roll No. 94]

#### AYES—147

Abzug	Burlison, Mo.	Fascell
Adams	Burton	Fish
Addabbo	Carey, N.Y.	Flood
Anderson, Calif.	Carney, Ohio	Ford
Annunzio	Chisholm	William D.
Aspin	Clay	Fraser
Badillo	Collier	Gaydos
Barrett	Corman	Giaimo
Bennett	Cotter	Gilman
Bergland	Cronin	Gonzalez
Biaggi	Daniels,	Grasso
Bingham	Dominick V.	Gray
Blatnik	Danielson	Green, Pa.
Brademas	de la Garza	Griffiths
Brasco	Delaney	Gubser
Breaux	Dellums	Gude
Breckinridge	Dent	Hansen, Wash.
Brooks	Diggs	Harrington
Brown, Calif.	Donohue	Hawkins
Burke, Calif.	Drinan	Hays
Burke, Fla.	Eckhardt	Hebert
Burke, Mass.	Edwards, Calif.	Hechler, W. Va.
	Evans, Colo.	Heckler, Mass.

Helstoski	Mollohan	Royal	Thone	Ware	Wyatt
Holifield	Moorhead, Pa.	St Germain	Thornton	Whalen	Wyder
Holtzman	Moss	Sarasin	Towell, Nev.	White	Wylie
Howard	Murphy, Ill.	Sarbanes	Treen	Whitehurst	Wyman
Ichord	Murphy, N.Y.	Saylor	Udall	Whitten	Young, Alaska
Johnson, Calif.	Nedzi	Schroeder	Ullman	Widnall	Young, Ill.
Jordan	Nix	Sieberling	Vander Jagt	Williams	Young, S.C.
Karth	O'Hara	Staggers	Veysey	Wilson, Bob	Young, Tex.
Kastenmeier	O'Neill	Stanton	Waggoner	Wilson	Zablocki
Kazan	Owens	James V.	Walsh	Charles, Tex.	Zion
Kluczynski	Parris	Stark	Wampler	Winn	
Koch	Patten	Steele			
Kyros	Pepper	Stokes			
Leggett	Perkins	Studds			
Lehman	Peyser	Sullivan			
Long, La.	Price, Ill.	Symington			
McCormack	Randall	Thompson, N.J.			
McDade	Rees	Tierman			
McKay	Reid	Van Derlin			
Macdonald	Reuss	Vanik			
Madden	Riegle	Wilson			
Matsunaga	Rinaldo	Charles H., Calif.			
Mazzoll	Rodino	Wolff			
Melcher	Roe	Wright			
Minish	Rogers	Yates			
Mink	Rooney, Pa.	Yatron			
Mitchell, Md.	Rosenthal	Young, Ga.			
Moakley	Rostenkowski				

#### NOES—250

Abdnor	Foley	Mathis, Ga.
Anderson, Ill.	Ford, Gerald R.	Mayne
Andrews, N.C.	Forsythe	Meeds
Andrews, N. Dak.	Fountain	Mezvinsky
Archer	Frelinghuysen	Michel
Arends	Frenzel	Milford
Armstrong	Frey	Miller
Ashbrook	Froehlich	Mills, Ark.
Bafalis	Fulton	Mills, Md.
Baker	Fuqua	Mizell
Beard	Gettys	Montgomery
Bell	Gibbons	Moorhead, Calif.
Bevill	Ginn	Mosher
Biester	Goldwater	Myers
Blackburn	Goodling	Natcher
Boaland	Green, Oreg.	Nelsen
Bowen	Gross	Nichols
Bray	Gunter	Obey
Brinkley	Haley	O'Brien
Broomfield	Hamilton	Pettis
Brotzman	Hammer-	Pickle
Brown, Mich.	schmidt	Pike
Brown, Ohio	Hanley	Poage
Broyhill, N.C.	Hanrahan	Powell, Ohio
Broyhill, Va.	Hansen, Idaho	Preyer
Buchanan	Harsha	Price, Tex.
Burgener	Hastings	Pritchard
Burleson, Tex.	Henderson	Quie
Butler	Hicks	Quillen
Byron	Hillis	Rarick
Camp	Hinshaw	Rhodes
Carter	Hogan	Roberts
Casey, Tex.	Holt	Robinson, Va.
Cederberg	Horton	Robison, N.Y.
Chamberlain	Hosmer	Roncalio, Wyo.
Chappell	Huber	Roncalio, N.Y.
Clancy	Hudnut	Rose
Clausen, Don H.	Hungate	Roush
Clawson, Del	Hunt	Rousselot
Cleveland	Hutchinson	Roy
Cochran	Jarman	Runnels
Cohen	Johnson, Colo.	Ruppe
Collins	Johnson, Pa.	Sandman
Conable	Jones, N.C.	Satterfield
Conlan	Jones, Okla.	Scherle
Coughlin	Jones, Tenn.	Schneebell
Crane	Keating	Sebelius
Culver	Kemp	Shipley
Daniel, Dan	Ketchum	Shoup
Daniel, Robert W., Jr.	Kuykendall	Shriver
Davis, Ga.	Landgrebe	Shuster
Davis, S.C.	Landrum	Sikes
Davis, Wis.	Latta	Sisk
Dellenback	Lent	Skubitz
Denholm	Litton	Slack
Dennis	Long, Md.	Smith, Iowa
Derwinski	Lott	Smith, N.Y.
Devine	Lujan	Snyder
Dickinson	McClory	Spence
Dorn	McCloskey	Stanton, J. William
Downing	McCollister	Steed
Duncan	McEwen	Steelman
du Pont	McFall	Steiger, Ariz.
Edwards, Ala.	McKinney	Steiger, Wis.
Erlenborn	McSpadden	Stephens
Esch	Madigan	Stratton
Eshleman	Mahon	Stubblefield
Evans, Tenn.	Mailliard	Stuckey
Findley	Mallary	Symms
Fisher	Mann	Taylor, Mo.
Flowers	Maraziti	Taylor, N.C.
Flynt	Martin, Nebr.	Teague, Tex.
	Martin, N.C.	Thomson, Wis.

Thone	Ware	Wyatt
Thornton	Whalen	Wyder
Towell, Nev.	White	Wylie
Treen	Whitehurst	Wyman
Udall	Whitten	Young, Alaska
Ullman	Widnall	Young, Ill.
Vander Jagt	Williams	Young, S.C.
Veysey	Wilson, Bob	Young, Tex.
Waggoner	Wilson	Zablocki
Walsh	Charles, Tex.	Zion
Wampler	Winn	

#### ANSWERED PRESENT—5

Conte	Minshall, Ohio	Teague, Calif.
Grover	Railback	

#### NOT VOTING—31

Alexander	Jones, Ala.	Rooney, N.Y.
Ashley	King	Ruth
Boggs	Mathias, Calif.	Ryan
Bolling	Metcalfe	Talcott
Clark	Mitchell, N.Y.	Vigorito
Conyers	Morgan	Waldir
Dingell	Passman	Wiggins
Dulski	Patman	Young, Fla.
Ellberg	Podell	Zwach
Hanna	Rangel	
Harvey	Regula	

So the amendment to the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

#### AMENDMENT OFFERED BY MR. PEYSER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WIDNALL

Mr. PEYSER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. PEYSER to the amendment in the nature of a substitute offered by Mr. WIDNALL: At the end of the amendment insert the following:

SECTION 1. The Economic Stabilization Act of 1970 is amended by redesignating sections 204 through 220 as sections 206 through 222, respectively, and by inserting immediately after section 203 the following new sections: "§ 204 Ceiling on prices

"(a) Notwithstanding any other provisions of this Act, a ceiling is imposed on all food prices at levels no higher than those prevailing March 16, 1973. The President may, by written order stating in full the considerations for his actions, make adjustments with respect to prices in order to correct gross inequities.

"(b) Immediately, but not later than sixty days after the date of enactment of this section, the President shall, by written order stating in full the considerations for his action, roll back prices to levels lower than those prevailing on March 16, 1973, in order to reduce inflation and otherwise carry out the purposes of this Act. The President may make specific exemptions from the rollback by written order stating in full the considerations for his action determining that such rollback is unnecessary.

"(c) (1) Whenever the Consumer Price Index (all items—United States city average) as compiled by the Bureau of Labor Statistics, United States Department of Labor, for a calendar month exceeds—

"(A) an annual rate of 3 per centum for any three consecutive months (the first such month of which begins after the sixtieth day after the date of enactment of this section), or

"(B) an annual rate of 2.5 per centum for any twelve consecutive months (the first such month of which begins after the close of February 28, 1973), then within thirty calendar days the President is authorized and directed to issue orders and regulations to establish a mandatory program to stabilize prices, wages, and salaries at levels not less than those prevailing on May 25, 1970, in order to reduce inflation;

"(2) (A) Notwithstanding any other provisions of this Act, no order or regulation may be issued under the subsection unless

it is made on the record after opportunity for a hearing.

"(B) Notwithstanding any other provisions of this Act, the public shall have access to all data and other information which is the basis for or is used in any manner to formulate any standards issued by the President under this section.

**“§ 205 Stabilization of rents**

"(a) Except as provided by subsection (c) and notwithstanding any other provisions of this Act, the President is authorized and directed to stabilize rents at levels prevailing on January 10, 1973. Thereafter, the President shall only allow rents to increase by the actual amount of any increase in any tax, fee, or service charge levied by a State or local government and any reasonable capital improvement after the beginning of the preceding period of occupancy (and not previously charged to any lessee) and allocable to that residence, and any reasonable increased costs of services and materials.

"(b) The President may roll back rents to levels lower than those prevailing on January 10, 1973, to carry out the purposes of this Act.

"(c) Subsections (a) and (b) of this section shall not apply to rents in those State, county, or local jurisdictions where controls on rents are in effect under State, county, or local law and where the President determines that such controls are more stringent than the stabilization and rollback provisions of subsections (a) and (b). In the event that a State, county, or locality institutes controls on rents after this section takes effect, then subsections (a) and (b) shall cease to apply in that jurisdiction if the President determines that such controls are more stringent than the stabilization and rollback provisions of subsections (a) and (b). For the purposes of this section, the term 'State' means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, and the Virgin Islands."

Mr. PEYSER. Mr. Chairman, this is truly a challenge. I have only 100 seconds to speak for all our senior citizens who are living on limited incomes, for our young families who are just getting started, for our middle-income people facing the cost of education for their children and the most of maintaining their homes, and for all people who are struggling to make ends meet.

In the simplest terms, the American people, our constituency can do without many products but they must have food to eat and a place to live. It was said on the floor earlier this afternoon that all amendments were doomed to failure. This has already been disproved. If we can vote to grant labor and management the right to a hearing, certainly we in good conscience must vote to give our people a hearing in the supermarkets and in their homes.

I honestly believe the Members of this Congress are responsive to the needs of the people. If the Congress in its wisdom decides upon what I have suggested, then it will come up with an answer that will truly speak to this frightening national crisis.

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

Mr. PEYSER. I yield to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, I would like to inquire of the gentleman if his

amendment applies to raw agricultural prices.

Mr. PEYSER. Yes; this does apply to raw agricultural prices.

Mr. VANIK. I thank the gentleman. I think it is a very good amendment and I hope my colleagues will support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. PEYSER) to the amendment in the nature of a substitute offered by the gentleman from New Jersey (Mr. WIDNALL).

The question was taken; and on a division—demanded by Mr. REUSS—there were—ayes 53, noes 169.

RECORDED VOTE

Mr. JAMES V. STANTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 101, noes 303, not voting 29, as follows:

[Roll No. 95]

AYES—101

Abzug	Ford,	Peyser
Adams	William D.	Pritchard
Addabbo	Fraser	Rees
Anderson,	Grasso	Reid
Calif.	Green, Pa.	Reuss
Annunzio	Griffiths	Rinaldo
Badillo	Gude	Rodino
Barrett	Hansen, Wash.	Roe
Bennett	Harrington	Rooney, Pa.
Biaggi	Hawkins	Rosenthal
Bingham	Hechler, W. Va.	Royal
Boland	Heckler, Mass.	St Germain
Brademas	Heilstok	Sarbanes
Brasco	Holtzman	Schroeder
Brown, Calif.	Howard	Seiberling
Burke, Calif.	Jordan	Snyder
Burke, Mass.	Karth	Staggers
Carey, N.Y.	Koch	Stanton,
Carney, Ohio	Kyros	James V.
Chisholm	Macdonald	Stark
Clay	Madden	Stokes
Corman	Meeds	Studds
Cotter	Minish	Sullivan
Daniels,	Mink	Thompson, N.J.
Dominick V.	Mitchell, Md.	Tiernan
Danielson	Moakley	Van Deerlin
Delaney	Mollohan	Vanik
Dellums	Moorhead, Pa.	Wilson,
Diggs	Moss	Charles H.,
Donohue	Nedzi	Calif.
Drinan	Nix	Wolff
Eckhardt	O'Hara	Wyman
Edwards, Calif.	O'Neill	Yates
Fascell	Patman	Yatron
Fish	Patten	Young, Ga.
Flood	Pepper	

NOES—303

Abdnor	Broyhill, Va.	Daniel, Dan
Anderson, Ill.	Buchanan	Daniel, Robert
Andrews, N.C.	Burgener	W., Jr.
Andrews,	Burke, Fla.	Davis, Ga.
N. Dak.	Burleson, Tex.	Davis, S.C.
Archer	Burlison, Mo.	Davis, Wis.
Arends	Burton	de la Garza
Armstrong	Butler	Dellenback
Ashbrook	Byron	Denholm
Aspin	Camp	Dennis
Bafalis	Carter	Dent
Baker	Casey, Tex.	Derwinski
Beard	Cederberg	Devine
Bell	Chamberlain	Dickinson
Bergland	Chappell	Dorn
Bevill	Clancy	Downing
Biester	Clausen,	Duncan
Blackburn	Don H.	du Pont
Blatnik	Clawson, Del	Edwards, Ala.
Boggs	Cleveland	Erlenborn
Bowen	Cochran	Esch
Bray	Cohen	Eshleman
Breaux	Collier	Evans, Colo.
Breckinridge	Collins	Evins, Tenn.
Brinkley	Conable	Findley
Brooks	Conlan	Fisher
Broomfield	Conte	Flowers
Brotzman	Coughlin	Flynt
Brown, Mich.	Crane	Foley
Brown, Ohio	Cronin	Ford, Gerald R.
Broyhill, N.C.	Culver	Forsythe

Fountain	Long, Md.	Roy
Frelinghuysen	Lott	Runnels
Frenzel	Lujan	Ruppe
Frey	McClory	Ruth
Froehlich	McCloskey	Sandman
Fulton	McCollister	Sarasin
Fuqua	McCormack	Satterfield
Gaydos	McDade	Saylor
Gettys	McEwen	Scherle
Giaimo	McFall	Schneebeli
Gibbons	McKay	Sebelius
Gilman	McKinney	Shipley
Ginn	McSpadden	Shoup
Goldwater	Madigan	Shriver
Gonzalez	Mahon	Shuster
Goodling	Mailliard	Sikes
Gray	Mallary	Siss
Green, Oreg.	Mann	Skubitz
Gross	Maraziti	Slack
Grover	Martin, Nebr.	Smith, Iowa
Gubser	Martin, N.C.	Smith, N.Y.
Gunter	Mathis, Ga.	Spence
Guyer	Matsunaga	Stanton,
Haley	Mayne	J. William
Hamilton	Mazzoli	Steed
Hammer-	Meicher	Steele
schnmidt	Mezvinsky	Steelman
Haney	Michel	Steiger, Ariz.
Hanna	Milford	Steiger, Wis.
Hanrahan	Miller	Stephens
Hansen, Idaho	Mills, Ark.	Stratton
Harsha	Mills, Md.	Stubblefield
Hastings	Minshall, Ohio	Stuckey
Hays	Mizell	Symington
Hebert	Montgomery	Symms
Heinz	Moorhead,	Taylor, Mo.
Henderson	Calif.	Taylor, N.C.
Hicks	Mosher	Teague, Calif.
Hillis	Murphy, Ill.	Teague, Tex.
Hinshaw	Murphy, N.Y.	Thomson, Wis.
Hogan	Myers	Thone
Holifield	Natcher	Thornton
Holt	Horton	Towell, Nev.
Horton	Hosmer	Treen
Huber	Huber	Udall
Hudnut	Hudnut	Ullman
Hungate	Hungate	Vander Jagt
Hunt	Hunt	Veysey
Hutchinson	Hutchinson	Waggoner
Ichord	Pettis	Walsh
Jarman	Pickle	Wampler
Jarman, Calif.	Pike	Ware
Johnson, Colo.	Poage	Whalen
Johnson, Pa.	Poyer	White
Jones, N.C.	Preyer	Whitehurst
Jones, Okla.	Price, Ill.	Widnall
Jones, Tenn.	Price, Tex.	Williams
Kastenmeier	Quile	Wilson, Bob
Kazan	Quillen	Wilson, Charles, Tex.
Keating	Railsback	Winn
Kemp	Randall	Wright
Ketchum	Rarick	Wyatt
Kluczynski	Rhodes	Wyder
Kuykendall	Robinson, Va.	Wylie
Landgrebe	Robison, N.Y.	Young, Alaska
Landrum	Rogers	Young, Ill.
Latta	Roncalio, Wyo.	Young, S.C.
Leggett	Roncalio, N.Y.	Young, Tex.
Lehman	Rose	Zablocki
Lent	Rostenkowski	Zion
Litton	Roush	
Long, La.	Rousselot	

NOT VOTING—29

Alexander	King	Rooney, N.Y.
Ashley	Mathias, Calif.	Ryan
Bolling	Metcalfe	Talcott
Clark	Mitchell, N.Y.	Vigorito
Conyers	Morgan	Walde
Dingell	Passman	Whitten
Dulski	Podell	Wiggins
Ellberg	Rangel	Young, Fla.
Harvey	Regula	Zwach
Jones, Ala.	Riegle	

So the amendment to the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, it is my understanding the gentleman from California (Mr. ROUSSELOT) will offer a motion to recommit at the proper time, and under the rules of the House it is his right

to do so. I am going to ask for a division vote on that, because I think we ought to have a chance to vote on controls or no controls.

It seems very strange to me today that we have spent 6 or 7 hours of debate, every word of which has been related to whether we should have some kind of controls in phases I, II, or III, or what kind of controls we should extend. We ought to be considering whether we should go ahead with controls or not. I think probably it is better for us to let the economic barometer run its course, as risky and as unpleasant as it might be, than to continue with another year of our present program.

Are we so hooked on controls, whether it is a price- or wage-related matter, that we cannot turn our economy loose in peace time? I think we have reached a point where we ought to let it take its run.

You can vote against the Widnall amendment, which could be considered a vote against the Patman bill, but that might be interpreted as a vote as against the Patman bill.

So, Mr. Chairman, I will ask for a division on the recommitment motion.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. DENNIS).

Mr. DENNIS. Mr. Chairman, as I have listened to the debate here this afternoon it has occurred to me we ought to set the words to music, and call it "Walking Through an Economic Wonderland." We are indebted to the gentleman from Kansas (Mr. SEEELIUS) for enlivening an otherwise rather dreary debate by reminding us that we cannot legislate the gestation period of a cow but, no more, in the long run, as a matter of fact, can we legislate the level of prices and wages contrary to the thrust and drive of the powerful economic forces, including Government expenditures in excess of income, which in the end will set them.

It has been suggested here that the people think we can prevent inflationary prices, merely by passing a law against them. If it is true that they do think that, since it is not an economic fact and we cannot really do it, I suggest it might be well, since inflation is such a cruel tax, to tell the people the truth.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, might I ask if there are any amendments still pending?

The CHAIRMAN. The Chair will state that there is an amendment or two at the desk, but the Chair is not clear whether they are going to be offered.

Mr. WYLIE. Then, Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, it is a wonderful thing we are trying to do for the consumer here this afternoon—a truly marvelous thing.

It is not bad enough that retail food prices have shot up in the supermarkets. No, we are going to fix that. We are going to fix it by taking some of that food off of the grocery shelves. I guess if some food items are not there to buy, that ought to stop some of the complaints about high prices.

Now, that is what I call a real service. Whoever dreamed up this idea of a rollback really deserves to be complimented—or something.

You do not think I am serious? You think I am exaggerating? Bluffing? You think maybe I am trying to protect somebody's inflated profits at the housewife's expense?

Well, you are wrong on all counts. You only need two things to prove the validity of what I am saying; a little common-sense, and a copy of this—"Average Prices Received by Farmers, March 15, 1973," published by the U.S. Department of Agriculture.

What is that? You missed what I said? Let me repeat it, then. I said that a price rollback, either to the middle of January or to the middle of March, will mean shortages of some food items at the retail level. In other words, it will mean some bare grocery shelves.

You do not understand how that can be? Let me tell you.

Let us consider a January rollback, for instance, and use turkey as an example. You like turkey? Is it still a bargain, relatively speaking? Well, then, you had better stock up, and here is why.

Two of my constituents, a man and his brother are in the turkey raising business. They raise 30,000 of these birds a year, supplying the retail market with about 450,000 pounds of turkey annually.

They raise them in 3 groups of 10,000 each, and it takes about 18 weeks for each group to grow to marketing weight. They are now about 7 weeks along with their first group this year.

Last year and the year before their feed cost them, per ton, \$99.80 and \$95.80, respectively, and they received an average market price per pound of 21 cents and 23 cents, respectively.

This year their feed is costing them just about double. That is right, just about double—\$195 per ton. And all their other production costs, including the interest on their operating loans, have gone up, too.

In fact, in order just to get their money back on this first group of birds—now listen to this—in order just to break even, without any return for investment and labor, they will have to receive a minimum of 28 cents per pound when they sell those turkeys in 11 weeks. Twenty-eight cents a pound, and if some of these birds, get sick and die, or get killed—which sometimes happens—that 28 cents would not cover their costs.

Now, if you just look at this table—"Average prices received, etc." see that a price rollback to January will pre-

sent them with a little problem, because the price of turkeys at the farm level on January 15 was 24 cents.

Are you listening? Twenty-four cents. And remember, they will have 28 cents invested in those birds.

So, you say, that is tough. So what? Farming is a gamble, and they knew that when they went into the business. They knew that when they bought those 10,000 turkey poult 7 weeks ago. So, everybody loses once in a while.

Well, I will tell you "so what." If this happens, those brothers are going to cut their losses and forget about turkeys this year. Normally, they would raise two more flocks of 10,000 birds each in 1973, but if a price rollback guarantees them a loss, they would be fools to buy any more poult. And they would not do it.

What does that mean? It means that these brothers will not be supplying the market with the 300,000 pounds of turkeys they would ordinarily raise between now and the end of this year. And other turkey producers all across the country will find themselves in similar circumstances.

So, do not worry about turkey prices. You will not be able to buy any at any price—legally, that is.

Oh, we might have some bootleg turkeys—especially around Thanksgiving. You will be walking down the street watching the pigeons on the sidewalk and thinking vaguely about squab with stuffing if one gets close enough, and this voice will come hissing out of the alley—

Hey, mister: You interested in a hot turkey?

Sound farfetched? Do not kid yourself.

OK, OK, you say. We have got a compromise. We will just roll back to the middle of March. How is that?

That is just as stupid.

Farmers were getting 28.4 cents for turkeys on March 15. That four-tenths of a cent will barely cover the increased interest these brothers are paying on their operating loans. Sure, that is better than a direct out-of-pocket loss, but it is no incentive to raise any more turkeys. Would you raise them for free? No return on your investment and nothing for your time? Would you?

All right. I have used turkeys as an example. The situation applies as well to other livestock and commodities. A rollback will freeze in out-of-pocket losses to many producers, and create the best doggone disincentive for food production that anybody could dream up if he spent months working on it.

Well, how about a rollback to March? Surely, farm prices went up between January and March?

Yes, some did. And, some went down. Wheat, rye, corn, oats, barley, sorghum, and dry beans went down. So did grapefruit and temples, and milk and eggs.

But, production costs did not go down. The things that farmers have to buy went up. The official price index of farm costs went up from 458 in January to 472 in March—a record high.

So, what would a March rollback do

for these commodities? The same thing a January rollback would do for turkeys and others—freeze in out-of-pocket losses for many producers and create a disincentive to produce. How long will eggs keep in the refrigerator?

I hope by now I have made my point—that a rollback to any point in time—even to yesterday—will put some food producers in a situation where they will be guaranteed a loss. And if you hold that in effect for a while, it will inevitably mean shortages of some foods, and probably black markets.

So, if we are going to have a rollback, let us at least give a little thought to what foods are preferred by the majority, so that we can plan to have our shortages in other commodities.

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

Mr. ROUSSELOT. Mr. Chairman, the kind of sweeping controls which we are going to be asked to impose on the American economy, if H.R. 6168 is passed, would necessarily involve limitations on the profits which may be earned by individual people and enterprises. In effect a large portion of American industry will be declared a virtual "public utility" if this bill is enacted. Mr. Allen Nixon, president of the Southern States Industrial Council, has written an excellent analysis of the impact which limitations on profits would have on our free economy. At this time I should like to share with my colleagues the valuable thoughts expressed in Mr. Nixon's statement:

PRICE COMMISSION VERSUS FREE ENTERPRISE

(By Allen Nixon)

NASHVILLE, TENN., January 4, 1973.—When Congress enacted wage and price controls and the administration put them into effect, it was inevitable that economic injustice and downright absurdity would result. The nation's experience with controls during World War II and the Korean War demonstrated that regulation of a free economy leads to a variety of bureaucratic abuses. The regulators' desire for power produces violations of the principles of free enterprise basic to America's prosperity.

A case in point is the Price Commission's "profit margin limitation rule" which threatens to play havoc with the financial stability of countless companies vital to the economic well-being of the communities in which they are based.

Before explaining this rule and how it is being applied, it is worthwhile noting that the real menace of Big Government lies in the rule-making power of the bureaucracy. This capacity of the bureaucracy to create administrative law is a capacity to exercise tyranny over the property of citizens. As a result, when the Congress gave the President power to regulate wages and prices, it prepared the groundwork for a maze of administrative regulations with the force of law—regulations not drafted by members of Congress but by faceless bureaucrats.

Thus it is that companies today must reckon with the "profit margin limitation rule," which, in effect, requires that businessmen devote their best energies to making sure that they don't succeed too well, that the free enterprise system not work to best advantage.

The "profit margin limitation rule" provides that a company's operating profits for 1972 cannot exceed the average of such profits secured during the two best years of

the three years ending prior to Aug. 15, 1971 as expressed as a percentage of sales. If a company's profits are in excess of the maximum and if it did not roll back prices before the end of 1972, it must pay triple damages as a penalty. That is, according to the Wall Street Journal, the Price Commission orders the company to reduce prices, or make refunds, equal to three times of either the profit-margin excess or the price overcharges.

This penalty is vicious and vindictive, not to speak of being completely contrary to everything in the free enterprise system. Moreover, it is grossly unfair to what the Price Commission calls Tier III companies, generally those with sales under \$50 million a year. These companies, as a rule, don't figure their earnings on a quarterly basis. They usually don't know their percentage of profit until they examine their accounts and take inventory at the end of their fiscal year. But when they do this, they may discover they have violated the "profit margin limitation rule."

The Price Commission, in setting up the averaging procedure, ignores the fact that a company may have had three unprofitable years in a row. Under the administrative rule, however, a company with this experience is restricted to a profit level derived from years of below-normal profitability.

Moreover, the Price Commission ignores the fact that the product mix is a key factor for retailers and wholesalers. In many such businesses, some items produce a good profit while others have very low profitability. A businessman can't tell in advance how much he will sell of the various items. He would need a crystal ball to determine the product mix in advance.

Nevertheless, the penalty can be staggering. A medium-size company, with a profit figure of about 1.5 per cent above the approved level, may be faced with a half million dollar penalty. In short, the "profit margin limitation rule" can be a disaster.

The average small and medium business doesn't have large cash reserves into which it can dip to pay penalties, especially when faced with huge quarterly tax payment demands.

Unless the Price Commission abolishes the "profit margin limitation rule" penalty, it could turn out to be a "business buster." In any case, the businessman, who should be devoting his attention to creating earnings for his stockholders, has to devote much of his time to making sure that the earnings record is not too good. The situation is absurd, fantastic and outrageous!

While the Price Commission works overtime seeing that companies don't enjoy a good margin of profit, the President and various federal agencies keep saying that they want to activate the economy and create healthier economic conditions. But healthier economic conditions mean healthy profits. The higher profits a company earns the better chance there is for wage increases based on productivity, for new hiring, enlargement of trade at home and overseas, and for an improved trickle-down effect in the communities where a company has plants or outlets.

The Price Commission officials don't seem to understand the causes of prosperity or the nature of the trickle-down effect. Their minds seem set on regulating and controlling. *Barron's Financial Weekly* pointed this out in a recent article on the way the government has fouled up the lumber business. The magazine noted that the federal government's action are contradictory. "On the one hand," said the paper, "the federal government, through lavish support of home building and mortgage lending, has pushed housing starts to a record-breaking 2.4 million units. On the other hand, in order to avoid the inflationary consequences, the au-

thorities seek to clamp a lid on such key building materials as lumber and plywood, or, failing that, insist upon their quota of scapegoats."

In the current price situation, the federal government is the real culprit. The government is the single biggest supplier of raw timber. About 22 per cent of the nation's lumber needs are met by the national forests. But while the Price Commission imposes strict controls on the finished products sold by lumber dealers the U.S. Forest Service sells logs to the highest bidder.

Good businessmen, responding to market conditions, attempt to boost sales and reduce operating expenses. But when they are successful in doing that, they run into the danger of federal penalties as a result of the "profit margin limitation rule."

In other words, the government, after encouraging business activity, turns around, through the agency of the Price Commission, and penalizes businessmen who show efficiency and enterprise. This can't be allowed to continue if the government wants to promote the overall growth of the economy.

Businessmen are only doing what energetic, intelligent businessmen are supposed to do—make a good profit for their shareholders. In the current situation, there is no way the businessman can win. If he is inefficient, his company is endangered. If he makes a good profit, he is likely to be faced with a stiff federal penalty because of unreasonable federal rules. Certainly, the federal rules should not be set up in such a way to endanger a competent executive's position with his board and stockholders.

Some bureaucrats, sad to say, most probably delight in trapping the businessman who shows a good profit as a result of efficient operation. In the long run, however, the application of the "profit margin limitation rule" will impose the most drastic penalty not on corporations but on the American people. They will be deprived of the effective working of the free enterprise system which is their greatest economic boon. All this simply underscores the need for scrapping the unwise and unworkable regulatory apparatus.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, I yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Chairman, during my 9 years in the House of Representatives I have cast many votes, but the "no" vote I am casting today against this legislation is perhaps the strongest that I have cast.

I am voting "no" because this bill in its present form favors those whose interests lies in avoiding any price controls.

A simple extension of the Economic Stabilization Act means that this body is telling the American people that it has absolutely no concern in their economic welfare. In the 3 years that the President has had wage and price controls, he was managed to turn a rather stable economy into an economy that shows the highest food prices in nearly a quarter of a century and an economy that very shortly may find itself without any petroleum or gasoline reserves. Faced with such a record, I find it impossible to vote to give the President another year in which to add to his shameful record.

The Members of this body may well have satisfied the wishes of the lobbyists, but how are they going to answer the complaints of their constituents that food prices are too high. We had an opportunity today to bring food prices down, but we refused to take action. We have turned our backs on the American people, and we have shirked our responsibilities as lawmakers.

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

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

Mr. VANIK. Mr. Chairman, before consideration of the amendment offered by Mr. PEYSER, the gentleman from New York, I intended to offer the following amendment:

Page 1, immediately after line 7, insert the following new section:

"SEC. 2. Section 203 of the Economic Stabilization Act of 1970 is amended by inserting at the end thereof the following new subsection:

"'(j) Whenever the authority of this title is implemented in any manner, the President shall, by order, stabilize the prices of all raw agricultural products.'

This amendment would direct the President to order controls on meat and raw agricultural products if he exercised controls.

The escalation of food prices and meat provide the most violent threat to a stable economy. If agricultural prices and meat cannot be controlled—nothing else can be controlled.

If we expect to hold the line on prices of other commodities and labor, we must hold prices across the board. There can be no exceptions.

In my colloquy with Mr. PEYSER, he indicated that his amendment would apply to raw agricultural products, which was the thrust of my amendment.

The CHAIRMAN. The Chair recognizes the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Chairman, I rise in opposition to Mr. WIDNALL's amendment on the nature of a substitute. If any Member were to take a selective poll of sentiment in his congressional district about the provisions of H.R. 6168, the Member would find that practically every special interest group in the District opposes it. The farmers oppose it, of course, because they like the prices they have been receiving and do not want to be regulated. The stores and their wholesalers oppose it because it would cause a lot of paperwork, and extra work, in marking down the prices they have so busily marked up since phase III began. The gamblers in commodities futures hate the idea of having their margins subject to regulation. The officials of the big oil companies are incensed over the idea of assuring adequate gasoline and oil supplies to small distributors, and independent retailers. The landlords certainly do not want this bill at all. Not at all.

So who likes the idea of stopping inflation? Only the people like it.

And let me warn the Members of this House: If we do not do what the people have been demanding we do—and that is stop this horrible increase in living

costs—all of the businessmen you have been hearing from this past week, about the inconveniences created for them by H.R. 6168, are going to be telephoning you in a couple of months pleading with you to stop the union demands for tremendous wage increases.

And what will you tell those businessmen then? Will you say then, that the President made a mistake when he junked the whole fabric of price controls in January? That will not solve anything. The question will be—how did the individual Member vote on the House floor on April 16 when we had the opportunity to stop this inflation?

If President Nixon had removed controls on October 10 instead of January 10, he would not be President today. I think every Republican Member of this House recognizes that fact. President Nixon does not have to face the voters of this country again. Those who do have a different stake from the President's in this legislation to stop inflation.

The President asks for another year of the same free hand he has had up to now, in using controls or jacking them as he sees fit. If Congress gives him that free hand, knowing what we know now about the manner in which he turned the inflation of January 10, and thereafter, loose on the American people, I hope the Members who vote for that outcome will level with the American people and say they don't think Congress should do any more than rubber stamp the White House on the most fundamental issues of prices, wages, rents, interest rates, and other aspects of our daily lives.

Unless we mandate effective controls, rather than just a continuation of this galloping inflation, we will be abdicating our responsibility. President Nixon has had more power than any President in our history to stop inflation—his grant of authority is wider than that given Franklin D. Roosevelt in World War II or Harry S Truman in the Korean war. Roosevelt and Truman used their authority to hold inflation in check. President Nixon has not.

So, if we merely extend the present law without requiring that effective steps be taken to stop rising prices, rents, and interest rates, we will be giving President Nixon a vote of confidence in phase III.

That is the issue here. Has President Nixon done a good job in holding inflation in check? Those Members who think he has done a good job will vote merely to extend his present authority. If they prevail, then let them explain to their constituents why they think all of the increases in food costs and in rents and in everything else under phase III are good for the country and good for the people.

Every Member of this House professes to be for the consumer. Most of the Members have bitterly denounced high prices. Now let us see who votes for a continuation of those prices. This is the moment of truth. I cannot vote for a continuation of a program that has been so unfairly administered. The Congress can adopt a better bill and it must.

(By unanimous consent Mr. PATMAN yielded his time to Mr. REES.)

AMENDMENT OFFERED BY MR. REES TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WIDNALL

Mr. REES. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. REES to the amendment in the nature of a substitute offered by Mr. WIDNALL: at the end of the amendment insert the following:

"DEFINITION OF WAGES AND SALARIES

"Sec. 3. Section 203(g) of the Economic Stabilization Act of 1970 is amended to read as follows:

"'(g) For the purposes of this title, the term "wages" and "salaries" do not include reasonable contributions by any employer pursuant to a compensation adjustment for—

"'(1) any pension, profit sharing, or annuity and savings plan which meets the requirements of section 401(a), 404(a)(2), or 403(b) of the Internal Revenue Code of 1954;

"'(2) any group insurance plan; or

"'(3) any disability and health plan; unless the President determines that the contributions for such purposes made by any such employer are unreasonably inconsistent with the standards for wage, salary, and price increases issued under subsection (b) or under any other provision of this title. Contributions necessary to maintain reasonable benefit provisions provided in any plan described in this subsection shall not be considered "unreasonably inconsistent"."

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

Mr. REES. I yield to the gentleman from New Jersey.

Mr. WIDNALL. The minority will accept the amendment.

Mr. DENNIS. Mr. Chairman, I would like to know what the amendment says, whether we accept it or not.

Mr. REES. Under the present law as we passed it last year, it says that pension plans, profit sharing, and so forth, contributions to these funds are not under the definition of wages and salaries unless they appear to be unreasonably inconsistent in regard to the standards set by the Pay Board on Wages and Salaries and Price Increases. The problem is that all industries are regulated under the Pay Board except one industry, and that is the building trades. They are regulated under the Construction Industry Stabilization Committee.

