

I include a U.S. Postal Service news release as follows:

POSTAL SERVICE NEWS RELEASE

The U.S. Postal Service announced today that the United Nations Postal Administration will stage an exhibit in the Philatelic Exhibition Room at the Postal Service Headquarters from June 1 through June 30.

Titled "Stamps for Peace," the exhibit will be open to the public from 9:00 a.m. through 5:00 p.m., Monday through Saturday.

A ceremony dedicating the opening of the exhibit will be held in the Postmaster Gen-

eral's Reception Room on the third floor of Postal Service headquarters at 11:00 a.m. on June 1. Attendance will be by invitation only.

The exhibit consists mainly of a series of large and small panels. One panel will contain copies of the Postal Agreement between the United States and the United Nations. Displayed in another panel will be all UN stamps which have been issued, including those issued in 1973. All UN first day cachets which have been issued will be shown in another set of panels.

Also depicted will be the process of design,

selection and issuance of UN stamps and other typical UN activities which are described by stamps.

Progressive proofs will be shown of several UN issues, including two which highlight the social problems of racial discrimination and drug abuse.

A projector will operate continuously during the exhibit, showing reproductions of UN stamps on a screen. Thirty by forty inch blowups of UN stamps will also be displayed, and pamphlets and other information will be available to the public.

HOUSE OF REPRESENTATIVES—Tuesday, May 29, 1973

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

Unless the Lord builds the house, those who build it labor in vain.—Psalms 127: 1.

Eternal God, our Father, who hast created us with minds to think, hearts to love, and wills to choose the right, we bow our heads before this altar of prayer set up by our fathers at our Nation's birth that we may feel Thy presence near and be assured of Thy love as we endeavor to meet the challenge of this present hour. Breathe into our hearts and into the hearts of our people the generosity of good living and the greatness of genuine faith.

Guide and direct the Members of this House of Representatives that their actions may be just, fair, and kind, and that our Nation and the nations of the world may benefit by their wise decisions. In all humility and faith may they lead our citizens and the peoples of the world in the paths of justice, peace, and good will.

In the spirit of Christ we pray. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on May 16, 1973, the President approved and signed a joint resolution of the House of the following title:

H.J. Res. 393. Joint resolution to amend the Education Amendments of 1972 to extend the authorization of the National Commission on the Financing of Postsecondary Education and the period within which it must make its final report.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON AGRICULTURE

The SPEAKER laid before the House the following communication from the

chairman of the Committee on Agriculture; which was read and, together with the accompanying papers, referred to the Committee on Appropriations:

WASHINGTON, D.C.,
May 23, 1973.

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

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture on May 22, 1973, considered and unanimously approved the following work plans for watershed projects which were transmitted to you by Executive Communication 759, 93d Congress, and referred to this Committee:

Bacon Creek, Iowa
Carbon Hill, Montana
Cow Creek, Oklahoma
Colenoy River, South Carolina
Tallulah Creek, North Carolina
Attached are Committee resolutions with respect to these projects.

With every good wish, I am,
Yours sincerely,

W. R. POAGE, Chairman.

THE PROHIBITED KNIFE ACT

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

Mr. WOLFF. Mr. Speaker, I was deeply saddened to learn of the incident this weekend in which two youths from my district were stabbed—one fatally—with a long-bladed folding knife. This is the kind of tragedy which I believe could have been avoided if we had tough knife control legislation on the books.

Today I am reintroducing the Prohibited Knife Act which would strengthen Federal knife control legislation. For the last 4 years I have urged Congress to enact legislation to ban the sale and manufacture and possession of the most easily accessible weapons in our society—switchblade, gravity, and long-bladed folding knives. These deadly knives are sold indiscriminately and displayed openly and grotesquely in gleaming showcases to attract prospective buyers.

Switchblade knives, gravity knives, and long-bladed folding knives have no legitimate purpose or use for which other knives are not better suited. Sportsmen, fishermen, and the industry itself have borne me out on this. I am talking about those weapons whose only purpose is violence.

Knives are the second most often used weapon in murder cases. This is the proof that the Switchblade Knife Act of 1958 is grossly ineffective in curbing the availability of these knives.

PERMISSION FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES TO FILE REPORT ON H.R. 7670, MARITIME PROGRAMS OF DEPARTMENT OF COMMERCE.

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries have until midnight tonight to file a report on H.R. 7670, to authorize appropriations for the fiscal year 1974 for certain maritime programs of the Department of Commerce.

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

There was no objection.

PRINTING OF EULOGIES AND ENCOMIUMS OF THE LATE PRESIDENT HARRY S TRUMAN

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 93-229) on the concurrent resolution (H. Con. Res. 110) providing for the printing, as a House document, of eulogies and encomiums of the late President of the United States, Harry S Truman, and ask for immediate consideration of the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 110

Resolved by the House of Representatives (the Senate concurring), That there be printed with illustrations as a House document the eulogies and encomiums of the late President of the United States, Harry S Truman, as expressed in the House of Representatives and the Senate. Such publication to include the text of the funeral service held in Independence, Missouri, as well as the prayers and scriptural selections delivered at the memorial service on January 5, 1973, at the Washington Cathedral; and that thirty-two thousand five hundred additional copies shall be printed, of which twenty-two thousand one hundred and fifty shall be for the use of the House of Representatives and ten thousand three hundred and fifty shall be for the use of the Senate.

SEC. 2. The copy shall be prepared and bound in such style as the Joint Committee on Printing may direct.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF REVISED EDITION OF "THE CAPITOL"

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Rept. No. 93-230) on the concurrent resolution (H. Con. Res. 132) to provide for the printing, as a House document, of a revised edition of "The Capitol," and ask for immediate consideration of the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 132

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document with illustrations, a revised edition of "The Capitol", compiled under the direction of the Joint Committee on Printing; and that four hundred and sixty-nine thousand additional copies shall be printed, of which four hundred and thirty-nine thousand copies shall be for the use of the House of Representatives and thirty thousand copies shall be for the use of the Joint Committee on Printing.

With the following committee amendments:

Page 1, line 5, delete "sixty-nine" and insert "seventy-two".

Lines 6 and 7, delete "thirty-nine" and insert "forty-two".

The committee amendments were agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF THE COMPILATION OF THE SOCIAL SECURITY LAWS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged report (Report No. 93-231) on the concurrent resolution (H. Con. Res. 200) to provide for the printing of the compilation of the social security laws and ask for immediate consideration of the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 200

Resolved by the House of Representatives (the Senate concurring), That the compilation of the social security laws, prepared by the Social Security Administration for the use of the Committee on Ways and Means, be printed as a House document and that five hundred additional copies be printed for the use of the House Document Room, and that two thousand additional copies be printed for the use of the Committee on Ways and Means.

With the following committee amendments:

Page 1, line 3, immediately after "prepared" insert "in two volumes".

Page 1, line 8, immediately after the period insert the following: "Three thousand five hundred additional copies of volume I and five hundred additional copies of volume II shall be printed for the use of the Committee on Finance of the Senate."