All this amendment does is to say that the building trades in terms of the definition of wages and salaries will take the same definition that we mandated last year, and the definition is now accepted by the Pay Board, so that all industry, including the building trades, will be included under the definition set down by the Pay Board. That is all it does.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. REES) to the amendment in the nature of a substitute offered by the gentleman from New Jersey (Mr. WIDNALL).

The amendment to the amendment in the nature of a substitute was agreed to.

Mr. WYLIE. Mr. Chairman, I yield back the balance of my time.

Mr. BROWN of Michigan. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, 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. 6168) to amend and extend the Economic Stabilization Act of 1970, pursuant to House Resolution 357, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

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

The question is on the amendment.

The amendment was agreed to.

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

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

MOTION TO RECOMMIT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ROUSSELOT. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ROUSSELOT moves to recommit the bill H.R. 6168 to the Committee on Banking and Currency.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 164, nays 243, not voting 26, as follows:

[Roll No. 96]

YEAS—164

Abzug	Brown, Calif.	Dellums
Adams	Burke, Calif.	Denholm
Addabbo	Burke, Fla.	Dennis
Anderson, Calif.	Burke, Mass.	Dent
Andrews, N.C.	Burton	Derwinski
Annunzio	Carney, Ohio	Diggs
Archer	Chappell	Donohue
Armstrong	Chisholm	Drinan
Ashbrook	Clawson, Del	Dodd
Badillo	Clay	Edwards, Calif.
Baker	Collins	Fisher
Barrett	Conlan	Flood
Biaggi	Corman	Ford
Bingham	Cotter	William D.
Blackburn	Crane	Fraser
Blatnik	Cronin	Froehlich
Boggs	Dominick V.	Fulton
Brademas	Danielson	Gaydos
Brasco	de la Garza	Goldwater
Bray	Delaney	Gonzalez

Green, Oreg.	Madden	Rousselot
Green, Pa.	Mathis, Ga.	Royal
Griffiths	Matsunaga	Sarbanes
Gubser	Meeds	Saylor
Hanley	Michel	Seiberling
Harrington	Minish	Shipley
Hawkins	Mink	Sikes
Hays	Mitchell, Md.	Slack
Hechler, W. Va.	Moakley	Stanton, J. William
Heckler, Mass.	Moss	Steed
Heinz	Murphy, Ill.	Steiger, Ariz.
Hełstoski	Myers	Stephens
Hicks	Nedzi	Stratton
Holifield	Nix	Stubblefield
Hoitzman	Obey	Stokes
Howard	O'Hara	Studds
Huber	O'Neill	Sullivan
Hungate	Owens	Symington
Johnson, Calif.	Parris	Symms
Johnson, Colo.	Patman	Taylor, Mo.
Jordan	Patten	Thompson, N.J.
Karth	Pettis	Tierman
Kastenmeier	Pickle	Treen
Kemp	Powell, Ohio	Van Deerlin
Ketchum	Price, Ill.	Vanik
Kluczynski	Rangel	Whalen
Koch	Rarick	Wilson, Charles H.
Kyros	Reid	Calif.
Landgrebe	Rinaldo	Wilson
Leggett	Rodino	Charles, Tex.
Lehman	Roe	Wolff
Long, Md.	Roncalio, Wyo.	Wyman
Lujan	Rooney, Pa.	Yates
McCormack	Rosenthal	Yatron
McFall	Rostenkowski	Young, Ga.

NAYS—243

Abdnor	Findley	Mahon
Anderson, Ill.	Fish	Mailliard
Andrews, N. Dak.	Flowers	Mallary
Arends	Flynt	Mann
Aspin	Foley	Maraziti
Bafalis	Ford, Gerald R.	Martin, Nebr.
Beard	Forsythe	Martin, N.C.
Bell	Fountain	Mayne
Bennett	Frelinghuysen	Mazzoll
Bergland	Frenzel	Melcher
Bevill	Frey	Mezvinsky
Blester	Fuqua	Milford
Boland	Gettys	Mills, Ark.
Bowing	Gaimo	Mills, Md.
Breaux	Gibbons	Minshall, Ohio
Breckinridge	Gilman	Mizell
Brinkley	Goodling	Mollohan
Brooks	Gray	Montgomery
Broomfield	Gross	Moorhead, Calif.
Brotzman	Grover	Moorhead, Pa.
Brown, Mich.	Gude	Mosher
Brown, Ohio	Gunter	Murphy, N.Y.
Broyhill, N.C.	Guyer	Natcher
Broyhill, Va.	Haley	Neisen
Buchanan	Hamilton	Nichols
Burgener	Hammer-schmidt	O'Brien
Burleson, Tex.	Hanrahan	Pepper
Burlison, Mo.	Hansen, Idaho	Perkins
Butier	Hansen, Wash.	Peyser
Byron	Harsha	Pike
Camp	Hastings	Poage
Carey, N.Y.	Hébert	Preyer
Carter	Henderson	Price, Tex.
Casey, Tex.	Hillis	Pritchard
Cederberg	Hinshaw	Quie
Chamberlain	Hogan	Quillen
Clancy	Holt	Railsback
Clausen,	Horton	Randall
Don H.	Hosmer	Rees
Cleveland	Hudnut	Reuss
Cochran	Hunt	Rhodes
Cohen	Hutchinson	Robinson, Va.
Conable	Ichord	Robinson, N.Y.
Conte	Jarman	Rogers
Johnson, Pa.	Jones, N.C.	Roncallo, N.Y.
Coughlin	Jones, Okla.	Rose
Culver	Jones, Tenn.	Roush
Daniel, Dan	Jones, Tenn.	Roy
Daniel, Robert	Kazen	Runnels
W., Jr.	Keating	Ruppe
Davis, Ga.	Kuykendall	Ruth
Davis, S.C.	Landrum	St Germain
Diggs	Latta	Sandman
Davis, Wis.	Lent	Sarasin
Dellenback	Litton	Satterfield
Dickinson	Long, La.	Scherle
Dorn	Lott	Schneebeli
Duncan	McClory	Schroeder
Du Pont	McCloskey	Sebelius
Edwards, Ala.	McCloskey	Shoup
Edwards, Ala.	McDade	Shriver
Erlenborn	McEwen	Shuster
Esch	McKay	Sisk
Fulton	McKinney	Skubitz
Esch	Macdonald	Smith, Iowa
Fascell	Macdonald	Smith, N.Y.
Fascell	Madigan	Snyder

Spence	Staggers	Thone
Stanton,	Stanton, J. William	Thornton
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Steed	Stubblefield	Waggoner
Steed	Stuckey	Walsh
Steed	Taylor, N.C.	Ware
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Steed	Thomson, Wis.	Whitten
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Steed	Ashley	Wilson, Bob
Steed	Clark	Winn
Steed	Dingell	Wright
Steed	Dulski	Wyatt
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Green, Pa. Mailliard Sarasin  
Griffiths Mallary Satterfield  
Grover Mann Saylor  
Gubser Maraziti Scherle  
Gude Martin, Nebr. Schneebeli  
Gunter Martin, N.C. Sebelius  
Guyer Mathis, Ga. Seiberling  
Haley Matsumaga Shoup  
Hamilton Mayne Shriver  
Hammer- Mazzoli Shuster  
schmidt Meeds Sikes  
Hanley Melcher Sisk  
Hanrahan Milford Skubitz  
Hansen, Idaho Mills, Ark. Slack  
Hansen, Wash. Mills, Md. Smith, N.Y.  
Harrington Minshall, Ohio Snyder  
Harsha Mizell Spence  
Hastings Moakley Staggers  
Hays Mollohan Stanton  
Hébert Montgomery J. William  
Heckler, Mass. Moorhead, Steed  
Heinz Calif. Stephens  
Henderson Moorhead, Pa. Stratton  
Hillis Mosher Stubblefield  
Hinshaw Murphy, Ill. Stuckey  
Hogan Murphy, N.Y. Symington  
Hoifield Myers Taylor, N.C.  
Holt Natcher Teague, Calif.  
Horton Neisen Thomson, Wis.  
Hosmer Nichols Thone  
Hudnut Nix Thornton  
Hunt O'Brien Towell, Nev.  
Hutchinson Parris Udall  
Ichord Pepper Ullman  
Jarman Perkins Vander Jagt  
Johnson, Pa. Pettis Vanik  
Jones, N.C. Peyser Veysey  
Jones, Okla. Pike Waggonner  
Jones, Tenn. Foage Walsh  
Kazan Preyer Wampler  
Keating Price, Tex. Ware  
Kluczynski Pritchard White  
Koch Quie Whitehurst  
Kuykendall Quillen Whitten  
Landrum Railbacks Widnall  
Latta Randall Wilson, Bob  
Leggett Rees Winn  
Lent Reid Wolff  
Litton Rhodes Wright  
Long, La. Rinaldo Wyatt  
Lott Roberts Wydler  
Lujan Robinson, Va. Wylie  
McClory Robinson, N.Y. Wyman  
McCloskey Rogers Yates  
McCollister Roncallo, N.Y. Yatron  
McCormack Rooney, Pa. Young, Alaska  
McDade Rose Young, Ill.  
McEwen Rostenkowski Young, S.C.  
McFall Roush Young, Tex.  
McKay Roy Zablocki  
McKinney Runnels Zion  
McSpadden Ruppe Ruth  
Madigan NAYS—114

Abzug Gross Rangel  
Adams Hanna Rarick  
Annunzio Hawkins Reuss  
Archer Hechler, W. Va. Rodino  
Armstrong Helstoski Roe  
Ashbrook Hicks Roncalio, Wyo.  
Aspin Holtzman Rosenthal  
Badillo Howard Rousset  
Barrett Huber Roybal  
Blackburn Hungate Sarbanes  
Blatnik Johnson, Calif. Schroeder  
Bolling Johnson, Colo. Shipley  
Brademas Jordan Smith, Iowa  
Brasco Karth St Germain  
Brown, Calif. Kastenmeier Stanton  
Burke, Calif. Kemp James V.  
Burton Ketchum Stark  
Carney, Ohio Kyros Steele  
Chisholm Landgrebe Steelman  
Clawson, Del Lehman Steiger, Ariz.  
Clay Macdonald Stokes  
Collins Madden Studds  
Conlan Mezvinsky Sullivan  
Corman Michel Symms  
Cotter Miller Taylor, Mo.  
Crane Culver Minish Teague, Tex.  
Dellums Mink Thompson, N.J.  
Denholm Mitchell, Md. Tierman  
Dennis Moss Treen  
Derwinski Nedzi Van Deerlin  
Diggs O'Hara Whalen  
Eckhardt O'Neill Williams  
Edwards, Calif. Obey Wilson  
Ford, William D. Owens Charles H.  
Frechlich Patman Wilson  
Fulton Fatten Charles, Tex.  
Goldwater Pickle Young, Ga.  
Gonzalez Powell, Ohio Price, Ill.

Sandman  
Sarasin  
Satterfield  
Saylor  
Scherle  
Schneebeli  
Sebelius  
Seiberling  
Shoup  
Shriver  
Shuster  
Sikes  
Sisk  
Skubitz  
Slack  
Smith, N.Y.  
Snyder  
Spence  
Staggers  
Stanton  
J. William  
Stephens  
Stratton  
Stubblefield  
Stuckey  
Symington  
Taylor, N.C.  
Teague, Calif.  
Thomson, Wis.  
Thone  
Thornton  
Towell, Nev.  
Udall  
Ullman  
Vander Jagt  
Vanik  
Veysey  
Waggonner  
Walsh  
Wampler  
Ware  
White  
Whitehurst  
Whitten  
Widnall  
Wilson, Bob  
Winn  
Wolff  
Wright  
Wyatt  
Wydler  
Wylie  
Wyman  
Yates  
Yatron  
Young, Alaska  
Young, Ill.  
Young, S.C.  
Young, Tex.  
Zablocki  
Zion

Alexander King Rooney, N.Y.  
Ashley Mathias, Calif. Ryan  
Clark Metcalfe Talcott  
Conyers Mitchell, N.Y. Vigorito  
Dingell Morgan Walde  
Dulski Passman Wiggins  
Ellberg Podell Young, Fla.  
Harvey Regula Zwach  
Jones, Ala. Riegler

## NOT VOTING—26

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Ellberg for, with Mr. Walde against.  
Mr. Passman for, with Mr. Metcalfe against.  
Mr. Jones of Alabama for, with Mr. Conyers against.  
Mr. Dulski for, with Mr. Dingell against.  
Mr. Vigorito for, with Mr. Podell against.  
Mr. Talcott for, with Mr. Riegler against.  
Mr. Young of Florida for, with Mr. Rooney of New York against.  
Mr. Morgan for, with Mr. Ashley against.

Until further notice:

Mr. Clark with Mr. Harvey.  
Mr. Ryan with Mr. Wiggins.  
Mr. Mitchell of New York with Mr. King.  
Mr. Alexander with Mr. Mathias of California.  
Mr. Regula with Mr. Zwach.

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 357, the Committee on Banking and Currency is discharged from the further consideration of the bill, S. 398.

The Clerk read the title of the Senate bill.

## MOTION OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PATMAN moves to strike out all after the enacting clause in S. 398 and to insert in lieu thereof the provisions of H.R. 6168, as passed, as follows:

That section 218 of the Economic Stabilization Act of 1970 (title II of Public Law 92-210; 85 Stat. 743) is amended by striking out "April 30, 1973" and "May 1, 1973" and inserting in lieu thereof "April 30, 1974" and "May 1, 1974," respectively.

SEC. 2. Section 207(b) of the Economic Stabilization Act of 1970 is amended by striking out the period at the end thereof and inserting the following in lieu thereof: "Provided, That such agency shall issue no order which has the effect of reducing wages, or salaries in effect, or proposed to be put into effect, in an appropriate employee unit unless such order is made on the record after opportunity for a hearing. Not less than thirty days after issuance of such an order a statement of explanation shall be directed to the affected parties and made available to the public. Such statement shall include a full explanation of the reasons why the existing wage or salary, or proposed wage or salary adjustment, does not meet the requirements of or the standards established by the regulations prescribed by the agency."

## DEFINITION OF WAGES AND SALARIES

SEC. 3. Section 203(g) of the Economic Stabilization Act of 1970 is amended to read as follows:

"(g) For the purposes of this title, the term 'wages' and 'salaries' do not include reasonable contributions by any employer pursuant to a compensation adjustment for—

"(1) any pension, profit sharing, or annuity and savings plan which meets the requirements of section 401(a), 404(a)(2), or

403(b) of the Internal Revenue Code of 1954;

"(2) any group insurance plan; or

"(3) any disability and health plan;

unless the President determines that the contributions for such purposes made by any such employer are unreasonably inconsistent with the standards for wage, salary, and price increases issued under subsection (b) or under any other provision of this title. Contributions necessary to maintain reasonable benefit provisions provided in any plan described in this subsection shall not be considered 'unreasonably inconsistent'."

The motion was agreed to.

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

A similar House bill (H.R. 6168) was laid on the table.

## APPOINTMENT OF CONFEREES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the House insist upon its amendment to the bill S. 398 and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. PATMAN, BARRETT, Mrs. SULLIVAN, Messrs. REUSS, ST GERMAIN, ANNUNZIO, REES, COTTER, MITCHELL of Maryland, WIDNALL, JOHN-SON of Pennsylvania, J. WILLIAM STAN-TON, BLACKBURN, BROWN of Michigan, and WYLIE.

## 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 and to include extraneous matter on the bill just passed.

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

There was no objection.

ORDER TO PUT OVER ROLLCALL  
VOTES UNTIL WEDNESDAY

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the vote in the House on any amendment adopted in the Committee of the Whole to the legislative appropriation bill be put over until Wednesday.

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

There was no objection.

## TAX DAY—1973

The SPEAKER pro tempore (Mr. MAZZOLI). Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 60 minutes.

Mr. CORMAN. Mr. Speaker, by midnight tonight the American taxpayer, who has not already done so, will drop his form 1040 and check for his 1972 income tax into the mail box addressed to his nearest branch of the Internal Revenue Service. The "last-minute-April 15" mailers—this year a day of grace—are usually the average taxpayer who, while taxes are always difficult to pay, has done

so with what might be called good-natured grumbling. But this year, something different is abroad in the land. The good-natured grumbling has become serious discontent. A 1972 Harris poll showed that 88 percent of the people demanded "closing loopholes for high-income people," and 68 percent wanted "corporate profits taxed at a higher rate."

Some say there is a taxpayer's revolt throughout the country. Perhaps so. It must be very upsetting to the average taxpayer to learn that we have a tax system so arranged that a wealthy individual often pays no income tax, or perhaps very little; and that giant corporations enjoy great tax advantages which result in a ridiculously low tax burden, given the large profits realized by them. If the average taxpayer believes that the Federal tax structure is terribly unfair and inequitable, I can only agree with him. If he joins a taxpayer's revolt, I cannot blame him.

There is nothing wrong with the concept of a Federal income tax system. Most people agree that the costs which the Federal Government assumes for its citizens should be paid in this way. But, the American people must be able to have confidence in the system. It must be fair; it must produce enough revenue to meet the cost of public needs—not a system replete with tax preferences, shelters or loopholes for only a privileged segment of the taxpaying population.

These loopholes, preferences, or shelters—by whichever name one wishes to call them—have a long history. In the 1920s we worried that we might not have enough gasoline for our model T Fords, so we adopted the oil depletion allowance. After World War II, special tax incentives were initiated to encourage capital to flow into the building industry. All sorts of special tax privileges were provided for real property development. Then it was thought that not enough money was going into plant expansion, so the Congress provided another special tax incentive—the investment credit. I could recite many more. Perhaps the stated objectives of the so-called "tax incentives" were a reasonable national objective. But the methods have proven, ineffective, expensive and unfair.

This is why, Mr. Speaker, a number of my colleagues joined me last year in an initial effort for major tax reform. This year we reintroduced the bill with changes—symbolically numbered H.R. 1040—the Tax Equity Act of 1973.

As Chairman MILLS promised in the fall of 1972, general tax reform has been the first order of major business before the Ways and Means Committee in the 93d Congress. For more than 2 months, we have been hearing testimony, and the hearings will continue through this week. Preceding the public witnesses, the committee heard 11 panel discussions on broad areas of the tax code. Specialists in each area discussed their views with the committee members and with each other. It was an enlightening experience. Our tax system was vigorously attacked and defended. But, Mr. Speaker, I must

say that no witness defended it as much as did Presidential Aide John Ehrlichman on a recent ABC's "Issues and Answers" program. His basic point was that he could not find any loophole to close, and that the only way to broaden Federal revenues is to tax contributions to churches and the Boy Scouts. His comments were astounding. Let me quote a few:

You don't raise very much money by making every corporation pay a tax. Where you really can raise money by closing loopholes is if you don't let the average householder deduct the interest on his mortgage any more, and you don't let him deduct charitable contributions to his church or to the Boy Scouts, or you don't let him take personal exemptions. Now that is where you can really raise a lot of money. . . .

Of course, this is not true and I am sure that Mr. Ehrlichman knows it. His failure to point to the real revenue-raising loopholes serving only the wealthy is obviously a smokescreen to hide the serious inequities in the tax code. These inequities are not a figment of the imagination, but they are the very thoughtful concern of the 51 Members of the House who have cosponsored H.R. 1040, and I hope the serious concern of every other Member and Senator.

Mr. Speaker, referring to my earlier comment that the panelists appearing before the Ways and Means Committee defended and attacked our present tax laws, I think it would be useful to point out the amendments contained in H.R. 1040 which were proposed by some of the specialists. While they did not refer to the language or pertinent section of H.R. 1040, I am pleased to know that our efforts for tax reform are supported by these eminent experts in the tax field.

First. Current taxation of undistributed profits of controlled foreign corporations, section 412 of H.R. 1040: the following panelists recommended that the existing deferral of tax on income of foreign subsidiaries be eliminated:

Dr. Joseph Pechman, Brookings Institution.

Prof. Stanley S. Surrey, Harvard Law School, Cambridge, Mass.

Prof. Peggy Musgrave, Northeastern University, Boston, Mass.

Mr. Stanford G. Ross, law firm of Caplin & Drysdale, Washington, D.C.

Prof. Lawrence M. Stone, University of California School of Law, Berkeley, Calif.

According to the Wall Street Journal of March 21, 1973, Chairman WILBUR D. MILLS supports this proposal. The article stated:

\*\*\* One thing that should be changed, he said, is the provision enabling multinationals to defer U.S. taxes on foreign income until it's brought back to this country. "I thought we can eliminate this shelter by making this income subject to American tax," he said. \*\*\*

Second. Taxing capital gain income as ordinary income, sections 101 and 102 of H.R. 1040. The following panelists supported the taxation of capital gains at ordinary income rates:

Dr. Joseph Pechman, Brookings Institution.

Prof. Harvey D. Brazer, University of Michigan, Ann Arbor, Mich.

Prof. Richard A. Musgrave, Harvard, Cambridge, Mass.

Professor Musgrave supported the proposition that in computing the amount of capital gains to be taxed as ordinary income, some adjustment should be made for the factor of inflation.

Professor Brazer recommended reducing the top rate on individuals to 50 percent—as does H.R. 1040—if capital gains are taxed as ordinary income.

Third. Repeal of ADR and the investment credit, sections 401 and 402 of H.R. 1040: Prof. Robert Eisner, Northwestern University, recommended the repeal of ADR and the investment credit.

Senator BIRCH BAYH recently introduced a bill (S. 1281) to repeal the asset depreciation range system.

Fourth. Limit depreciation deduction to equity in case of rental real estate. Section 502 of H.R. 1040: Mr. Jerome Kurtz, law firm of Wolf, Block, Shor & Solis-Cohen, Philadelphia, recommended that the depreciation deduction be limited to the taxpayer's equity in the real estate.

Fifth. Development Expenditures of Fruit and Nut Groves and Vineyards, section 504 of H.R. 1040: The following panelists recommended the same treatment of development expenditures for fruit and nut groves and vineyards as is provided in H.R. 1040.

Prof. Charles Davenport, University of California Law School, Davis, Calif.

Prof. Roland L. Hjorth, University of Washington Law School, Seattle, Wash.

Sixth. Use of limited partnership for tax shelters, Section 313 of H.R. 1040:

Prof. Paul R. McDaniel, Boston College Law School, recommended that a limited partners loss from partnership operations cannot exceed his contribution of capital to the partnership.

Seventh. Repeal of Western Hemisphere trade deduction, section 411 of H.R. 1040: The following panelists recommended the repeal of the special deduction now allowed Western Hemisphere trade corporations.

Prof. Peggy Musgrave, Northeastern University, Boston, Mass.

Mr. Stanford G. Ross, Caplin & Drysdale, Washington, D.C.

Eighth. Repeal of exemption for individuals of earned income from foreign sources, section 314 of H.R. 1040: Mr. Stanford G. Ross, Caplin & Drysdale, Washington, D.C., recommended the repeal of this existing exemption.

Ninth. Limitation on foreign tax credit, section 506 of H.R. 1040: Prof. Lawrence M. Stone, School of Law, University of California, Berkeley, recommends that both the per-country and overall limitations be applied in computing the foreign tax credit.

Tenth. Minimum tax amendments, section 501 of H.R. 1040: Mr. Martin D. Ginsburg, law firm of Weil, Gotshal & Manges, New York, recommended that in computing the minimum tax there should be no deduction of the regular income taxes from the items of tax preferences. Mr. Ginsburg also recommended that intangible drilling expenses should be treated as an item of tax preference.

The following panelists recommended that tax-exempt interest should be treated as an item of tax preference.

Prof. Paul R. McDaniel, Boston College Law School, Brighton, Mass.

Mr. Kenneth A. Goldman, Irell & Manella, Los Angeles, Calif.

Eleventh. Carryover of basis at death, section 106 of H.R. 1040: Mr. Bart A. Brown, Jr., Dinsmore, Shohl, Coates & Deupree, Cincinnati, stated that a carryover of basis at death would be preferable to a capital gains tax on unrealized appreciation at death.

Twelfth. Integration of estate tax rate with inter vivos gifts, section 601 of H.R. 1040: Mr. Richard B. Covey, Carter, Leddy & Milburn, New York, N.Y., stated that he preferred the provisions of H.R. 1040 over all other proposals for integration of the estate and gift taxes.

Thirteenth. Fifty percent limitation on the charitable deduction in the case of the estate tax, section 604 of H.R. 1040: Prof. David Westfall, Harvard Law School, recommended that the estate tax deduction for charitable bequests be limited to 50 percent of the estate, as does H.R. 1040.

Fourteenth. Life insurance included in gross estate, section 603 of H.R. 1040: Prof. David Westfall, Harvard Law School, Cambridge, Mass., recommended that life insurance be included in the decedent's gross estate on the basis of a premium payment test.

Ample support of our efforts has also been evidenced by a number of the public witnesses. Time and space do not permit many examples, but I will comment about the testimony of George H. Deffet, one of the top 50 builders of apartments in the Nation. His testimony speaks directly to several sections of H.R. 1040. Let me quote him in part:

It seems very strange to me that in order to provide decent shelter for millions of Americans, we must unerringly produce more tax millionaires. This is simply a ludicrous situation and on moral grounds alone should be considered unacceptable.

He mentioned that up to \$1 billion in real estate tax write-offs in 1971 alone has been—and again I quote:

Siphoned into the pockets of high bracket investors, a host of middle men, syndicates and others, all in the cause of creating low and moderate income housing. . . . the system extends tax shelter subsidies, a blank check if you will, to all new residential construction. That includes middle income, semi-luxury and luxury hi-rise apartment developments plus new shopping centers and commercial-industrial properties, but such projects do not require indirect subsidy to generate adequate capital. . . . It is my personal opinion that present real estate tax incentives—I really prefer to call them tax shelter loopholes—perpetuate a totally unfair form of taxation. Indeed, they are perversions of the progressive tax system. . . . Rapid depreciation and favorable capital gains are the major elements of real estate "tax shelters." . . . These elements are not necessary for sustained high levels of construction activity. . . . I am convinced these tax loopholes indirectly aid fragmentation and irrationality in our industry. . . . I contend they stimulate and support artificial competition while inhibiting technological advancement. . . . These effects ultimately deny consumers superior housing products at lowest possible costs.

Mr. Deffet's remarks are sobering and food for thought.

Knowing full well the busy schedule that absorbs the time of every Member, I would still hope, Mr. Speaker, that when the tax reform hearings record is available, my colleagues would take the time to study as much of it as possible, and to study it in relation to what H.R. 1040 proposes. It will be a worthwhile experience and an important one when they are called upon to consider tax reform legislation.

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

Mr. CORMAN. I yield to the distinguished gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Speaker, today, as the mails are flooded with the Federal income tax returns of millions of Americans, it is particularly appropriate that we, Members of Congress, should speak on the subject of tax reform. For as the Constitution stipulates, it is the House of Representatives that bears the responsibility for originating all tax laws.

It is doubly appropriate that tax reform should be considered today, in light of the recent announcement of the chairman of the Ways and Means Committee, Mr. MILLS, that further consideration of tax reform is to be postponed at least until new foreign trade legislation is completed.

#### THE PROMISE OF TAX REFORM

There are two fundamental reasons why tax reform is an immediate necessity: equity and revenue. First, over the years the tax laws have grown excessively complex, with the piecemeal addition of more and more special-interest breaks and preferences. Partly as a result of these changes, public confidence in the tax system has fallen sharply, and the progressive nature of the Federal income tax structure is open to serious doubt. As a result, there is a compelling need to overhaul the Internal Revenue Code so as to accomplish greater tax equity.

Second, tax reform holds forth the promise of billions of dollars in additional, and badly needed, Federal revenues. In the first 4 years of the present administration budget deficits totaled well over \$100 billion, and unfortunately, there is no evidence to suggest that this unfortunate trend is reversing. In fact, the President's proposed 1974 budget anticipates a budget deficit—on a unified basis—of \$12.7 billion, and if the experience of past years is any precedent, then the actual deficit will be much higher.

While modern economic theory suggests that deficit spending has its advantages, there can be too much of a good thing, and such is the situation now. There can be no question that the continuing red ink in the Federal budget has contributed to inflation. But while it is clear that more Federal revenues are needed, it is doubly certain that a tax increase is to be avoided if at all possible—and in fact can be avoided, if responsible tax reform legislation is en-

acted. The tax burden upon the great majority of the American people is already heavy enough, and any tax increase without tax reform would inevitably further aggravate the distortions of the tax code that virtually cry out for reform.

The revenues that could be brought in by tax reform could be put to any number of productive usages. The squeeze on the Federal budget has had the unfortunate result of jeopardizing many existing programs of great domestic benefit while effectively shutting the door on major new initiatives; for example, comprehensive health insurance, or greatly improved transportation programs, or Federal aid in development of advanced technology for civilian purposes. In addition, the revenues to be gained through tax reform could conceivably be put to use in relieving the heavy burden of the most regressive of all Federal taxes—the payroll tax for social security.

For that matter, such revenues could be utilized to reduce the property tax burdens that are robbing millions of our Nation's elderly citizens of any measure of financial security. And, of course, these revenues could help iron out the imbalance between Federal revenues and Federal spending that has fueled inflation.

The bill that is the focus of today's consideration, Congressman CORMAN's Tax Equity Act of 1973 of which I am a cosponsor, would increase Federal revenues by approximately \$20 billion annually, while greatly improving the equity of taxes, and generally assisting the tax plight of the lower- and middle-income citizens of our Nation. In addition, Congressman CORMAN's bill would have the added advantage of removing many of the existing tax shelters that have caused substantial economic dislocation by providing incentives to base fundamental business decisions not on sound economic criteria but on artificial tax advantages—even though these decisions often provide only minimal productivity. The Tax Equity Act would provide an even-handed treatment of capital investments, and would in all probability result in a more productive utilization of corporate and individual capital.

#### THE BURDEN OF TAXES

In his recent testimony before the Ways and Means Committee, Leon Schull, national director of Americans for Democratic Action—ADA—commented that the Federal tax system is becoming "progressively less progressive." The evidence of the past decade supports this contention, as the progressive nature of the tax law has been increasingly buried under an avalanche of tax preferences and loopholes, of little if any benefit to the average taxpayer. Perhaps even more significant is the marked growth in the percentage of Federal revenues that are received from the so-called regressive taxes—chiefly the social security payroll tax. These regressive taxes strike hardest at lower- and middle-income taxpayers who derive their income not from stocks and bonds, but from the labor.

In the 3 years between 1972 and 1974

the share of personal income taxes as a percentage of total Federal revenues has decreased from 45.4 percent to 43.6 percent. Similarly the corporate income tax share has decreased from 15.9 percent in 1972 to an estimated 14.4 percent in 1974. But during this same period the social security tax has increased from 25.8 percent to 30.5 percent. In terms of dollar receipts, the social security tax revenue has in the last 3 years increased by more than \$24 billion, a jump of 45 percent between 1972 and 1974, a rate more than double that of either individual or corporate income taxes. In 1949 the payroll tax was at a 2-percent rate and applied to a maximum of \$3,000 of income, with a maximum tax of about \$60. In 1973, the maximum rate has risen to 11.7 percent, the maximum taxable earnings to \$10,800, and the maximum tax—which is paid by most middle-income families—has jumped to \$1,263.60.

The burden upon the individual taxpayer has also risen dramatically, to the point where social security taxes and individual income taxes combined are expected to comprise nearly three-quarters of total Federal revenues for fiscal 1974, while corporate taxes will make up only 14.4 percent of the revenue “pie.” The percentage contribution of corporate taxes has fallen sharply in recent years. In 1960 corporate taxes made up 35 percent of total Federal revenues. By 1969, as a result of the many subsidies and tax breaks introduced into the tax laws, this proportion had dropped to 27 percent. Now, primarily as a result of the new tax giveaways engendered by the President’s new economic policy (NEP) the corporate share will have fallen by another 13 percent to the 14.4 percent figure. This shrinkage in corporate rate of contributions has, necessarily, been accompanied by an increase in the tax burden upon the average person.

The progressive character of the individual income tax structure has also declined, as the network of tax preferences has virtually made a mockery of the “nominal” tax rates of higher income groups. Preferential tax treatment for capital gains, higher benefit rates for personal deductions in higher income and tax brackets and a host of other preferences and loopholes have managed to reduce the wealthy person’s tax share far below the stated maximum rate of 70 percent.

In fact a study by the noted Brookings Institution economists Joseph Pechman and Benjamin Okner demonstrates that taxes take only 32 percent of the income of individuals in high tax brackets. In addition, some wealthy individuals manage to pay no tax at all. While the maze of deductions and preferences result in a total tax reduction of only \$651 to an average family in the \$10,000 to \$15,000 income bracket, these same tax advantages result in an average tax saving—or “tax welfare payment”—of \$720,448 per year for each of the 3,000 American families with incomes of more than a million dollars a year. The tax loopholes and preferences clearly help not the average American, but the rich.

To sum up the trends in tax policy over the last decade, reductions in personal income tax have been essentially can-

celed out by sharp increases in regressive payroll taxes. Corporate taxes have risen slightly in total dollar amount, but comprise an increasingly smaller share of total Federal revenues. The big losers have been the poor- and middle-income Americans, the big gainers corporations and the wealthy. In view of this trend, it is little wonder that millions of Americans demand that the wealthy and corporations pay “their fair share” and that cries of a taxpayer “revolt” continue to be heard. I believe that the trend away from progressive taxation must be reversed.

#### THE TAX SUBSIDY MESS

Each year the network of tax subsidies that has grown over the years costs the Federal Government in excess of \$50 billion in lost revenues, with highly questionable benefits in view of this enormous cost. Prof. Stanley Surrey of Harvard University, formerly the Treasury Department’s Assistant Secretary for tax policy, has devised a concept of the tax expenditure budget as a means to measure the cost of the various tax preferences. The tax expenditure budget assumes that the revenue loss due to a tax subsidy is equivalent to a direct government subsidy program, for example, of the grant-in-aid type. The logic used is that a dollar not received by the Treasury is the same as a dollar spent by the Treasury for a direct grant program. The dollar that does not come in from one source—as the result of a subsidy—must be supplied from other groups of taxpayers. The difference is, that unlike ordinary grant programs, tax expenditure programs are virtually immune from criticism. They are spared the yearly debate that accompanies most direct grant programs. They are not subjected to the kind of rigorous cost-benefit analysis that most other programs must endure. They are hidden from the public eye.

And, most important, the benefits of the tax expenditure programs go almost exclusively to big business and the rich, while the great majority of average American taxpayers must make up the difference.

Studying the 1971 subsidy programs, Professor Surrey concluded that the tax expenditure budget was costing the Government \$51.5 billion for that year. While some of these tax expenditures—such as charitable deductions and mortgage interest deductions, among others—are justifiable and ought to be continued, if not reinforced, others are highly suspect. Among those that robbed the Federal Treasury of billions of dollars for the benefit of a very few wealthy individuals and corporations: the \$6 billion loss due to the special treatment of capital gains, the \$2.6 billion for tax-free interest on municipal bonds—which benefit only a very tiny proportion of the population—\$1 billion for the oil and mineral depletion allowance, \$700 million for the asset depreciation range—\$1.7 million for 1972—and \$165 million for deferral of income earned by U.S. corporations abroad.

These massive tax subsidies are vulnerable from the standpoints of tax equity, revenue loss for benefit achieved, general economic wisdom, and governmental operation.

#### THE RICH GET RICH, AND THE POOR GET TAXED

For individuals, the tax subsidy network causes what is called in economic terms “horizontal inequity,” in which people with the same income are taxed at widely differing rates due to the source of that income. For example, because of the two preferential tax treatments available to investors for capital gains, income that is unearned through capital gains is taxed at a far lower rate than the same income would be if it actually earned. In fact, the capital gains preference—which costs the Government between \$6 and \$9 billion each year—gives 85 percent of its benefits to only 5% of the taxpayers. The following table—table 1 shows by income group how much tax savings are realized through the capital gains preference:

Table 1: *Savings resulting from capital gains treatment*

Income	Savings (average)
Under \$3,000	\$1.66
\$5-7,000	7.44
\$10-15,000	16.31
\$50-100,000	2,616.10
\$100,000+	38,126.29

The gross inequity in capital gains treatment is clearly an example of tax favoritism for the wealthy. Unfortunately the capital gains situation is not unique. Figures used by Senator KENNEDY in his statement on tax reform of April 12 reveal that when all of the tax preferences for individuals are totaled, the gulf between the benefits for the rich and the sparsity of benefits for poor and middle-income families is even more startling. While individuals earning over a million dollars receive an annual tax welfare write-off of \$720,448 and pay an effective tax rate of only 32.1 percent—compared to the 70% rate in the tax tables—the half of our Nation’s population that earns less than \$15,000 per year receives less than \$700 in tax preference benefits per year.

It is often claimed in defense of the subsidy system that these tax breaks are necessary to provide a stimulus for certain kinds of economic benefit. But the results of many of the subsidies hardly justify their loss in government revenues. A 1969 study revealed that the oil-depletion allowance cost the Government \$1.4 billion each year in lost revenues, but generated only \$150 million in additional oil reserves.

Two other corporate tax giveaways, particularly beloved by the Nixon administration, are the Investment Tax Credit—ITC—and the Asset Depreciation Range—ADR. The ITC program has cost the Government an average of \$2.1 billion per year since 1962. Allegedly this program provides an inducement for corporations to increase employment, but favorable results are sparse, if not nonexistent. In contrast to Federal direct-grant employment programs, which ordinarily have performance goals and incentives, there is nothing in the ITC which ties the availability of this tax break to actual increases in jobs.

It is estimated that the ADR program will cost the Government \$30 billion over the next decade, and its benefits are equally nebulous. Eighty percent of the tax benefits of this preference go to the

top .002 percent of the Nation's corporations.

In many cases the system of tax subsidies causes substantial economic dislocation, as capital is invested in areas of the economy not for the productivity or growth potential of that particular area but solely for its tax-avoidance features. While under existing law it is entirely understandable that businesses and investors should seek to minimize taxes—so as to avoid the unreasonably and unrealistically high nominal maximum tax rates which thus virtually never actually apply—in the absence of these preferences these artificial pressures upon capital movement would be removed, so that more fundamental economic criteria would be used for investment. Without the subsidy network, increased capital would be available for the more productive areas of the economy. But under present law, treatment of capital gains and estate tax formulations encourage the lock-in phenomenon, in which large amounts of capital are isolated from the free marketplace for excessive periods of time—for reasons owing less to sound economic practice than to tax preference utilization. The tax subsidy system does not hold up to vigorous cost-benefit analysis. A substantial reduction in tax preferences and reform of the capital gains and estate tax provisions of the IRS codes, such as proposed in Congressman CORMAN's bill, would significantly expand the total tax base and would make possible, as is also included in the Corman bill, a reduction in the nominal maximum tax rate from the current 70 percent to a more realistic 50 percent.

#### THE COSTS OF TAX SUBSIDIES

It is often claimed in defense of the tax subsidy programs that they do not require the substantial administrative costs inherent in direct grant programs. The evidence does not bear this claim out, for the maze of special preferences has made the tax system excessively complex, and as such the costs to the Government of administering these programs are in fact quite substantial. In hearings recently held before the Treasury Subcommittee of the Senate Appropriations Committee, the complexity of the tax code and the administrative costs were brought into sharp focus.

The hearings revealed that in 1971 the Internal Revenue Service issued 33,000 separate rulings on tax questions, of which only 633 were public. Thousands of man-hours and dollars were spent on the private rulings—which more often than not dealt with the at times byzantine complexity of the tax subsidies. These private rulings, I might add, have a most significant effect on Federal revenues, but are effectively removed from public scrutiny.

It is little wonder that the annual budget of the Internal Revenue Service is approximately \$1.4 billion. The Senate hearings revealed that between fiscal years 1968 and 1972 the IRS spent a total of 2.3 million man-hours and \$18.2 million in administering the oil, mineral, and gas depletion allowances. In addition, it was estimated that \$21 million would be saved annually if capital gains

were treated as ordinary income. Finally, it was noted that last year \$600 million was spent by 40 million taxpayers for commercial tax preparation assistance. These figures are compelling testimony to the fact that there is indeed a substantial administrative cost to the tax subsidy system, and that there is a great need for simplification of the Internal Revenue code.

In 1958 a Joint Economic Committee study of Federal subsidy programs contained the following paragraph:

Federal programs aimed at supporting or improving the economic position of particular groups or industries should be constantly reevaluated in the light of changing circumstances. Whatever their initial justification, subsidy programs should be so contrived as to eliminate the necessity for their continuation . . .

In the 1972 study on the same subject, the committee staff study states:

Unfortunately, the necessity for an accounting of Federal subsidy programs appears to have increased in the decade since 1960 . . . The system of Federal subsidies seems to be somewhat out of control in the sense that it continues to grow despite the fact that we know so little about it.

At one point even President Nixon expressed support for a reform of the subsidy and preference system. In 1969 the President said:

Special preferences in the law permit far too many Americans to pay less than their fair share of taxes. Too many other Americans bear too much of the tax burden. This administration is determined to bring equity to the federal tax system.

Apparently the President has forgotten his pledge, as it can unfortunately be said that the President has been persistently hostile to meaningful tax reform.

The tax subsidy system is in desperate need of overhaul for reasons of both equity and potential revenue gain. I believe that Congressman CORMAN's bill would successfully accomplish both of these goals.

One part of Congressman CORMAN's bill strikes me as being particularly noteworthy. The Tax Equity Act proposes to replace the existing personal deductions scheme with a new system of credits against tax for the personal exemptions and other deductions of an individual. A credit of 24 percent of the total amount of an individual taxpayer's deduction. This provision will reduce the income taxes of those in the lower tax brackets. For example, a married couple with two dependents would pay less under Congressman CORMAN's formulation if their income was less than \$15,333.

Reform of the personal deductions system is long overdue. At present the effective benefit of the deduction varies with the tax rate paid—in other words an individual in the 14 percent income tax bracket receives for a \$750 dollar deduction the benefit of only 14 percent of \$750, or \$105. However, a wealthy individual in the 50 percent tax bracket receives a benefit of 50 percent of the same \$750 amount, or \$375. Congressman CORMAN's bill would assist lower- and middle-class income taxpayers by replacing the current system, which provides tax favoritism for the rich, with

an even-handed policy that would give all taxpayers, regardless of income, the same deduction benefit rate. This reform is clearly necessary as a matter of basic equity.

Mr. Speaker, I hope that my colleagues on the Ways and Means Committee are listening to the words spoken here tonight on the subject of tax reform. It is time to put some sense into our tax system. It is time we face up to fiscal realities and utilize the potential revenue to be gained through tax reform.

It is time that we act to restore the faith of the millions of Americans who paid their taxes today knowing that the tax laws are written not for the benefit of the average man, but for the advantage of a select few. Tax reform cannot wait.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. CORMAN. Mr. Speaker, I yield to the distinguished gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Speaker, I would like to add my commendation to the gentleman from California for his great leadership in connection with closing the loopholes in our tax structure.

I think it is absolutely inaccurate and unfair for a member of the White House staff—I believe it was Mr. Ehrlichman—to state publicly that it would be necessary to wipe out deductions for charitable contributions if we are going to have any tax reform in a meaningful way.

There are some specific, concrete suggestions and proposals contained in the legislation introduced by the gentleman from California I think it is time that the Congress act on these proposals, close these unfair loopholes in the tax system which put the burden too largely on the harried individuals in this Nation; too largely on the middle and lower classes.

It is time that we enacted the type of tax reform which the gentleman from California has advocated. I am very pleased that he has taken this time for this special order and trust that this may bring additional support from throughout the Nation so that the kind of tax reform which he is advocating and which those of us in this Chamber are supporting will be enacted.

I thank the gentleman from California.

Mr. CORMAN. I thank the gentleman from West Virginia (Mr. HECHLER) very much for his support of this legislation.

I would call to the attention of the House, a different sequence of events this year, of the tax reform hearings before the Committee on Ways and Means.

In all of the other bills we have had in that committee since I have been there, it is the practice of the administration to send down its proposals, to explain and defend them, and then to give the public an opportunity to comment on those proposals.

That is apparently the sequence of events with the trade bill which we will soon take up.

This year hearings were called on tax reform; the administration indicated it had no comment to make and no proposals to make.

The public will conclude its portions of the hearing on the 19th of April. Af-

ter the Easter recess, the administration will give us the benefit of its thinking for 1 day. Apparently, it thinks very little of tax reform.

My point is that in every other case the public has an opportunity to study administration proposals, comment on them, support or oppose them. Certainly they will have that opportunity with the trade legislation.

Regrettably, our committee functions in such a way that it can take up only one matter at a time. As I understand the public releases, we anticipate spending from now until the August recess on trade legislation. I do not think anyone is very serious about substantial, equitable tax reform this year.

I hope the people will remember, not just on April 15th when they pay their tax, but every week when they see that little box on their pay check saying how much is withheld for taxes; I hope they will remember that there are people with tremendous sources of wealth in this country who pay no tax or very little tax.

I appreciate my colleagues who support this legislation.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield further?

Mr. CORMAN, I yield to the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Speaker, does the gentleman from California have any figures which would indicate how many people with incomes over \$50,000 or \$100,000 a year escape without the payment of income taxes?

Mr. CORMAN. No. I am sorry we do not have the figures. We have not received the figures from the Treasury, to see what impact, if any, the 1969 Reform Act had.

Probably the percentage of people who pay no tax at all is diminishing, yet the people who pay a very modest amount of tax—1 or 2 or 3 percent, effective income tax rate on incomes of \$100,000 or more—is a tremendous number. We have asked Treasury to supply us with statistics on the 25 highest income people, individuals, not corporations. We asked for that information in August. We are still waiting for it.

We do have the figures on corporations. It is a fact that 10 of the 50 most successful corporations pay a less effective income tax rate than the average laborer pays in social security on the dollars he earns by the sweat of his brow.

Mr. HECHLER of West Virginia. Does the gentleman from California have any summary he can give us of the percentage of taxes paid by some of the major oil corporations in this Nation?

Mr. CORMAN. I have the figures which were supplied to us by the Treasury for the 50 largest corporations in the country. I will ask permission to insert the entire list in the RECORD.

The gentleman might be interested in this. It is the effective income tax rate on their profits.

Occidental Petroleum apparently had the most successful tax accountants and tax lawyers of the whole lot, because their effective rate was 1.4 percent. Gulf Oil was 1.9 percent. I.T. & T., on profits

of roughly a half billion dollars, had a 4.2 percent tax rate.

We hear so often that we siphon off 48 percent of corporate profits for taxes. If we did that would be a substantial sum of money. We have to get down to the seventh largest corporation before we get an effective tax rate as large as the social security rate of 5½ percent.

It is true that some corporations pay a substantial amount of money in taxes. Some get up close to 48 percent, but a substantial number do not, because of the so-called incentives that have been written into the tax code.

Mr. HECHLER of West Virginia. I believe it is outrageous that only when an individual or a corporation can afford the lawyers and the accountants can he take advantage of our tax system, whereas the average taxpayer, who is filing his income tax at the deadline of April 16, obviously cannot afford the accountants and the lawyers necessary in order to take advantage of these many loopholes which the gentleman from California is trying to correct.

I further commend the gentleman from California for his leadership in his area.

Mr. CORMAN. I thank the gentleman.

I must say, having gone through the 1969 Reform Act and having listened for the past 2½ months to the witnesses on this subject, it seems to me the first thing one has to do to get into a tax shelter system is to have enough income over his basic living needs that provides him substantial money to invest. One also has to have good credit to leverage his investments. But if one has a substantial amount of money that he does not need with which to live, really paying taxes is optional.

I was pleased by the candor of Assistant Secretary Ed Cohen in 1969. He said that they had looked over returns of a number of high income tax payers, and he said, "We cannot figure out what makes people pay the taxes they do." It is a fact that some people of tremendous wealth, probably through a feeling of responsibility or patriotism for their Nation, pay large amounts in taxes, yet they do not have to. They could invest their money in shelters so that they would not have to pay much in taxes.

One cannot really blame those who do not pay. We in a sense have to blame ourselves for leaving the tax code in that condition.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield a moment further?

Mr. CORMAN. Yes, I yield to the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Speaker, I am glad the gentleman mentioned the leadership which Fred Harris and his Tax Action Committee are taking, and I think perhaps we might distribute a few more of those buttons which say, "Take the rich off welfare."

Mr. CORMAN. Mr. Speaker, I thank the gentleman very much for his contribution, and I do join in commanding former Senator Harris' group, because I think, unless the average taxpayer realizes what is happening to him, he is not

going to be much concerned. He does not like to have to pay taxes, and he wishes they would go away.

They are not going to go away and he is never going to get tax relief until some type of tax reform is available.

Mr. Speaker, the chart previously referred to is as follows:

*Effective Federal income tax rate paid by 50 companies selected from Fortune magazine list of large corporations*

Rank (Beginning with lowest rate)	Corporation	Effective Rate
1.	Occidental Petroleum	1.4
2.	Gulf Oil	1.9
3.	I.T. & T.	4.2
4.	Atlantic Richfield	5.0
5.	Continental Oil	5.3
6.	Union Oil of California	5.4
7.	Boise Cascade	7.2
8.	Texaco	8.0
9.	Monsanto	9.3
10.	Shell Oil	11.2
11.	Swift	11.7
12.	Tenneco	12.8
13.	Standard Oil (Ind.)	13.4
14.	Sun Oil	14.3
15.	Standard Oil (California)	16.0
16.	Mobil Oil	16.3
17.	Singer	19.0
18.	Greyhound	19.2
19.	United Aircraft	20.5
20.	Union Carbide	20.6
21.	Goodyear Tire and Rubber	21.2
22.	General Motors	24.6
23.	Phillips Petroleum	25.3
24.	Westinghouse Electric	25.9
25.	Honeywell	26.0
26.	International Harvester	26.1
27.	Litton Industries	29.5
28.	Dow Chemical	32.2
29.	Bordon	32.6
30.	Xerox	33.6
31.	American Can	34.8
32.	Rapid American	35.0
33.	General Electric	39.2
34.	Firestone Tire and Rubber	39.2
35.	Eastman Kodak	39.7
36.	Continental Can	40.1
37.	Sperry Rand	41.1
38.	General Tele and Electronics	41.2
39.	Ford Motor	41.6
40.	Caterpillar Tractor	41.7
41.	DuPont	43.1
42.	Procter and Gamble	44.0
43.	Kraftco	44.4
44.	Western Electric	45.3
45.	North American Rockwell	45.6
46.	General Foods	45.8
46-A	Textron	46.7
47.	R. J. Reynolds Industries	47.4
48.	Burlington Industries	53.7
49.	International Paper	58.1
50.	Boeing	95.9

Lockheed Aircraft (Due to huge losses, this company has not been included)

<sup>1</sup> Even though there appears to be some tax paid, the 10-X for ITT indicates that Hartford and ITT failed consolidated tax returns on which no tax was paid.

<sup>2</sup> The Ford Motor figures represent the effects of State and local, as well as Federal Income Taxes. Their reports combine these amounts and thus the percentages are higher.

<sup>3</sup> This high effective rate may have been the result of expenses being taken for book purposes which are not deductible for tax purposes (e.g. Goodwill).

NOTES.—These figures were taken from annual 10-K reports filed with the Securities and Exchange Commission. These are the top 50 corporations for which there are figures

available. A more detailed report is available in my office.

Mr. EDWARDS of California. Mr. Speaker, I am pleased to have the privilege today to join my colleague from California in calling special attention to the important problem of tax reform which faces the Congress. Congressman CORMAN has for years been a leading spokesman on this important issue. I commend him for his work today and for the future benefits all taxpayers will receive as a result of the enactment of comprehensive tax reform, such as he proposes.

If any of us doubted before the need for genuine tax reform, the latest Harris and Gallup polls should clear away that doubt. Two out of three persons interviewed feel their taxes are too high, and 80 percent feel the tax laws are written to give advantages to the rich.

Our Nation was founded on the premise that all men are equal, but over the years by building up a system of tax preferences, exclusions, exemptions, and deductions, we have devised a tax system which says essentially that earned income is worth less than income from investments; that salaried individuals must give to the government a greater percentage of their earnings than is required of wealthy people whose income is derived from investments.

By enacting H.R. 1040, we will go a long way toward correcting the many injustices built into our tax system. We will also get the government out of the business of acting as an indirect investment counselor, and we will raise much needed revenue for important government services now threatened with termination. Services such as libraries, mental health facilities, manpower training, vocational rehabilitation and others which the majority of the people who pay the major share of the taxes use and most often need.

On this matter the administration simply cannot have it both ways. First it denies that there is any real need for tax reform, any real need to make those with incomes of \$100,000 a year or more pay their fair share of the burden, or any real need to shift a greater portion of the tax burden to corporations the profits of which come out of the earnings of millions of other taxpayers. On the other hand, the administration wants to terminate hundreds of worthwhile and needed programs geared toward the citizens who have for years paid the most taxes.

The majority of American taxpayers have been very patient with us while we wasted money on an immoral and expensive war. However, these people—our employers—have had enough and it is time we started returning their tax dollars to them, first by collecting a greater share of our revenue from other available sources and secondly, by using their tax dollars to provide services which they need.

Mr. FRASER. Mr. Speaker, I want to thank our colleague, Congressman CORMAN, for giving us the opportunity to support this tax reform bill today of all days. I'm sure that there are many sleepy and

broke taxpayers who have just completed their tax returns this morning. They too support this bill which is aimed at far-reaching welfare reform. I call this welfare reform because it seeks to get rid of subsidies to the wealthy paid for by the low- and middle-income citizens.

We all know the inequities which exist in our income tax code. One which this bill will eliminate is the personal exemption and nonbusiness deduction which is worth more to the wealthier taxpayer than to the less well-endowed wage earner. The present law with a \$750 personal exemption is worth only \$107 of tax reduction to the person who pays at the lowest rate, but the taxpayer in the highest tax bracket, and there are not too many of those thanks to loopholes, has his tax reduced by \$525 because of the same \$750 exemption. H.R. 1040 will provide a tax credit for personal exemptions and nonbusiness reductions which reduces the taxes by the same amount for taxpayers at every level. This one provision will go a long way to eliminating the more obvious inequities.

One of the more famous, or infamous, exemptions in the present tax structure is the depletion allowance for the extraction of minerals, especially the oil depletion allowance. In this time of energy crisis, the supporters of this provision are out in full force. It has been calculated that the allowance pays oilmen 19 times the cost of each well. This year the loss to the treasury from this provision is estimated at \$1.4 billion. This money would be better used to provide research and development moneys directly than as a subsidy to the wealthy oil barons. Under the Corman bill this allowance is eliminated.

I could go on extolling the virtues of each section of this tax bill, but we all know their importance to the redistribution of the tax burden from the poor and middle-class citizens to the wealthier ones who can afford to pay. These are just two examples of the needed changes that H.R. 1040 makes.

I do want to make it clear why I regard this as a welfare reform bill. Philip Stern in his excellent testimony before the Subcommittee on Priorities and Government has made some calculations on this subject. The families earning less than \$3,000 a year receives \$92 million in tax welfare through various exemptions and deductions; those earning over \$1 million a year receive \$2.2 billion. On a weekly basis per family, this amounts to \$14,000 for the millionaires; the tax welfare for the poor wage earner making less than \$3,000 is 30 cents per week.

Would any of us be able to get re-elected if our constituents knew that we authorized a welfare program that gave \$14,000 per week to wealthy families? Yet this is what we have done. We are guilty both by commission and omission. We have set up such a tax code, and we have made only superficial efforts at getting rid of the monster.

H.R. 1040 goes a long way toward ending this huge Federal giveaway program. John Ehrlichman has said that the only way to raise much money by tax reform is by getting rid of the work-

ingman's exemptions or deductions, like church contributions or mortgage interest. That is a smoke screen the administration has thrown up to scare the public. I do not know what the administration calls a lot of money, but I call the \$19 billion that this bill would raise the first year, even before many of its provisions go into full effect, a whole lot of money.

It is time for us to let the public know that Congress is responding to the taxpayers' revolt. We have been waiting for the tax reform program of the President, but he is too busy inventing new tax loopholes like the asset depreciation range. Let us work together to pass this meaningful legislation.

Mr. WILLIAM D. FORD. Mr. Speaker, I rise today to join with my colleagues in expressing my strong support for effective tax reform legislation.

One of the basic principles which supposedly underlies the present tax system in the United States is that individuals should be taxed according to their ability to pay. However, we all know that taxes in this country are not progressive. While the system may look progressive on paper, it is riddled with loopholes and special privileges which permit the wealthy to avoid paying their fair share of taxes.

For example, despite the passage of the Tax Reform Act of 1969, statistics reveal that in 1970, 394 people with incomes of \$100,000 a year and 107 people with incomes above \$200,000 paid no income tax for that year.

Several of the most powerful corporations are paying taxes at an effective rate ranging from 0 to 6 percent, while a family of four with an annual income of between \$11,000 and \$14,000 a year is paying taxes at a rate of 20 to 24 percent. Testimony before several congressional committees has revealed that in 1970 and 1971, seven giant corporations, who made dividend payments between \$33 and \$78 million, paid absolutely no taxes to the Federal Government.

In 1960, the corporate share of the Federal income tax was 35 percent. Recent studies now show that the relative yield of corporation income taxes during the last 12 years has actually dropped and now accounts for only about 25 percent of the Federal income tax.

While these wealthy individuals and corporations are able to reap the advantages of our inequitable tax system, low- and middle-income Americans are forced to bear the burden of an ever-increasing tax load. The working Americans, whose income is chiefly derived from wages and salaries, are the ones most severely affected by rising prices and higher taxes. Yet they have no oil wells or vast amounts of real estate to depreciate. They are taxed for virtually every penny they earn while wealthy individuals and corporations pay only half-tax on their capital gains and no taxes on their income derived from State and local bonds.

Last year, President Nixon campaigned very strongly on the issue of tax reform. In June 1972 he stated that he would submit a comprehensive tax reform proposal to Congress before the

end of 1972. It is now well into 1973 and no proposals have emanated from the White House.

However, we have heard from administration spokesman, John Ehrlichman on this issue. During a television interview, Mr. Ehrlichman stated that there is "a lot of misinformation around in this business of tax loopholes." He further stated that he doubted tax reform would be likely to bring about much additional revenue unless "you start digging into the average taxpayer's exemptions, or charitable deductions, or mortgage credits, or something of that kind."

It is quite apparent that the Nixon administration is planning to ignore its campaign promises. Instead, the administration hopes to frighten the average taxpayer into believing that he, not the wealthy individual or corporation, will be the one to feel the pinch from tax reforms.

It is obvious, then, that Congress must take the lead in initiating and supporting meaningful tax reform legislation. President Nixon's actions involving impoundment of legally appropriated funds make tax reform an even more urgent priority.

According to the President, in order to avoid higher taxes, it is necessary for him to impound funds which deprive the country of money needed to rebuild our cities, to provide quality education for our children, and to protect and preserve the environment in which we live.

I question how President Nixon can justify these impoundments while refusing to support tax reforms which would supply billions of dollars of new revenue. The answer must be that the Nixon administration has made a deliberate decision to cut back programs directly benefiting low- and middle-income Americans rather than to support tax reform proposals which would be economically painful to its wealthy supporters.

A recent study by economists at the Brookings Institution concluded that if a comprehensive tax system were put into effect in this country, the Treasury could gain about \$55.7 billion in revenue which is now lost through loopholes in the present tax structure.

Mr. Speaker, ever since I have been elected to Congress, I have supported legislation to bring about effective reforms in the tax system. During this session of Congress, I have cosponsored two bills, the Tax Equity Act of 1973 and the Tax Reform Act of 1973, which would eliminate or modify many of the tax exemptions and loopholes of the current system.

The need for reform is obvious. The Federal Government desperately needs the additional revenue which may be gained from enacting tax reform legislation. But perhaps more importantly, enactment of tax reform legislation will do much to combat the increasing feeling among many Americans that the Government is only responsive to the needs of the rich. Passage of effective tax reform legislation can be an important step in helping to renew and strengthen the average taxpayer's confidence in our Government.

Mr. REUSS. Mr. Speaker, today millions of Americans are paying their Fed-

eral tax bills indignant that others with the same or more income are avoiding their fair share of taxation through loopholes and preferences. Now, while taxes are fresh in our minds, is the time to take a good look at our Federal income tax system and why it should be improved.

I see three basic reasons, apart from plain fairness, why we need tax reform: revenues, price stability, and a healthy balance of payments.

#### REVENUES

We are told that our Federal Government cannot do what needs to be done in education, in health, in housing, in the redevelopment of our cities and countryside, in the environment, because it lacks the revenues to do it. This is nonsense. There are billions of dollars lost each year through unjustified tax preferences—tax expenditures—which never appear in the budget. In his bill (H.R. 1040) Congressman CORMAN has suggested plugging some 50 loopholes to raise over \$19 billion a year in additional revenues. In H.R. 967, I pointed to only eight loopholes which could be closed to raise an extra \$9 billion a year. The money to fund worthy domestic programs is there, if we only have the will to demand it.

#### PRICE STABILITY

The asset depreciation range system and the 7-percent investment tax credit were enacted during the 1971 recession to stimulate business investment in fixed capital plant and equipment. Now, with industry operating close to capacity, these tax incentives are inducing inflationary shortages in the heavy, durable, sophisticated sectors of industry. The latest wholesale price index showed an increase, annually projected, of 26.4 percent. Skilled manpower is scarce, raw materials are scarce and high priced, order books are filled for a long time to come, and dangerous bottlenecks are developing. The tightened money and increasing interest rates we are currently experiencing also result mainly from excessive investment activity. It is surely high time to repeal or modify these two provisions.

#### BALANCE OF PAYMENTS

In 1971 and 1972, the United States amassed a total balance-of-payments deficit of \$40 billion. The present income tax laws encouraged these staggering deficits by allowing U.S. corporations to defer U.S. tax on income earned by foreign subsidiaries as long as such income is not repatriated in dividends. The Joint Economic Committee estimated that in 1971, subsidiaries of U.S. corporations abroad earned \$13 billion before taxes and repatriated only \$3 billion in dividends. Billions of dollars were retained and reinvested in Europe, mainly to avoid the 48-percent U.S. corporate income tax. Removing this incentive to keep subsidiaries' earnings abroad is an obvious first step toward improving our balance-of-payments picture.

For these reasons, tax reform must have top priority this year. Some have suggested postponing tax reform until next session. I say that we cannot afford a whole year of mutilated domestic programs, of price increases, of a steadily weakening dollar abroad. We have wait-

ed for administration leadership for 2 years; it is useless to wait further. We must exercise fiscal responsibility, get together on tax reform, and present the President with a fait accompli—an equitable, economically sound, and popular bill which even he will not dare to veto.

Mr. BROWN of California. Mr. Speaker, in my State of California, when a group of students, calling themselves, "Project Loophole" tried to repair some of the holes in California's tax laws, Governor Reagan responded that the State needed loopholes, saying they helped make the State run. Personally, I tend to doubt that California would have been irrevocably damaged if Mr. Reagan had not taken advantage of these loopholes, and instead paid his share of State taxes.

Much of the bemoaning by industry at a national level strikes me in the same way. For many years now, the tax laws of our Federal Government have needed a close inspection and overhaul. Thanks to a few individuals, and consumer minded groups, the inspection has taken place. Now it is time for us to do the overhauling.

The reason I am speaking here today is that I believe we can and must begin this repair, and I feel the Tax Equity Act of 1973, authored by Congressman CORMAN of California, goes a long way toward accomplishing this goal.

The taxation of capital gains income at the same rate as ordinary income, and the elimination of the investment tax credit and oil depletion allowances, as provided in this bill, will do much towards equalizing the tax burden.

Also Mr. CORMAN's bill will rechannel home millions in revenue, currently lost because of overseas investment manipulation by American corporations. These companies have changed the line, "the business of America is business," to "the business of America is anywhere but in America."

For tax purposes, a foreign operation by an American company is the best of both worlds. If at first the operation is unprofitable, then it is called a "branch" so that the losses can be deducted from domestic income, and U.S. taxes. But if it becomes profitable, it is acquired by a foreign subsidiary, and again U.S. taxes are avoided.

As William Carley, of the Wall Street Journal pointed out on October 16, 1972:

Tax havens on remote islands, dummy subsidiaries in Switzerland, loopholes in tax laws, all permit many companies to avoid, more or less legally, large sums in taxes.

I want to impress upon you the word, legally. As unethical as these practices may be, no laws are being broken. All that is being broken are the records for overseas investment. Hopefully the passage of a tax reform bill will put a stop to this tax dollar drain.

But the National Association of Manufacturers has come to us and said if we change these laws and raise the taxes on overseas earnings it will cost American workers more than 200,000 jobs.

These are strong words. I ran for election on the promise that I would fight for more jobs in my district, and not allow any to be lost. Under these circum-

stances my first thought would be to disapprove of this kind of legislation. But if these consequences really exist, then why has every union spokesman who has come to me, asked me to support this kind of tax reform?

Another question I would like to ask the National Association of Manufacturers is, if, to quote them, "The investment tax credit is about the best way we can take care of the unemployed," then why did George Meany come here a month ago and advocate the elimination of it?

I suspect I will not get an answer to my questions from these people.

This country is in need of tax reform. H.R. 1040, alone, could bring in \$20 billion in new revenue by 1974.

This country can also survive tax reform. Despite predictions to the contrary, American industry will not wither away, or grind to a halt, if it is forced to increase its share of the tax burden.

It is our responsibility to see that this tax reform takes place. And it is a responsibility we should not abdicate.

Mr. DELLUMS. Mr. Speaker again we come to income tax deadline day—a day which for all Americans represents a responsibility to our Nation but which for some citizens brings with it a painful moral dilemma.

I am referring to the conscientious objectors to war who at this time each year must grapple anew with the fact that some of their Federal taxes will invariably be spent on instruments of war—in direct violation of their religious and moral beliefs.

It is for these men and women that I, along with 11 of my colleagues, are again introducing the "World Peace Tax Fund Act."

This measure would establish conscientious objector status for taxpayers identical to that presently written into the Military Selective Service Act. Under the act, any person who could not contribute to military expenditures for compelling religious or moral reasons, could choose to have those tax dollars routed instead to peace-related activities.

I would like to read to you one of the thousands of letters received on this issue over the last year, because it articulates better than my words can this crisis of conscience:

DEAR CONGRESSMAN DELLUMS: I have recently read the text of the World Peace Tax Fund Act and am very encouraged by it. I have for many years been compelled by the moral law of mankind not to lend my support in any way to war and preparations for war.

In the end, however, the IRS seizes my money, either from my savings account or my paycheck. They have now seized several thousand dollars, which I look upon as the purchase price for half a dozen 500-pound bombs or for a long burst from a Vulcan cannon.

To avoid this I, like many other war tax resisters, resort to tactics by which I hope to increase IRS's office expenditures to get my money, so that in the end what they recover will only pay for their bureaucratic expenses and not for military purposes.

But as a citizen I hate this tactic. I respect the IRS. I would like to see its bureaucratic expenses reduced, not increased, in the interest of smaller government. But until I read your proposal I did not know

what else to do, in order to avoid supporting the barbarism of war.

Many thousands of Americans believe that non-contribution to war is essential to their life, happiness and honor.

For this gentleman, and all those who share his convictions, we must remedy the glaring disparity between our first amendment promises of religious freedom and our current tax laws.

Joining me in sponsoring this bill are: Ms. ABZUG, Mr. BINGHAM, Mr. CONYERS, Mr. DIGGS, Mr. EDWARDS of California, Mr. KASTENMEIER, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. RANGEL, Mr. ROSENTHAL, and Mr. STARK.

#### GENERAL LEAVE

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order on tax reform.

#### BILL INTRODUCED TO DIRECT PRESIDENT TO RATION FUEL TO INSURE ADEQUATE FARM SUPPLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

Mr. FINDLEY. Mr. Speaker, as each day goes by, the energy crisis worsens. Gasoline and diesel fuel supplies continue to dwindle at an alarming rate. Independent fuel dealers and jobbers are curtailing their operations because fuel supplies are not available. Many are going out of business.

While the implications of this situation on our Nation are immense, nowhere are they as alarming as in the agriculture sector. Without fuel, farmers cannot plant their crops. Without a crop, the flow of food to the consumer would come to a halt. And our Nation would go hungry.

Within the next 90 days, farmers in Illinois and most of the Midwest will need 45 percent of the total amount of fuel they use during an entire year.

This year even more fuel than usual will be required. Due to a wet fall and spring, very little plowing has been done.

In addition, Illinois alone will have approximately 4,300,000 more acres in production this year than last because of USDA efforts to increase the Nation's food supply. Nationwide the additional land in production will approximate 40 million acres.

Already some farmers have been shut off from their normal sources of fuel because of insufficient supplies. This has led to stockpiling and hoarding by those fortunate farmers who have storage facilities. But many more have limited storage capacity. And some farmers cannot now buy tanks to store fuel on their farms because of the great demand for the additional storage capacity.

Obviously, immediate action is necessary to insure that farmers have enough fuel and this potential catastrophe is averted. One estimate shows Illinois alone will suffer a 1,500,000 gallon shortage of fuel this year. This shortage cannot be allowed to affect farm operations.

Today I am introducing legislation that would direct the President to establish and implement a plan for rationing gasoline and diesel fuel in States and areas where supplies become insufficient for essential farm operations. The plan could and should be used immediately to head off a potential disaster. The authority would continue for 1 year.

Rationing of fuels in our land of plenty is not a pleasant prospect. But we all must realize that when it comes to fossil fuels, our days of plenty are over. We must make the best use of what is left.

#### RETIREMENT AND BENEFITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 15 minutes.

Mr. HOGAN. Mr. Speaker, today we passed two bills which originated in the subcommittee on which I am the ranking minority member. Since these bills were approved under unanimous consent without debate, I requested this special order to explain their provisions.

The first is H.R. 3798, a bill to provide for mandatory retirement of employees upon attainment of 70 years of age and 5 years of service. It would further amend the Federal employees' group life insurance law and the Federal employees' health benefits law, in changing from 12 to 5 years the service provisions for retention of such coverage after retirement effective with respect to separations which occur subsequent to December 31, 1978.

At the present time, the law requires automatic separation of a 15-year employee at the end of the month in which he attains age 70, or whatever later age he completes the minimum 15 years of service. In unusual cases, extension beyond retirement age may be authorized by the President.

The Civil Service Commission recommends a change in the law because the present age 70/15-year service provision in the civil service retirement law is not responsive to the needs of the Government. To support this view, the Civil Service Commission has cited the 1966 report of the Cabinet Committee on Federal Staff Retirement Systems.

This report states:

The 15-year service minimum in mandatory retirement not only prolongs the employment of some who should retire, but stands in the way of the hiring of new workers who would not have 15 years of Federal service by the time they reach age 70. This provision was adopted in 1926, when there were few private pension plans and no Social Security program. There were compelling social and economic reasons for permitting older hires to stay on the rolls until they could gain a significant CSR benefit, even if this took their Government employment well past age 80. Today, the older person with short Federal service may be presumed to have other public or private pension coverage through Social Security, corporate retirement, State or local government retirement, Veterans' Compensation, military retirement."

Enactment of this legislation will aid the older employee who is inclined to retire, but because of the requirement of 12

years of service to qualify for retention of Federal employees' group life and health benefits does not retire.

Accordingly, the bill which we approved today will open opportunities for younger employees.

In addition, the bill will minimize the reluctance of some agencies to hire employees 55 years of age and older.

For these reasons, I supported passage of this legislation.

Mr. Speaker, the other bill we approved earlier today was H.R. 6077, a bill which I cosponsored, to permit the voluntary retirement of a Federal employee who has completed 25 years of service, or who is age 50 and has completed 20 years of service, during a period while his agency is undergoing a major reduction in force.

This legislation will be of considerable benefit to employees, management, and the community where an agency is located which undergoes a reduction in force.

As many of us who have Federal installations in our districts know, a major reduction in force can result in severe adverse effects. The younger employees of the agency with less service are removed. Management—the Federal Government—which is charged with the successful operation of the agency's mission, is without the services of valued, younger employees, and the "bumping actions" which accompany any reduction in force have a disruptive effect on agency management. In addition to these effects, local communities, both large and small, suffer economically.

The purpose of H.R. 6077, which is recommended by the administration, is to lessen the hardships which accompany any major reduction in force action. It benefits the employee who has the age and/or service requirements and who wishes to retire but cannot do so under the present civil service retirement law. It also benefits the management of the agency which must continue to function effectively after the reduction in force.

It is the understanding of the committee, and my hope, that before any eligible employee exercises his option to retire under the provisions of this legislation that he be informed of his retention rights before or while the reduction procedures are in process. It is also intended that safeguards be implemented by the Civil Service Commission to insure that any separation by a truly voluntary action of the employee, and free of all coercion to retire.

In making a determination as to whether an agency is undergoing a major reduction in force, the Civil Service Commission under the bill will weigh the following factors:

First. Impact of reduction in force on the local economy.

Second. The degree of disruption of the agency or installation's operations.

Third. Effect on future capability of the installation to carry out its mission.

Fourth. Consideration will also be given as to whether employees throughout the agency could exercise the option to retire or whether the option would be restricted to specific geographical

areas, and organizational units where the effects of the reduction in force are particularly severe.

Mr. Speaker, I strongly endorse this legislation and urge my colleagues to do likewise.

#### ENVIRONMENTAL EDUCATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRENZEL) is recognized for 10 minutes.

Mr. FRENZEL. Mr. Speaker, I rise today to present an amendment to the Environmental Education Act—Public Law 91-516. The purpose of this amendment is to eliminate some of the obstacles which seem to me to hamper this vital program.