The committee amendments were agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FOURTH ANNUAL REPORT OF THE INDEPENDENT NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS AND THE NATIONAL HOUSING PARTNERSHIP—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

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 Banking and Currency:

To the Congress of the United States:

As required by Public Law 90-448, I am transmitting herewith the Fourth Annual Report of the Independent National Corporation for Housing Partnerships and the National Housing Partnership. It covers the period of January 1, 1972-December 31, 1972.

RICHARD NIXON.

THE WHITE HOUSE, May 29, 1973.

ANNUAL REPORT OF THE RAILROAD RETIREMENT BOARD FOR FISCAL YEAR 1972—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-27)

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 Interstate and Foreign Commerce and ordered to be printed with illustrations:

To the Congress of the United States:

I hereby transmit to you the Annual Report of the Railroad Retirement Board for fiscal year 1972.

During the period covered, railroad retirement and survivor benefits were paid to more than one million beneficiaries and totaled \$2.1 billion; railroad unemployment and sickness insurance benefits totaling over \$120 million were paid to over 360,000 claimants.

This document is of added interest now that the Congress has instructed railroad management and labor, and retirees, through negotiations, to recommend a plan that would protect the financial position of the railroad retirement system. Such a plan must take into consideration the report of the Commission on Railroad Retirement, a synopsis of which is included in this annual report.

RICHARD NIXON.

THE WHITE HOUSE, May 29, 1973.

PLAY BALL

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

Mr. MIZELL. Mr. Speaker, I rise briefly at this time to express my sincere and

enthusiastic congratulations to Mr. Joseph Danzansky and his associates for their successful efforts to bring baseball back to the Nation's Capital.

My appreciation, and that of many of my colleagues and thousands of baseball fans in the Washington area, also goes to our distinguished colleagues, BERNIE SISK, FRANK HORTON, JOEL BROYHILL, the very capable Mayor Walter Washington, and several others who played active roles in getting Washington back in the baseball business.

And I am especially happy to see that it is a National League ballclub—the San Diego Padres—that is coming to Washington, and that its new owners are a group of dedicated men who are community minded and who are committed to making baseball a good thing again in Washington.

As many of my colleagues will remember, I spoke in this Chamber in August of 1971 about the need for a major league baseball team here in Washington, shortly after the Washington Senators were so abruptly moved to Texas.

To see that keen desire realized today, or nearly so with only the National League owners' approval to be obtained, is a most gratifying and exciting experience for me.

As a former National Leaguer myself, I welcome the Padres to Washington, I salute their new owners, and I look forward to the 1974 season when those familiar but still exciting words—"play ball"—are heard again in Washington.

AMENDING PAR VALUE MODIFICATION ACT

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 408 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 408

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. 6912) to amend the Par Value Modification Act, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Tennessee (Mr. QUILLEN) and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 408 provides for an open rule with 1 hour of general debate on H.R. 6912, a bill to establish the official value of the dollar at a level reflecting the current market

value declared by the Secretary of the Treasury last February 12.

H.R. 6912 authorizes and directs the establishment of a new par value of the dollar, one dollar equal to 0.828948 special drawing right, or, in terms of gold, forty-two and two-ninths dollars per fine troy ounce of gold. The effect of this provision is to establish a new par value for the dollar of 10 percent less than provided in Public Law 92-268, 92d Congress.

H.R. 6912 also repeals prohibitions against private citizen purchase, holding and selling of gold, at a date to be determined by the President.

The bill authorizes appropriations of two billion, two hundred and fifty million dollars to be committed to international development lending institutions, the International Monetary Fund, and certain dollar obligations of the Inter-American Development Bank. Of this total, \$25 million will be kept in a contingency reserve.

Many of us might not be particularly for it, but, Mr. Speaker, our failure to act favorably on this legislation might stimulate speculation in the monetary markets and place the dollar again in some difficulty. We have a responsibility to pass H.R. 6912. I urge adoption of House Resolution 408 in order that we may discuss and debate H.R. 6912.

Mr. GROSS. Mr. Speaker, will the distinguished gentleman from Louisiana (Mr. LONG) yield?

Mr. LONG of Louisiana. I am happy to yield to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, the gentleman says we have a responsibility to pass this bill. I assume we have a responsibility to consider most legislation that comes before us, but I am unable to understand the emphasis on "responsibility to pass this bill," since apparently the devaluation of the dollar took place on February 12.

So that devaluation is as of today a fact of life, is it not?

Mr. LONG of Louisiana. Mr. Speaker, there is no question but that the gentleman is correct. As I said in my remarks, I personally regret the necessity of having to act in this matter.

It appears to me that the incumbent administration has put us in the position where we are going to have to discharge our responsibilities. They have put us into a position where we have no other course of action available to us, because of what they have done, but to act to prevent further devaluation from arising.

I would like to, if I may, Mr. Speaker, yield to the distinguished gentleman from Texas (Mr. GONZALEZ) who is the chairman of the subcommittee which handled this matter in the legislative committee having jurisdiction, and ask him if he would like to comment upon the points which the distinguished gentleman from Iowa (Mr. GROSS) has raised.

Mr. GONZALEZ. Mr. Speaker, will the gentleman from Louisiana (Mr. LONG) yield?

Mr. LONG of Louisiana. I yield such time as he may consume to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, I thank

the gentleman, and I appreciate his courtesy.

I think the gentleman from Louisiana (Mr. LONG) has answered the question as factually and cogently as it can be answered. This does reflect a post hoc action in light of the announcement of February 12 by the Secretary of the Treasury.

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

Mr. GONZALEZ. I yield to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, we are then after the fact—and long after the fact—now considering an action taken by the executive branch of Government in which we have no part whatsoever and which involves a minimum of \$2,250 million; is that not correct?

Mr. GONZALEZ. The gentleman is correct. Mr. Speaker, we bring this out in our report. This is identical, as to the modus operandus, as happened last year at the time of the first devaluation. At that time, as far as I know, there was no prior consultation on the part of the executive with anybody on the congressional level.

Mr. GROSS. But the failure of commission or omission on the part of the House or on the executive branch of the Government, the failure in one instance ought not to entitle or encourage the House of Representatives and the Congress for that matter to approve a failure in another instance.

Mr. GONZALEZ. There is no question about that. I agree thoroughly with the gentleman.

Mr. GROSS. That is exactly what is happening, is it not?

Mr. GONZALEZ. Not exactly.

Mr. Speaker, as the gentleman will recall, the Congress has not been confronted with this as in the last year for a period of almost 35 years, so quickly on the heels of the first devaluation we had the request for the formal change in the par value, as to which the Congress honored the President's commitment. This time, if the gentleman will notice, there has been a longer interim between the de facto devaluation announced by the Secretary, according to our constitutional processes, and the time that this House is considering it, and, in fact, one of the reasons being that we had considered and have obtained from the executive branch an understanding in writing that the Congress will be informed, as it has not been before, as to certain activities preceding the devaluation in this case, where the action taken by the executive branch of the Government, whether it be the Treasury Department or whether it be by the Federal Reserve Board, acting as an agent for the Treasury Department, in effect goes to our constitutional prerogative of setting the value of money.