The Environmental Education Act was designed as an educational vehicle to help preserve and enhance our environmental quality. The program, and this Congress, have taken some great steps in this direction. But, like all programs, some aspects of it should be improved. Among these are the functions of accountability, efficiency in administration and greater coordination with local, State, and regional groups.

There are many States which have created their own environmental education programs. They recognize the need to educate the public concerning the preservation of our environment. Regional councils have also been established in some cases to provide interstate cooperation on regional problems. These are worthwhile steps and the Federal Government should not duplicate these efforts. We should instead coordinate these programs, encouraging other States and regions to participate, and provide additional funds and technical assistance for their programs.

Accountability is an additional problem in the current act. Grant proposals are submitted to the U.S. Office of Environmental Education, for review, and possible funding. Typically, there is little knowledge on the part of the individuals making the decisions on the environmental needs of that area, or on the effectiveness of the individual programs once they have been funded. What is needed is an administration system which would be responsible for the decisions made, and could then react to the projects which have received grants.

Finally, a general assessment of the entire program must be made before further appropriations are determined. In order to assure that the money available is being used most efficiently, the Office of Environmental Education must carry out a national assessment of the needs and trends in environmental education.

My amendment will attempt to fulfill all of these objectives. Funds would be distributed throughout the United States as well as the regional offices of education. To assist the commissioners in determining guidelines, making recommendations, and evaluating the program, regional and national advisory councils would be established. These councils would be composed of individuals from the various States' areas. This would pro-

vide a knowledge of needs of the various areas, coordination with the State programs, and a feedback system to insure the effectiveness of the programs.

The amendment also requires that before any further extensive allocations are made, a national assessment of the program must be carried out by the Office of Environmental Education.

We all recognize the need for a comprehensive program for the education of the general public about the quality of the environment. But this program must be designed so as to assure that the money we spend will be used wisely and effectively to produce the most desirable results.

The text of the bill as amended follows:

H.R. 7056

A bill to amend the Environmental Education Act to improve its effectiveness through increased accountability, regionalization, and assessment procedures

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Environmental Education Act (20 U.S.C. ch. 35) is amended to read as follows:*

*"That this Act may be cited as the 'Environmental Education Act'.*

#### STATEMENT OF FINDINGS AND PURPOSE

"SEC. 2. (a) The Congress of the United States finds that arriving at high standards of environmental quality is one of the most necessary but controversial goals facing this country and its governments. It also finds that the educational world characteristically responds to assist in meeting national priorities. P.L. 91-516, establishing the Office of Environmental Education, and the many State environmental education acts have established that environmental quality is best harmonized and/or compromised through educational processes. Underpinning any successes achieved in improving environmental quality, locally, regionally or nationally, is increased citizen awareness and understanding of environmental and ecological interrelationships—the mission of all environmental education programs. Presently adequate resources do not exist to meet an educational obligation to educate and inform all citizens; concerted efforts to develop resources to educate citizens about environmental quality and ecological balance are therefore necessary.

"(b) It is the purpose of this Act to encourage and support the development of new and improved curricula based on local needs to encourage understanding of policies, and support activities designed to enhance environmental quality and maintain ecological balance; to demonstrate the use of such curricula in model educational programs; to disseminate curricular materials and other environmental education information for use in educational programs throughout the Nation; to provide training programs for teachers, other educational personnel, public service personnel, and community, labor, and industrial and business leaders and employees, and government employees of State, Federal, and local levels; to provide for the planning and/or use of environmental study centers; to provide for community education programs on preservation, wise utilization and enhancement of environmental quality and maintenance of ecological balance; to provide for the preparation and distribution of materials and programs by mass media in dealing with the environment and ecology; and to provide for a continuing evaluation process of the foregoing programs.

#### ENVIRONMENTAL EDUCATION

"SEC. 3. (a) (1) There is established within the Office of Education an Office of Environ-

mental Education (referred to in this section as the 'Office', which, under the supervision of the Commissioner, through regulations promulgated by the Secretary, shall be responsible for (A) the administration of the program authorized by subsection (b); (B) the coordination of all activities of the Office of Education which are related to environmental education activities of the Office of the Commissioner for Education. The Office shall be headed by a Director who shall be compensated at a rate not to exceed that prescribed for grade GS-17 in section 53322 of title 5, United States Code; (C) there is established in each of the ten United States Office of Education Regions an office of environmental education (referred to in this section as the 'office') which, under the supervision of the Director of the Office of Environmental Education, through regulations promulgated by the Secretary, shall be responsible for (A) the administration of the regional program authorized by subsection (b); and, (B) the coordination of activities of the regional office which are related to environmental education. The office shall be headed by a coordinator who shall be compensated at a rate not to exceed that prescribed for grade GS-15 in section 5332 of title 5, United States Code.

"(2) For the purpose of this Act, the term 'environmental education' means the educational process dealing with man's relationship with his natural and manmade surroundings, and includes the relation of population, pollution, resource allocation and depletion, conservation, transportation, technology, and urban and rural planning to the total human environment.

"(b)(1) The Commissioner of Education shall carry out a program of making grants to, and contracts with, institutions of higher education, State and local education agencies, and other public and private agencies, organizations, and institutions (including libraries and museums) to support research, demonstrations, and pilot projects designed to educate the public on the problems and alternative solutions related to environmental quality and ecological balance, except that no grant may be made other than to a nonprofit agency, organization, or institution.

"(2) Funds appropriated for grants and contracts under this section shall be distributed as follows:

"(A) Ten per centum of all funds appropriated shall be allocated to the Office for the purpose of supporting and meeting the program criteria described in this section that have overarching national implications.

"(B) Ninety per centum of funds appropriated shall be allocated to the ten regional offices for the purpose of supporting and meeting the program criteria described in this section. Ten per centum of these funds shall be utilized by the ten regional offices for the purpose of supporting and meeting the program criteria described in this section that have overarching regional implications.

"(C) Allocation of funds to the regional offices shall be pro-rated based upon the most recent national population census.

Recognizing that there are three major groups involved in this Act (elementary and secondary education, higher education, and community education), no grant or contract will be awarded unless clear evidence is provided that no less than two of the said groups shall be involved in the program for which funds are sought.

"(3) Fund appropriated for grants and contracts under this section shall be available for such activities as—

"(A) the assessment of environmental education trends and needs on the State, Federal, and local levels;

"(B) the development of interdisciplinary curricula in the preservation, wise utilization and enhancement of environmental quality and ecological balance aimed at meeting local needs;

"(C) preservice and inservice training programs (including fellowship programs, institutes, workshops, symposia and seminars) for educational personnel to prepare them to teach in interdisciplinary and subject matter areas associated with environmental quality and ecological balance, and for public service personnel, government employees, and business, labor and industrial leaders and employees;

"(D) the planning and/or use of environmental study centers;

"(E) community environmental education programs, including special programs for adults;

"(F) exemplary centers that demonstrate programs and disseminate materials and information in environmental education;

"(G) block grants to those state agencies, councils or commissions which include environmental education as a major component of their activities for the purpose of supporting or meeting the program criteria of this section that have overarching state implications; and

"(H) preparation and distribution of materials and programs suitable for use by the mass media in dealing with the environment and ecology.

"(4) (A) Financial assistance under this subsection may be made available upon application to the Commissioner and in response to requests for proposals (R.F.P.'s) for those programs and research having overarching national implications as identified by the Office of Environmental Education; and,

"(B) upon application to the regional commissioner in response to R.F.P.'s for those programs and research having overarching regional implications as identified by the regional office of environmental education. Additional financial assistance under this subsection may be made available only upon application to the regional commissioner. Applications under this subsection shall be submitted at such time, in such form, and containing such information as the Secretary shall prescribe by regulation and shall be approved only if it—

"(i) provides that the activities and services for which assistance is sought will be administered by, or under the supervision of, the applicant;

"(ii) describes a program for carrying out one or more of the purposes set forth in the first sentence of paragraph (3) which holds promise of making a substantial contribution toward attaining the purposes of this section;

"(iii) sets forth such policies and procedures as will insure adequate evaluation of the activities intended to be carried out under the application;

"(iv) sets forth policies and procedures which assure that Federal funds made available under this Act for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the purposes described in section 3, and in no case supplant such funds.

"(v) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this title; and

"(vi) provides for making an annual report and such other reports, in such form and containing such information, as the Commissioner may reasonably require and for keeping such records, and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

"(C) Except for the ten per centum of funds allocated to the national and regional offices for the purpose of meeting and supporting programs with overarching implica-

tions as described in paragraphs 3 (A) and (B), all applications submitted for financial assistance under this Act may be approved by the regional commissioner only if the State environmental education council and/or State education agency has been notified of the application and has been given the opportunity to offer recommendations.

"(D) Amendments of applications shall, except as the Secretary may otherwise provide by or pursuant to regulation, be subject to approval in the same manner as original applications.

"(5) Federal assistance to any program or project under this section shall not exceed 90 per centum of the cost of such program for the first fiscal year of its operation, including costs of administration, unless the Commissioner determines, pursuant to regulations adopted and promulgated by the Secretary establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this section. The Federal share for the second year shall not exceed 75 per centum, and for the third year 60 per centum. Non-Federal contributions may be in cash, or kind, fairly evaluated, including but not limited to plant, equipment and services.

"(c)(1) There are hereby established ten Regional Advisory Councils on Environmental Education. Each Council shall consist of members appointed as follows:

"(a) One member from each State, within the region, appointed by its Governor.

"(b) Five at-large members appointed by the Secretary. Such persons shall be appointed from the public and private sector, of their respective region, with due regard to their fitness, knowledge and experience in matters of, but not limited to, academic, scientific, medical, legal, resource conservation and production, urban and regional planning, and information media activities as they relate to our society and affect our environment, and shall give due consideration to geographical representation in the appointment of such members: *Provided however*, That among the appointees one shall be an ecologist and one a student. The chairman of each Council shall be elected by the members of the Council.

"(2) The Regional Council shall—

"(A) advise the Regional Commissioner and office concerning the administration and operation of programs assisted under this section;

"(B) make recommendations to the office with respect to the allocation of funds appropriated pursuant to the purposes set forth in paragraph 3 of subsection (b) and establish the criteria used in approving applications; and shall consider an appropriate geographical distribution of approved programs and projects throughout the region;

"(C) develop criteria for the review of applications and their disposition;

"(D) assist the office in conducting a continued assessment of trends and needs in environmental education;

"(E) advise the office on those programs or research in environmental education of overarching regional concern that need examination or support;

"(F) transmit to the National Advisory Council an assessment of all programs, needs and trends in environmental education within the region; and

"(G) develop and implement, in cooperation with the regional office of environmental education, a program of information dissemination and communications with the states within each region and between regions.

"(D)(1) There is hereby established a National Advisory Council on Environmental Education. The Council shall consist of seventeen members obtained as follows:

"(A) One member from each of the ten regional councils; each regional council shall

elect its representative from among its membership.

"(B) Seven at-large members appointed by the Secretary. Such persons shall be appointed from the public and private sector, of their respective region, with due regard to their fitness, knowledge and experience in matters of, but not limited to, academic, scientific, medical, legal, resource conservation and production, urban and regional planning, and information media activities as they relate to our society and affect our environment, and shall give due consideration to geographical representation in the appointment of such members: *Provided, however,* That among the appointees two shall be ecologists and two students. The chairman of the Council shall be elected by the members of the Council from among its membership.

"(2) The National Council shall—

"(A) advise the Commissioner and the Office concerning the administration of, preparation of general regulations for, and operation of programs assisted under this section;

"(B) make recommendations to the Office with respect to the use of funds appropriated pursuant to the purposes set forth in paragraph (2) of subsection (b);

"(C) assist the Office in conducting a continual assessment of the trends and needs in environmental education;

"(D) advise the Office on those programs or research in environmental education of overarching national concern that need examination or support;

"(E) develop criteria for the review of applications and their disposition for those programs described in part (A) paragraph (2) subsection (b); and,

"(F) develop and implement, in cooperation with the Office of Environmental Education, a program of information dissemination and communication with the regional offices and other agencies within the Federal Government.

#### "TECHNICAL ASSISTANCE

"SEC. 5. The Secretary of Health, Education, and Welfare, in cooperation with the heads of other agencies with relevant jurisdiction, shall, insofar as practicable upon request, render technical assistance to local education agencies of local, State and Federal governments and other agencies deemed by the Secretary to play a role in preserving and enhancing environmental quality and maintaining ecological balance. The technical assistance shall be designed to enable the recipient agency to carry on education programs which are related to environmental quality and ecological balance.

#### "SMALL GRANTS

"SEC. 4. (a) In addition to the grants authorized under section 4, the Regional Commissioners, from the sums appropriated, shall have the authority to make grants, in sums not to exceed \$10,000 annually, to nonprofit organizations such as citizens groups, volunteer organizations working in the environmental field, and other public and private nonprofit agencies, institutions, or organizations for conducting courses, workshops, seminars, symposiums, institutes, and conferences, especially for adults and community groups (other than the group funded).

"(b) Priority shall be given those proposals demonstrating innovative approaches to environmental education.

"(c) For the purposes of this section, the Regional Commissioners shall require evidence that the interested organization or group shall have been in existence one year prior to the submission of a proposal for Federal funds and that it shall submit an annual report on Federal funds expended.

"(d) Proposals submitted by organizations and groups under this section shall be limited to the essential information required to evaluate them, unless the organization or group shall volunteer additional information.

#### "ADMINISTRATION

"SEC. 5. In administering the provisions of this Act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or private agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement, as may be agreed upon. The Commissioner shall publish annually a list and description of projects supported under this Act and shall distribute such list and description to interested educational institutions, citizens' groups, conservation organizations, and other organizations and individuals involved in enhancing environmental quality and maintaining ecological balance.

#### "AUTHORIZATION

"SEC. 7. There is authorized to be appropriated for the fiscal year ending June 30, 1974, \$10,000,000 for carrying out the purpose of this Act."

### THE EMPLOYEE BENEFITS PROTECTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ERLENBORN) is recognized for 30 minutes.

Mr. ERLENBORN. Mr. Speaker, I was pleased April 12 to join JOHN DENT, the chairman of the general Subcommittee on Labor, and ALBERT QUIE, the ranking minority member of the Committee on Education and Labor, in introducing H.R. 6900, the administration's Employee Benefits Protection Act.

This bill is one of two measures proposed by the administration with the intent of providing greater security to the \$160 billion now accumulated for the retirement of 32 million American workers covered by private pension plans, and giving all Americans greater incentives for saving for their retirement. I have not seen the other bill, which I understand will be referred to the Committee on Ways and Means, and so will reserve judgment on it until I have analyzed it and until I can view the recommendations it makes from the perspective our committee hopes to gain by virtue of the study we are presently conducting.

The proposed Employee Benefits Protection Act we are introducing today for the administration is overall a good bill. This is the third time in as many Congresses that I have sponsored such legislation in behalf of the administration. As with previous versions, it presents several changes over its predecessor; and they are constructive changes. I am hopeful the introduction of this measure will spur us into action.

As is demonstrated by the bipartisan sponsorship of this bill, there is no dispute among the members of our committee, nor among the unions, employers, plan administrators, banks, and the many others involved with private pension plans, about the need for strengthening fiduciary standards and requiring more significant reporting and disclosure. We have studied and debated the subject, and there is little reason to defer action any longer.

The fundamental purpose of the proposed amendments to the Welfare and

Pension Plans Disclosure Act is the broadening and strengthening of the protection of rights and interests of participants and beneficiaries of employee welfare and pension benefit plans. This aim is accomplished in three ways. First, by the addition of two new sections: One setting forth responsibilities and proscriptions applicable to persons occupying a fiduciary relationship to employee benefit plans, including a "prudent man" standard for evaluating the conduct of all fiduciaries; the other barring from responsible fiduciary positions in such plans for a period of 5 years all persons convicted of certain listed criminal offenses. Second, by additions to and changes in the reporting requirements designed to disclose more significant information about plans and the transactions engaged in by those controlling plan operations and to provide specific data to participants and beneficiaries concerning the rights and the benefits to which they are entitled under their plans and their rights under the law. Third, by providing remedies through either State or Federal courts to insure that the protections provided by the act can be effectively enforced.

#### I. FIDUCIARY RESPONSIBILITY

A fiduciary is one who occupies a position of confidence or trust. As defined by the amendments, a fiduciary is a person who exercises any power of control, management or disposition with respect to moneys or other property of an employee benefit fund, or who has authority or responsibility to do so. The fiduciary responsibility section, in essence, codifies and makes applicable to these fiduciaries certain principles developed in the evolution of the law of trusts. The section was deemed necessary for several reasons.

First, a number of plans are structured in such a way that it is unclear whether the traditional law of trusts is applicable. Predominantly, these are plans which, although maintaining a fund of assets to finance benefit payments, are not established as trusts. Certain insured plans fall into this category. Administrators and others exercising control functions in such plans under the present act are subject only to minimal restrictions and the applicability of present State trust law is sometimes unclear.

Second, even where the funding mechanism of the plan is clearly in the form of a trust, reliance on conventional trust law often is insufficient to adequately protect the interests of plan participants and beneficiaries. This is because the common law of trusts was developed in the context of testamentary and inter vivos trusts—usually designed to pass designated property to an individual or small group of persons—with an attendant emphasis on the carrying out of the instructions of the settlor. Thus, if the settlor includes in the trust document an exculpatory clause under which the trustee is relieved from liability for certain actions which would otherwise constitute a breach of duty, or if the settlor specifies that the trustee shall be allowed to make investments which might otherwise be considered imprudent, the trust law in many States will be interpreted

to allow the deviation. In the absence of a fiduciary responsibility section in the present act, courts applying trust law to employee benefit plans have allowed the same kinds of deviations, even though the typical employee benefit plan, covering hundreds or even thousands of participants, is quite different from the testamentary trust both in purpose and in nature. It is expected that courts will interpret the prudent man rule and other fiduciary standards bearing in mind the special nature and purposes of employee benefit plans intended to be effectuated by the act.

Third, a fiduciary standard embodied in Federal legislation is desirable because it will bring a measure of uniformity in an area where decisions under the same set of facts may differ from State to State. This uniformity of decision will help administrators, fiduciaries and participants to judge the legality and prudence of proposed actions by an established standard and will avoid the necessity of reference to varying State laws.

Finally, taken together, the funds of employee benefit plans constitute an enormous sum of assets and it is evident that the operations of such plans are increasingly interstate. The national public interest in the continued prudent management of these plans and in the integrity of their funds is direct and clearly warrants protective Federal legislation.

Section 14(a), when read in connection with the definition of the term "employee benefit fund," makes it clear that the fiduciary responsibility provisions apply only to those plans which have assets at risk. Thus an unfunded plan, such as one in which the only assets from which benefits are paid are the general assets of the employer, is not covered. However, if the plan does have assets at risk, the form in which those assets are held is deemed to be a trust, whether or not a trust agreement exists, and the trust assets may be used only for the two stated purposes: providing benefits for participants and defraying reasonable administrative expenses.

The next two subsections (14(b) and (c)) incorporate the core principles of fiduciary conduct as adopted from existing trust law, but with modifications appropriate for employee benefit plans. These salient principles place a twofold duty on every fiduciary: to act in his relationship to the plan's fund as a prudent man in a similar situation and under like conditions would act, and to act solely in the interest of the participants and beneficiaries of the plan; that is, to refrain from involving himself in situations or transactions—especially transactions with known parties in interest—where his personal interests might conflict with the interests of the participants and beneficiaries for whom the fund was established. Thus, section 14(b)(1) sets out the prudent man standard and the attendant affirmative duties to discharge responsibilities in conformance with the instructions—as set out in the governing plan documents—and solely in the interest of the plan's participants and beneficiaries.

There follows a list of proscriptions (section 14(b)(2)) which represent the most serious types of fiduciary misconduct which in one way or another have occurred in connection with employee benefit plans. Some of these situations have been found in the administration of the WPPDA. Others have been discovered by congressional investigations, newspaper reporters, audits, and miscellaneous sources. While the magnitude of these improper practices is small in relation to the total number of plans in existence, the seriousness of the improper practices disclosed indicates the need for additional precautions to insure that these specific examples do not become general conditions. The list of proscriptions is intended to provide this essential protection.

The exemption provision which follows the listed proscriptions has been included in recognition of established business practices, particularly of certain institutions such as commercial banks, trust companies, and insurance companies which often perform fiduciary functions in connection with employee benefit plans. The Secretary will, by individual or class exemptions, provide exceptions so that the established practices of these institutions and others are not unduly disrupted, so long as they are consistent with the purposes of the act. For example, the proscription in section 14(b)(2)(G), prohibiting a fiduciary from furnishing service to a party in interest is not intended, in the normal course of events, to bar a fiduciary bank from providing services to the employer whose employees are participants in the plan.

Next, there are listed transactions in which fiduciaries are expressly allowed to engage. This listing is necessary for reasons similar to those which required inclusion of the exemption provision. That is, the breadth of the proscriptions, while considered necessary for the reasons stated above, would operate in some cases to prohibit transactions which are deemed desirable to the sound, efficient functioning of employee benefit plans. It was therefore necessary to specify that certain transactions, likely to be engaged in by fiduciaries of virtually all plans, will be allowed notwithstanding the proscriptions. It is emphasized, however, that even with respect to the transactions expressly allowed, the fiduciary's conduct must be consistent with the prudent man standard.

Especially significant among the expressly allowed transactions is that which permits, in most types of plans, investment of up to ten percent of the fund assets in securities issued by the employer of the employees who are participants in the plan. Since such an employer will often be an administrator of his plan, or will function as a trustee or in some other fiduciary capacity, this provision creates a limited exception to the listed proscription against self-dealing. The exception is made in recognition of the symbiotic relationship existing between the employer and the plan covering his employees. Such investments are commonly made under provisions in a trust agreement expressly allowing them. In recognition of the special purpose of

profit sharing plans, the limitation does not apply to such plans if they explicitly provide for greater investment in the employer's securities. Section 14(c) also recognizes the practice of including in trust instruments various authorizations governing the handling of the fund. Many such authorizations have been inserted by legal draftsmen because of questions in their judgment as to authority and are generally recognized as appropriate.

The next two subsections ((d) and (e)) are intended to codify, with respect to employee benefit fund fiduciaries, rules developed under the law of trusts. Thus a fiduciary is made personally liable for his breach of any responsibility, duty or obligation owed to the fund, and must reimburse the fund for any loss resulting from such a breach. He must also pay over to the fund any personal profit realized through use of fund assets. Where two or more fiduciaries manage a fund, each must use care to prevent a co-fiduciary from committing a breach or to compel a co-fiduciary to redress a breach. Plan business is to be conducted by joint fiduciaries in accordance with the governing instruments of the plan, or in the absence of such provisions, by a majority of fiduciaries, and a fiduciary who objects in writing to a specific action and files a copy of his objection with the Secretary is not liable for the consequences of such action.

The requirement (section 14(f)) that every plan contain specific provisions for the disposition of fund assets upon termination is necessary to avoid confusion on the part of fiduciaries and participants and beneficiaries alike as to the proper disposition of the fund assets upon termination of the plan. It is essential at such a time that the plan administrator—who is still, notwithstanding the termination, a fiduciary subject to the act—know how assets remaining in the plan's fund must be distributed and it is important that the distribution plan be specified so that participants and beneficiaries can assess the propriety of the fiduciary's actions when the plan terminates. The requirement that liabilities to participants and beneficiaries be satisfied before claims on the fund by contributing parties will be heard is inserted to insure that the interests of participants and beneficiaries will be fully protected.

Exculpatory and similar clauses which purport to relieve a fiduciary from any responsibility, obligation, or duty under the act are expressly prohibited and made void as against public policy (section 14(g)). Whatever the validity such provisions might have with respect to testamentary trusts, they are inappropriate in the case of employee benefit plans. The large numbers of people and enormous amounts of money involved in such plans coupled with the public interest in their financial soundness, as expressed in the act, require that no such exculpatory provision be permitted.

The basic 3-year statute of limitations—section 14(h)—for suits to enforce the fiduciary provisions or redress a fiduciary's breach may be extended up to an additional 3 years if the breach is not disclosed in a report required under

the act. No action may be brought more than 6 years after the violation occurred, except that if the breach involves a willful misrepresentation or willful concealment of a material fact, a suit may be maintained within 10 years after the violation occurs.

Finally, section 14(i) explicitly provides that a fiduciary is not liable for violations committed before he became or after he ceased to be a fiduciary.

The second, all-new section, section 15, prohibits persons convicted of certain listed crimes from serving, for a period of 5 years after conviction or the end of imprisonment for such conviction, in a responsible position in connection with an employee benefit plan. This prohibition is considered necessary because of the large funds involved and the attendant great risk of a loss affecting a large number of persons. Section 15 is modeled after section 504 of the Labor-Management Reporting and Disclosure Act—LMRDA—which bars persons convicted of certain crimes from serving as union officers. The presence of the LMRDA prohibition is another reason for including a similar provision in the Protection Act. Without such a provision, persons barred from serving as union officers might take positions with employee benefit plans.

The crimes listed have been chosen with reference to three kinds of criminal activity. These are: First, activities which involve a wrongful taking of property; second, activities which are related to and often occur in connection with the efforts of organized crime elements in the labor-management and securities fields; and third, crimes of a nature so vicious that involvement in them casts grave doubt on the individual's responsibility. Thus, in addition to the specifically named crimes, the list includes crimes described in section 9(a)(1) of the Investment Company Act of 1940, involving misconduct in the securities field; violations of section 302 of the Labor-Management Relations—Taft-Hartley—Act; certain violations of the LMRDA; violations of chapter 63 of title 18, United States Code, mail fraud; and violation of section 874, kickbacks from public works employees; 1027, false statements in documents required by the Welfare and Pension Plans Disclosure Act; 1954, offer, acceptance, or solicitation to influence operations of employee benefit plan; 1503, jury tampering; 1505, obstruction of Government agency proceedings; 1506, theft or alteration of court record or process, false bail; 1510, obstruction of criminal investigations; and 1951, interference with commerce by threats or violence of title 18, United States Code. The section contains its own criminal penalty, with a higher fine than that provided for other criminal violations of the act. It is the same penalty as that specified in section 504, LMRDA.

To avoid confusion which has arisen over the similar LMRDA provision, section 15 states clearly that the term of imprisonment does not include the period of parole, if any, and the problem of unequal application of the restoration of citizenship rights clause due to vary-

ing State laws has been obviated by removal of the clause.

#### II. REPORTING AND DISCLOSURE

The underlying theory of the Welfare and Pension Plans Disclosure Act to date has been that reporting of generalized information concerning plan operations to plan participants and beneficiaries and to the public in general would, by subjecting the dealings of persons controlling employee benefit plans to the light of public scrutiny, insure that the plan would be operated according to instructions and in the best interests of the participants and beneficiaries. The Secretary's role in this scheme was minimal. Disclosure has been seen as a device to impart to participants and beneficiaries sufficient information to enable them to know whether the plan was financially sound and being administered as intended. It was expected that the knowledge thus disseminated would enable participants to police their plans.

But experience has shown that the limited data available under the present act is insufficient even though the burden of enforcement has been partly assumed by the Secretary. The amendments, therefore, are designed to increase the data required in the reports, both in scope and in detail. Experience has also demonstrated a need for a more particularized form of reporting, so that the individual participant knows exactly where he stands with respect to his plan—what benefits he is entitled to and what steps he must follow to secure his benefits.

Moreover, the addition of fiduciary responsibility provisions has increased the need for both generalized and particularized data. On one hand, participants will be able to ascertain whether the plan's fiduciaries are observing the rules set out in the fiduciary responsibility section only if they have access to sufficient data about plan transactions. On the other hand, the prophylactic effect of the fiduciary responsibility section will operate efficiently only if fiduciaries are aware that the details of their dealings will be open to inspection, and that individual participants and beneficiaries will be armed with enough information to enforce their own rights as well as the obligations owed by the fiduciary to the plan in general.

The existing exemption from coverage under the Welfare and Pension Plans Disclosure Act for plans of tax-exempt private organizations has been removed. Substantial numbers of persons are now participants in plans established by these organizations and they are entitled to the same assurances and protection as participants in other private plans.

To provide the flexibility necessary to avoid hardship and duplicative reporting, as well as unnecessary paperwork for both plan administrators and the Secretary, the act includes exemption and variation authority which the Secretary may apply on a class basis.

There are four significant changes designed to impart more information about the plan and its operations in general:

First, administrators will no longer be required to include the trust agreement or other instrument governing the plan

in the plan description. However, the description must be written in layman's language so that participants and beneficiaries will be able to understand their plan's schedule of benefits and requirements concerning eligibility for benefits, nonforfeitality, and procedures for claims and remedies. Second, the annual report must include the opinion of an independent accountant based upon the results of an annual audit. Such information will allow better assessment of the plan's financial soundness by administrators and participants alike—the exemption for the books of institutions providing investment, insurance and related functions and subject to periodic examination by a government agency will prevent duplicative audit examinations of these institutions.

Third, plans other than those which are unfunded must include in their reports information pertaining to leases, party in interest transactions and investment assets other than securities in addition to information about securities investments and loans. Finally, actuarial information is now required so that participants and beneficiaries can judge the progress of the plan's funding scheme and its overall financial soundness.

Amendments to provide particularized information to individual participants and beneficiaries are found in section 8. In addition to the plan administrator's obligation to make available copies of the plan description and latest annual report, the Secretary may require the administrator to furnish reasonable notification in layman's language to all participants of their rights under the Act, and to furnish to any participant or beneficiary so requesting in writing a fair summary of the annual report and a statement of what benefits—including nonforfeitable benefits, if any—have accrued in his favor or both. This will enable a participant to find out where he stands with respect to the plan at any given time. Administrators must make good faith efforts to supply to a participant—or his survivor—upon his termination of service under a plan, a notice explaining exactly what procedures must be followed to secure benefits due.

Further, the administrator must furnish to participants and beneficiaries upon request complete copies of the plan description, annual report, or bargaining agreement, trust agreement, contract or other instrument under which the plan is established and operated. He may make a reasonable charge to cover the cost of such copies. If a plan is subject to a Federal vesting requirement and is exempted from providing preretirement vesting for benefits earned during a year of financial hardship, participants must be informed of the lack of vesting in that year.

#### III. ENFORCEMENT

The changes in the enforcement provisions have been made so that the rights given to participants and beneficiaries elsewhere in the act will be enforceable in an appropriate forum. The enforcement section reflects the addition of the fiduciary responsibility provisions and provides remedies of two kinds; those designed to rectify fiduciary breaches and

those to insure that participants and beneficiaries, and the Secretary, will receive the information required by the reporting and disclosure provisions. Suits to redress breaches of duty by a fiduciary or to remove persons from plan positions serving in violation of the criminal conviction bar may be brought by the Secretary, or by a participant or beneficiary. The provision for equitable relief would allow, among other things, the imposition of a constructive trust over fund assets transferred to a third person in breach of the fiduciary's duty. Certification by an accountant as a prerequisite to the Secretary's investigation is no longer necessary because the annual audit requirement allows an assumption that the plan report is accurate.

Participants and beneficiaries may sue in any State court of competent jurisdiction. For actions in Federal courts, nationwide service of process is provided in order to remove a possible procedural obstacle to having all proper parties before the court. Federal and State courts are given discretion to award attorney's fees and court costs to any party in actions brought by a participant or a beneficiary. The court also has discretion to require the plaintiff to post security for court costs and reasonable attorney's fees. Suits by a participant or beneficiary to redress a fiduciary breach or remove a fiduciary must be brought as class actions where the jurisdiction permits class actions and the requirements for such an action can be met.

Fiduciary breaches may be rectified through civil suits only. Criminal penalties for such breaches are inconsistent with the principles established under the common law of trusts. However, criminal penalties remain available in cases of reporting violations, and, under title 18, United States Code, in cases of embezzlement, false statement, bribery and kickbacks in connection with employee benefit plans.

#### IV. EFFECT OF OTHER LAWS

The act provides for a uniform source of law for evaluating the fiduciary conduct of persons acting on behalf of employee benefit plans and a singular reporting and disclosure system in lieu of burdensome multiple reports. However, State law will continue to apply to plans not subject to the Act. This application of State law will include actions brought by participants and beneficiaries to recover benefits due under the plan or to clarify rights to future benefits.

States may require the filing with a State agency of copies of reports required under the act, and actions in State courts for accountings are expressly allowed if certain conditions are met, including adequate notice to participants and the Secretary. Furthermore, the act expressly authorizes cooperative arrangements with State agencies as well as other Federal agencies and provides that State laws regulating banking, insurance, and securities remain unimpaired.

#### VISIT WITH HON. LEE KUAN YEW

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Oregon (Mr. WYATT) is recognized for 10 minutes.

Mr. WYATT. Mr. Speaker, last week the United States was honored by an official visit by the Honorable Lee Kuan Yew, the Prime Minister of the Republic of Singapore. A little over 1 year ago, I had the pleasant experience of visiting the Prime Minister's country, and left with an enormous respect for what he and his countrymen had accomplished. I had some time with his housing minister, and was amazed at the progress made in Singapore to provide its citizens with quality housing.

Prime Minister Lee is a dynamic leader, a forceful man with great vision and courage. His accomplishments for his country are very impressive.

He addressed the National Press Club here in Washington on April 6 and I think a fair description of the Prime Minister and his accomplishments were contained in the introductory remarks of Donald R. Larrabee, the president of the club.

To provide a further insight on the background and accomplishments of one of Asia's truly great statesmen, I am including herewith excerpts from Mr. Larrabee's introduction:

#### EXCERPTS FROM MR. LARRABEE'S INTRODUCTION

An American political figure, whose respect for the quality of leadership knows no party lines, has said of our speaker today that he heads probably the best-run country in the world. Former U.S. Treasury Secretary John Connally, at an appearance in Houston earlier this year, told fellow Texans that the little city-state of Singapore is going places because it happens to be run by Lee Kuan Yew who, he said, is one of the "really great, smart leaders in this world." And Mr. Connally added: If he had a nation of any size that he could lead, he would be a great force to be reckoned with—because I don't know of anybody that knows of him, or any world leader who has ever dealt with him, that doesn't recognize he's a man of great capacity and great leadership. He's providing a spark for that city-state that's unequalled anywhere else in the world."

This is a strong endorsement for a man who knows where the power lies. But there are few who would disagree. Even his adversaries. One of Singapore's more skeptical intellectuals was quoted recently by Newsweek as saying of our speaker: "Whatever his faults, Lee Kuan Yew will go down in history as a very great man who has galvanized a nation out of nothing."

In Singapore's eight years of independence, the lion city under its Chinese founder has broken with the past and leaped self-assuredly into the future . . . like the mouse that roared. It is something of a global city, a kind of super-efficient, super-technological metropolis with a wildly improbable success story that keeps on building. The United Press reported recently that more than one third of Singapore's two million people live in high standard government housing with rents as low as \$20 a month and employment and educational opportunities never seem to stop getting better.

By all accounts, this solid record of achievement is due to the determination of a man who rolled up Singapore's national sleeves and set about creating a rugged society. He acquired the name "Harry" in his student days in Britain and he has all the spunk of a Harry we knew, the late President Truman. He also has the father image of an Eisenhower, the charisma of a Kennedy, the suspicion of the press of a Johnson and the self-disciplined, puritanical approach of a Nixon.

Indeed, the Prime Minister and his Socialist People's Action Party stalwarts have inspired an almost Spartan devotion to hard work and honesty in the people of Singapore. The work ethic about which Mr. Nixon talks is a living reality in Singapore. And, as a result, she is at once the world's newest boom town and, next to Japan, Asia's most prosperous nation.

What's good for business seems to be good for the people. There is a labor shortage and no shortage of foreign investment. Last year, the Republic attained a per capita income in excess of \$1,000, several times that of most neighborhood countries.

Little wonder that Singapore's bustling citizenry cannot imagine a future without the Prime Minister who now leads them in his fourth term.

Unlike American politicians, I'm told, his picture is rarely seen, though, I'm also told, his presence is everywhere. Marrying Western intellectualism to Chinese political pragmatism, the Prime Minister is part George Washington, part Eastern autocrat, part 20th century Victorian—and all dynamism. He is brilliant—he won a starred double first degree at Cambridge University—he is tough. He is an organizer.

Newsweek magazine noted that in the 1960's, when he first formed the People's Action Party, the Prime Minister coldly entered into an anti-colonial alliance with Singapore's Communists. But, once he took office, the magazine reported, he proceeded to crush his communist allies, thus becoming one of the few politicians ever to ride the Red Tiger to power and then successfully dismount.

A non-smoker, he has no known vices. And from press reports, he does not tolerate excessiveness in his people. The Lee government recently banned all films depicting extreme violence and it has been known to refuse passports to youths whose hair falls below the collarline. Now that is strict national discipline, almost hair-raising.

In terms of good government and in relation to the corruption and tyranny prevalent in much of the rest of Southeast Asia, the regime of Singapore's Prime Minister stands out like a good deed in a naughty world.