Mr. Speaker, we do have that now. One of the reasons we have this now, in May, after February the 12th, is that in protecting the constitutional prerogatives of this Congress and other Congresses, we have insisted upon and obtained these written assurances that from here on out we are going to have the information we did not have before.

Now, do not let that give you the impression that the Executive is going to come in and necessarily consult with the Congress, because this depends upon the nature and the personality of the President, but it is a continuing question that we should be asking ourselves about our role in constitutional responsibility of setting the value of money, and it is one that this committee or some committee is very much concerned about. We are currently planning a course of action which, if adopted by the members of the subcommittee, will go a long way toward making sure that when our executive branch officials go around the world they will be mindful of the constitutional provision that says that only the Congress shall coin money and set the value thereof.

Mr. GROSS. Will the gentleman yield further?

Mr. GONZALEZ. I am delighted to yield.

Mr. GROSS. That provision was in the Constitution for all to read on February 12 of this year.

Mr. GONZALEZ. That is true.

Mr. GROSS. And the law was on the statute books for all to read on February 12 of this year. Yet that law was ignored, was it not?

Mr. GONZALEZ. Yes. The gentleman from Iowa must keep in mind that just as the residual powers of the President are concerned, there are some actions that the Executive by the very flow of events at this time will decide under highly questionable constitutional procedural methods, but to all intents and purposes, from a practical viewpoint they are an accomplished fact.

Mr. GROSS. My friend from Texas is not trying to read into the action taken on February 12 and the action being taken here today—he is not trying to read into the powers of the Chief Executive as Commander in Chief authority not to observe the Constitution of the United States, is he?

Mr. GONZALEZ. Absolutely not.

Mr. GROSS. And the laws of this country?

Mr. GONZALEZ. Absolutely not. How could my distinguished colleague from Iowa ever misinterpret any statement I have made in explaining a fact as giving any kind of justification for a usurpation of his constitutional authority by the Chief Executive? Never, never.

Mr. GROSS. I am simply referring to the gentleman's reference to the President as Commander in Chief.

Mr. GONZALEZ. There again the gentleman from Iowa demonstrates his inimitable knack of hitting the nail with his head.

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

Mr. GONZALEZ. I am glad to yield to the distinguished gentleman from California.

Mr. HANNA. I thank the gentleman for yielding.

I want to ask the chairman of the committee a series of questions, if I may.

Is it not true, Mr. GONZALEZ, that what we have seen here in two different instances has been the Executive's response to a condition in an international money

marketplace and that Executive response came after the Treasury representatives had visited with all of the other capitals of the world and the treasuries of those capitals making an arrangement without the participation of anyone in Congress by which the executive department felt it was facing the facts as they existed in an international money market?

Mr. GONZALEZ. The answer is yes with this qualification: It did not happen the same way on both occasions. The gentleman will recall while Congress was in recess on August 15, 1971, the President did not call it a devaluation; in fact, nobody did for 2 days. However, in effect, he brought about a devaluation, if you want to call it that, as differentiated from an appreciation or a depreciation of the dollar. There are technical differences.

But his announcement was out of the blue, and in effect said that we would not adhere to the Bretton Woods agreement in the conversion of dollars to gold. In effect we are saying that the Bretton Woods agreement is dead, and we are off of it because of the forces the gentleman explained.

But we must also remember that contemporaneously with that announcement was the announcement of the first 90 days of voluntary controls for the domestic economy. That is what took the headlines, and not the real implication of the other announcement about taking the dollars off the standard. So that on February 12 the difference was, as the Treasury officials gleefully explained, that they were under no pressure, but were voluntarily going around in a quickie fashion to consult with the other central bankers in the other nations in order to announce that we had voluntarily initiated the action of what amounted to a further 10-percent decrease in the value of the dollars so that there was rather a technical difference as to the procedure used and the announcement that was made.

Mr. HANNA. But in each instance this was purely the executive department's action?

Mr. GONZALEZ. The gentleman is correct.

Mr. HANNA. There was no consultation with the gentleman from Texas, or his committee?

Mr. GONZALEZ. No, there was no such consultation.

Mr. HANNA. And as the gentleman from Iowa (Mr. Gross) has been trying to make clear the point that we all accept the fact that we were left with a fait accompli, and now we are tied to the provisions in the agreement made by our Government, and the fact that whenever something like that occurs then we have to look to that agreement and see what it requires us to do, and that is the purpose of the bill that is to come before us, to comply with the contracts our Government made, and international agreements involving international financial institutions.

Mr. GONZALEZ. In fact, the net residue here is the foregone conclusion of binding obligations that the President has already announced which have been initiated.

As the gentleman from California knows, the gentleman being a very eminent and efficient member of our subcommittee, we have been, and in fact we are still faced, and have been since May of 1971, with the fruitlessness on the congressional level of handling this kind of announcement. So we have in the meanwhile, as the gentleman, I am sure, knows, through our subcommittee, been going into this fact of congressional oversight and anticipatory recommendations that we hope the executive branch will heed.

Mr. HANNA. One final question. Did not the gentleman from Texas and his committee actually make as a condition precedent to bringing this bill to the floor a requirement that this Congress through our committee be made aware earlier, and when and if minute maneuvers are being carried on, so that we will not get in this kind of a situation again?

Mr. GONZALEZ. The gentleman is correct.

Mr. HANNA. I thank the gentleman.

Mr. LONG of Louisiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before yielding to the distinguished gentleman from Tennessee, I wish the RECORD to show that I associate myself with the questions raised by the gentleman from Iowa, the gentleman from Texas, and the gentleman from California, as to the procedures that were followed by the executive branch in handling this whole situation.

May I also congratulate the gentleman from Texas and the gentleman from California for setting up additional procedures through which we hope it will insure that the Congress is given more consideration in the matters of this type.

As the gentleman from Texas knows, I for one raised a number of these same questions before the Committee on Rules that are being discussed here. I was reluctant because of the abuse of executive authority, to handle the rule on this matter, but I feel that if we do not do something at this time we will be compounding the matter, and that is the reason that I agreed to handle the rule.

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

Mr. Speaker, House Resolution 408, the rule under which we will consider H.R. 6912, Amending the Par Value Modification Act, is an open rule with 1 hour of general debate.

The primary purpose of H.R. 6912 is to authorize and direct the Secretary of the Treasury to establish a new par value of the dollar at 10 percent less than that provided in Public Law 92-268. The new par value would be one dollar equal to 0.828948 special drawing right, or in terms of gold, forty-two and two-ninths dollars per fine troy ounce of gold.

The bill also includes an expression of the sense of Congress that the President should expedite efforts toward international monetary reform. This is included because of the slow progress in reaching an agreement on international monetary reform.

In addition, section 3 repeals the prohibitions which apply to the ownership of gold by Americans. This would apply

when the President determines that the progress of monetary reform no longer requires the regulation of gold.

As submitted by the administration, the total cost of this program will be \$2,250 million. Of that figure, \$2,225 million will be required to maintain the value of paid-in capital subscriptions to international development lending institutions, the International Monetary Fund, and certain dollar obligations of the Inter-American Development Bank. The remaining \$25 million is a contingency reserve.

Mr. Speaker, I urge the adoption of this rule, so that the House may work its will on this legislation.

Mr. Speaker, I have no requests for time, but I reserve the balance of my time.

Mr. LONG of Louisiana. Mr. Speaker, I have no further requests for time, and, subject to the approval of the minority, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

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

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

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 299, nays 9, "present" 1, not voting 123, as follows:

[Roll No. 160]

YEAS—299

| | | |
|----------------|-----------------|-----------------|
| Abdnor | Clancy | Ford, Gerald R. |
| Abzug | Clark | Forsythe |
| Addabbo | Clausen, | Fountain |
| Alexander | Don H. | Fraser |
| Anderson, Ill. | Clawson, Del | Frelinghuysen |
| Andrews, N.C. | Clay | Frenzel |
| Andrews, | Cleveland | Frey |
| N. Dak. | Cochran | Fulton |
| Archer | Collins | Gettys |
| Arends | Conable | Giaino |
| Armstrong | Conte | Gibbons |
| Ashbrook | Corman | Gilman |
| Ashley | Crane | Ginn |
| Aspin | Culver | Gonzalez |
| Bafalis | Daniel, Dan | Grasso |
| Baker | Daniel, Robert | Green, Oreg. |
| Barrett | W. Jr. | Green, Pa. |
| Beard | Daniels, | Grover |
| Bell | Dominick V. | Gude |
| Bennett | Danielson | Gunter |
| Bergland | Davis, S.C. | Guyer |
| Bevill | Davis, Wis. | Haley |
| Biester | Dellenback | Hamilton |
| Bingham | Dellums | Hanna |
| Blackburn | Denholm | Hansen, Idaho |
| Boland | Dennis | Harrington |
| Bowen | Derwinski | Harsha |
| Brademas | Devine | Harvey |
| Brasco | Dingell | Hebert |
| Breckinridge | Dorn | Hechler, W. Va. |
| Brinkley | Downing | Heckler, Mass. |
| Brooks | Drinan | Heinz |
| Brotzman | Dulski | Helstoski |
| Brown, Mich. | Duncan | Henderson |
| Broyhill, Va. | du Pont | Hicks |
| Buchanan | Eckhardt | Hinshaw |
| Burgener | Edwards, Ala. | Hogan |
| Burke, Mass. | Edwards, Calif. | Holt |
| Burleson, Tex. | Ellberg | Holtzman |
| Burlison, Mo. | Erlenborn | Horton |
| Burton | Eshleman | Huber |
| Butler | Evans, Colo. | Hudnut |
| Byron | Fascell | Hungate |
| Cederberg | Findley | Hutchinson |
| Chamberlain | Flood | Jarman |
| Chappell | Foley | Johnson, Calif. |

Johnson, Colo. Nelsen
Johnson, Pa. Nichols
Jones, N.C. Obey
Jones, Okla. O'Brien
Jones, Tenn. Owens
Jordan Farris
Karth Passman
Kemp Patman
Ketchum Patten
King Perkins
Koch Pettit
Kyros Peyser
Lehman Pickle
Littion Pike
Long, La. Poage
Long, Md. Podell
Lott Preyer
Lujan Pritchard
McClary Quile
McCloskey Quillen
McCollister Rangel
McDade Rees
McEwen Regula
McFall Reid
McKinney Reuss
McSpadden Rhodes
Macdonald Riegle
Madden Rinaldo
Madigan Roberts
Mahon Robinson, Va.
Mallory Roe
Mann Rogers
Maraziti Roncallo, Wyo.
Martin, Nebr. Rooney, Pa.
Mathias, Calif. Rose
Matsunaga Rosenthal
Mayne Roush
Mazzoli Rousselot
Meeds Roybal
Melcher Runnels
Metcalf Ruppe
Mezvinisky Ruth
Miller Ryan
Minish St Germain
Minshall, Ohio Sarasin
Mitchell, Md. Sarbanes
Mitchell, N.Y. Satterfield
Mizell Saylor
Moakley Scherie
Moorhead, Calif. Schneebeli
Morgan Schroeder
Mosher Sebellus
Murphy, Ill. Seiberling
Myers Shipley
Natcher Shoup
Nedzi Shriver
Shuster

NAYS—9

Dent Hammer-
Gaydos schmidt
Goodling Landgrebe
Gross Moss

"PRESENT"—1

Hanrahan

NOT VOTING—123

Adams Ewins, Tenn.
Anderson, Calif. Fish
Annunzio Fisher
Badillo Flowers
Blaggi Flynt
Blatnik Ford,
Boggs William D.
Bolling Froehlich
Bray Fuqua
Breaux Goldwater
Broomfield Gray
Brown, Calif. Griffiths
Brown, Ohio Gubser
Broyhill, N.C. Hanley
Burke, Calif. Hansen, Wash.
Burke, Fla. Hastings
Camp Hawkins
Carey, N.Y. Hays
Carney, Ohio Hillis
Carter Hollifield
Casey, Tex. Hosmer
Chisholm Howard
Cohen Hunt
Collier Ichord
Conlan Jones, Ala.
Conyers Kastenmeier
Cotter Kazen
Coughlin Keating
Cronin Kluczynski
Davis, Ga. Kuykendall
de la Garza Landrum
Delaney Latta
Diggs Leggett
Donohue Lent
Esch McCormack
McKay
Mailliard

Sikes
Sisk
Skubitz
Slack
Smith, N.Y.
Snyder
Staggers
Stanton,
J. William
Stanton,
James V.
Stark
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stephens
Studds
Symms
Talcott
Taylor, N.C.
Teague, Calif.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Ullman
Van Deerlin
Vander Jagt
Vanik
Veysey
Vigorito
Walsh
Wampler
Whalen
Whitehurst
Wildnall
Williams
Wilson, Bob
Wilson,
Charles H.,
Calif.
Wolff
Wyatt
Wydler
Wylie
Wyman
Yates
Young, Alaska
Young, Ill.
Young, Tex.
Zablocki
Zion
Zwach

Tiernan
Udall
Waggonner
Waldie
Ware
White
Whitten
Wiggins
Wilson,
Charles, Tex.
Winn
Wright
Young, Fla.
Young, Ga.
Young, S.C.

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Lent.
Mr. Hollifield with Mr. Gubser.
Mrs. Boggs with Mr. Carter.
Mr. Blatnik with Mr. Price of Texas.
Mr. Kastenmeier with Mr. Diggs.
Mr. Kluczynski with Mr. Michel.
Mr. Rostenkowski with Mr. Latta.
Mrs. Sullivan with Mr. Taylor of Missouri.
Mr. Teague of Texas with Mr. Hosmer.
Mr. Waggonner with Mr. Bray.
Mr. Tiernan with Mr. Cohen.
Mr. Whitten with Mr. Camp.
Mr. Moorhead of Pennsylvania with Mr. Coughlin.