#### IN DEFENSE OF THE FARMER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 10 minutes.

Mr. RAILSBACK. Mr. Speaker, once again the farmer has been made the brunt of anti-inflationary measures. We cannot expect farmers who have worked hard for what profits they are now receiving to sit back and take the bill, H.R. 6168, reported by the House Banking and Currency Committee. There have been many livestock people, who have gone out of business in the last few years, because of losses or low-profit margins. The net return on their investment has been meager. If we enact restrictive legislation at this time, we in the Congress may very well encourage more farmers to go out of business; thereby decreasing production, and eventually raising the prices of beef and pork even more. This will not serve either the farmer or the consumer.

I have received several hundred calls from people in my district and over 1,000 pieces of mail, within the past week, protesting the language approved by the committee. Typical comments in these communications are:

All my farm purchases have climbed 50% in the past 19 years.

You might point out to your colleagues that in 1970 many farmers closed out the year in the minus column.

I think supply and demand should set the price of farm commodities.

We certainly hope that Congress will not impose a rollback on cattle feeders. It can only lead to a decreased supply, while consumers really want and need an increased supply.

I have assured such individuals that I am opposed to H.R. 6168 as it is presently written, and I today urge all of my colleagues to also oppose the legislation before us. We would be better off directing our attention to the causes of inflation and not unduly crippling the farmers, who themselves are also hurt by inflation.

Let us take a moment to look at the record. During the past 20 years, the price of food at the retail level—"the supermarket basket"—has risen less than 50 percent. Meanwhile, the overall costs of goods and services—purchased by the farmer and city worker alike—have increased by at least 60 percent.

We in America spend less than one-sixth of our disposable income on food. This is far below the proportion spent by even the newly affluent citizens of Europe. It is also a substantial reduction from our own level in the early fifties.

Also, we eat far better than any other people. Americans' consumption of beef, for example, has more than doubled in the last 20 years, and that of the prime and choice cuts has increased by nearly 300 percent. Few foreigners can even imagine imitating our ordinary eating habits. Sirloin steaks sell for \$3 a pound in Rome, and beef loin in Tokyo is a delicacy at \$12 a pound.

But, if the U.S. farmer has consistently elevated his countryman's standard of living, he has not always done as well for himself. Because the farmer receives less than half of the dollar spent at the supermarket, his return has not always paralleled movements in retail prices. Indeed, from 1952 to 1972, prices obtained by the farmer for his produce had increased about 11 percent, while the total costs incurred in raising crops and breeding livestock rose by more than 100 percent during the same time period.

I know these figures make dry and forgettable reading for most people—but they are certainly real enough to the men and women who live and work the land. Their meaning is spelled out in the steady flow of those who once tried to make a living at farming into the factories and offices of the cities. Farm population is down more than 12 million since the Korean war, and this decline has left behind only the most efficient strains of farmers. These are the ones who have tripled agricultural productivity over the last two decades. And it is these workers too who boosted our exchange-earning farm exports by nearly a third last year.

And yet, in spite of such great achievements, the average farm family's income is still almost 20 percent below that of its urban and suburban counterpart. Few now in number, farmers have never been able to press for the guaranteed prosperity some Americans have claimed as

their right. Farmers' labors are rewarded only as the market sees fit.

Fortunately, for the first time in years, net farm income is nationally about \$20 billion. For the farmers who have just been struggling along, this represents a chance to continue their living. It would be ironic indeed if we in the Congress were now to prevent the marketplace from partially correcting the old and continual inequity of poverty on the farm.

Should the American housewife be upset by her rising food bills—even though U.S. food prices have risen far less sharply than those of eight European countries last year? Of course, she should. Cold statistics are not comforting to her when she passes the meat counter. But I think it is important that we try our best in putting food prices in their proper perspective, and be sensitive to the very difficult problems confronting the American farmer.

Most farmers are hoping to be confident about the future. In response to market conditions, they are already increasing their output. Expanding the supply of farm products should moderate grocery bills in the coming months. Agricultural workers are eager to earn a decent living, but not at the expense of the housewife. Instead, they support an expanded volume of production sold at fair and consistent prices. That is what the farmers of America want—surely that is what we all want. Let us permit the marketplace to continue operating as it was intended: as one of supply and demand.

#### COMMENTS ON H.R. 6168 AND H.R. 2099

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER), is recognized for 10 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, after participating in today's deliberations, I remain convinced that this body has shown no capability to deal effectively with the problem of inflation.

I support a simple extension of the present authority only as a last resort, because it would be irresponsible above all to leave the President with no power to exert controls in this critical stage of our economic recovery.

Nevertheless, I am not satisfied with this legislation. Adequate measure has not been taken of the heartfelt agony being expressed by housewives, senior citizens, wage earners, and tenants across the Nation, as they witness the erosion of the financial security and well-being they have labored long and hard to achieve. These are the voices of thoughtful, sensible, patriotic Americans, and they are seeking relief from the shrinking real value of their earnings.

I feel that this bill ignores the plight of the consumer, and so I rise to urge the President to use the authority extended by this legislation to relieve the pressures on the wage earner before they result in irrecoverable injury. Government will fail its responsibility to the

people if the inflationary spiral is not curbed, especially in those sectors which drain off the largest chunk of an individual's income: Food prices and rents.

For those on fixed incomes, such as our senior citizens, this is an especially harsh time, and we in Government bear a special responsibility for their continued security.

Good intentions alone will not resolve the crisis. Tough decisions must be made—for, regardless of one's philosophy, in the end reality dictates what choices must be made. I again urge our economic policymakers to heed the voice of consumers—of the housewife and the breadwinner—to take the actions which the situation requires and which the people deserve.

#### SPEECH OF SENATOR HUGH SCOTT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. MCFAUL) is recognized for 5 minutes.

Mr. MCFAUL. Mr. Speaker, the distinguished minority leader of the Senate, HUGH SCOTT of Pennsylvania, recently addressed an assembly at the TIME, Inc.'s 50th anniversary dinner in Washington, D.C. His comments upon the inevitability, and long history of, executive-legislative tension are worth noting, and so I introduce them in the RECORD:

#### SPEECH OF SENATOR HUGH SCOTT

Hedley Donovan: It is now my honor to introduce the minority leader of the Senate, Hugh Scott of Pennsylvania, who has shown long a deep concern for the effectiveness of Congress. He has said of the leadership of both Houses: "They will have to say over and over again to Congress that unless you reform yourselves it is inevitable that the erosion of congressional powers will continue."

Senator Scott is a man of many achievements and attainments, including the authorship of a number of books, among them, *How to Go Into Politics*, *Come to the Party*, and *How to Run For Public Office and Win*. He knows whereof he speaks for he has won eight elections to the House of Representatives and is now in his third term as Senator. And I learned from my charming dinner partner to my right, Mrs. Scott, that he is the only Pennsylvanian ever to be elected to a third term in the Senate. Senator Scott.

SEN. SCOTT: Mr. Donovan, Mr. President, my colleagues and ladies and gentlemen:

It is an honor to be here tonight. I was talking to Senator Humphrey before we sat down and we realized that in 1972, in the coverage of that campaign, TIME, I believe presented one cover on Senator McGovern and two on Senator Muskie, and none on Senator Humphrey. Now, I think this is a sad commentary on the fact that TIME must evidently have been slightly deaf and their attention should have been more adequately called to Hubert, but we are willing at a 50% discount to appear jointly on any future cover.

I do not want to sadden the occasion, but I would not want to let the opportunity pass to mention how disturbed all of us are and how unhappy we are at the tragic event of last night which has stricken our beloved colleague, Senator Stennis, and of course if our Chaplain had not asked you to note that occasion by a moment of prayer, I am sure the Speaker and I would have done so. We miss him and we are glad to hear that he is resting more comfortably and we hope for him a very early recovery.

Now, as to the great company of the Congresses, I think it can be said, that every President is known by the company he would rather not keep.

It doesn't seem 50 years ago that I, as a young hopeful just out of law school, became a charter subscriber to an experimental publication called *Time*. But as we have been reminded in stentorian tones so often since, "Time marches on." *Tempus* indeed *fugit*. As we have lately observed, *Time* is less transitory than *Life*.

So here we are a half-century after two young men from Yale set up shop in Cleveland to report and explain the news in a more sprightly and penetrating way than it had been done before. Now *Time* has become a habit, but I remember how the habit began with me.

"Backward ran sentences until reeled the mind," as Gibbs of *The New Yorker* wrote years later. And, "Where it all will end, knows God."

Archaic words were rejuvenated and new ones invented. Oriental titles were adapted to modern uses. Leaders of business and finance became tycoons, not just to *Time* readers but to everybody.

Nobody in the news rated reverence, nor yet does. If a newsworthy character was snaggle-toothed, he was snaggle-toothed in the *Time* report. If he was egg-bald, he was egg-bald in *Time*. And if he was Sam Rayburn, he resented it.

All of which may have comported with Matthew Arnold's definition of journalism as "literature in a hurry."

The stylistic eccentricities served their purpose as attention getters without detracting from the more serious plans of *Time's* founders. It is not too much to say that, for better or worse—and I think for better—Henry Luce and his associates revolutionized American, and to a degree, world journalism. Along the way, what they did to the American language opened new philologic vistas.

I remember one celebrated occasion when Clare Luce was ambassador to Italy and the farewell party was given for her by her staff. She presented a gold charm that night to Henry Luce, that illustrates what I have just said and, as I recall it, it said on it, "*tempus vetus lux*"—time and life and light. Of course, it was the light which attracted the subscribers.

The what-where-when deadpan news story of the past seemed pretty flat compared with *Time's* account of the same event. Talented writers of a calibre not often attracted to the older journalism were recruited. Opinion incorporated into the account of an event was not regarded as a sin against journalism objectively by *Time* editors. Indeed, it was encouraged, the rationale being that nobody with eyes, ears and a mind could be totally objective—and shouldn't be.

The ingredients of opinion now spices almost all forms of journalism, particularly our daily papers in Washington, and even television, much as the tycoons of that industry deny it. As Howard Smith recently conceded in a news commentary, all television can supply within the limited time frame of its news shows is animated headlines. If the news is not what they say it is, they keep right on saying it anyway.

Headlines, through selection and emphasis can be more tellingly opinionated than essays, and often are. I don't deplore this as much as do some of my political associates who have found that ink can singe. I recognize that an adversary relationship exists, and should exist, between government and the press.

I am also fairly complacent about bias in public communications because I am convinced that, when exaggerated, it is self-defeating. The outcome of the last presiden-

tial election happily strengthened that conviction for some of us.

We might as well face it: both your business and mine are in bad with the people of this country. Neither of us rated very much higher than secondhand car dealers in a recent poll measuring the degree of confidence by various categories of public servants. My own feeling is that neither we politicians nor you journalists deserve the low esteem in which we both seem to be held. Looking back over the last 50 years, it seems to me that we, between us, must have done more than something right.

For our problems, social and political, are not swept under the rug as they were when this century was younger. Government may not be more efficient, but it is more compassionate. Journalism is infinitely better informed and more informative.

But what I have been told to talk about here tonight is not the relationship between government and press but between government and government—between the presidency and the Congress. For example, here we are now told, the relationship is so abrasive that it allegedly threatens a constitutional crisis.

My own feeling is that this overstates the case. Also, that this crisis is not, as many would have us believe, the exclusive fault of a powerful President. I keep reading that he is as haughty as De Gaulle, deliberately offensive to Congress, and a potential tyrant.

If there has been a degree of incivility between the White House and the Capitol, and there has, I submit that it has not all, or even in large part, flowed uphill. The Nixon Administration has been called the most corrupt in history by one of my colleagues; others have accused the President of everything from embracery to hallucination; his policy in Viet Nam has been called war-mongering, even while it was visibly leading us out of earlier commitments to belligerence.

The fact is that pulling and hauling between the President and Congress has been going on through all 50 years we are concerned with here and ever so long before that, dating back to George Washington's walkout he staged from the Senate after his appearance there in which he noted with some profanity that he was "never going back to see any of those people again."

The founders arranged for it by establishing a system of checks and balances between theoretically equal branches of government. Nobody likes to be balanced, much less checked. The 535 Members of Congress always think they know better than that single fellow downtown. Yet they keep noticing that he is, by Orwellian measure, more equal than they are. Here again the founders may be to blame, and intentionally. They created a strong Executive, which primarily distinguishes our system from the more usual parliamentary systems.

If the Presidency has become too powerful and Congress too weak—as I concede that in some areas they have in recent times—it is, I believe, because we have dealt with a great Depression and three wars since the 1920s. Congress was happy to turn the Depression over to a strong President. And wars cannot be fought and peace achieved by a committee—certainly not by a committee of 535; or, as Woodrow Wilson said: "I know not how better to describe our form of government by the chairmen of the standing committees."

And I cannot resist the obvious reference to the camel as an animal constructed by committees.

In any event, Congress spends too much time reading the minutes and squandering the hours.

If Congress wishes to regain certain powers, then let it try to do so, submitting the issue to the arbitration of the courts and

thereafter abiding by those decisions. Short of that, what we are talking about lies somewhere between fustian and shadowboxing.

Perhaps the peace now in sight will give us a chance to clear the constitutional ambiguity that now enshrouds the war-making power. Perhaps, too, we can define more clearly the authority of the President to impound appropriated funds and to invoke Executive privilege on behalf of his associates—both being practices that are as old as the Republic. And if Congress really believes any of these things, then let them find out and let them establish the powers of the three bodies by the ultimate intervention of that third party, the Judiciary.

To accomplish these clarifications, however, Congress must modernize its own operations and that is what we have been talking about in all these various forums around the country. I have read all of those discussions and throughout everyone seems to make the same point, that it should start with internal reforms. I believe that my party has shown part of the way by limiting our members to one committee apiece under certain circumstances in the House and one major committee in the Senate, and by modifying the seniority system to the extent of voting in caucus, and also in the Senate on committee assignments and seniority.

Now, these are significant but limited reforms.

But there must be more. Congress, of course, needs the aid of computers and retrieval systems and experts to operate them. In many ways, we are still marching to the measured beat of another century's drums. We must pick up the cadence, if we are to march in today's parade. Republicans are not free of blame. Democrats, who have been in power in Congress 90% of the time over the last 40 years, must catch up, too.

Perhaps their determination to put a President of the other party in his place will stimulate them sufficiently. If they don't get overstimulated, something useful may come of the present split personality of our Government.

If a low opinion of Congress pervades much of the academic world, since they know our job much better than we presume to know it, consider what the president of the Senate before the 1800s thought of the academics. This is what John Adams said: "I really began to think that learned academics not under the inspection and control of government have disorganized the world and are incompatible with social order."

So, as we progress toward more efficient and more open behavior, well, *Time* will tell—and so will its competition.

Pending the resolution of this Executive versus Legislative conflict, I'll therefore count upon *Time* to keep us and the American people informed, feeling that if anybody knows, knows *Time*.

Mr. DONOVAN. Thank you very much, Senator Scott.

#### FREEDOM OF EMIGRATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 10 minutes.

Mr. RODINO. Mr. Speaker, it was with a great deal of pride that I joined 275 of my colleagues in the House of Representatives and 76 in the Senate in cosponsoring the Freedom of Emigration Act of 1973, H.R. 3917. It is my strong conviction that this vital legislation is necessitated by actions in the Soviet Union which are an affront to the human dignity and freedom of those within the

Soviet Union who wish solely to exercise the universally recognized right to emigrate freely.

As modern nations have matured, the right to emigrate has been among the basic tenets of their civility. It is clearly affirmed in the Universal Declaration of Human Rights of the United Nations that has been ratified by the United States and the Soviet Union. The Soviet constitution further pays homage to this vital human right, even though in practice its implementation has been considerably diminished.

Of most immediate importance, however, is the desire of the Soviet government to trade on special terms with our Government. In asking for special status in trade, it is only right and proper, in my judgment, that we list our terms for such favors. Among the most important among all of the terms I can list would be the just and equitable treatment of the thousands of people who want only to live elsewhere. If we overlook this opportunity and succumb to economic and commercial interests, elevating them above human rights and dignity, we would make a mockery of our own founding documents and our support and ratification of the Declaration of Human Rights.

Is it right or proper for our Government to raise such an issue with a sovereign state? Are we really, as some have charged, interfering in the internal affairs of another nation? I think not. Given the fact that the Soviets have asked something very special from the American people in trading rights, it is only logical that we as a people should set our terms for trade and commerce. If these terms are unacceptable, then trade becomes impossible and unnecessary.

After all, the Soviets have never been bashful about reminding us as a nation and people of our own deficiencies concerning civil rights for American Negroes and other minorities. The major difference is that we made great progress in improving our own laws and continue to do so. We are not ashamed to recognize our failings and strive to strengthen our national resolve to correct our deficiencies.

Actions such as proposed in this legislation are not without specific precedent in our history. President Theodore Roosevelt unilaterally halted a trade treaty with Russia in 1911 because the Russians were systematically persecuting Russian Jews in a series of calculated and horrible programs. That trade treaty had first been ratified in 1832 and had resulted in over \$50 million a year in trade—the equivalent in present day terms of hundreds of millions of dollars. Nevertheless, President Roosevelt suspended the treaty and his action was approved by the Congress in 1911.

It is my hope that the Soviet Union will see the wisdom of changing its emigration policies so that we as a people and nation will not feel that we are left with little chance to open wide the doors of peace through commerce and trade. For there is little disagreement that the cause of peace is well served through

endeavors such as trade and cultural and scientific exchanges.

But repressive policies, whether they be against people of another nation or their own, are still repressive and therefore reprehensible. We must therefore continue to press for changes in these policies with whatever mechanism is at hand. I am confident that we will continue in our effort, and that we will not be bought off with tantalizing tales of exemption from the insidious policies the Soviet Union has been pursuing toward Soviet Jews seeking to emigrate. The Soviet Union's fluctuating policies, as in the case of imposition and relaxation of the repellent brain tax gives us good reason to be skeptical. If our proposal is not enacted during the forthcoming consideration of trade legislation, recurrence of such cruel policies could very likely take place, with little chance for us to act to aid these oppressed Soviet citizens.

On the other hand, with our legislation firmly implanted in a trade act, if the Soviets were able to demonstrate that they meet the test of the law, then we could feel free to recommend to the President that he certify as to the Soviet Union's compliance, thus activating most-favored-nations' treatment for that nation.

Mr. Speaker, I am proud to be counted among the strong supporters of this crucial legislation. We all are serious about our intent and our work on its behalf. We cannot and will not be fooled or bought off. We will not participate in the ransom of human life in the name of commerce. Old world politics of this character are not in the traditions and heritage of our Nation.

#### FESTIVAL OF FREEDOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BURTON) is recognized for 15 minutes.

Mr. BURTON. Mr. Speaker, I am pleased and honored to mark this week of Passover, the Jewish festival of freedom, by including in our proceedings a resolution on Freedom of Emigration for Soviet Jewry, authored by the Honorable Henry A. Waxman, distinguished representative of the 61st assembly district of the California State Legislature.

I believe the vast majority of Members of this House, as well as the majority of freedom-loving Americans throughout our land share the conviction so eloquently expressed in Assemblyman Waxman's resolution of Soviet Jewry, which supports the Jackson-Mills-Vanik Freedom of Emigration amendment to the upcoming trade legislation. I hope we will soon pass the legislation pending before us which would make full freedom of emigration a central concern of American trade policy.

The resolution follows:

#### ASSEMBLY JOINT RESOLUTION NO. 15—RELATIVE TO EAST-WEST TRADE RELATIONS

AJR 15, as amended, Waxman (Rls.). East-West trade relations.

Memorizes the President to support, and Congress to enact legislation to amend the federal East-West Trade Relations Act of 1971

to deny most-favored-nation status to countries which prevent their citizens from emigrating freely by requiring the payment of ransom taxes.

*Resolved*, by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorizes the President to support, and the Congress of the United States to enact, legislation to amend the East-West Trade Relations Act of 1971 so as to deny most-favored-nation status to countries which prevent their citizens from emigrating freely by requiring the payment of ransom taxes; and be it further

*Resolved*, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to Senator Henry M. Jackson and Congressmen Charles Vanik and Wilbur Mills, and to each Senator and Representative from California in the Congress of the United States.

#### THE CUYAHOGA NATIONAL PARK AND RECREATION AREA ACT OF 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, today, I rise to speak in support of legislation introduced by my distinguished colleagues, Mr. SEIBERLING and Mr. REGULA, members of the Ohio delegation, and other Members of Congress to establish the 15,000-acre Cuyahoga Valley National Historical Park and Recreation Area.

This bill represents the culmination of a process which began over a decade ago. As early as 1961, residents in and around Peninsula, Ohio, formed the Peninsula Valley Heritage Association to encourage, in part, the preservation of the natural, scenic, and historical features of the valley. In June 1966, the Secretary of the Interior, Stewart Udall, toured the valley. At that time Mr. Udall pointed to the possibility of the Federal Government applying its expertise in planning, development, and management to saving one of America's priceless undeveloped valleys. Two years ago, legislation was first introduced to preserve the valley. Our efforts today represent a continuation of these efforts.

The legislation we introduce today is an outgrowth of President Nixon's mandate outlined in 1971 "to put the parks where the people are." Last Congress, an important step in the establishment of urban area parks was taken with the creation of the Gateway National Recreation Area in New York Harbor and the Golden Gate National Recreation Area near San Francisco. Similar Federal assistance is necessary in Ohio—the sixth most populous State in the Union—to preserve a great natural and historic area for the enjoyment of the people. It is even more desperately needed in the highly urbanized Cleveland-Akron area—an area which contains more than one-third of the State's population, but which is over 200 miles away from the nearest national park.

#### THE NATURAL BEAUTY OF THE CUYAHOGA RIVER VALLEY

To anyone who has recently visited

the Cuyahoga River Valley between Cleveland and Akron, the reason for our concern is obvious. The natural beauty of the river is being choked between the sprawling expansion of Cleveland and Akron. Shopping centers, quick food chains, filling stations, and automobiles threaten to devour the irreplaceable richness of the valley floor.

In contrast to the overly publicized picture of the Cuyahoga as "the river that burned," only a few miles outside the city limits of Cleveland the character of the river changes dramatically. Above Akron and Kent, the river is nearly a wild stream with picturesque brooks flowing gently into its waters.

The valley itself with its significant natural and historical features and recreation potential is one of the most promising natural resources in mid-America. The valley lies adjacent to the Portage escarpment, which cut diagonally across Ohio from northeast to southwest. This jagged divide marks the flow of rivers in the State—those north of the divide flow into Lake Erie, while those south of the divide flow into the Ohio River.

The escarpment roughly marks the edge of the great glacial ice sheets that once covered large areas of the North American continent. As a result of its close proximity to this geological landmark, the Cuyahoga is a river of extraordinary contrasts. Within the surrounding valley and uplands there lies one of the most varied examples of botanical life on the continent. Vegetation representative of the Appalachian range to the east and the flat prairie land to the west converge dramatically within the region of the river.

#### RIVER VALLEY OF MAJOR HISTORICAL SIGNIFICANCE

Located between the Great Lakes and the Ohio-Mississippi Valley, the Cuyahoga River has long served as a conduit between these two great inland water systems. The Erie Indian Nation long ago established an important commercial and communications link from the Cuyahoga southward to the Tuscarawas, Muskingum and Ohio Rivers. With the annihilation of the Eries in the 18th century, many displaced tribes came to inhabit the area: Shawnees, Delawares, Mohicans, Miamis, Ottawas, and Hurons. However, this strong Indian heritage and their numerous archaeological sites in the Cuyahoga Valley is today threatened by careless commercial expansion.

In the last decade of the 19th century, white settlement began to blossom in Ohio. The turning point came with the signing of the Greenville Treaty in 1795.

With Indian title extinguished in the area, northeastern Ohio became secure for survey and settlement. William Ellis in his book on the Cuyahoga describes this exciting period with these words:

When the Cuyahoga was the republic's northwest boundary, settlement was working its way too slowly north from the Ohio River, leaving America's northwest corner nervously unpeopled and unpossessed. This corner of the land wore a defense of roadless forests and so the Cuyahoga became the only means of opening the area which General Washington called the "invaluable backland."

Moses Cleaveland, who lent his name to the great city along the lake, pioneered efforts to chart the region—the Western Reserve of the State of Connecticut. But it was another man, Lorenzo Carter, who spirited the effort to settle this portion of Ohio. Carter built the first frame house in Cleveland, where only log cabins had stood before. In 1820, Carter opened the first school, and during the years before the Civil War it was Carter who helped slaves escape North to freedom along the Cuyahoga.

#### THE CUYAHOGA VALLEY: HISTORIC KEY IN AMERICA'S INDUSTRIAL REVOLUTION

Carter and another great pioneer of the time, Levi Johnson, laid the foundations for the great industrial center that Cleveland is today. Carter's ship *Zephyr*, a vessel of 30 tons, initiated Cleveland's shipbuilding industry. Not long after, Johnson started the area's first contract construction business which spurred development in the area. Schools, houses, shops, a courthouse, all contributed to the dynamic growth of northeastern Ohio.

In the industrial development of the area of Cuyahoga played a vital role. The gateway opening the industrial age in Ohio was the construction of the Ohio and Erie Canal. In 1825, a visionary Irishman, Alfred Kelley, began the construction of the canal along the shallow and twisting Cuyahoga in Cleveland. By June of 1827, 36 miles had been constructed to Akron. Finally in 1832, the entire 309 miles to Portsmouth on the Ohio River had been completed.

The construction of the canal instantly opened up the economy of the midcontinent. New towns and communities sprouted into existence: Massillon, Canal Fulton, Dover, and others became thriving commercial centers. The small communities of Boston Mills and Peninsula established during the construction of the canal still retain a rural charm of the early Western Reserve settlement days that help make the Cuyahoga Valley the historic keystone of the midwest.

With the expansion of commerce, the development of local industry was not far behind. Soon, the manufacture of clay products, farm machinery, and leather goods all thrived with easy access to the canal. With the growth of industry, immigration into the area accelerated. The population of Cleveland grew from 1,075 in 1830 to 92,829 in 1870. The population of Akron grew tenfold during the same 40-year period.

In 1863, a young Cleveland businessman, John D. Rockefeller entered the oil business. Convinced of the potential of kerosene as a lamp fuel, Rockefeller wanted to organize a company to manufacture the product. The Atlantic and Great Western Railroad completed its western line to Cleveland and supplied Rockefeller with a direct route to the East coast markets.

In this early period Rockefeller saw his involvement in oil as merely "a sideline." In less than a decade, however, the situation had changed dramatically. The industry that had begun with Drake's first well in Titusville, Pa., was rapidly developing into a business of ma-

jer dimensions. And J. D. Rockefeller made sure Cleveland was leading the way.

On January 10, 1870, Rockefeller and four partners, including his brother William, incorporated the Standard Oil Co. Grace Gould's early account of Rockefeller in Cleveland describes the impressive beginnings of the company.

In Cleveland . . . the holdings included two refineries in excellent condition, sixty acres of land, up-to-date cooperage shop, lakeside dockage, and railroad tank cars . . . The Standard Oil Company of Ohio at the time of its inception was not only the biggest oil operation in Cleveland, it also represented one-tenth of the petroleum business in the country.

Nobody, except perhaps Rockefeller himself, foresaw the phenomenal growth that was ahead for the industry.

In the same year of 1870, another industrial development was occurring 36 miles to the south in Akron. That was the year Dr. Benjamin Franklin Goodrich, a physician turned manufacturer, organized the first rubber factory west of the Alleghenies. The plant turned out fire hoses, billiard cushions, wringer rolls, and fruit jar rings.

It was not until the dawning of the automotive era that the real implications of the early work of Rockefeller and Goodrich were felt. The advent of the automobile thrust northeastern Ohio into a vitally strategic position in the Nation's economy.

But the legacies of the past—indeed, the entire history of the region—will be jeopardized if not enough care is taken to preserve it. Under the provisions of our legislation a concerted effort will be made to recapture the unique history of the valley from its origins as an Indian trading route to its central role in the industrial expansion of our country. A national park in the valley will be a "living museum" of the history and cultures of the area. But the park will be much more.

#### PROVISIONS OF THE PARK BILL

The creation of the Cuyahoga Valley National Park and Recreation Area will preserve this extraordinary land for the enjoyment of this and future generations. As President Nixon stated in his recent message to Congress on natural resources and the environment:

Americans not only need, but also very much want to preserve diverse and beautiful landscape, to maintain essential farm lands, to save wetlands and wildlife habitats, to keep open recreational space near crowded population centers, and to protect our shorelines and beaches. Our goal is to harmonize development with environmental quality and to add creatively to the beauty and long-term worth of land already being used.

#### LOCAL PLANNING AND MANAGEMENT

The key feature of our proposal is the extent of local involvement in the planning and management of the park. Too often, decisions of vital importance to the public interest are made in the remote, air-conditioned corridors of Washington. This legislation takes important precautions to insure that the interests of the people of the region are not stamped by remote control planning.

First of all, the park will be managed by a 13-member Cuyahoga National Park

and Recreation Commission. The members of the commission will all be representative of the region:

Two members to be appointed from recommendations submitted by the Board of Park Commissioners of the Akron Metropolitan Park District.

Two members to be appointed from recommendations submitted by the Board of Park Commissioners of the Cleveland Metropolitan Park District.

Two members to be appointed from recommendations submitted by the Governor of the State.

One from the membership of an Ohio conservation organization.

One from the membership of an Ohio historical society.

Five members representing the general public, from among permanent residents and electors of the park area.

#### LIMITS ON LAND ACQUISITION

Under the provisions of this legislation, the Secretary of the Interior may not acquire any land as long as the owner is in compliance with zoning provisions established to promote the character of the park. This is but one device to protect the rights of landowners in the area.

If an individual within the boundaries of the park decides to sell his land, he may retain possession of his holding for a period of 25 years. This right is contingent only on the landowner's consent to use his land in a manner which is in harmony with the purposes of the park.

But suppose a landowner does not want to sell his holdings? Under this bill the Secretary of the Interior may negotiate with the owner to purchase a right of "scenic easement" to the land. With this arrangement the Federal Government will pay a landowner not to develop his land in ways that would erode the character of the park.

With regard to the communities of the area, their land will not be included within the boundaries of the park. This exclusion represents only one of a number of safeguards for these communities.

To compensate for the erosion of the local tax base that may accompany the establishment of a park in the valley, the Secretary of the Interior is authorized to assist these local governments in the development of a plan to minimize the impact of any shrinkage of the tax base. Primarily this assistance would be relief for these governments of the fiscal responsibility for road maintenance and firefighting and law enforcement services.

Finally, an extensive effort has been made in this legislation to encourage public participation in the process by which decisions are made concerning the park. Public hearings must be held before the boundaries of the park are initially established and before they are subsequently altered. Further, the individual landowner has opportunity to redress any grievances through the Federal adjudication procedure established under the Administrative Procedure Act.

This legislation presents a tremendous opportunity, Mr. Speaker, for Congress to continue onward with the work we began 2 years ago in the creation of two

great urban recreation areas: Gateway and Golden Gate. We cannot afford the luxury of time. Every legislative effort must be made to conserve the natural beauty and historic importance of one of the greatest small rivers in America, the Cuyahoga.

the Speaker and the President of the Senate.

There naturally will be some problems in working out the relationships between the new joint committee and the standing committees, but the Congress must resolve these problems and improve its capacity for handling national security issues or there is no hope for its dealing with foreign policy as a coequal of the executive branch.

By addressing itself to the broader issues that go beyond the jurisdictions of individual committees, the joint committee could speak as a unified voice for the Congress and thereby facilitate the congressional foreign policy role. It would serve as a convenient forum for consultation with the Executive in emergency situations, neutralizing to some extent the argument that national emergencies do not allow time for the President to consult the Congress before committing the Nation to a particular course of action.

If we cannot arrive at our own conclusions independent of the Executive and make our own judgments concerning vital issues of national security, then we are not meeting our constitutional responsibility to act as a check on and balance to the executive branch. The Joint Committee on National Security will help the Congress fulfill that responsibility by providing greater expertise, a broader perspective, and a device for meaningful and speedy consultation on foreign affairs issues.

#### INTRODUCTION OF BILLS TO IMPROVE COMMUNICATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mrs. GRASSO) is recognized for 10 minutes.

Mrs. GRASSO. Mr. Speaker, today I am introducing three bills to improve communication between citizens, their elected officials and Government agencies.

The first bill would encourage Congressmen to provide toll-free telephone service for constituents to their district offices by allowing each Representative funds to pay the base cost of such service. The second bill would allow citizens to write postage-free letters to the President, Vice President, executive agencies and departments as well as to their own Senators and Representatives. The third bill would initiate a GSA study to determine the feasibility of establishing an incoming toll-free telephone system for the regional offices of executive agencies.

The need for toll-free telephone service and postage-free letters is daily evident to elected representatives and agency officials alike. Clearly, it is imperative for Members of Congress to know the views, concerns, and needs of their constituents. It is also important to give citizens the opportunity to have free and direct contact with Federal agencies in order to obtain information and resolve problems concerning social security and veterans' benefits, student assistance and a vast array of concerns related to hun-

#### JOINT COMMITTEE ON NATIONAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HAMILTON) is recognized for 5 minutes.

Mr. HAMILTON. Mr. Speaker, on February 20, 1973, I spoke in this body of the constitutional crisis which arises from the imbalance between the legislative and executive branches of government in the formulation of U.S. foreign policy.

Despite the Constitution's clear mandate for a sharing of power between the Congress and the President in foreign affairs, we have drifted dangerously close to one-man rule in crucial foreign policy decisions. This is neither necessary nor tolerable in a free society. Indeed, it is an anomaly in a democracy.

In my February 20 statement, I suggested several steps to strengthen the role of the Congress in foreign affairs. Among those suggestions was the establishment of a Joint Committee on National Security. I am introducing legislation today to create such a committee. Senator HUMPHREY has introduced identical legislation in the Senate.

While a permanent committee on national security will not by itself correct the imbalance, it will constitute a mechanism for the Congress to express its collective view or views on national security issues. It has been estimated that over half of the standing committees of the Congress are in some way involved in U.S. foreign policy. There is consequently no way of determining who speaks for the Congress on foreign policy issues or where the Congress stands on any particular issue. We need coherence to voice the congressional view and the joint committee I propose would fulfill that need.

Its main responsibilities would be—

First, to study and make recommendations on all issues concerning national security.

Second, to review and evaluate the activities, goals, and strategies of the National Security Council.

Third, to study and make recommendations on Government practices with respect to the classification and declassification of documents.

Fourth, to make reports on its findings.

The committee's membership of 25 would include the Speaker of the House, the majority and minority leaders of the Senate and the House, the chairmen and ranking minority members of the Committees on Appropriations, Foreign Relations and Foreign Affairs, Armed Services, and the Joint Committee on Atomic Energy, plus three Members of each body, two from the majority party and one from the minority, chosen by

dreds of other Federal programs. These new services would be of special benefit to people who live on limited incomes, such as many of our elderly citizens.

Upon becoming a Member of Congress, I installed 24-hour toll-free telephone service for my constituents. Each week, between 150 and 200 telephone calls are received on this line. The Ella-Phone links the residents of northwest Connecticut, their concerns and problems directly with my district office for action in Washington. My bill would encourage other Congressmen to make the same valuable service available to their constituents.

The important legislative package I am introducing today is designed to help bring government closer to people. It is my hope that these bills will receive early consideration by the Congress.

**HERBERT ROBACK, GOVERNMENT OPERATIONS COMMITTEE STAFF DIRECTOR, WINS CAREER AWARD**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HOLIFIELD) is recognized for 30 minutes.

Mr. HOLIFIELD. Mr. Speaker, I am greatly pleased to inform the Members of the House that Herbert Roback, staff director of the Committee on Government Operations, has been selected to receive the Career Service Award for Sustained Excellence given by the National Civil Service League. The League has made such awards annually since 1955, each year honoring 10 Federal Government employees. The awards are divided into two categories—the Career Service Award for Sustained Excellence and the Career Service Award for Special Achievement. The purpose of these awards is not only to honor the recipients, but to draw public attention to the value, diversity, and challenge of careers in the Federal service.

The awards for 1973 will be presented at the National Civil Service League's 19th Career Service Awards Banquet, to be held Friday, May 4, 1973, at the Washington Hilton Hotel. The presentation to each recipient is made by the head of his agency. I will be making the presentation to Mr. Roback, and I hope that many of his friends will want to attend. Further information on the banquet ceremony may be obtained from the National Civil Service League Office in Washington, D.C., or from our committee office.

At the banquet ceremony on May 4, I will see some good friends, in addition to Herb Roback, who are recipients of awards this year. These include Paul G. Dembling, General Counsel of the U.S. General Accounting Office, and Robert E. Hollingsworth, General Manager of the U.S. Atomic Energy Commission, both of whom I have worked with closely in my capacities as chairman of the Committee on Government Operations and former chairman of the Joint Committee on Atomic Energy. Another award recipient with whom I am well acquainted is George M. Low, Deputy Administrator of the National Aeronautics and Space Administration.