Mr. Murphy of New York with Mr. Fish.
Mrs. Chisholm with Mr. Leggett.
Mr. Carey of New York with Mr. Hastings.
Mr. Annunzio with Mr. Powell of Ohio.
Mr. Adams with Mr. Collier.
Mr. Casey of Texas with Mr. Froehlich.
Mr. Davis of Georgia with Mr. Broyhill of North Carolina.
Mr. Delaney with Mr. Mailliard.
Mr. Donohue with Mr. Martin of North Carolina.
Mr. Evins of Tennessee with Mr. Kuykendall.

Mr. William D. Ford with Mr. Esch.
Mr. Kazen with Mr. Conyers.
Mrs. Griffiths with Mr. Broomfield.
Mr. Gray with Mr. Hillis.
Mr. Hanley with Mr. Hawkins.
Mr. Hays with Mr. Brown of Ohio.
Mr. Howard with Mr. Hunt.
Mr. Jones of Alabama with Mr. Dickinson.
Mr. Landrum with Mr. Conlan.
Mr. Mathis of Georgia with Mr. Keating.
Mr. McCormack with Mr. Goldwater.
Mr. Mollohan with Mr. Burke of Florida.
Mr. O'Neill with Mr. Cronin.
Mr. Fuqua with Mr. Young of Florida.
Mr. Cotter with Mr. Roncallo of New York.
Mr. Fisher with Mr. Steelman.
Mr. Flynt with Mr. Spence.
Mrs. Mink with Mr. Ware.
Mr. Ichord with Mr. Milford.
Mr. Pepper with Mr. Montgomery.
Mr. Price of Illinois with Mr. Rallsback.
Mr. Randall with Mr. Flowers.
Mr. Rodino with Mr. Sandman.
Mr. Roy with Mr. Anderson of California.
Mr. Smith of Iowa with Mr. Blaggi.
Mr. Stratton with Mr. Robison of New York.
Mr. Stubblefield with Mr. Young of South Carolina.
Mr. Udall with Mr. Winn.
Mr. Waldie with Mr. Wiggins.
Mr. Stokes with Mr. Badillo.
Mr. Breaux with Mr. Brown of California.
Mrs. Burke of California with Mr. de la Garza.
Mrs. Hansen of Washington with Mr. McKay.
Mr. Mills of Arkansas with Mr. O'Hara.
Mr. Nix with Mr. Symington.
Mr. Stuckey with Mr. White.
Mr. Charles Wilson of Texas with Mr. Young of Georgia.
Mr. Wright with Mr. Carney of Ohio.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6912) to amend the Fair Value Modification Act, and for other purposes.

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

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 6912, with Mr. VANIK in the chair.

The Clerk read the title of the bill.

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

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

The Chair recognizes the gentleman from Texas.

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

Mr. Chairman, hearings on the par value legislation before us were held by the committee's Subcommittee on International Finance chaired by the Honorable HENRY B. GONZALEZ. I want to take this opportunity to commend the excellent work done by the subcommittee under the superlative direction of its subcommittee chairman.

The hearings conducted by the subcommittee were extensive and complete. Further, the committee report, I believe, fully explains and describes all of the necessary objectives, positions and ramifications of this legislation.

In meeting the objectives of the administration to secure expeditious consideration of this legislation, and in meeting with our congressional responsibility to fully explore all aspects of the effect of this legislation, if enacted, the full committee heard the subcommittee during its usual markup session and ordered the bill favorably reported by a vote of 24 to 6.

Based primarily on the fact that if we do not approve this legislation we will have in fact reneged on a number of international commitments which we have to various international institutions, I support the legislation for the reason hereafter stated. But I hasten to add that merely by approving this legislation we will not to any substantial degree cure our international economic problems.

Although our last month trade balance was positive, there is much yet to be done regarding international trade and monetary matters, to say nothing of a whole host of domestic issues which must be properly solved before we can look forward to any wholesome and sustained positive balance-of-trade and balance-of-payments issues.

Mr. Chairman, as I indicated I do support this legislation as an important part of the legislation process to obtain appropriate consideration of the important proposals in the bill before us. I yield to the distinguished chairman of the subcommittee, the Honorable HENRY B. GONZALEZ to provide to the Members of the House a detailed explanation and justification of the action of this committee.

Mr. Chairman, the truth is our economy is almost on dead center. Our Gov-

ernment is on dead center, and the Congress is on dead center. Something must be done, and done soon, that is favorable or we will be facing a number of more serious problems.

Mr. Chairman, as I indicated, I do support this legislation as an important part of the legislative process to obtain appropriate consideration of the important programs in the bill before us.

Mr. Chairman, I yield 15 minutes to the distinguished chairman of the subcommittee, the gentleman from Texas, the Honorable HENRY B. GONZALEZ, to provide to the Members of the House a detailed explanation and justification of the action of this committee.

Mr. GONZALEZ. Mr. Chairman, last February 12, the Secretary of the Treasury announced that he would ask the Congress to approve a 10 percent devaluation of the dollar. This announcement followed a serious international exchange crisis, and took place after an extraordinary series of foreign journeys by Under Secretary of the Treasury Paul Volcker, who had been working to negotiate some way out of the crisis. The devaluation announcement calmed the markets for a while, but a few days later there was an unprecedented speculative run on the world monetary markets. This forced the official exchanges to close for a period of some days—again, an unprecedented event for the current world monetary system. This second crisis eased when Secretary Shultz and Under Secretary Volcker engaged in another series of meetings with our trading partners, which resulted in the present system of floating exchange rates. Even this system has been troubled in recent days with a feverish gold market, but the monetary rates themselves have been fairly stable.

That brings us to the present.

Immediately after Secretary Shultz announced the administration's intention to seek a 10-percent devaluation of the dollar, the market of course automatically devalued the dollar in that amount. What we have before us is the bill that would carry out the legal devaluation, but the marketplace reality has been in effect for some time.

The first section of the bill resets the value of the dollar at forty-two and two-ninth dollars per fine troy ounce of gold, or in other words, makes the dollar equal to 0.023684 of a fine troy ounce of gold. The bill for the first time contains a new definition of the dollar, this in terms of special drawing rights—SDR. The special drawing right is an international reserve asset, sometimes called paper gold, created in 1968 by the International Monetary Fund as a supplement to gold, and hopefully as an eventual replacement for gold as a monetary reserve asset. The SDR originally was valued at \$1 or one thirty-fifth of an ounce of gold, which was the gold value of the dollar in 1968. Like gold, the special drawing right has a constant value and therefore this bill defines the devalued dollar as a fraction of one SDR. Specifically, the dollar would be defined as being worth 82.89 percent of one SDR, or \$1 equals 0.828948 SDR.

In short, the dollar would be devalued by 10 percent by this bill.

All of us recognize that one of the causes of monetary crises is the fact that the international monetary system is in need of reform. The fundamental conditions of the world have changed since the current system was established in 1944. At that time the United States stood alone as a major power undamaged by war. Britain, a major financial power before the war, stood on the brink of ruin. Europe was devastated physically and of course economically comatose. Japan was ruined. The United States alone could rescue the world from its financial prostration, and the entire monetary system established at the Bretton Woods Conference was based on this hard reality.

But times have changed. Europe is rebuilt and has formed an economic union that competes with us and seeks to exclude some of our products from its markets. Japan has emerged as an economic giant—technologically advanced, aggressive and successful in the world marketplace. Where once it seemed inconceivable that the United States would have an unfavorable balance of payments, today our deficit is running at a tremendous pace.

These vastly altered circumstances have changed the monetary realities of the world. The dollar is no longer king, because the United States is not the only strong economic system in the world any longer.

These changed conditions mean that we must have some changes in the international monetary system. The need is indicated by the increasing frequency and scope of monetary crises. Therefore we have recommended in this bill that the Congress express its belief that international monetary reform efforts must be expedited.

I am encouraged that today we are at least having serious discussions about monetary reform. The United States has put forward serious reform proposals. I think we have a right to expect that our trading partners will respond and that we can have at least the basis for monetary reform by the time the International Monetary Fund meets this September.

Section 3 of the bill would legalize the private ownership of gold by individual citizens in this country at some future date to be determined by the President. The committee believes that it would not be prudent to legalize private gold ownership at this time, but that lifting restrictions on individual gold holdings may be possible in the future.

The danger in lifting all restrictions on gold ownership at some arbitrary future date is substantial. First, we do not know what conditions may be in the future. There could be conditions that would produce a great demand for gold to be held for investment, speculation or simple hoarding. If such a demand were strong enough, we could expect great increases in the market of gold, which is already very high.

This in turn would produce severe problems for industrial users of gold—by diverting supplies from the industrial market and by inducing price dislocations. A big increase in the price of gold to jewelers could not help but be reflected

in higher wholesale and retail prices, for example. Second, beyond the problem of supply dislocations and inflation, a large demand for gold for speculation or hoarding might well cause large increases in our balance-of-payments deficit. Virtually all the free gold in the world today is in foreign hands. For U.S. citizens to obtain gold for hoarding purposes, dollars would have to be sent abroad. There is no way to predict how great such an outflow could be, but it could be very large, and the consequences equally great. Third, the position of gold in the international monetary system is far from settled, and is subject to negotiation. A sudden lifting of our present gold holding restrictions could well cause grievous harm to these negotiations, and set off a real monetary crisis.

It would be erroneous to assume that we could easily produce from domestic sources all the gold needed for meeting speculative demand at once. Domestic production does not even meet our present needs. The problem is simple: Gold production is not very elastic—it does not respond much to the pressures of demand.

This is because most of our domestically produced gold, and in fact virtually all of it, comes as a byproduct of other mining activities. We have in the United States only one active gold mine that I know of. Obviously then, the production of gold is not about to increase dramatically. As a matter of fact, the reason that the world went off the gold standard was that gold production could not possibly match the needs of the world monetary system—the world economy was and is growing too fast to allow this. I don't think we could expect anything different to happen in gold production to satisfy individual speculators. That is why a sudden speculative demand would certainly send huge amounts of money abroad, thereby damaging our payments position and the national interest.

But there may be nothing wrong in principle with individual ownership of gold. That is why this bill would allow the President to lift restrictions on individual ownership at a time when he determines our international monetary position would not be damaged by such an action—in other words, the bill would authorize lifting of restrictions on individual gold ownership when the President finds that this would not damage the national interest.

I want to emphasize that this would not mean that we intend to allow the writing of contracts in gold, or otherwise change the joint resolution on gold. Our intention is merely to allow individuals to buy, sell and own gold if and when it is possible to do this without sacrificing our national interest.

The text of the bill does not mention it, but I want to make it clear to the House that one effect of this legislation would be to authorize the appropriation of \$2.25 billion to cover maintenance of value commitments of the United States. The Treasury estimates that \$2.225 billion of this would be actually required, so that some \$25 million would be set aside as a contingency reserve. The reason for this reserve is that the actual amount of our obligations can be calcu-

lated only on the day of official devaluation.

The money requested by the Treasury is needed because our agreements with the International Monetary Fund and the various international development financing institutions require that capital subscriptions be maintained in a constant value. We insisted on these provisions so that the capital structure of the institutions would not in any way be impaired by devaluation. Whenever any member country devalues, it has an obligation to pay in whatever amounts are needed to maintain the original value of their capital subscriptions to these institutions. It is clearly our duty to do so when we devalue our own currency.

The actual budgetary impact of the payments to the development institutions would be small in any given year. No money would actually be spent this fiscal year, and only about \$12 million in fiscal 1974. Payments of about equal size would be made in each of the following 12 years, for a total of about \$477 million. Specifically, the total payments would be distributed as follows: about \$71 million to the International Bank for Reconstruction and Development—the World Bank—and \$161 million to its sister institution, the International Development Association. Some \$233 million would be required for the Inter-American Development Bank and \$12 million for the Asian Development Bank.

In addition to these payments for maintaining the value of our capital subscriptions to these institutions, \$72 million may be needed to maintain the value of certain outstanding dollar loans of the Inter-American Development Bank. These outstanding loans were made in dollar but may be repaid in local currencies, thus necessitating our additional payments.

The reason that our annual payments will be so small is that we are required to maintain the value of our commitments as payments are made from them. Since the lending institutions disburse their capital over a period of years, our actual payments are also made over a similar period of years. The appropriation is simply used as a letter of credit to be drawn down as the need arises; so, while the money is appropriated all at once, it is not spent for quite a number of years and the budgetary impact in any given year is therefore very small.

Beyond these payments to the international development financing institutions, we are obliged to maintain the value of our commitments to the International Monetary Fund. For this, the Treasury estimates an appropriation of \$756 million will be needed. However, this operation involves an exchange of assets and has no budgetary impact. This happens because devaluation not only diminishes the value of the dollar but also raises the value of our gold assets. The increase in the value of our IMF assets is sufficient to cover our newly created liabilities.

Finally, some \$920 million will be needed to maintain the value of our callable capital subscriptions to the development lending banks. Under the financial

structure of these institutions, subscribers underwrite issues by the institutions by putting up callable capital, which must be maintained in constant value. No callable capital has ever been needed to cover these bond obligations and it is extremely unlikely that any ever will be. But since the value of our underwriting commitments must be maintained, \$920 million would be required to be placed in the Treasury as a contingency reserve.

This will have no expenditure impact now, and it is only a remote possibility that there would be any such impact in the future.

This bill is of course an administration bill and is in accordance with the President's program.

I do not expect that the administration will propose another devaluation of the dollar, at least in the foreseeable future. Both the Treasury and Federal Reserve indicated as recently as this week that there is no intention of proposing a further devaluation. The President himself has also stated that this should be the last devaluation action of the United States.