Mr. Speaker, the National Civil Service League is to be commended for including legislative employees in its consideration of awards. Although such employees are not in the classified civil service, they include many who are careerists and professional persons in the spirit and intent of the Legislative Reorganization Act of 1946. Members of this House know how valuable and, indeed, indispensable are their services. I understand that Herb Roback is the second staff member of the Congress to be honored with this award. The first award to a congressional staff member was made last year to Dr. Laurence Woodworth of the Joint Committee on Internal Revenue Taxation.

Herb Roback's extensive experience in government includes work for agencies in the executive branch and for committees in both the House and Senate. His congressional committee work dates back to 1940, when he was a professional staff member of the Select Committee Investigating Interstate Migration.

During World War II he served in the European theater and was awarded the Combat Infantry Badge and the Purple Heart, having been wounded in action in Italy. He was captured by the Germans in the Vosges Mountains of France and escaped 6½ months later, returning safely to the United States. For a time thereafter, he was assigned to the Army War College and detailed to a Subcommittee of the Senate Committee on Military Affairs. He also served as a Special Assistant to the Housing Expediter in the Office of War Mobilization.

His association with the House Committee on Government Operations, as a professional staff member, commenced in June 1949. During 1953-55, he served as my assistant on the Commission on Organization of the Executive Branch of the Government—second Hoover Commission. Since 1955 he has been staff director of the Subcommittee on Military Operations—now the Subcommittee on Legislation and Military Operations—and since 1970, he also has the important responsibility of being staff director of the Full Committee on Government Operations.

The National Civil Service League, in selecting Herb Roback for an award this year, emphasized his legislative work in Government reorganization and in the creation of the Commission on Government Procurement. I could cite, in addition, numerous other contributions that Herb has made to the betterment of the public service. He has conducted many important investigations for the committee, has prepared reports of enduring value, and has developed recommendations which have helped to improve Government performance in many ways. His fairness and objectivity and his knowledge and insight concerning public policies and Government affairs, are widely recognized, not only in the Congress but in academic and professional circles.

I may also note, Mr. Speaker, that Herb has received many letters of congratulations for this award. They speak words of praise, a praise fully deserved

by the recipient, whose work exemplifies the highest standards of congressional service.

Mr. HORTON. Mr. Speaker, all too often, the important and brilliant work that is done by congressional staff professionals goes unheralded. By the very nature of our system, public credit for legislative accomplishments is normally given only to the Members of Congress and Senators who participate in hearings, investigations, markup sessions and other phases of legislative work. As all of us know, much of what is done by the legislative branch of our Government could not be done as well, without staff expertise and assistance, and particularly without the work of those men and women who are career staff professionals on Capitol Hill.

Thus, I am especially pleased to join this afternoon in the remarks of my distinguished colleague, Mr. HOLIFIELD, the chairman of the House Committee on Government Operations, and to join in his fine tribute to the staff director of our committee, Herbert Roback, who is to receive the very highest honor that the National Civil Service League can bestow upon a professional public servant.

The National Civil Service League is honoring Herb Roback for sustained excellence, and Chairman HOLIFIELD has described better than I could, the tremendous record that Herb has compiled in substantive terms during his career of legislative staff work that stretches over more than 30 years. I think it would be well to call attention to the style of Herb's work on the Government Operations Committee, particularly as viewed by a minority member of the committee.

I have served on the Government Operations Committee since coming to Congress in 1963. I have worked with Herb Roback first as a member and later as ranking minority member of the Subcommittee on Military Operations, as a member of the Commission on Government Procurement, and beginning this year, as ranking minority member of the full committee. Throughout each of these 11 years, and in each of these capacities, I have marveled at the quality of Herb's work, at his thoroughness and at his mastery of the workings of the Federal Government in all of its complexity. Most of all, however, I have respected Herb for his objectivity, both substantive and political, in his approach to legislative staff work.

Even before I was well acquainted with Herb as staff director of the Military Operations Subcommittee in the early 1960's, I was tremendously impressed with his willingness to fully cooperate with and assist Members with committee matters regardless of their party or persuasion on any given issue. Throughout my years on the Government Operations Committee, and my membership on the Commission on Government Procurement, I have been able to rely on Herb's research, advice, and assistance as strongly as has Chairman HOLIFIELD and other majority members of the committee. As a subcommittee staff director, and now as staff director of the full com-

mittee, Herb, along with Chairman HOLLOWAY, have set a high standard of objectivity and cooperation which is being felt throughout the full committee and subcommittee staffs. This has enabled minority members and minority staff to participate to a greater degree than ever before in the planning and execution of work on matters before the committee, and has resulted in an overall high standard of work output by the committee itself.

To Herb Roback must go much of the credit for the happy situation I have described. He represents a standard of excellence which well deserves public recognition, as well as the admiration of all the Members of the House of Representatives.

Thus, I delight in calling attention to the award Herb will receive on May 4 from the National Civil Service League, just as I look forward to many more years of cooperation and work with Herb on the myriad of subjects which fall within his expertise.

#### REVENUE SHARING WITH THE PEOPLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, I include in the RECORD at this time a news release my Washington office put out on April 14, 1973, and also a "dear colleague" letter that deals with "revenue sharing with the people":

#### BURKE ANNOUNCES REVENUE SHARING PLAN WITH THE PEOPLE

Congressman James A. Burke (D-Milton) urged reduction of the regressive social security tax and an increase in benefits to social security recipients in a letter to his colleagues in the House of Representatives today.

Billing his proposal as a revenue sharing plan for all the people, Burke stated that the present social security taxes are regressive and should be changed to correspond with the social security system used in other nations who only assess one-third of the employee and one-third of the employer with the other one-third usually financed out of the general revenue. Burke stated that young citizens entering the work force today are faced with forty years of regressive taxes by paying 50 percent of the social security taxes, and small business and industry is suffering under this tax by making up the other 50 percent. During the past ten years the social security tax has been called upon to bear the burdens formally borne by local and State and Federal Governments. By increasing social security benefits we can reduce the burden of old age assistance, Burke stated.

Approximately 50 percent of social security recipients live almost entirely on social security benefits. As a result of inflation, rising costs of food, rent, clothing and housing, etc., these people suffer undue hardship. This can be easily rectified by changing the tax formula on social security and give the needed increase in benefits to the elderly. Burke believes that a 50% increase is justified at this time. In a letter to his 434 colleagues in the House Burke urged them to co-sponsor H.R. 48. Burke says there are plenty of funds available to finance this as a result of freezing and withholding of funds by the federal government. These funds combined with the

closing of a few tax loopholes would be more than sufficient to take care of the revenue problems.

HOUSE OF REPRESENTATIVES,  
Washington, D.C., April 15, 1973.

DEAR COLLEAGUE: Will you support a revenue sharing plan for all the people?

We seem to be living in the age of revenue sharing. In addition to the revenue sharing measures already on the books, the President seems intent on having additional revenue sharing measures. By the time he is finished the Federal Government looks as though it will be out of the business of governing. The people will be dependent upon local government for whatever services they need; all we in Washington will have to do is to turn over the taxes we collect to local units of government for which we have no responsibility and over which we have no control.

Before we get out of the business of governing and while we are examining ways to share revenues I though we ought to try to come up with a proposal to share revenues with the greatest number of people directly. These funds will not be passing through a middleman but go directly to those who are burdened with heavy taxes, or totally dependent upon the government for their livelihood in old age.

The measure I am asking you to cosponsor with me today is one of those rare measures which will accomplish two things: provide relief for the overburdened tax payer—the most overburdened tax payer in our economy, the wage earner—while at the same time substantially improve the standard of living of the elderly in our society who have suffered most at the hands of inflation in recent years.

I don't have to remind you of the current crisis confronting the American consumer on every front—with rising rents, rising food prices, rising fuel costs, rising taxes, rising health costs and rising interest rates. While in a real sense no one in our society can escape this crisis I don't think I am wrong in my hunch that the ones who suffer the most are the millions of elderly confined to live on fixed incomes. For more than fifty per cent of these elderly, social security benefits have come to be their principal source of income. Thus social security is no longer to be viewed as that little bit of extra pin money for the non-essentials to make old age that little bit more pleasant. It's time we faced up to the fact that for many it is their sole means of support.

Despite recent benefit increases you would be surprised to know that social security income now purchases a smaller proportion of goods and services than it did in earlier years. When the average couple started to collect Social Security benefits at the end of 1950, they received about 50% of what the Department of Labor considered necessary for reasonable comfort and safety. Today the average elderly couple's Social Security benefit is equivalent to only about 40% of the Department of Labor's figures necessary for reasonable comfort and safety. An average couple today receives \$271 per month in Social Security benefits. When compared to the White House Conference on Aging's determination of \$412 per month necessary for reasonable comfort and safety, the plight of our senior citizens becomes clear.

But perhaps all of this is already clear to you and you support my concept that what is needed to put the fiscal houses of the elderly in this country in order is a fifty percent increase in social security benefits to bring them to a level commensurate with the dignity old age should be entitled to.

But another segment of the population is suffering because of the personal state of the social security system and that is the working

man of America. Beginning the first week in January, a worker making \$10,800 (the statutory ceiling on Social Security taxable income) began noticing a \$3.15 a week increase in his Social Security deduction. A wage earner with a \$12,000 income will see his Social Security tax increase from \$468 in 1972, to \$631.80 in 1973, to \$702 in 1974, in other words a 50% increase.

The obligation of financing the Social Security system falls too heavily on the lower and middle income people of the working force. The regressive features of the present Social Security tax actually penalized their working and it is a long time before they reap the benefits of their labor. Under the present level of benefits and taxation, a man who enters the working force at age 25 and retires at age 65 and made an average of \$10,000 a year must wait until he is 72 before he receives the money back he has paid in. He will be 78 before all the money contributed to his benefits will be received. The prospect can hardly excite the younger members of our working force and is a heavy burden made heavier in these days of inflation, unemployment and soaring cost of living. It's almost as if we have deliberately set out to set one generation against another, the young against the old.

I have been impressed by the injustice of this state of affairs for quite some time now and in January reintroduced H.R. 48, "Burke's Revenue Sharing Plan with the People." My bill recognizes the inequities and inadequacies of the present elderly insurance system and provides a fresh, new approach to Social Security funding, benefits and taxation. Adoption of my refinancing proposal would mean for 83 million people a pay raise and provide further incentive to work. How? The tax structure would be changed from its present one-half employee, one-half employer to one-third employee, one-third employer, and one-third general revenues. Right now the Social Security tax rate is 5.8% on earned income up to \$10,800. If my plan were adopted and nothing else were done, the tax would drop to 3.8% tomorrow. For every \$100, the taxpayer would pay \$3.80 instead of \$5.80. This represents a \$2.00 savings for each worker and releases that money for his own use.

In addition, the ceiling on earned income without a loss in benefits would be raised from \$2,100 to \$3,000. This increases the incentive for the elderly to keep working recognizing, the fact that people who feel useful and wanted, are often healthier and happier for it.

H.R. 48 should have great appeal for the business community also. Employers' share of Social Security tax is decreased giving them a tax break and releasing a considerable amount of money for utilization in investment or whatever way the employer wishes.

What's holding it up? I fail to see what is so radical about a proposal for use of general revenues and social security funding. The facts are that since Social Security's inception using general revenues has been recommended at regular intervals by various advisory groups beginning with the very first committee on Economic Security in 1935 to the Advisory Council on Social Security in later years.

The more I think about the way the Administration is beating the bushes for ways to share revenue I am amazed how a proposal such as the above could be ignored. It would stimulate the economy, it would give assistance to those who need it the most and who can do the least for themselves, it would do much to redress a feature of our tax system which has become more regressive with each passing year, it would help the employer, especially the small business man and above all it would benefit the people involved directly. No middleman! No expensive surveys

to see how benefits have been diffused and taxes indirectly reduced. The impact would be at once clear and immediate. As for the general revenue contributions it seems to me that there are enough funds currently being impounded that the Administration would be hard pressed not to support a program as popular as this.

Social Security is this Government's major spending program affecting more people directly than any other Government program. It is, in short, this nation's major expression of social concern for its citizens. It is high time the burdens of the program were spread more evenly throughout the population and the benefits were more commensurate with a decent standard of living. My proposal would do just that.

If you would like to cosponsor H.R. 48 in whole or in part, please contact Debbie Swartz at 5-3215.

Sincerely,

JAMES A. BURKE,  
Member of Congress.

#### CONGRATULATIONS TO THE CITIZENS OF GREATER JOHNSTOWN

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

Mr. SAYLOR. Mr. Speaker, it is with great pleasure and pride that I rise to salute the hard-working people of Greater Johnstown, Pa., for molding my hometown into an All-American city as defined by the Saturday Evening Post and the National Municipal League.

The recent announcement of this award is more than a means of praise for our public officials and civic leadership. Above all, it is a tribute to all the citizens of the area who made Johnstown truly worthy of national recognition. This honor will prove to be a selling point for the area, but the people must not become complacent. They must continue to prove Johnstown is a good place to live and work.

A period of economic stagnation in the fifties made the inhabitants realize they must turn the city proper and its surrounding suburbs in a new direction. At that time, many critics stated Greater Johnstown was dying—little did they know the people were merely regrouping for a mass assault on the problems that had to be eradicated.

The citizens of Johnstown wanted to live in a modern, progressive city so they pooled their resources and skills. With the help of Federal, State, and local funds, and the sweat of hundreds of dedicated people, the city began to forge a brighter future. The Greater Johnstown area has made major advancements in improving its educational facilities. It has initiated large-scale urban renewal projects; fostered industrial advancement; improved health and hospital care; and expanded assistance and housing programs for the low income and elderly. With this renovation, the business community became an integral part of a rejuvenation process.

No single person can take credit for the award, nor can any one citizen individually carry on the pride of advancement. Just as many, many people built the new Greater Johnstown, they must now sustain and nurture it. I have the utmost confidence in the ability of the

residents of Greater Johnstown to utilize all available resources to maintain their "model city" status and grow and grow.

#### VOICE OF WISDOM ON THE WEST FRONT ISSUE

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

Mr. STRATTON. Mr. Speaker, tomorrow, Tuesday, the House will vote on the perennial issue of spending \$60 million at a time of budget crisis for the extension of the west front of the Capitol. The purpose of this plan is primarily to provide hideaway office space in the Capitol; the Architect admitted it himself in his testimony before the House Appropriations Committee—though he later deleted his admission from the printed record.

Can we really vote these sums for such an obvious, narrow purpose,

Mr. Speaker, the Nation's No. 1 newspaper, the New York Times, continues to oppose this boondoggle project, designed to destroy the Capitol's most famous visage on the eve of the Nation's 200th birthday.

Under leave to extend my remarks I include the following editorial from today's New York Times:

##### AN ESSENTIAL SAVING

Now that Congress is going ahead with a large new Senate Office Building, there is less reason than ever to mutilate the Capitol. While this does not solve the problem of master-planning Congressional space, it does take off some of the pressure and obviate the need for immediate violence to the Capitol's West Front. Approval of this beleaguered and misguided plan to extend the West Front, which is to raise its weary head again this week, would now be an act of purely gratuitous destruction.

Dismissal of the scheme can be looked at as a way of carrying out a splendid economy, of establishing overdue respect for the nation's leading landmark, or just of restoring a breach of faith with the American people. But with the decision to proceed with the new office building, there is now no urgent necessity to carry out so gross and irreparable an error of judgment. Sense and sensibility should finally prevail.

#### INTRODUCTION OF BILL TO ESTABLISH THE CUYAHOGA VALLEY NATIONAL HISTORICAL PARK AND RECREATION AREA

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

Mr. SEIBERLING. Mr. Speaker, it is a pleasure to be joining today with my distinguished colleagues from Ohio (Mr. VANIK and Mr. REGULA), other members of the Ohio delegation and other Members of Congress in introducing a bill to create the Cuyahoga Valley National Historical Park and Recreation Area. I am particularly pleased with the unanimous support this proposal has received from the northeast Ohio delegation, and the broad support from the rest of our State and from members of the House Interior Committee.

Following introduction of a similar bill

2 years ago, the National Park Service sent a study team out to the valley to explore the feasibility of creating a national park and recreation area there. The preliminary report of that first study group called the Cuyahoga Valley "a crucial and needed addition to the Federal parks—a unique opportunity which cannot be ignored."

Since then, a more extensive study of the valley has been conducted by the Park Service, and their draft report—recommending creation of a national historical park and recreation area in the Cuyahoga Valley—is awaiting final approval by the Secretary of Interior.

Along with the introduction of this bill today, we are releasing a map outlining suggested boundaries for the proposed park. The map was developed with the assistance of the National Park Service and reflects current thinking about appropriate boundaries for the park. But I want to emphasize that these boundaries are only suggestions; if our bill is passed, the final boundaries will be fixed only after full public hearings.

The bill we are introducing today would establish a 15,000-acre urban park and recreation area in the Cuyahoga Valley—along the Cuyahoga River and old Ohio Canal—between Akron, Ohio, and Cleveland, Ohio.

Some substantive changes have been made in the bill since its introduction 2 years ago. The original bill provided for the establishment of a recreation corridor along the Ohio Canal extending south of Akron through Summit, Stark, and Tuscarawas Counties. Although that section is not in the new bill, it is planned to cover this concept in a separate bill. The provision to create a National Recreation River in that portion of the Cuyahoga River upstream from Cuyahoga Falls to its headwaters in Geauga County has also been eliminated. It was the view of the Park Service that while both proposals have important park and recreation potential, they are sufficiently different from the Cuyahoga Valley project that they should be made the subject of a separate study.

The primary purpose of the bill we are introducing today is to preserve—for the present generation and all future generations—this magnificent scenic and historic open green space that is the Cuyahoga Valley—the only major open space remaining between the highly industrialized cities of Cleveland and Akron.

The critical need for open space and recreation facilities in urban areas is well known. On a national level, over 73 percent of the total population now lives in urban areas—and that figure is expected to reach 85 percent by the year 2000. But a mere 8 percent of all Federal recreation lands are located in urban areas.

In certain sections of the country—particularly the middle west—this imbalance between population density and recreation resources is more critical. The east north-central region of the country—consisting of Ohio, Indiana, Illinois, Michigan, and Wisconsin—makes up one-fifth of the total population of the country, yet only 1 percent of all feder-

ally administered recreation areas are located within this five-State region.

Ohio, the sixth most populous State in the Nation, has no national parks or recreation areas. From the Cleveland-Akron area, where more than one-third of the entire State population is located, the nearest national park is over 200 miles away.

President Nixon addressed himself to this crisis when he outlined a new national policy in February, 1971 to "bring parks to where the people are so that everyone has access to nearby recreational areas."

And last year, as the Nation celebrated the 100th anniversary of the National Park System, Secretary of the Interior Morton spoke about the Second Century of National Parks. He said:

One of the great social needs of America in the years ahead will be to provide refreshing recreational opportunities to the city dweller. We can no longer accept the premise that parks are where you find them; we must identify—and create—parks where people need them.

The magnificent thing about the Cuyahoga Valley is that it has all the scenic, historic, and recreational potential to qualify as a park in its own right—and it is located right in the center of one of the Nation's most populous and industrialized regions. Over 4 million people already live within a half-hour's drive of the proposed park.

If we act now, before development destroys the beauty of the Valley and pushes land prices beyond our reach, we can preserve, for a relatively small sum, this magnificent valley and relieve the critical shortage of open space and outdoor recreational resources for the millions of people in the area.

In the last Congress, we took a significant step forward toward meeting our national goal of putting parks where the people are with the creation of two great urban parks—one on the east coast, the Gateway National Recreation Area, and one on the west coast, the Golden Gate National Recreation Area.

Passage of this bill, to create the Cuyahoga Valley National Park—the first major national urban park in the middle west—would be a fitting follow-up to our action in the last session.

But time is running out.

Because the valley floor is a flood plain and its wooded slopes are too steep for low-cost development, the Cuyahoga Valley has been one of the few large land areas in the region to retain its rural character. But it is now threatened on all sides by prospective commercial and high density residential development, and the pressures are mounting daily. In the 2 years since our bill was first introduced, several priceless parcels of land have been lost to urbanization despite the activities of local park boards and the State of Ohio to acquire threatened lands in the valley. Because local funds are limited and local zoning has up to now been unable to block mounting urban pressures, immediate Federal intervention is essential to prevent further encroachment in the valley.

The Cuyahoga Valley has played a long and significant role in American history—and many historical landmarks remain which would be preserved for all time with creation of the park. An In-

dian tribe of the mound-building culture occupied the valley from 600 B.C. to 800 A.D., and over 300 sites of archeological interest have been identified in the valley. Because of the short 8-mile portage from the Cuyahoga to the Tuscarawas River, the Cuyahoga River was a vital link for the Indians between the Great Lakes, and the Ohio, and Mississippi Valleys. In fact, the Cuyahoga was so important to the Indians as a trading route that they declared it "sacred ground" to assure that it remain open, free from warfare, at all times.

George Washington, in his travels in the wilderness as a young man recorded in his letters the importance of the Cuyahoga River and portage trail and recognized its potential for future commercial development. In the treaty of Fort McIntosh, entered into between the United States and the Chippewa, Ottawa, Delaware, and Wyandot Indian tribes in 1785, the portage trail and the Cuyahoga River north to Lake Erie were established as the boundary between lands open to white settlers and lands to the west reserved to the Indians. But the "boundary line" soon became a major gateway to the Northwest Territory, and the flood of settlers streamed across the "Indian lands" to the west.

With the construction of the Ohio Canal in 1827 connecting the Cuyahoga, Cleveland, and Akron with the Tuscarawas and Ohio Valley and the subsequent opening up of the entire Ohio territory to development, the Cuyahoga Valley entered the best known and most colorful period in its history.

Much of the early history of the valley has been preserved. In addition to a portion of the historic canal, with its locks and millhouses, there is the Western Reserve Village which has been reassembled in the valley and the Jonathan Hale Farm—a preservation project honoring one of the valley's first settlers. Also, many of the structures in the historic village of Peninsula have been restored, and the village has an aura of the 19th century when the works of man in America were still modest and close to nature.

Besides its history, the Cuyahoga Valley possesses a wealth of beautiful vistas, impressive landscapes, pastoral lands, deep wooded and picturesque ravines, streams, and lakes and hills. Over four-fifths of the valley is steeply sloped, heavily wooded, rugged terrain.

Tinkers Creek Gorge, already recognized as a national landmark, is located in the valley along with the Stumpy Basin Nature Conservancy area, a unique primitive area containing a remarkable aggregation of flora. In fact the entire valley boasts a particularly wide variety of vegetation and wildlife, because it is, in a sense, a botanical crossroads—the meeting place for plantlife of the East, West, North, and South. The western edge of the Appalachian plateau crosses the Cuyahoga River near the town of Independence, and turns south just west of the Valley. This makes the Cuyahoga a dividing line between eastern mountain and western prairie botanical provinces.

As one botanist has pointed out:

Northeastern Ohio is one of the richest, if not the richest, natural history area on the North American continent.

A few miles upstream from the Port of Cleveland, the Cuyahoga River becomes a lovely, narrow, wandering, scenic, and nearly wild stream—ideal for canoeing and water recreation.

The idea of preserving the Cuyahoga Valley is not new. It is the product of years of study and hard work on the part of many dedicated citizens. As long ago as 1925, the famous landscape architect firm founded by Frederick Law Olmsted, in a report prepared for the Akron Metropolitan Park Board, declared that the valley was the most important scenic asset in the Akron area and recommended that it be preserved in its entirety as a rural park.

In the mid-1960's, the Ohio State Department of Natural Resources commissioned a study of the Cuyahoga Valley to determine its potential for recreational uses and to develop a plan to realize this potential.

The study, completed in 1968, reached the "indisputable conclusion that the valley must be preserved as open space land." Five major recommendations were made in the report:

First. Preserve the natural landscape of the entire valley and its tributary valleys and ravines.

Second. Provide for public benefits, leisure time recreational facilities for camping, hiking, horseback riding, fishing, nature study, and outdoor recreation.

Third. Take immediate action to arrest damaging effects of both water and air pollution.

Fourth. Establish extensions and additions to existing park lands to be owned and maintained by the agencies already operating in the valley; namely the Cleveland Metropolitan Park District and the Akron Metropolitan Park District.

Fifth. Restore and preserve, for public enjoyment, the rich historical features of the valley.

Following publication of the study, the Akron and Cleveland Metropolitan Park Districts joined in an effort to create a 20,000 acre park in the valley region. Both have done a superb job, under difficult financial conditions, and are to be commended. Together, they have purchased 1,625 acres of land in the valley for preservation.

More recently, the State of Ohio has named preservation of the Cuyahoga Valley the State's No. 1 recreation goal, and has joined with the two park districts in a cooperative effort to preserve an additional 14,500 acres. To date, the State has appropriated \$1 million of its own funds for land acquisition in the valley, and has spent \$1 million of Federal LAWCON funds for the same purpose.

The State-local effort has broad support in the area. The plan has been endorsed by the Northeast Ohio Area Coordinating Agency—the official A-95 regional planning and review agency for the Cleveland-Akron area—and by both the Tri-County and Cuyahoga Regional Planning Commissions. The State plan is consistent with the Corps of Engineers Cuyahoga River Restoration project, the State Comprehensive Outdoor Recreation plan and the Northeast Ohio Water Development plan—all of which recognize the invaluable scenic and recreational potential of the area.

Community support is equally strong. The two major newspapers in the area—the Akron Beacon Journal and the Cleveland Plain Dealer—have both repeatedly editorialized in favor of preserving the valley. I ask unanimous consent to have their two most recent editorials printed in the RECORD at the conclusion of my remarks.

In addition to the public lands preserved through the efforts of the local park districts and the State, considerable private investment has also been made in the valley area which contributes enormously to its value as an open space and recreational resource. The magnificent Blossom Music Center—summer home of the famed Cleveland Orchestra and one of the major outdoor music pavilions in the country—is located on the rim of the valley. It is adjoined by Kent State University's performing arts center. Numerous summer camps for children, golf courses, historic sites and parks as well as the Boston Mill and Brandywine Ski areas are also included.

Despite the substantial efforts already made by local and State governments and private individuals to preserve the valley, Federal assistance is clearly essential if this magnificent resource and the considerable investment already made in it are to be protected and enhanced for the benefit of everyone.

With only the funds available to the State and the metropolitan park districts, it is estimated that acquisition of the entire proposed park will take upward of 20 years. Given the enormous development pressures on the valley today, we simply do not have that kind of time. Within the next 5 years, in all probability, large and key sections of the valley will be lost to development if we do not act immediately. And, of course, the price of land, which is still relatively reasonable, will escalate sharply in the time period outlined by the State plan.

It is difficult to predict in advance the "mix" of land ownership that the park would consist of when the acquisition process is completed. As I will outline further on, the bill provides for several different types of ownership, including continuation of present private ownership, in the park area. For this reason it is difficult to forecast the average cost per acre of the proposed park. However, it would be reasonable to estimate an average cost of \$1,000 per acre if the park were to be created in the immediate future. Based on past experience, the cost could easily escalate fivefold 10 years from now, such are the mounting pressures for urban development in the Cleveland-Akron area.

As the Bureau of Outdoor Recreation pointed out in their environmental impact statement on the State's land acquisition plan, only national park status will permit acquisition at a faster pace than the State could achieve, thus saving more of the valley from development and at less inflated prices.

This bill is designed to preserve the land as scenic open space with a minimum of interference with the rights of landowners to continue to use their land as they are now doing, at a minimal cost to the Federal Government and minimal loss of taxes to the local authorities.

After introduction of the bill 2 years ago, there was extensive discussion in the press, in regional planning agencies and in public hearings in the area. While support for the project was overwhelming, there was some apprehension and misunderstanding among some residents of the valley about the impact of the proposed park on their land—and among some of the local officials about the impact the bill would have on the local tax base and their ability to provide adequate services. In redrafting the bill, special attention was given to meeting these concerns. I want to explain in some detail precisely how the bill would do this.

First, the Secretary of the Interior is prohibited from acquiring any land without the consent of the owner so long as that land is subject to a zoning law or ordinance which has been approved by the Secretary as insuring that the land will not be used in a manner incompatible with the character of the park. Under the bill, Federal assistance will be made available to local units of government, if requested, to write such zoning regulations. In addition to protecting the rights of landowners, this provision will allow local governments to minimize the amount of real estate removed from their tax rolls by the proposed park.

Second, the Secretary may negotiate with landowners to purchase "scenic easement" rights on their land so that he does not have to acquire the land outright. Much of the land in the valley will be preserved in this manner. Under a scenic easement, the landowner and the Government reach an agreement under which the Government agrees to pay the owner for a binding covenant that the land will not be developed in the future in specific ways which would not be harmonious with the park plan. By this means, the landowner is able to continue to use his land as, for example, a farm or a family residence, while the open character of the land is preserved for the benefit of the public.

Third, the bill provides that in cases where the landowner agrees to sell his land outright to the Secretary, the landowner may retain, for a term of 25 years or for life, the right to continue to use and occupy the land in a manner harmonious with the purposes of the bill.

Fourth, within the suggested boundaries of the proposed park as shown on the map, areas of concentrated development such as Brecksville, Peninsula, and Boston Mills, as well as other isolated areas of development would be excluded from the park proper.

Fifth, to meet the problem of diminishing the tax base, the bill directs the Secretary of the Interior to develop a cooperative plan with the State and local governments to minimize and offset the impact of the park on local property taxes, to provide adequate road maintenance, rescue, firefighting and law enforcement services in the park area and to relieve the local governments of the cost of these services.

Sixth, public participation in every phase of the development and maintenance of the park is assured by this bill. The Secretary of the Interior would be required to hold a public hearing in the valley, prior to any decisions about the boundaries of the park. In addition, a

Cuyahoga Valley National Park and Recreation Area Commission will be created to meet with the Secretary periodically on matters concerning the administration and development of the park. Of the 13 Commission members, five are to be named from among permanent residents of the valley region.

Mr. Speaker, we are offering this bill as an outstanding opportunity for the Congress and the administration, on a bipartisan basis, to take the next great step in establishing a system of national urban recreation areas. We cannot afford to lose the momentum begun so well last year with the Gateway and Golden Gate National Recreation Areas. If we act now, the Cuyahoga Valley can become a magnificent "Central Park" for one of the Nation's largest metropolitan areas.

Mr. Speaker, I include editorial and the text of the bill in the RECORD at this point:

[From the Akron Beacon Journal,  
May 17, 1971]

#### CHANCE TO SAVE THE VALLEY

(By John S. Knight, President and Editor)

Several thousand acres of unspoiled, undeveloped woods and meadows are in the Cuyahoga River valley between Akron and Cleveland.

The fact that there is still so much natural beauty so close to heavily-populated areas is almost a miracle.

With greater awareness in the last few years of the importance of having open spaces near the cities, there has come a realization that the Cuyahoga Valley is worth preserving.

In addition, this particular locality is rich in historic lore. Early settlers from New England built their homes here and then the Ohio Canal, a waterway into the wilderness, paralleled the river.

In 1968, the Ohio Department of Natural Resources made a study which reached the conclusion that "the valley must be preserved as open space."

Now Congressman John F. Seiberling and some of his colleagues have introduced a bill which would create the Ohio Canal and Cuyahoga Valley National Historical Park and Recreational Area.

Fortunately, many hundreds of acres are already owned by Akron and Cleveland Metropolitan park districts and by quasi-public groups such as Boy and Girl Scouts and the Blossom Music Center. This land will remain as it is.

Unfortunately, there has been misapprehension on the part of some owners of private property. Few, if any, will be asked to give up their land and move away. For the most part, the value of their properties will be enhanced.

The prime objective will be to preserve the area as it is now and to prevent the encroachment of commerce and industry or the spawning of large housing developments.

What happens in the Cuyahoga Valley in the years ahead is of concern to many millions of people in Ohio—not just to the few thousand who now live there.

Whether under local, state or national auspices, the preservation of this oasis near the cities is an opportunity that must be grasped.

[From the Cleveland Plain Dealer,  
April 6, 1971]

#### FEDERAL FUNDS FOR NATIONAL PARK

For at least five years, there has been serious discussion of creating a national park in the Cuyahoga River Valley. Whether it will actually come to fruition seems to depend on the fate of a bill being prepared by U.S. Reps. Charles A. Vanik, D-22, and John F. Sieberling Jr., D-14, of Akron.

The legislation would provide \$40 million in federal funds for the park.

This newspaper is already on record as favoring the establishment of the park. It would be a center for scenic, educational, historic and recreational purposes for some 3.9 million Ohioans living within 30 miles of the 20-mile long valley from Granger Road in Garfield Heights to the Akron city limits.

Time is running out on the proposed park. It should be clear by now that its creation cannot wait for the availability of sufficient local and state money. Federal funding is essential.

Cleveland and Akron metropolitan park districts are acquiring land that would be part of the park. But it would cost an estimated \$20 million more to purchase just half of the acreage included in the federal proposal. If there are more delays the land will grow costlier and the project will become more expensive.

The creation of the Cuyahoga River Valley National Park would mean the preservation in its natural state of an area that has figured prominently in Ohio history. As a park, it would continue to benefit the lives of Ohioans.

#### H.R. 7076

To provide for the establishment of the Cuyahoga Valley National Historical Park and Recreation Area

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

#### FINDINGS AND PURPOSE

SECTION. 1. (a) Congress finds and declares that it is a policy of this Nation to put parks where the people are, so that everyone has access to nearby recreational areas; that the Cuyahoga Valley is the last major unurbanized and undeveloped open land between Cleveland and Akron, Ohio, serving interstate travelers and four million residents in adjoining standard metropolitan statistical areas; that the Cuyahoga Valley, south of Cleveland and north of Akron, is a large, green area of some forty thousand acres, of which over four-fifths is steeply sloped, heavily wooded, rugged terrain, located in the center of a rapidly spreading supermetropolis; that the Cuyahoga lies in an area which is rich in Indian history and artifacts and early Northwest Territory history as the shortest portage point between the Great Lakes and the Ohio and Mississippi Valleys, thus making the Cuyahoga River one of the most important of the small rivers of America; and that the Ohio-Erie Canal, which connected the Great Lakes with the Ohio-Mississippi River system between 1830 and 1913 ran through the Cuyahoga River Valley, where much of the canal is still intact, with portions capable of reconstruction, preservation, and operation for recreational and educational purposes.

(b) It is, therefore, the purpose of this Act to develop the Cuyahoga Valley for the recreational enjoyment of the American people in an area where there is a pressing and critical shortage of Federal and State recreation facilities.

#### DEFINITIONS

SEC. 2. As used in this Act—

(1) "park" means the Cuyahoga Valley National Historical Park and Recreation Area as provided in this Act;

(2) "canal" means the Ohio-Erie Canal, including its towpath;

(3) "recreation development" means the development of the park for scenic, educational, historic, and recreational purposes, including but not limited to walking, hiking, horseback riding, boating, bicycling, swimming, picnicking, camping, forest management, fish and wildlife management, fishing, water sports, and scenic and historic site preservation and viewing, including development and reconstruction of portions of the

canal as a working canal with operating canalboats;

(4) "Secretary" means the Secretary of the Interior;

(5) "State" means the State of Ohio;

(6) "local government" means any political subdivision of the State, including but not limited to a county, city, village, township, park district, school district, or other special district created pursuant to State law;

(7) "Commission" means the Cuyahoga Valley National Park and Recreation Area Commission established pursuant to section 11 of this Act;

(8) "person" means any individual, partnership, corporation, private nonprofit organization, or club; and

(9) "landowner" means any person, local government, or State owning real property or interests in real property in, adjacent to, or in the vicinity of the park area.

SEC. 3. In order to preserve and interpret the historic and scenic features of the Cuyahoga Valley, and to enhance the potential of the area for recreation development, the Secretary is authorized to establish as provided in this Act the Cuyahoga Valley National Historical Park and Recreation Area in the State of Ohio and is directed to complete such action within three years from the date of enactment of this Act. The Secretary shall establish the park by publication of a notice to that effect in the Federal Register at such time as he determines that lands, waters, and interests therein sufficient to constitute an efficiently administrable park area have been acquired for administration in accordance with the purposes of this Act, and the park shall consist of such lands, waters, and interests therein and any thereafter acquired pursuant to this Act. The total area included within such acquisition shall not exceed twenty thousand acres and shall, at the time of establishment of the park by the Secretary, as provided herein, be not less than ten thousand acres. The Secretary may revise the boundaries of the park from time to time by publication in the Federal Register: *Provided*, That such revision does not reduce or expand the total acreage beyond the minimum and maximum limits specified in this section. The park shall be located within the eastern and western rims of the Cuyahoga Valley, north of Bath Road, in Summit County, and south of Rockside Road in Cuyahoga County, all of which area shall hereinafter be referred to as the "study area".

SEC. 4. (a) As soon as practicable, but not later than one year after the effective date of this Act, the Secretary, after notice of a public hearing published at least fifteen days prior to the date thereof in at least one newspaper of general circulation in Akron and one in Cleveland, Ohio, shall hold a public hearing in the study area on the proposed park and shall at least fifteen days prior to the hearing publish in the Federal Register a map and other description of the proposed park placing each parcel of real property therein in either one or the other of the following categories:

Category I, public ownership areas.