We have a responsibility to adopt this bill. Only Congress can set the legal value of the dollar, and it is our duty to see that the legal value of the dollar corresponds to its market value. If we fail to adopt this bill we will not change anything about the realities of today's market—whatever we do here, the dollar in the market is going to be worth 10 percent less than it was in January. So nothing would be gained by the defeat of this bill. However, a negative action could cause us considerable losses. I am confident that the dollar as it stands now is sound. But if we fail to adopt this bill, we will create additional uncertainty in the world monetary market, and could well invite another serious crisis, which could do no one any good and could in fact cause everyone much harm.

I have no great enthusiasm for devaluation.

Devaluation alone will not solve our trade deficit. Competitive though our products may be, we cannot hope to erase the deficit without general monetary and trade reform. The monetary system must be improved, and trading barriers must be lowered or removed. I am glad that consideration is being given to both these requirements.

But reform in trade and monetary affairs will take time. Our duty now is to act on this bill. I solicit your favorable consideration, and hope that the House will adopt the bill as reported by your committee.

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

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

Mr. GROSS. Mr. Chairman, is that \$2.25 billion to be spent on so-called maintenance of value included in the budget?

Mr. GONZALEZ. At the time that the bill was first sent over to our subcommittee I addressed a letter to the Secretary of the Treasury, and then to the Office of Management and Budget. I believe I have a copy of the text of the reply from Mr. Rommel, and in it he

never answered specifically if it had been anticipated, and therefore was a part of the budget, but he did say that it would fall well within the budgetary planning of the administration.

However, just last week the same office sent a report to, I believe, a Subcommittee on Appropriations that they had not provided for this amount in the budget.

Mr. GROSS. It was not in the budget because the President had no idea when the budget was prepared that he was going to devalue the dollar on February 12. As a matter of fact, it was a week or 10 days before the devaluation on February 12 that it was announced that there would be no devaluation.

Mr. GONZALEZ. That is true.

Mr. GROSS. So it could not possibly have been put into the budget, and therefore we find that this \$2.25 billion is wholly and totally unbudgeted, and it will only add to the difficulties to which we must give consideration in the already huge deficit in the pending budget.

Mr. WIDNALL. Mr. Chairman, the Banking and Currency Committee reported without amendment H.R. 6912, the bill amending the Par Value Modification Act and recommends its passage. This is essentially a simple bill. Its main purpose is to establish a new par value for the dollar. This new par value would result in a reduction of 10 percent of the value of the dollar in terms of both special drawing rights and gold.

This bill is before the Congress because under existing law the President may not agree to a change in the par value of the dollar in the International Monetary Fund without the consent of the Congress. This bill, by authorizing and directing the Secretary of the Treasury to take the necessary steps to establish the new par value, would give the required formal consent by the Congress.

Congressional consent to the reduction in the par value of the dollar is of vital importance for the effective implementation of the needed realignments of international currency values. This is the case even though financial transactions are presently being conducted on the basis of the new exchange rate pattern agreed upon earlier this year. This pattern includes in addition to the reduction in the par value of the dollar, the upward floating of the Japanese yen, a continued floating by the United Kingdom, Canada and Italy, and an agreement by some of our major trading partners in Europe to engage in a joint float among their own currencies.

The proposal to devalue the dollar is one of a number of important and closely related steps announced by the administration which all have as their purpose the achievement of balance in our trade and payments position within an international framework of free and fairer trade. The other steps involve the phasing out of our capital controls by the end of 1974 and the recent submission to the Congress of comprehensive trade legislation to enable the United States to negotiate for reductions in trade barriers.

This exchange rate realignment holds substantial benefits for this country. Competitive opportunities in world markets for American workers, farmers and

businessmen will be substantially improved. These benefits, of course, can only be realized if we can rely on the strength of our domestic economy and the stability of the dollar at home.

The benefits of realignment cannot be realized if Congress delays or defeats the formal action authorizing the change in the par value of the dollar.

Delay may well result in speculation and exchange market instability and erode confidence in our ability to use the opportunity of realignment to correct our payments in balance. Unnecessary delay by Congress in acting on this legislation would make formal completion of the exchange rate realignment agreed upon with our trading partners impossible. Also, they would surely feel absolved from carrying out their exchange rate commitments and would undoubtedly resort to various kinds of restrictions to protect their positions. Since in this situation no one would gain and everyone would lose, it is in our best interest to complete speedy action on this legislation and thereby promote international monetary stability.

A provision of H.R. 6912 adopted by the Banking Committee expresses the sense of the Congress that the President shall take all appropriate action to expedite realization of the international monetary reform. In my opinion, Mr. Chairman, it is time that Congress express its concern over the slow pace of negotiations in achieving the much needed reform in the international monetary system. At the same time, this amendment would provide an endorsement and support for the President's efforts to carry on successful negotiations for a viable new monetary arrangement.

Finally, the bill would authorize the President to eliminate the present prohibitions against private gold holdings whenever he determines such action will not adversely affect the Nation's international monetary position. I fully support this provision.

Since 1933, Americans have been allowed to own and deal in gold only for industrial, professional or artistic objectives. For these purposes, Americans have always been free to acquire all the gold they need under Treasury license. Domestic producers of gold have also been free to sell their product at the prevailing industrial market price of gold, which in recent days has exceeded \$100 an ounce. What Americans have not been permitted to do under the statutes and implementing regulations is to speculate and invest in gold, whether at home or abroad.

With the phasing out of the monetary role of gold it is my hope that it will be ultimately possible to eliminate the restrictions on gold speculation by Americans and treat gold as any other commodity. It seems to me, however, that it would be a serious mistake on the part of the Congress to take such action now or to set an arbitrary date for the elimination of gold regulations. Such action could disrupt exchange markets, delay the continuing long-term trend toward diminishing the monetary role of gold, and adversely affect the current negotiations on international monetary reform

and our balance of payments position. In short, whatever the benefits that might result from the removal of controls on private gold ownership at this time, they are surely outweighed by the detrimental effects on the overall U.S. interests.

This is not to say that the regulations should be maintained indefinitely. When the progress of monetary reform and other circumstances allow, Americans should be able to own or deal in gold as they do now in any other commodity. What the proper timing is for the removal of the controls should, however, be left to the determination by the President. He is in the best position to determine when the international monetary negotiations and other factors bearing on private gold ownership have progressed to the point where unregulated gold holding by Americans will no longer interfere with our national objectives.

In summary, Mr. Chairman, I urge that the House approve H.R. 6912, without delay.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, I rise in opposition to H.R. 6912, the so-called Par Value Modification Act. During the more than 12 years I have been privileged to represent the First Congressional District of Rhode Island, I have supported with enthusiasm the efforts of three administrations to achieve a satisfactory balance-of-payments position and have supported in each instance commitments made by each of three Presidents to our overseas allies. I have felt that a strong military presence abroad was required by this Nation to furnish positive evidence of the seriousness of our commitments to our allies in the free world. I have rejected and continue to reject a fortress America concept.