Category II, scenic protection areas.

(b) Commencing fifteen days before the hearing referred to in subsection (a), the map and description shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior, Washington, District of Columbia, and in the offices of the General Services Administration in the Federal Office Building in Cleveland, Ohio and Akron, Ohio. Following such hearing the Secretary may, from time to time, alter or amend such map or other description, but no such alteration or amendment shall take effect until after a corresponding notice and public hearing in the study area and publication of such alteration or amendment in the Federal Register.

(c) Subsequently to the hearing required by this section, and in conformity with the other provisions of this Act, the Secretary may acquire—

(1) in the case of real property placed in category I, any interest therein, including fee simple title thereto;

(2) in the case of real property placed in category II, lesser interests therein than fee simple title, to prevent future development which would be inharmonious with the character of the park: *Provided*, however, That the Secretary may acquire the fee simple title in such property if the Secretary finds that the estimated cost of acquiring the lesser interest would exceed 50 percent of the estimated cost of acquiring the fee simple title.

SEC. 5. (a) Subject to the limitations set forth in this Act, the Secretary is authorized to acquire real property and interests therein for the purposes of this Act. When a tract of land is only partly within the park, the Secretary may acquire the entire tract to avoid the payment of severance costs. Real property so acquired outside the park may be included within the park or exchanged by the Secretary for non-Federal real property within the park, and any portion of the real property not utilized for such exchanges may be disposed of in accordance with the provisions of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377) as amended (40 U.S.C. et seq.).

(b) No real property or interest therein may be acquired under this Act without the consent of the landowner as long as there is in force and applicable thereto a duly adopted, valid zoning law or ordinance approved by the Secretary in accordance with subsection (b) of section 6 and the use of such property is in compliance therewith.

(c) In exercising his authority to acquire property under this Act, the Secretary shall give immediate and careful consideration to any offer made by an individual owning property within the park to sell such property to the Secretary. An individual owning property within the park may notify the Secretary that the continued ownership by such individual of that property would result in hardship to him, and the Secretary shall immediately consider such evidence and shall within one year following the submission of such notice, subject to the availability of funds, purchase such property offered for a price which does not exceed its fair market value.

(d) No real property, or interests therein, owned by the State or any local government may be acquired under this Act by condemnation. Notwithstanding any other provision of law, any property owned by the United States and located within the study area may, with the concurrence of the head of the Federal agency, department, or instrumentality having custody thereof, be transferred without consideration to the Secretary for use by him in carrying out the provisions of this Act.

SEC. 6. (a) The Secretary shall, at the request of any local government in or adjacent to the park, assist and consult with the appropriate officers and employees of such local government in establishing zoning laws or ordinances for the purpose of this Act. Such assistance may include payments to the local government for technical aid.

(b) Any zoning law, ordinance, or amendment thereto, submitted to the Secretary for approval for the purposes of this Act, shall be approved by him if such law, ordinance, or amendment contains provisions which—

(1) have the effect of prohibiting the commercial and industrial use (other than a use for commercial farms and orchards) of all real property within the boundaries of the park within the jurisdiction of the local government adopting such law, ordinance, or amendment;

(2) are consistent with the objectives and purposes of this Act, so that, to the extent possible under State law, the scenic and historic values of the park will be protected;

(3) aid in preserving the character of the park by appropriate restrictions, including but not limited to restrictions upon building, signs and billboards, the burning of cover, cutting of timber (except tracts managed for sustained yield), removal of topsoil, sand or gravel, dumping, storage, or piling of refuse, and other uses which would detract from the esthetic character of the park; and

(4) have the effect of providing that the Secretary shall receive notice of any variance granted under, and of any exception made to the application of such law or ordinance.

(c) If the Secretary determines that any real property which the Secretary was prevented from acquiring by the operation of subsection (b) of section 5 is being used in a way which is not in substantial compliance with the applicable zoning law or ordinance, he shall so notify the owner or owners of such property and the local government which enacted such law or ordinance. In any case in which such use is not discontinued within sixty days after the date of service of such notification, the Secretary, in addition to any other remedies to which he is entitled, may, after notice to the landowner and a hearing conducted in accordance with section 554 of title 5 of the United States Code, acquire such property without regard to subsection (b) of section 5.

Sec. 7. (a) Any individual owning real property situated within the park may, as a condition of acquisition by the Secretary elect to retain, for a term not to exceed twenty-five years, or for a term ending at the death of such owner or owners, the right of use and occupancy of such property for any residential or other purpose not incompatible with the purposes of this Act. The Secretary shall pay to the owner the value of the property on the date of such acquisition, less the value on such date of the right retained by the owner. Where any such owner retains the right of use and occupancy as provided in this section, such right may be conveyed or leased.

(b) A right retained pursuant to this section shall be subject to termination by the Secretary upon his finding, after notice and hearing conducted in accordance with section 554 of title 5 of the United States Code, that it is being exercised in a manner inconsistent with the purposes of this Act, and it shall terminate by operation of law upon the Secretary's notifying the holder of the right of such determination and tendering to him an amount equal to the fair market value of that portion of the right which remains unexpired.

Sec. 8. The Secretary shall develop a cooperative plan with the State and any affected local government to minimize and mitigate the impact of the park on local property

taxes and to provide adequate road maintenance, rescue, firefight and law enforcement services in the park and relieve local governments of the cost thereof.

Sec. 9. The Secretary shall take into account comprehensive regional or State development, land use, or recreational plans affecting or relating to the study area, and shall, wherever practicable, consistent with the purposes of this Act, exercise the authority granted by this Act in a manner which he finds will not conflict with such regional or State plans.

Sec. 10. Nothing in this Act shall prohibit the State or any local government from taxing any interest of a landowner in any real property.

#### ADVISORY COMMISSION

Sec. 11. (a) There is hereby established a Cuyahoga Valley National Park and Recreation Commission (hereafter in this section referred to as the "Commission").

(b) The Commission shall be composed of thirteen members to be appointed by the Secretary for terms of five years as follows:

(1) Two members to be appointed from recommendations submitted by the Board of Park Commissioners of the Akron Metropolitan Park District;

(2) Two members to be appointed from recommendations submitted by the Board of Park Commissioners of the Cleveland Metropolitan Park District;

(3) Two members to be appointed from recommendations submitted by the Governor of the State;

(4) One from the membership of an Ohio conservation organization;

(5) One from the membership of an Ohio historical society;

(6) Five members representing the general public, from among permanent residents and electors of the study area.

(7) The Secretary shall designate one member of the Commission as Chairman of the Commission.

(c) Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made.

(d) Members of the Commission shall serve without compensation as such, but the Secretary is authorized to reimburse the members for expenses reasonably incurred by the Commission and its members in carrying out their responsibilities under this Act.

(e) The Secretary, or his designee, shall from time to time, but at least semiannually, meet and consult with the Commission on matters related to the administration and development of the park.

Sec. 12. (a) The Secretary shall administer the park in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2-4), as amended and supplemented.

(b) The authority of the Secretary of the Army to undertake or contribute to water resource development, including erosion con-

trol and flood control, on land or waters within the park shall be exercised in accordance with plans which are mutually acceptable to the Secretary of the Interior and the Secretary of the Army and which are consistent with both the purposes of this Act and the purpose of existing statutes dealing with water and related land resource development.

(c) The Secretary shall inventory and evaluate all sites and structures in the park having present and potential historical, cultural, or architectural significance and shall provide for appropriate programs for the preservation, restoration, interpretation, and utilization of them.

(d) Notwithstanding any other provision of law, the Secretary is authorized to accept donations of funds from individuals, foundations, or corporations for the purpose of providing services and facilities which he deems consistent with the purposes of this Act.

Sec. 13. There are authorized to be appropriated sums necessary to carry out the purposes of this Act.

#### COMPARATIVE ANALYSIS OF THREE BILLS DEALING WITH SURFACE MINE RECLAMATION INCLUDING H.R. 5988

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

Mr. SAYLOR. Mr. Speaker, the requests for additional information concerning my bill, H.R. 5988, the Surface Mining Reclamation Act of 1973, is a small indication of the growing interest in this comprehensive legislation designed to realistically regulate the surface mining of all minerals in the United States in such a manner as to provide for the continuation of our basic mining industry and at the same time, reclaim the lands so affected by such mining.

The subcommittee on Environment and the Subcommittee on Mines and Mining of the House Interior and Insular Affairs Committee are conducting joint hearings at the present time on the subjects covered by 11 bills dealing with surface mining. Knowing of the interest of our colleagues in this vital matter, I have appended to my statement, a "major provision comparison" of three of the key bills being considered by the two subcommittees: H.R. 3, H.R. 5988, and S. 923.

The comparison follows:

#### COMPARATIVE ANALYSIS OF THREE BILLS DEALING WITH SURFACE MINE RECLAMATION INCLUDING H.R. 5988

H.R. 3

H.R. BILL 5988—SAYLOR BILL

ADMINISTRATION BILL

Coal Surface Mining.

Coverage

All minerals surface mined.

Federal Government.

Primary enforcement

States, except on Federal and Indian Lands.

Interior.

Control

Interior.

Office of Surface Mining & Reclamation Enforcement within Interior. No existing legal authority in Dept. of Interior which has as its purpose promoting the development or use of coal or other minerals shall be transferred to this office.

Permit requirements begin

(1) No permits required from the date of enactment until an acceptable state program has been adopted or a Federal program for that state has been adopted.

Upon enactment for all existing, new, and expanded coal surface mines.

(1) With the period after enactment and 12 months after the promulgation of Fed. Regs. (a period of 24 months) all new coal surface mines must get an interim permit

H.R. 3—Continued

## H.R. 5988, SAYLOR BILL—Continued

from the State Reg. Authority under the requirement of the Federal Act; *existing coal surface mines* can continue to mine until the end of the period so long as they don't expand the area of land affected by more than 10%; if they expand by more than 10%, then they must get an interim permit.

(2) If an acceptable state program is not in effect at the end of the 24 month period, then all existing, expanded or new surface mining operations of coal must cease until an acceptable state program is adopted or a Federal Program for that state is implemented and these operations can obtain the necessary permit under either of these two programs.

(3) *Other minerals besides coal*—existing surface mining for all minerals other than coal can continue and expand, and new ones can be started until 4 years after the date of enactment; then surface mining of all minerals other than coal must cease until an acceptable state program has been adopted for those minerals other than coal. (The purpose of the moratorium at the end of 2 years for coal and 4 years for all other minerals is to force the State Governments to assume primary enforcement of the Act and to insure that the legislatures don't delay implementation of control over surface mines.)

## Permits

Permit required for *surface exploration* of coal and other minerals, requires reclamation of land disturbed in exploration;

Permit required for surface mining of coal and other minerals; covers entire area of land to be affected;

Life of permit is 5 years.

## Permit application requirements

Requires very detailed but meaningful information on the operator, the area affected, the coal, and the results of test borings; also, topo maps \$500 fee, \$100,000 liability insurance, copies of letters sent to local gov. agencies; local newspaper advertisement of the ownership, location and boundaries of the operation is required; reclamation plan is required.

## ADMINISTRATION BILL—Continued

(a) States have two years in which to submit program; Sec'y. has six months to review the program; thus, 30 months before a permit can be required during which time existing mines can expand and new mines can start without getting a permit.

(b) 30 months need not be the first time an operator must get a permit, i.e., under an accepted state program, if he was in existence before the end of the 30 month period he has one year in which to apply for a permit—thus, he can expand his operation for 42 months before getting a permit. In addition, he has 2 years from the Sec'y. approval of the State Program to comply with the performance standards. Thus he has 4½ years after enactment to comply.

(c) If he is an operation in existence before the end of the 30th month after enactment, and he is producing less than 10,000 tons of mine run material per year, he has 5 years from the 30th month to meet the requirements of the Act. Thus, the Act for small operators does not take effect for 7½ years after enactment.

Permit required for prospecting and mining. Life of permit is life of the operation. Area covered is the area of the "mining operation."

No specific application requirements; merely requires that the operator file "a mining and reclamation plan describing the manner in which his reclamation activity will be conducted showing that such activity will be conducted in a manner consistent with the regulations" and that he has the "physical and financial capacity" to conduct mining and reclamation activity.

(a) Criteria of Sec. 201(a) "elaborated" upon through "guidelines" within 90 days of enactment.

(b) Within 180 days of enactment, Sec'y shall "adopt" regs. for "performance standards" for reclamation of surface mined areas.

(c) Within 180 days of enactment, Sec'y shall "adopt" regs. for "performance standards" for reclamation of open pit mined areas.

(d) Within 1 year of enactment, Sec'y shall "adopt" regs. for performance standards for reclamation of areas affected by underground mining.

(e) EPA must concur in guidelines and regulations.

(f) Advisory Committee is established; appointees made to assist Sec'y in developing guidelines and regs.; no representatives of State government, surface operators, or conservationists need be appointed.

Coal surface mining permit required covering land to be affected;

Life of permit is 1 year;

No prospecting or exploration permit required.

Required detailed information on the formation on the operator, the area affected, the coal, and the results of test borings; also, topo maps \$500 fee, \$100,000 liability insurance, copies of letters sent to local gov. agencies; local newspaper advertisement of the ownership, location and boundaries of the operation is required; reclamation plan is required.

"Publish" guidelines within 60 days of enactment; public comment invited.—No EPA or other Fed. agency concurrence.—Advisory Committee on "Coal Research."

## Federal regulations and advisory committees

For Coal: "Publish" Regs. within 180 days of enactment.

45 days for comment and objections. Within 15 days of the end of the 45 day period, publication of the specific regulation objected to is required.

Within 30 days of the date of publication of the objections, a public hearing must be held.

Within 60 days after hearings are held, report must be issued by the Sec'y setting forth findings and modification of regs.

Regs. then become effective 30 days after publication in Fed. Register.

Total time: 12 months.

For other minerals: Publish regs. within 24 months of enactment then follow same procedure as to public notice, public hearing, etc. as for coal regs.

Total time: 30 months.

No EPA concurrence, but consultation with other federal and state agencies having expertise in the control and reclamation of surface mining operations is required.

Two Advisory Committees set up; one for coal and one for other minerals;—Balanced representation including Federal and State officials, consumers, operators, and conserva-

## COMPARATIVE ANALYSIS OF THREE BILLS DEALING WITH SURFACE MINE RECLAMATION INCLUDING H.R. 5988—Continued

H.R. 3—Continued

H.R. 5988, SAYLOR BILL—Continued

ADMINISTRATION BILL—Continued

tionists is required. Advise on programs and policies.

*State programs*

State "may" submit a program containing laws, administrative structure and regs. in conformity with or more stringent than this Act.

Secretary must find the state had sufficient admin., & technical personnel and financial resources.

Public notice and public hearing required in each state on the state program before approval.

Public notice and public hearing required in each state on the state program before approval.

Secretary must conduct a continuing evaluation of the approved state program. Hold public hearing every two years to review effectiveness of State Program;

If state submits a program within 2 years of enactment of Fed. law, Sec'y "is authorized" to make grants for up to 80% of development costs.

No EPA concurrence.

In order to receive financial assistance and to assume full control over surface mining, *State must submit* a program acceptable to the Sec'y which contains

(1) a regulatory law consistent with this Act or stronger.

(2) The Reg. law shall include strong enforcement sanctions such as civil and criminal penalties, permit suspension and revocation and cease and desist orders.

(3) State must have a regulatory authority with admin. and technical expertise and sufficient financial resources.

(4) State must have a "mining lands review" process started which would declare certain lands in the state unsuitable to strip.

Secretary shall not approve the State Program until EPA, Agriculture, et al, have given *public comment* on it and public notice and hearing held.

Unless the state submits an acceptable State Program for coal within two years of enactment and within 4½ years of enactment for other minerals, all surface mining ceases. (This creates a strong incentive for the State to assume primary enforcement of the Act.)

If State fails to submit an acceptable State Program, within the time limits, Then the Sec'y "may prepare, promulgate and implement" a federal program for that state provided that,

(1) The public hearing is held in the State, and

(2) The State has completed and implemented its mining lands review process by designating certain land within the State as unsuitable to strip. (Since this process obviously will take many years and be public, there is no incentive for a state to quickly request a federal takeover.)

*Performance standards*

No mining within 100 feet of any road, body of water to which the public has use or access, or other private property;

No removal of overburden from slopes over 20 degrees unless the operator can demonstrate that sedimentation, landslides, or acid or mineralized water pollution can be feasibly prevented and that the area can be reclaimed.

On slopes greater than 14 degrees, the operator "shall conduct terrace backfilling."

On slopes under 14 degrees, approximate original contour backfilling must be done.

All backfilling to be concurrent as mining progresses

Save and replace topsoil.

Revegetate with stable and diverse vegetation.

Control surface water and treat pit discharge.

No mining within 300 feet of occupied dwelling, public building, school, church, park, or cemetery; nor within 100 feet of a public road, except where interests of public and affected landowners will be protected.

No lake, stream or watercourse will be interrupted, moved, or destroyed, except that a watercourse may be relocated where consistent with the operator's Reclamation Plan.

No mining within 100 feet of a lake, stream or creek, except that "reclamation activities" may be permitted within 100 feet where it will improve a water pollution problem.

Detailed and comprehensive Reclamation Plan required so that land shall be returned to approximate original contour, with all highwalls and spoil piles eliminated; water impoundments permitted if slope to the water is not greater than 19 degrees; terracing permitted on slopes under 14 degrees; on slopes over 14 degrees, no debris or spoil may be placed on the natural down slope below the cut unless the operator demonstrates and the regulatory authority finds that the method of mining and Reclamation Plan will effectively prevent sedimentation, landslides, erosion, or acid, toxic, or mineralized water pollution.

Backfilling to be concurrent as mining progresses

Save and replace topsoil or best available subsoil.

Control and treat both surface and pit water during and after mining.

Plant native vegetation where possible, otherwise plant stable and self regenerative vegetation. Short term planting allowed; plantings must be maintained for five years after operation terminates.

State "may submit" within two years of enactment a program for regulation of surface mining.

The State program must be acceptable to the Sec'y, and must meet the requirements of 201 (a) (1) through (19).

The State Program must have Regs. which balance the relative degrees of environmental protection against the relative costs of reclamation.

If State failed to submit an acceptable State program within 2 years Then the Sec'y shall "promptly" issue environmental regs. for mining operations within such state.

*4 Standards Only:*

(1) Land to be returned to original or similarly appropriate contour considering future use and surrounding topography.

(2) There is to be no permanent spoil deposition on undisturbed lands other than the original cut.

(3) Soil conditions must be stabilized and water management be conducted so that landslides are prevented, erosion is minimized, and water pollution is minimized.

(4) The original type or similarly appropriate type of vegetation must be reestablished.

Backfilling to be concurrent if feasible.

Topsoil segregation "may" be required.

A Reclamation Plan consistent with this Act is required.

NOTE: "Relative costs" of reclamation must be balanced against "relative degrees of environmental protection."

## H.R. 3—Continued

Secretary "may" prohibit blasting in specific areas where the safety of the public or private property is endangered or where an underground mine will be adversely affected.

Requires performance bonds to be posted after the permit is approved but before it is issued; bond is to insure that the operator will perform all the requirements of the Act; amount set must be not less than \$5,000 or \$500 per acre; liability is for duration of operation and five years thereafter; bond release may be had in stages as the reclamation is completed.

Area to be covered by bond is not specified.

Applies only to coal operations "active" on the date of enactment;

Defines open pit in terms of thickness of ore body and where the overburden, and the average depth exceeds 100 feet;

No performance standards set for reclamation of open pits.

Sets specific standards where the Secretary "may" designate an area as unsuitable, i.e., not economically or physically possible to reclaim the land, or if mining will cause irrevocable injury to the environment of the area.

Public notice and public hearing required.

Requires that the operator attach to his application—the written consent of the surface owner to entry upon his land by the operator or state or federal officers or employees for the purpose of reclamation and inspection *within a period of five years after the operation is completed or abandoned.*

Secretary monitors state programs by spot inspections and public review every two years of the state enforcement program.

Civil penalties may be imposed on the operator according to the Coal Mine Health and Safety Act.

Bond may be forfeited.

Permit may be revoked.

The Attorney General may apply for an injunction.

Cease and desist orders may be issued only

## H.R. 5988, SAYLOR BILL—Continued

*Blasting requirements*

Requires that advance written notice of blasting be given to local governments and residents affected.

Requires that regulations be promulgated which provide procedures for protection of dwellings, and for limitation on the type of explosive, the size, timing and frequency of the blasts so that injury and damage to persons or property off the site can be prevented.

*Bonds*

Detailed bond requirements similar to H.R. 3 except that bond amount shall not be less than \$10,000. Two stage bond release procedure:

Bond release upon application made detailing work performed;

60 percent of bond may be released when backfilling and grading is done.

Remaining 40 percent may be released when revegetation and all other reclamation work is successfully completed.

Bond is to cover only the area to be excavated at any one time within the permit area.

*Open pits*

Applies to existing and future open pit mines for coal and other minerals.

Defines open pit in terms of four specific criteria including thickness of ore and overburden, and no practicable alternative method of mining the material.

Sets specific standards as to reclamation of open pits; it permits terracing and step-terracing (as defined).

*Designation of lands unsuitable for surface mining*

State must conduct a mining lands review to gather competent data to determine if any lands in the state are unsuitable for surface mining. Area "shall" be designated as unsuitable.

If reclamation under the Act is not physically or economically possible.

If surface mining is incompatible with governmental plans to achieve essential governmental objectives.

If the area is of critical concern.

Grants available to the States specifically for this purpose.

Public notice and public hearing required.

Citizen has the right to petition.

Decision as to unsuitability is to be related to land use programs and plans.

Secretary is directed to conduct a similar review of federal lands.

*Written consent of the surface owner to mining of subsurface mineral*

Requires the written consent of, or waiver by, the surface owner to entry and surface mining on his land by the operator.

Where the federal government owns the minerals but not the surface, no federal agency shall sell, lease, assign, mine or otherwise dispose of such minerals unless the agency has first obtained the written consent of the appropriate surface landowner to the present or future extraction of such minerals by means of surface mining.

No federal agency shall purchase or otherwise obtain any coal from any supplier, which coal has been extracted by means of surface mining on lands owned by any person who has not given his written consent to the extraction of such coal by surface mining.

*Written consent of the surface owner to mining of subsurface mineral*

Secretary monitors state enforcement by inspections; Secretary takes action only if state fails to act after it is notified of the operator's violation.

Federal inspector can issue a cease and desist order for a violation of the Act or of any permit condition; if the operator does not comply, then civil or criminal actions may be started.

Civil penalties of not more than \$1,000 per day may be imposed.

## ADMINISTRATION BILL—Continued

None.

General requirement that the bond be sufficient to insure reclamation of mined area.

Bond to cover all of "mixed area", that is, excavation, haul roads, spoil piles, refuse banks and areas where structures and equipment which are used in mining are located.

Applies to existing and future mining; Sets same performance standards for open pits as for surface mining, "to the extent feasible."

State agency must identify areas which cannot be reclaimed under the Act; when the technology becomes available to satisfy the performance standards of the Act, then a permit may be issued for these areas.

No grants available to the States specifically for this purpose.

No requirement that the Federal Government review its own lands to see if any are unsuitable to strip.

No provisions dealing with written consent.

Secretary monitors state enforcement by inspections.

Attorney General may seek an injunction. Failure to comply with a regulation after 15 days notice, renders the person liable to a cessation order from the Secretary and a civil penalty of not more than \$1,000 per day after the said 15 days.

Any person who knowingly violates these regulations may be fined \$10,000, get one year in prison, or both.

COMPARATIVE ANALYSIS OF THREE BILLS DEALING WITH SURFACE MINE RECLAMATION INCLUDING H.R. 5988—Continued  
H.R. 3—Continued

H.R. 5988, SAYLOR BILL—Continued

ADMINISTRATION BILL—Continued

for serious violations endangering health or safety of the public or the employees involved.

Citizen can bring a mandamus action against officials under certain limited conditions.

Citizen can also sue for damage to his property if the operator does not comply with the Act.

Public notice and public hearings required on the—State Program.

Permit application.

Bond release.

Designation of lands unsuitable to strip.

Applies only to "bona fide resident with valid legal interest."

Authorizes appropriation of \$100 million for the acquisition and reclamation by the Federal Government of unclaimed mined land.

Authorizes Secretary to sell the land.

Each permit applicant submits \$100 as a special reclamation fee to the fund.

Injunctions can be sought by the Attorney General.

Criminal penalty of \$10,000 or 6 months in prison, or both if any person violates this Act or any permit condition, or makes any false statement or who tampers with any monitoring device.

Permit can be suspended or revoked.

*Citizen suits*

Citizen suits authorized; detailed provisions taken from the Federal Clean Air Act of 1970.

No citizen suit provisions.

*Public participation*

Public notice and public hearings required, for—

Federal regulations.

State Program.

Permit application.

Bond Release.

Permit revisions and renewals.

Designation of lands unsuitable to strip.

Applies to "any interested citizen" or officer or head of any governmental agency.

*Unreclaimed and abandoned mines*

Sets up a fund similar to H.R. 3 and authorizes \$100 million for acquisition and reclamation of these unclaimed mines;

In addition, it sets forth specific criteria as to how, when and for what purpose the money is to be spent.

Secretary can make grants to the States to assist them in requiring unclaimed and abandoned mines.

Regulations to be developed with full participation of all interested federal departments, state and local government, and "other interested bodies and groups."

Regulations must provide for public notice and an opportunity for public participation in their revision.

No public notice or public hearings are required with respect to any particular permit or operation.

No provisions for abandoned and unclaimed mines except that the regulations may allow the operator "to depart from" the performance standards set forth in the regulations where the cost of reclamation of a previously mined area is impractical under the performance standards.

## ENERGY POLICY

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

Mr. BROYHILL of North Carolina. Mr. Speaker, the United States is fast coming to the realization that it is approaching a serious shortage of energy. Note that I say a serious shortage of energy—not just a shortage of low cost energy sources—but a shortage of energy at any price.

According to any number of informed sources, America will be able to overcome these shortages in 15 to 25 years as new technologies emerge. However, their projections are of little comfort to an America that is dependent on energy to sustain its style of life and rate of growth over the next 15 to 25 years.

Nearly every Member of Congress has attended hearings and briefings or read reports concerning the so-called energy crisis. In these reports and briefings, there have been many policy initiatives suggested. But there is one area in which nearly all authorities agree: the need for better energy management at the national level, starting with the development of a national energy policy.

The Senate Interior and Insular Affairs Committee has pinpointed some 64 agencies and departments in the Federal Government whose daily decisions have impact on the energy market. Yet there is no cohesive sense of a national energy policy to guide the directives of their decisions.

In January, Mr. VAN DEERLIN and I,

along with 23 of our colleagues introduced H.R. 2920 which would establish a Council on Energy Policy in the Executive Office of the President. In the nearly 3 months since the introduction of that legislation, I have become increasingly convinced that such legislation is becoming more vital every day.

We are all familiar with the statistics and analysis that inescapably lead to the conclusion that the energy crisis is looming in our very near future. But I feel we need to fully understand the impact of pronounced shortages on our economy and our society.

It is certain that attempts to fill our energy demands by doubling or even tripling of our reliance on imported fuel sources, will profoundly unsettle the already unstable international dollar. This, coupled with the price effects of fuel shortages, would exert a very heavy inflationary pressure on the economy.

To understand the effects of this, look for a moment at predicted higher prices for imported crude oil. Oftentimes, we simply translate crude oil to mean the gas Americans buy to run their automobiles. Yet in 1970, 29 percent of all energy used by industry was oil and in 1985, 46 percent of their energy demands will be satisfied by oil. This means either higher prices—or if shortages become more pronounced, industrial shutdowns and slowdowns and the loss of employment for many of our Nation's workers and consumers.

Quite simply, an energy crisis means much more than higher prices at the gasoline station. It can mean, if we let it, a radical disruption of the economic fabric of this country. We need energy to

provide jobs, to fulfill the Nation's social and defense obligations, and to maintain economic stability.

Our bill to provide a Council on Energy Policy is a necessary first step if the United States is to overcome the critical shortages of the next 15 to 25 years. It can begin to pull together the present diverse and confusing maze of energy jurisdictions under the umbrella of a sound and consistent national energy policy. It can present the energy policy options to Congress and the President and most important, effectively administer the mandates that are set forth over the next few years by Congress and the President in energy policy.

In the past decade, we have all been made aware of the dangers implicit in fragmented program management. I do not feel we can afford the luxury of such an inefficient approach to a problem of the magnitude of energy policy. But we can, at this time, set down our differences in energy policy and get started with the first step in evolving a national approach to energy management.

The text of the bill follows:

H.R. 2920

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there shall be created in the Executive Office of the President a Council on Energy Policy (hereinafter referred to as the "Council"). The Council shall be composed of three members who shall be appointed by the President, by and with the advice and consent of the Senate. The members of the Council shall serve for five-year terms, except that of the three such members first appointed one shall be appointed for a two-year term and one for a four-year term, as designated by the*

President at the time of appointment. The President shall designate one of the members of the Council to serve as Chairman. Each member shall be a person who, as a result of his training, experience, and attainment, is well qualified to analyze and interpret energy trends and information of all kinds; to appraise programs and activities of the Federal Government in the light of the energy needs of the Nation; to be conscious of and responsive to the scientific, economic, social, esthetic, and cultural needs and interests of the Nation; and to formulate and recommend national policies with respect to energy. Not more than two members of the Council shall be appointed from the same political party.

(b) (1) The Council shall serve as the principal adviser to the President and Congress on energy policy, exercising leadership in formulating Government policy concerning domestic and international energy issues, and shall assist in developing plans and programs which take full advantage of the Nation's technological capabilities in developing clean energy and in conserving energy resources. In addition the Council shall help formulate policies for, and coordinate operations of, energy resources and facilities owned or controlled by the Federal Government. The Council shall prepare for the President in cooperation with the Council on Environmental Quality and with the assistance of other interested departments and agencies the annual Energy Report required by subsection (f).

(2) (A) All legislative recommendations and reports to Congress of Federal agencies, to the extent such recommendations and reports deal with energy matters, shall be subject to the approval of the Council.

(B) The Council shall make recommendations to the President and Congress for resolving conflicting policies of Federal agencies.

(C) The Council shall recommend policies to Federal and State agencies respecting power emergencies.

(3) The Council shall develop a long-range comprehensive plan for energy utilization in the United States, and shall provide assistance to any executive agency concerned with energy and power in the United States.

(4) All agencies of the Federal Government shall include in every recommendation or report on proposals for legislation and other major Federal actions having a significant effect on energy availability or use a detailed statement by the responsible official on whether such proposal or action is consistent with the long-range plan formulated under paragraph (3). If such proposal or action is not consistent with such plan, the statement shall also contain a detailed justification for the proposal or action.

(5) Neither the Council nor its members may refuse to testify before or submit information to either House of Congress or any duly authorized committee thereof.

(c) In exercising its powers, functions, and duties under this section, the Council shall—

(1) consult with representatives of science, industry, agriculture, labor, conservation organizations, State and local governments and other groups, as it deems advisable; and

(2) utilize, to the fullest extent possible, the services, facilities, and information (including statistical information) of public and private agencies and organizations, and individuals, in order that duplication of effort and expense may be avoided, thus assuring that the Council's activities will not unnecessarily overlap or conflict with similar activities authorized by law and performed by established agencies.

(d) Members of the Council shall serve full time and the Chairman of the Council shall be compensated at the rate provided for Level II of the Executive Schedule Pay Rates (5 U.S.C. 5313). The other members of the Council shall be compensated at the rate

provided for Level IV of the Executive Schedule Pay Rates (5 U.S.C. 5315).

(e) The Council may employ such officers and employees as may be necessary to carry out its functions under this section. In addition, the Council may employ and fix the compensation of such experts and consultants as may be necessary for the carrying out of its functions under this section, in accordance with section 3109 of title 5, United States Code (but without regard to the last sentence thereof).

(f) The President shall cause to be prepared and submitted to the Congress on or before January 1, 1974, and annually thereafter, an Energy Report. The report shall include—

(1) an estimate of energy needs for the ensuing ten-year period to meet the requirements of the national defense, the commercial and industrial life of the country, and the general welfare of the people of the United States;

(2) an estimate of the domestic and foreign energy supply on which the United States will be expected to rely to meet such needs in an economical manner with due regard for the protection of national security, and the environment and the conservation of natural resources;

(3) current and foreseeable trends in the quality, management and utilization of energy resources and the effects of those trends on the social, economic, and other requirements of the Nation;

(4) a review and appraisal of the adequacy and appropriateness of technologies, procedures, and practices, including regulatory practices, employed to achieve the foregoing objectives;

(5) recommendations for the development and application of new technologies procedures, and practices which he may determine to be required to achieve such objectives; and

(6) recommendations for legislation.

(g) There are authorized to be appropriated to carry out the provisions of this section not to exceed \$300,000 for fiscal year 1974, \$750,000 for fiscal year 1975, and \$1,000,000 for each fiscal year thereafter.

#### GENERAL LEAVE

Mr. CORMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the special order given today by the gentleman from California (Mr. HOLFIELD).

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

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MORGAN (at the request of Mr. O'NEILL), for today and April 17, on account of illness.

Mr. ANDREWS of North Carolina (at the request of Mr. O'NEILL), for today, on account of official business.

Mr. CLARK (at the request of Mr. O'NEILL), for today through April 19, on account of official business.

Mr. EILBERG, from 5:45 p.m. April 16 through April 17, on account of religious reasons.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legisla-

tive program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. COCHRAN) and to revise and extend their remarks and include extraneous matter:)

Mr. FINDLEY, for 5 minutes, today.

Mr. HOGAN, for 15 minutes, today.

Mr. FRENZEL, for 10 minutes, today.

Mr. ERLENBORN, for 30 minutes, today.

Mr. WYATT, for 10 minutes, today.

Mr. RAILSBACK, for 10 minutes, today.

Mrs. HECKLER of Massachusetts, for 10 minutes, today.

(The following Members (at the request of Mr. MEZVINSKY) and to revise and extend their remarks and include extraneous matter:)

Mr. McFALL, for 5 minutes today.

Mr. RODINO, for 10 minutes, today.

Mr. BURTON, for 5 minutes today.

Mr. VANIK, for 10 minutes, today.

Mr. HAMILTON, for 5 minutes, today.

Mrs. GRASSO, for 10 minutes, today.

Mr. HOLFIELD, for 30 minutes, today.

Mr. BURKE of Massachusetts, for 5 minutes, today.

Mr. HARRINGTON, for 15 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. MATSUNAGA, for 15 minutes, on April 17.

Mr. FRASER, for 5 minutes, on April 17.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SIKES to extend his remarks during debate preceding the vote on the previous question on House Resolution 357.

Mr. SAYLOR and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost \$552.50.

(The following Members (at the request of Mr. COCHRAN) and to include extraneous material:)

Mr. PRICE of Texas.

Mr. HASTINGS.

Mr. ZWACH.

Mr. YOUNG of Alaska in three instances.

Mr. COUGHLIN.

Mr. WYMAN in two instances.

Mr. HOSMER in three instances.

Mr. QUIE in two instances.

Mr. HUNT in two instances.

Mr. HORTON.

Mr. VANDER JAGT.

Mr. HEINZ in three instances.

Mr. HOGAN.

Mr. WHITEHURST.

Mr. STEIGER of Arizona.

Mr. ABDOR.

Mr. McCLORY.

Mr. WHALEN.

Mr. RAILSBACK.

Mr. KEATING.

Mr. SHOUP.

Mr. ASHBROOK in three instances.

Mr. ANDERSON of Illinois in two instances.

Mr. BUCHANAN in two instances.

Mr. CRANE in five instances.

Mr. COLLIER.

(The following Members (at the request of Mr. MEZVINSKY) and to include extraneous material:)

Mrs. BURKE of California in 10 instances.

Mr. MANN in five instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. SIKES in five instances.

Mr. ANNUNZIO in 10 instances.

Mr. RODINO.

Mr. WON PAT.

Mr. FRASER in five instances.

Mr. WALDIE in four instances.

Mr. EDWARDS of California.

Mr. BOLLING.

Mr. MCKAY.

Mr. HÉBERT in two instances.

Mr. ANDERSON of California in three instances.

Mr. HARRINGTON.

Mrs. GRASSO in 10 instances.

Mr. O'HARA.

Mr. FASCELL in two instances.

Mr. WILLIAM D. FORD.

Mr. BADILLO.

Mr. DAN DANIEL.

Mr. KOCH in three instances.

Mr. CHAPPELL.

#### SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 45. Joint resolution to provide for the erection of a memorial to those who served in the Armed Forces of the United States in the Vietnam war; to the Committee on House Administration.

#### ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1975. An act to amend the emergency loan program under the Consolidated Farm and Rural Development Act, and for other purposes; and

H.J. Res. 303. Joint resolution to authorize and request the President to proclaim April 29, 1973 as a day of observance of the thirtieth anniversary of the Warsaw ghetto uprising.

#### JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on April 12, 1973, present to the President, for his approval joint resolutions of the House of the following titles:

H.J. Res. 210. A joint resolution asking the President of the United States to declare the fourth Saturday of September, 1973, "National Hunting and Fishing Day";

H.J. Res. 275. A joint resolution to authorize the President to issue a proclamation designating the month of May, 1973, as "National Arthritis Month"; and

H.J. Res. 437. A joint resolution to authorize the President to designate the period beginning April 15, 1973, as "National Clean Water Week."

#### ADJOURNMENT

Mr. CORMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 52 minutes p.m.) the House adjourned until tomorrow, Tuesday, April 17, 1973, 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:

759. A letter from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting plans for various works of improvement prepared under the Watershed Protection and Flood Prevention Act, as amended, none of which involves a structure which provides more than 4,000 acre-feet of total capacity, pursuant to 16 U.S.C. 1005; to the Committee on Agriculture.

760. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Food Stamp Act of 1964, as amended, for the purpose of authorizing appropriations for fiscal years subsequent to the fiscal year ending June 30, 1973; to the Committee on Agriculture.

761. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that various appropriations have been apportioned on a basis which indicates a necessity for supplemental estimates of appropriations for fiscal year 1973, pursuant to 31 U.S.C. 665; to the Committee on Appropriations.

762. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on property acquisitions of emergency supplies and equipment for the quarter ended March 31, 1973, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

763. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting a report on Department of Defense procurement from small and other business firms for July 1972, through January 1973, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

764. A letter from the Commissioner of the District of Columbia, transmitting a draft of proposed legislation to provide for the appointment of alternates and hearing examiners by the Zoning Commission of the District of Columbia, to change the composition of the Board of Zoning Adjustment, and for other purposes; to the Committee on the District of Columbia.

765. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a report on country allocations of grant military assistance for fiscal year 1973, pursuant to section 653 of the Foreign Assistance Act of 1971; to the Committee on Foreign Affairs.

766. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to extend diplomatic privileges and immunities to the Liaison Office of the People's Republic of China and to members thereof, and for other purposes; to the Committee on Foreign Affairs.

767. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of various international agreements, other than treaties, entered into by the United States, pursuant to Public Law 92-403; to the Committee on Foreign Affairs.

768. A letter from the Deputy Assistant Secretary of the Interior, transmitting descriptions of three projects selected for funding through grants, contracts, and matching or other arrangements with educational institutions, private foundations or other institutions, and with private firms, under the Water Resources Research Act of 1964, pursuant to section 200(b) of the act; to the Committee on Interior and Insular Affairs.

769. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

770. A letter from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting plans for various works of improvement prepared under the Watershed Protection and Flood Prevention Act, as amended, each of which involves at least one structure which provides more than 4,000 acre-feet of total capacity, pursuant to 16 U.S.C. 1005; to the Committee on Public Works.

771. A letter from the Administrator, Environmental Protection Agency, transmitting a report on the impact of pesticides on the aquatic environment, pursuant to section 104(L)(2) of Public Law 92-500; to the Committee on Public Works.

#### RECEIVED FROM THE COMPTROLLER GENERAL

772. A letter from the Comptroller General of the United States, transmitting a report on military assistance and commitments in the Philippines; to the Committee on Government Operations.

773. A letter from the Comptroller General of the United States, transmitting a report that the need intensifies to amend legislation to reduce Government losses on the peanut price-support program administered by the Agricultural Stabilization and Conservation Service, Department of Agriculture, for the Department's Commodity Credit Corporation; 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. PATMAN: Committee on Banking and Currency. H.R. 6370. A bill to extend certain laws relating to the payment of interest on time and savings deposits, to prohibit depository institutions from permitting negotiable orders of withdrawal to be made with respect to any deposit or account on which any interest or dividend is paid, to authorize Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations, and for other purposes; with amendment (Rept. No. 93-140). Referred to the Committee of the Whole House on the State of the Union.

Mr. PATMAN: Committee on Banking and Currency. H.R. 6452. A bill to amend the Urban Mass Transportation Act of 1964 to provide a substantial increase in the total amount authorized for assistance thereunder, to increase the portion of project cost which may be covered by a Federal grant, to authorize assistance for operating expenses, and for other purposes; with amendment (Rept. No. 93-141). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 4204. A bill to provide for funding the Emergency Employment Act of 1971 for 2 additional years, and for other purposes; with amendment (Rept. No. 93-142). Referred to the Committee of the Whole House on the State of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE of Massachusetts (for himself, Mr. ASHLEY, Mr. BRASCO, Mr. BROWN of California, Mr. CAENEY of Ohio, Ms. CHISHOLM, Mr. CLEVELAND, Mr. CONYERS, Mr. DAVIS of Georgia, Mr. DELANEY, Mr. DIGGS, Mr. FISHER, Mr. FRASER, Mr. GOLDWATER, Ms. GRASSO, Mr. HARRINGTON, Mr. HAWKINS, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. KYROS, Mr. LEHMAN, Mr. MCKINNEY, Mr. METCALFE, Mr. MITCHELL of Maryland, and Mr. MOAKLEY):

H.R. 6980. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts (for himself, Mr. MURPHY of New York, Mr. NIX, Mr. PODELL, Mr. PRICE of Illinois, Mr. RARICK, Mr. ROSENTHAL, Mr. STARK, Mr. STEED, Mr. STEELE, Mr. STEIGER of Arizona, Mr. STUDDS, and Mr. WON PAT):

H.R. 6981. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. CONABLE:

H.R. 6982. A bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resource protection, development, and management by small non-industrial private and non-Federal public forest landowners, and for other purposes; to the Committee on Agriculture.

By Mr. CONTE (for himself and Mr.

ROBISON of New York):

H.R. 6983. A bill to amend the State Technical Services Act of 1966 to make municipal governments eligible for technical services under the act, to extend the act through fiscal year 1976, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CORMAN:

H.R. 6984. A bill to extend unemployment insurance coverage to employers employing four or more agricultural workers for each of 20 or more weeks; to the Committee on Ways and Means.

By Mr. FREY (for himself and Mr. YOUNG of Florida):

H.R. 6985. A bill to assure the imposition of appropriate penalties for persons convicted of offenses involving heroin or morphine, to provide emergency procedures to govern the pretrial and posttrial release of persons charged with offenses involving heroin or morphine, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FREY (for himself and Mr. WINN):

H.R. 6986. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to establish minimum mandatory sentences for persons convicted of offenses involving narcotic drugs, to provide emergency procedures to govern the pre-

trial and posttrial release of persons charged with offenses involving certain narcotic drugs, to provide procedures to reach large sums of money used for narcotic trafficking, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. GRASSO:

H.R. 6897. A bill to provide for an investigation by the General Services Administration of various problems involved in providing toll-free telephone numbers for incoming calls at each regional office of most executive agencies; to the Committee on Government Operations.

H.R. 6988. A bill to amend title 39, United States Code, to authorize the transmission without cost to the sender, of letter mail to the President or Vice President of the United States, to Federal executive departments and agencies, or to Members of Congress, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HAMILTON:

H.R. 6989. A bill to establish a Joint Committee on National Security; to the Committee on Rules.

By Mr. HARRINGTON (for himself and Mr. MITCHELL of New York):

H.R. 6990. A bill to amend the Export Administration Act of 1969 with respect to the exclusion of agricultural commodities from export controls; to the Committee on Banking and Currency.

By Mr. HARRINGTON (for himself and Ms. ABZUG):

H.R. 6991. A bill to authorize the Secretary of Labor to provide financial and other assistance to certain workers and small business firms to assist compliance with State or Federal pollution abatement requirements; to the Committee on Banking and Currency.

By Mr. HARRINGTON (for himself, Mr. STOKES, and Mr. OWENS):

H.R. 6992. A bill to provide for the transfer of authorizations for military assistance programs for Laos and Vietnam to the Foreign Assistance Act of 1961, and for other purposes; to the Committee on Foreign Affairs.

By Mr. HARRINGTON (for himself, Mr. BROWN of California, Mr. STARK, and Mr. STOKES):

H.R. 6993. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for the use of excess property by certain grantees; to the Committee on Government Operations.

By Mr. HARRINGTON (for himself and Mr. DRINAN):

H.R. 6994. A bill to provide compensation to U.S. commercial fishing vessel owners for damages incurred by them as a result of an action of a vessel operated by a foreign government or a citizen of a foreign government; to the Committee on Merchant Marine and Fisheries.

By Mr. HILLIS:

H.R. 6995. A bill to amend the Truth in Lending Act to prohibit discrimination on account of sex or marital status against individuals seeking credit; to the Committee on Banking and Currency.

By Mr. PARRIS:

H.R. 6996. A bill to direct the Secretary of Labor to study the feasibility of and need for a Cost of Existence Index; to the Committee on Education and Labor.

H.R. 6997. A bill to amend the Internal Revenue Code of 1954 to liberalize the retirement income credit; to the Committee on Ways and Means.

By Mr. ROE:

H.R. 6998. A bill to provide for the development of a uniform system of quality grades for consumer food products; to the Committee on Agriculture.

H.R. 6999. A bill to authorize equalization of the retired or retainer pay of certain members and former members of the uniformed services; to the Committee on Armed Services.

H.R. 7000. A bill to provide that, in the selection of persons to participate in federally assisted manpower training programs, Vietnam veterans shall be afforded a priority; to the Committee on Education and Labor.

H.R. 7001. A bill to amend the Intergovernmental Cooperation Act of 1968 to improve intergovernmental relationships between the United States and the States and municipalities, and the economy and efficiency of government, by providing Federal cooperation and assistance in the establishment and strengthening of State and local offices of consumer protection; to the Committee on Government Operations.

H.R. 7002. A bill to require that certain processed or packaged consumer products be labeled with certain information, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7003. A bill to require that durable consumer products be labeled as to durability and performance life; to the Committee on Interstate and Foreign Commerce.

H.R. 7004. A bill to require that certain durable products be prominently labeled as to date of manufacture, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7005. A bill to amend the Fair Packaging and Labeling Act to require the disclosure by retail distributors of unit retail prices of packaged consumer commodities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 7006. A bill to amend the Federal Food, Drug, and Cosmetic Act to require the labels on certain package goods to contain the name and place of business of the manufacturer, packer, and distributor; to the Committee on Interstate and Foreign Commerce.

H.R. 7007. A bill to amend the Federal Food, Drug, and Cosmetic Act to require labels on all foods to disclose each of their ingredients; to the Committee on Interstate and Foreign Commerce.

H.R. 7008. A bill to amend the Fair Packaging and Labeling Act to require a packaged perishable food to bear a label specifying the date after which it is not to be sold for consumption as food; to the Committee on Interstate and Foreign Commerce.

H.R. 7009. A bill to amend the Immigration and Nationality Act to increase immigration from Western Hemisphere nations; to the Committee on the Judiciary.

H.R. 7010. A bill to amend title 38 of the United States Code to provide improved medical care to veterans; to provide hospital and medical care to certain dependents and survivors of veterans; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery; to the Committee on Veterans' Affairs.

H.R. 7011. A bill to expand the authority of the Veterans' Administration to make direct loans to veterans where private capital is unavailable at the statutory interest rate; to the Committee on Veterans' Affairs.

H.R. 7012. A bill to amend title II of the Social Security Act to provide for the job counseling and employment services for veterans, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 7013. A bill to amend title 38 of the United States Code to make the children of certain veterans having a service-connected disability rated at not less than 50 percent eligible for benefits under the war orphans' educational assistance program; to the Committee on Veterans' Affairs.

H.R. 7014. A bill to amend chapter 17 of title 38, United States Code, so as to authorize reimbursements for hospital care or medical service for any disability of a veteran who has a total service-connected disability permanent in nature; to the Committee on Veterans' Affairs.

H.R. 7015. A bill to amend title 38, United

States Code, to stabilize and "freeze" as of January 1, 1973, the Veterans' Administration Schedule for Rating Disabilities, 1945 edition, and the extensions thereto; to the Committee on Veterans' Affairs.

H.R. 7016. A bill to amend title 38, United States Code, to provide that veterans with disabilities rated 10 through 100 percent shall receive additional compensation for dependents; to the Committee on Veterans' Affairs.

H.R. 7017. A bill to amend title 38 of the United States Code to provide that certain veterans who were prisoners of war shall be deemed to have a service-connected disability of 50 percent; to the Committee on Veterans' Affairs.

H.R. 7018. A bill to amend title 38, United States Code, to extend wartime benefits to veterans who served between February 1, 1955, and August 5, 1964; to the Committee on Veterans' Affairs.

H.R. 7019. A bill to amend section 110 of title 38, United States Code, to liberalize the standard for preservation of disability ratings; to the Committee on Veterans' Affairs.

H.R. 7020. A bill to amend title 38 of the United States Code to provide that hypertension developing a 10 percent or more degree of disability within 2 years after separation from active service during a period of war shall be presumed to be service-connected; to the Committee on Veterans' Affairs.

H.R. 7021. A bill to amend section 312 of title 38, United States Code, by providing a 2-year presumptive period of service connection for the psychoses which develop within 2 years from the date of separation from active service; to the Committee on Veterans' Affairs.

H.R. 7022. A bill to amend title 38, United States Code, to provide that amyotrophic lateral sclerosis developing a 10 percent or more degree of disability within 7 years after separation from active service during a period of war shall be presumed to be service-connected; to the Committee on Veterans' Affairs.

H.R. 7023. A bill to amend section 312 of title 38, United States Code by providing a 3-year presumptive period of service connection for malignant tumors (cancer) which develop within 3 years from the date of separation from active service; to the Committee on Veterans' Affairs.

H.R. 7024. A bill to amend title 38 of the United States Code so as to increase the period of presumption of service connection for certain cases of multiple sclerosis from 7 to 10 years; to the Committee on Veterans' Affairs.

H.R. 7025. A bill to amend subsection (b) (1) of section 415 of title 38, United States Code, to increase the maximum annual income limitation governing payment of dependency and indemnity compensation to certain parents; to the Committee on Veterans' Affairs.

H.R. 7026. A bill to amend section 410(a) of title 38, United States Code, to provide for the payment of dependency and indemnity compensation to certain survivors of deceased veterans who were rated 100 percent disabled by reason of service-connected disabilities for 20 or more years; to the Committee on Veterans' Affairs.

H.R. 7027. A bill to amend title 38 United States Code, to provide that the Administrator of Veterans' Affairs may furnish medical services for a nonservice-connected disability to any war veteran who has a disability rated at 50 percent or more resulting from a service-connected disability; to the Committee on Veterans' Affairs.

H.R. 7028. A bill to amend chapter 31, section 1502 (a) of title 38, United States Code, to provide that Vietnam-era veterans shall have the same basic entitlement to vocational rehabilitation as that available to veter-

ans of World War II and the Korean conflict; to the Committee on Veterans' Affairs.

H.R. 7029. A bill to amend title 38, United States Code, to authorize the Administrator to reimburse employers for unusual cost incurred in providing on-job training for certain veterans; to the Committee on Veterans' Affairs.

H.R. 7030. A bill to amend chapter 31 of title 38, United States Code, to authorize additional training or education for certain veterans who are no longer eligible for training, in order to restore employability lost due to technological changes; to the Committee on Veterans' Affairs.

H.R. 7031. A bill to amend title 38, United States Code, to amend the maximum educational benefits for chapter 35 trainees to 48 months and to allow additional educational benefits for certain wives and widows; to the Committee on Veterans' Affairs.

H.R. 7032. A bill to repeal the meat quota provisions of Public Law 88-482; to the Committee on Ways and Means.

H.R. 7033. A bill to amend title II of the Social Security Act to eliminate the 5-month waiting period which is presently a prerequisite of eligibility for disability insurance benefits or the disability freeze; to the Committee on Ways and Means.

By Mr. ROY:

H.R. 7034. A bill to provide equity in the feed grain set-aside program by allowing participants in plan B to switch to plan A; to the Committee on Agriculture.

By Mr. ROYBAL (for himself, Ms. ABZUG, Ms. CHISHOLM, Mr. HARRINGTON, and Mr. MOAKLEY):

H.R. 7035. A bill to amend the Public Health Service Act to provide assistance and development for improvement in delivery of health services to the critically ill; to the Committee on Interstate and Foreign Commerce.

By Mr. ROYBAL (for himself and Mr. WOLFF):

H.R. 7036. A bill to assure the right to vote to citizens whose primary language is other than English; to the Committee on the Judiciary.

By Mr. ROYBAL (for himself and Mr. STARK):

H.R. 7037. A bill to amend the Immigration and Nationality Act to increase immigration from Western Hemisphere nations; to the Committee on the Judiciary.

By Mr. ROYBAL (for himself, Mr. BROWN of California, Mr. CORMAN, and Mr. MOSS):

H.R. 7038. A bill to provide that certain aliens illegally in the United States may have their status adjusted to that of permanent residents; to the Committee on the Judiciary.

By Mr. THONE:

H.R. 7039. A bill to provide equity in the feed grain set-aside program by allowing participants in plan B to switch to plan A; to the Committee on Agriculture.

By Mr. WALDIE:

H.R. 7040. A bill authorizing the Secretary of the Army to establish a national cemetery at Camp Parks or Port Chicago, Calif., for northern California; to the Committee on Veterans' Affairs.

By Mr. WALDIE (for himself and Mr. HILLIS):

H.R. 7041. A bill to increase the contribution of the Government to the costs of health benefits for Federal employees, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 7042. A bill to increase the contribution of the Government to the costs of health benefits for Federal employees, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BIAGGI:

H.R. 7043. A bill to provide for continual application of current basic pay scales to

Federal civil service annuities; to the Committee on Post Office and Civil Service.

H.R. 7044. A bill to amend chapter 83 of title 5, United States Code, to eliminate the survivorship reduction during periods of nonmarriage of certain annuitants; to the Committee on Post Office and Civil Service.

H.R. 7045. A bill to increase the contribution of the Government to the costs of health benefits for Federal employees, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 7046. A bill to provide increases in certain annuities payable under chapter 83 of title 5, United States Code, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 7047. A bill to amend the Internal Revenue Code of 1954 to permit an exemption, in an amount not exceeding the maximum social security benefit payable in the taxable year involved, for retirement income received by a taxpayer under a public retirement system or under any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

H.R. 7048. A bill to amend the Internal Revenue Code of 1954 to provide a basic \$5,000 exemption from income tax, in the case of an individual or a married couple, for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

By Mr. BROWN of California:

H.R. 7049. A bill to authorize and direct the Administrator of General Services to acquire leasehold interests in certain land located in Los Angeles, Calif., in order to provide parking for persons who have business in the U.S. Federal Courthouse and for Federal employees working in the courthouse; to the Committee on Public Works.

By Mr. CORMAN (for himself and Mr. YOUNG of Georgia):

H.R. 7050. A bill to broaden the income tax base, provide equity among taxpayers, and to otherwise reform the income and estate tax provisions; to the Committee on Ways and Means.

By Mr. DELLUMS:

H.R. 7051. A bill to amend section 620 of the Foreign Assistance Act of 1961 to prohibit foreign assistance from being provided to foreign countries which do not act to prevent narcotic drugs from unlawfully entering the United States; to the Committee on Foreign Affairs.

H.R. 7052. A bill to allow a credit against Federal income taxes or a payment from the U.S. Treasury for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. DELLUMS (for himself, Mr. ROSENTHAL, Mr. KASTENMEIER, Mr. RANGEL, Ms. ABZUG, Mr. MITCHELL of Maryland, Mr. DIGGS, Mr. BINGHAM, Mr. CONYERS, Mr. EDWARDS of California, Mr. MOAKLEY, and Mr. STARK):

H.R. 7053. A bill to amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his income, estate, or gift tax payments spent for non-military purposes; to create a trust fund (the World Peace Tax Fund) to receive these tax payments; to establish a World Peace Tax Fund Board of Trustees; and for other purposes; to the Committee on Ways and Means.

By Mr. FINDLEY:

H.R. 7054. A bill to establish a system to retain gasoline and diesel fuel among civilian users in order to provide for sufficient fuel for farm use in areas of shortage; to the Committee on Banking and Currency.

By Mr. FOLEY:

H.R. 7055. A bill to amend the Food Stamp Act of 1964, as amended, for the purpose of authorizing appropriations for fiscal years

subsequent to the fiscal year ending June 30, 1973; to the Committee on Agriculture.

By Mr. FRENZEL:

H.R. 7056. A bill to amend the Environmental Education Act to improve its effectiveness through increased accountability, regionalization, and assessment procedures; to the Committee on Education and Labor.

By Mr. GIBBONS:

H.R. 7057. A bill to establish in the State of Florida the Egmont Key National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

H.R. 7058. A bill to amend the Internal Revenue Code of 1954, to provide that the designation of payments to the Presidential Election Campaign Fund be made on the front page of the taxpayer's income tax return form, and for other purposes; to the Committee on Ways and Means.

By Mr. GROVER:

H.R. 7059. 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. HUTCHINSON (for himself, Mr. McCLORY, Mr. SANDMAN, Mr. RAILSBACK, Mr. HOGAN, Mr. MOORHEAD of California, Mr. LOTT, and Mr. BEARD):

H.R. 7060. A bill to promote the foreign policy of the United States by prohibiting travel in a restricted area; to the Committee on the Judiciary.

Mr. KASTENMEIER (for himself, Mr. BROWN of California, Ms. HOLTZMAN, and Mr. ANDREWS of North Dakota):

H.R. 7061. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agriculture industry; to the Committee on the Judiciary.

By Mr. McCLOSKEY:

H.R. 7062. A bill to permit injured Federal employees to receive benefits of the Federal employees compensation program notwithstanding they are in receipt of military retired pay, and for other purposes; to the Committee on Education and Labor.

By Mr. MCKINNEY:

H.R. 7063. A bill to amend the Internal Revenue Code of 1954 to reduce the rates of the excise tax on telephone and teletypewriter exchange service for 1974 through 1976 and to eliminate such tax for periods after December 31, 1976; to the Committee on Ways and Means.

By Mr. MILLS of Arkansas (for himself, Mr. SCHNEEBELI):

H.R. 7064. A bill to amend the Internal Revenue Code of 1954 to provide that preparers of income tax returns shall report certain information to the Internal Revenue Service, and to prohibit preparation of returns by a person convicted of preparing a fraudulent return; to the Committee on Ways and Means.

By Mrs. MINK (for herself, Mr. MATSUNAGA and Mr. WON PAT):

H.R. 7065. A bill to provide for uniform expiration dates for agreements in the longshore and maritime industries in the States of Washington, Oregon and California; to the Committee on Education and Labor.

By Mrs. MINK (for herself, Mr. STEIGER of Wisconsin, and Mr. HAWKINS):

H.R. 7066. A bill to provide for operation of all domestic volunteer service programs by the ACTION Agency, to establish certain new such programs, and for other purposes; to the Committee on Ways and Means.

By Mr. O'NEILL (for himself, Mr. TIERMAN, Mr. BOLAND, Mr. BURKE of Massachusetts, Mr. CONTE, Mr. CRONIN, Mr. DONOHUE, Mr. DRINAN, Mrs. GRASSO, Mrs. HECKLER of Massachusetts, Mr. MCKINNEY, Mr. MACDONALD, Mr. MOAKLEY, Mr. ST GERMAIN,

Mr. SARASIN, Mr. STEELE, and Mr. STUDDS):

H.R. 7067. A bill to establish a Commission to review the proposed closing of any military installation; to the Committee on Armed Services.

By Mr. PATMAN:

H.R. 7068. A bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolism, and Digestive Diseases in order to advance the national attack on diabetes; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTEN:

H.R. 7069. A bill to extend benefits under section 8191 of title 5, United States Code, to law enforcement officers and firemen not employed by the United States who are killed or totally disabled in the line of duty; to the Committee on the Judiciary.

H.R. 7070. A bill to amend the Immigration and Nationality Act to make additional immigrant visas available for immigrants from certain foreign countries, and for other purposes; to the Committee on the Judiciary.

H.R. 7071. A bill to amend the Social Security Act to make certain that recipients of aid or assistance under the various Federal-State public assistance and medicaid programs (and recipients of assistance or benefits under the veterans' pension and compensation programs and certain other Federal and federally assisted programs) will not have the amount of such aid, assistance, or benefits reduced because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. PETTIS:

H.R. 7072. A bill to allow advance payment of subscription charges for publications for official use prepared for auditory as well as visual usage; to the Committee on Government Operations.

By Mr. RODINO (by request):

H.R. 7073. A bill to amend the act of May 11, 1954 (ch. 199, sec. 1, 68 Stat. 81; 41 U.S.C. 321), to provide for full adjudication of rights of Government contractors in courts of law; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 7074. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired policemen or firemen or their dependents, or to the widows or other survivors of deceased policemen or firemen, shall not be subject to the income tax; to the Committee on Ways and Means.

H.R. 7075. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for expenses incurred by a taxpayer in making repairs and improvements to his residence, and to allow the owner of rental housing to amortize at an accelerated rate the cost of rehabilitating or restoring such housing; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Mr. REGULA, Mr. VANIK, Mr. HAYS, Mr. ASHBROOK, Mr. ASHLEY, Mr. BROWN of Ohio, Mr. CARNEY of Ohio, Mr. GUYER, Mr. KEATING, Mr. MINSHALL of Ohio, Mr. MILLER, Mr. MOSHER, Mr. J. WILLIAM STANTON, Mr. JAMES V. STANTON, Mr. STOKES, Mr. WHALEN, Mr. MOORHEAD of California, Mr. DENT, Ms. ABZUG, Mr. HECHLER of West Virginia, and Mr. WALDIE):

H.R. 7076. A bill to provide for the establishment of the Cuyahoga Valley National Historical Park and Recreation Area; to the Committee on Interior and Insular Affairs.

By Mr. SEIBERLING (for himself, Mr. REGULA, Mr. VANIK, Mr. HALEY, Mr. Saylor, Mrs. HANSEN of Washington, Mr. JOHNSON of California, Mr. DON H. CLAUSEN, Mr. UDALL, Mr. YOUNG of Alaska, Mr. BURTON, Mr. O'HARA, Mrs. MINK, Mr. STEPHENS, Mr. VIGORITO, Mr. RONCALIO of Wyoming, Mr. BINGHAM, Mr. RUNNELS, Mrs. BURKE

of California, Mr. WON PAT, Mr. OWENS, Mr. DE LUGO, and Mr. JONES of Oklahoma):

H.R. 7077. A bill to provide for the establishment of the Cuyahoga Valley National Historical Park and Recreation Area; to the Committee on Interior and Insular Affairs.

By Mr. SHOUP:

H.R. 7078. A bill to provide for the continuation of programs authorized under the Vocational Rehabilitation Act, and for other purposes; to the Committee on Education and Labor.

By Mr. JAMES V. STANTON (for himself, Mr. GREEN of Pennsylvania, Mr. MOAKLEY, Mr. RYAN, and Mr. STUDDS):

H.R. 7079. A bill to amend the Public Works and Economic Development Act of 1965 to establish a program to assist municipalities and businesses in urban industrial development, and for other purposes; to the Committee on Public Works.

By Mr. ULLMAN (for himself, Mr. PERKINS, Mrs. GREEN of Oregon, Mr. QUIE, Mr. O'HARA, Mr. WYATT, and Mr. DELLENBACK):

H.R. 7080. A bill to provide for the deferral or cancellation of repayment of certain student loans for persons held as prisoners of war; to the Committee on Education and Labor.

By Mr. WAGGONNER:

H.R. 7081. A bill to amend the Occupational Safety and Health Act of 1970 to provide that where violations are corrected within the prescribed abatement period no penalty shall be assessed; to the Committee on Education and Labor.

By Mr. ZWACH:

H.R. 7082. A bill relating to the authority of the Administrator of Veterans' Affairs to readjust the schedule to ratings for the disabilities of veterans; to the construction, alteration, and acquisition of hospitals and domiciliary facilities; to the closing of hospital and domiciliary facilities and regional offices; and to the transfer of real property under the jurisdiction or control of the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. BADILLO (for himself, Mr. BENITEZ, Mr. MOAKLEY, Mr. SARABANES, Mr. MITCHELL of Maryland, Mr. LEGGETT, Mr. RANGEL, Mr. ROONEY of Pennsylvania, Mr. DELLUMS, Mr. MEEDS, Ms. CHISHOLM, Mr. BINGHAM, Mr. MADDEN, Mr. BURTON, Mr. ROSENTHAL, Mr. ROE, Mr. BRASCO, and Mr. DE LUGO):

H.R. 7083. A bill to provide Federal assistance to the Roberto Clemente Memorial Foundation to enable the Foundation to construct a youth recreational center in Puerto Rico, and for other purposes; to the Committee on Government Operations.

By Mr. DOWNING:

H.R. 7084. A bill to amend section 2254 of title 28, United States Code, with respect to Federal habeas corpus; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. BLATNIK, Mrs. BOGGS, Mr. BRECKINRIDGE, Mr. BURGENER, Ms. CHISHOLM, Mr. CONYERS, Mr. DAVIS of South Carolina, Mr. FLOOD, Mr. J. WILLIAM STANTON, Mrs. GREEN of Oregon, Mr. GUDIE, Mr. HOSMER, Mr. KOCH, Mr. LEHMAN, Mr. MEEDS, Mr. MORGAN, Mr. PRITCHARD, Mr. RAILSBACK, Mr. RANGEL, Mr. RONCALIO of New York, and Mr. ROSENTHAL):

H.R. 7085. A bill to amend section 1130 of the Social Security Act to make inapplicable to the aged, blind, and disabled the existing provision limiting to 10 percent the portion of the total amounts paid to a State as grants for social services which may be paid with respect to individuals who are not actually recipients of or applicants for aid or assistance; to the Committee on Ways and Means.

## EXTENSIONS OF REMARKS

By Mr. HEINZ (for himself, Mr. THOMSON of Wisconsin, Mr. WALSH, Mr. WILLIAMS, Mr. WYDLE, Mr. YOUNG of Alaska, Mr. YOUNG of Illinois, Mr. ROYBAL, Mr. ESEHLER, Mr. DEL CLAWSON, Mr. DEVINE, Mr. HASTINGS, Mr. HOGAN, Mr. WYMAN, Mr. MCKINNEY, and Mr. BELL):

H.R. 7086. A bill to amend section 1130 of the Social Security Act to make inapplicable to the aged, blind, and disabled the existing provision limiting to 10 percent the portion of the total amounts paid to a State as grants for social services which may be paid with respect to individuals who are not actually recipients of or applicants for aid or assistance; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.J. Res. 509. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right to life to the unborn, the ill, the aged, or the incapacitated; to the Committee on the Judiciary.

By Mr. PATTEN:

H.J. Res. 510. Joint resolution designating the song "Keep America Free" the bicentennial song for 1976; to the Committee on the Judiciary.

By Mr. SIKES:

H.J. Res. 511. Joint resolution proposing an amendment to the Constitution of the United States to provide that appointments of Supreme Court and other Federal judges be required to be reconfirmed every 10 years, to require 5 years' prior judicial experience as a qualification for appointment to the Supreme Court, and to require retirement of Federal judges at the age of 70 years; to the Committee on the Judiciary.

By Mrs. GRASSO:

H. Res. 358. Resolution providing monetary allowances for toll-free telephone service for telephone calls to the district offices of Members of the House, and for other purposes; to the Committee on House Administration.

By Mr. HARRINGTON (for himself, Mr. REES, Mr. HEINZ, Mr. GINN, and Mr. BRECKINRIDGE):

H. Res. 359. Resolution providing for two additional student congressional interns for Members of the House of Representatives, the Resident Commissioner from Puerto Rico, and each Delegate to the House, and for other purposes; to the Committee on House Administration.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

143. By the SPEAKER: A memorial of the Legislature of the State of Delaware, relative

to the Soil Conservation Service; to the Committee on Appropriations.

144. Also, memorial of the Legislature of the State of Oklahoma, relative to Federal poverty programs; to the Committee on Education and Labor.

145. Also, memorial of the Legislature of the State of Washington, relative to the Kontum hospital in Vietnam; to the Committee on Foreign Affairs.

146. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to the demands of the American Indian Movement; to the Committee on Interior and Insular Affairs.

147. Also, memorial of the Legislature of the State of Nevada, relative to the transfer of Red Rock Recreation lands to the Nevada park system; to the Committee on Interior and Insular Affairs.

148. Also, memorial of the Legislature of the State of Oklahoma, relative to the renewal of broadcast licenses by the Federal Communications Commission; to the Committee on Interstate and Foreign Commerce.

149. Also, memorial of the Legislature of the State of Connecticut, ratifying the proposed amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

150. Also, memorial of the Legislature of the State of North Dakota, requesting Congress to propose an amendment to the Constitution of the United States relative to abortion; to the Committee on the Judiciary.

151. Also, memorial of the Legislature of the State of North Dakota, relative to changing the observance of Veterans Day to November 11; to the Committee on the Judiciary.

152. Also, memorial of the Legislature of the State of North Dakota, relative to absenteeism in Congress; to the Committee on the Judiciary.

153. Also, memorial of the Legislature of the State of Washington, ratifying the proposed amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

154. Also, memorial of the Legislature of the State of Washington, relative to creation of a wildlife refuge in the Nisqually Delta; to the Committee on Merchant Marine and Fisheries.

155. Also, memorial of the Legislature of the State of Washington, relative to the use of the franking privilege for federally related public assistance mail; to the Committee on Post Office and Civil Service.

156. Also, memorial of the Legislature of the State of North Dakota, relative to adoption of the metric system; to the Committee on Science and Astronautics.

157. Also, memorial of the Legislature of

the State of North Dakota, relative to tax reform; to the Committee on Ways and Means.

158. Also, memorial of the Legislature of the State of Washington, relative to the earnings test limitation in social security payments; to the Committee on Ways and Means.

159. Also, memorial of the Senate of the State of Washington, relative to the proposed elimination of Longview and Astoria, Wash., of U.S. Customs ports of entry for cargo vessels on the Columbia River; to the Committee on Ways and Means.

## PRIVATE BILLS AND RESOLUTIONS

Under clause I of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURLISON of Missouri:

H.R. 7087. A bill to authorize the Secretary of the Interior to sell reserved mineral interests of the United States in certain land in Missouri to Grace F. Sisler, the record owner of the surface thereof; to the Committee on the Interior and Insular Affairs.

By Mr. GRAY:

H.R. 7088. A bill for the relief of Cheong I Ryoo; to the Committee on the Judiciary.

By Mr. YOUNG of Alaska:

H.R. 7089. A bill for the relief of Michael A. Korhonen; to the Committee on the Judiciary.

## PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

171. By the SPEAKER: Petition of the City Council, Philadelphia, Pa., relative to funding the Opportunities Industrialization Center in Philadelphia; to the Committee on Education and Labor.

172. Also, petition of Frank R. Hackel, Chicago, Ill., and others relative to protection for law enforcement officers against nuisance suits; to the Committee on the Judiciary.

173. Also, petition of Arnold Van Dam, Muskegon, Mich., and others, relative to protection for law enforcement officers against nuisance suits; to the Committee on the Judiciary.

174. Also, petition of Dale Collie, Aberdeen, S.D., and others, relative to protection for law enforcement officers against nuisance suits; to the Committee on the Judiciary.

175. Also, petition of the council, city and county of Honolulu, Hawaii, relative to the definition of "secondary treatment" in waste disposal; to the Committee on Public Works.

## EXTENSIONS OF REMARKS

## NATIONAL LIBRARY WEEK

## HON. HUGH SCOTT

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, April 16, 1973

Mr. SCOTT of Pennsylvania. Mr. President, now that the 16th annual observance of National Library Week has come to a close, I wish to share with my colleagues President Nixon's statement stressing the importance of efficient and readily available library systems throughout our Nation. Accordingly, I ask unanimous consent that the Presi-

dent's White House statement launching National Library Week be printed at this point in the RECORD:

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,  
Washington.

PRESIDENT NIXON'S STATEMENT LAUNCHING  
NATIONAL LIBRARY WEEK (APRIL 8-14, 1973)

The strength of our nation resides in the knowledge, wisdom and spirit of our people. As we approach the two hundredth anniversary of our national independence, it is imperative that we intensify our efforts to hasten the day when every American will have a truly equal opportunity to realize the full potential of his abilities. Nothing is more

essential toward the achievement of this goal than an efficient and readily accessible library system.

National Library Week gives appropriate focus to the great array of resources offered by our libraries to people of every age. It calls on all Americans to broaden their vision, enhance their skills and achieve their rightful places as dignified, self-reliant citizens. It calls upon every community to improve its library and thereby to promote the well-being of its people.

I ask all Americans during this special observance to share generously in the support of our libraries and to make the fullest possible use of the rich treasures they possess.

RICHARD NIXON.

Mr. SCOTT of Pennsylvania. Mr. President, this year the dual themes of Na-