The time has come to speak in plain words; to require answers to a series of questions, that trouble not only my constituents, but indeed all Americans, from an administration that increasingly demonstrates its insensitivity to our own needs at home and its total disdain for the people's right to know. To say that trust and confidence in the integrity of our Government today is at a low ebb is indeed an understatement and, therefore, in good conscience, I cannot continue to support bills of this nature without requiring the fullest explanation of past policies and procedures that all add up to bankruptcy in this important area of dollar valuation and balance of payments.

The bill before us today is, unfortunately, a classic example of how ineffective our Government has been in insisting upon and assuring an adequate and steadily increasing export market for U.S. goods and services. This legislation, as similar legislation in 1971, will, if enacted, provide congressional sanction for the executive branch to again reduce the value of the dollar. It is hoped that by so doing, U.S. export of goods and services would increase, based on the simplest observation and assumption that foreign goods and people will buy

U.S. goods and services, because it will cost them less than it has in the past. I say, Mr. Chairman, this is a simplistic assumption, because this is precisely what we were told when this Government devalued the dollar in 1971. However, we find our balance of trade and our balance of payments still in substantial deficit.

Our own subcommittee chairman, my good friend, the Honorable HENRY B. GONZALEZ, in his separate views on this bill, in which he repeats and quotes from his separate views on the previous devaluation bill, says as follows:

Instead of the promised improvement in our trade deficit, last year saw a tripling of it. Instead of improved domestic economic performance, we have today virtually uncontrolled inflation and continued high unemployment in the face of booming economic growth. There has been no trade reform. We have only continued promises of world monetary reform.

For years, Mr. Chairman, this Nation has supported all kinds of reforms around the world. We have, through our bilateral and multilateral aid programs, supplied more than \$100 billion worth of foreign aid. We have benefited not only the developing nations of the world, but also the developed nations in supplying markets through this aid. We have, through the Marshall plan, assisted without substantial repayment in rebuilding the Japanese economy to where now it is our staunchest competitor. We have through U.S. multinational corporations exported hundreds of thousands of jobs and we find that we must, therefore, using our Federal resources, support job retraining and manpower programs in order to find new jobs and retrain new people whose jobs have been lost as a result of overseas competition.

We have seen in my area of the country, and specifically my State of Rhode Island, where we suffer from one of the highest unemployment rates in the Nation, job after job disappear as a result of foreign competition. One would think this is bad enough, but such, unfortunately, is not the case. At the outset, I protested strongly against the administration's insensitivity to the needs of our own people. This administration continues to cut back, curtail, and abolish many programs enacted by the Congress to benefit our people. We have seen this administration freeze all Federal housing programs. We have seen this administration severely cut back on educational grants and loans.

We have seen this administration move to severely restrict those programs which have in the past provided both economic and social benefits to the aged, to the young and, yes, Mr. Chairman, to everyone in every age group and economic strata in our Nation.

My comments thus far, Mr. Chairman, have been general in terms of the effect upon each and every American. I now turn, Mr. Chairman, to speak specifically about this administration's attitude toward the people of Rhode Island, particularly the people of the First Congressional District. On April 17, 1973, the Department of Defense announced actions to consolidate, reduce or close 274 military installations in the United

States and Puerto Rico. No area of the country was more critically and heavily affected than my own State of Rhode Island. The Quonset Point Naval Air Station, the major carrier based anti-submarine base on the east coast, is being closed. The Naval Air Rework Facility there, is also being terminated. The entire transfer of the fleet from Newport involving more than 13,000 military personnel, it is my understanding, will commence during the month of June and will be substantially completed by the end of this summer.

Rhode Island, therefore, must absorb the loss of 22,000 military and civilian jobs with barely 3 months' notice. Is it fair to require one small State to bear 50 percent of the announced military reductions in such a short period of time? Should we be required to pay the price for supporting as a nation a topheavy shore establishment compared with the number of operating fleet units?

The Navy has been the largest employer in Rhode Island. In one devastating blow 80 percent of those jobs are to be wiped out. Our economy was already having difficulties with an unemployment rate over 6 percent. With a prospect of over 4,500 civilian jobs to be eliminated by the Navy, and more than 17,000 military personnel transferred, the outlook is indeed grim. Reliable estimates forecast that unemployment will certainly rise to over 8 percent and may reach a high of 10 percent. Our economy will lose a quarter of a million dollars on an annual basis. It is impossible, however, to calculate the full extent of the impact on our businesses and service industries. The shock waves will extend their devastating effects into every corner of our economy. We have learned that the economic impact on our State was not taken into account when the Navy formulated its plans. Thus, the economics being used to justify this move is narrow in the extreme. It is "tunnel vision" economics in the worst sense. It does not take into account added Government outlays for unemployment compensation, manpower retraining programs, and welfare payments for those who cannot find jobs. It does not take into account lost income tax revenues from businesses that will be wiped out, or lost tax revenues from the thousands of civilians who will be thrown out of work.

In view of the grave consequences of this unexpected and far-reaching action, there can be no question but that the justification for the closings and cutbacks must be of compelling and overriding importance. From all appearances thus far—and the Rhode Island congressional delegation has made repeated and searching efforts to get satisfactory answers—it is quite the contrary. Too many significant and obvious questions remain unanswered.

I deeply feel that any individual faced with potential personal tragedy, after devoting a lifetime of service as a part of our Defense Establishment, is entitled to be completely reassured as to the integrity of the planning and decisionmaking process and that any reductions deemed essential are carried out in a fair and equitable manner.

The Navy's inability to respond to the most basic questions concerning the housing and educational impact on Norfolk and Mayport exhibits an attitude of shocking indifference for the welfare of the dependents of transferred naval personnel. The cost of foreclosed housing, built at Navy insistence through the years in Rhode Island, the cost of essential public services and public improvements including impacted aid schools is unknown to Navy planners which casts serious doubt on the validity of alleged cost savings.

We have heard much about the transition to the "All-Volunteer Force" and, undoubtedly, we in the Congress will be asked to appropriate additional money for benefits for our military personnel to assist in making the military life more attractive for the type individuals we need to retain in our complex Defense Establishment today. In the Department of Defense annual report for fiscal year 1964, the following is stated:

As we move to the All-Volunteer Force, our objectives are: To increase the challenge of military jobs and improve the quality of military life in order to attract and retain the talented, dedicated people needed to man our smaller forces.

Mr. Chairman, callous indifference has been shown to the needs of our business community by the move of over 13,000 military personnel in the Newport area alone within a 3-month period of time. Furthermore, the welfare of the families of these naval personnel has not received even the most cavalier attention by those responsible at the highest level within this administration for this recently announced base realignment.

At this point, Mr. Chairman, I would like to read a letter typical of hundreds of letters that I am now receiving from dependents of naval personnel:

I am the wife of a Navy serviceman with twelve years of dedicated service and sacrifice. The recent decision of the Pentagon to shut down the Quonset Point and Newport naval installations is of deep concern to me.

We have recently arrived from duty on the West Coast. I am sure you realize that there are many expenses a serviceman and his family must incur when moving that the Government does not reimburse him for.

After months of looking for a decent home we finally found and purchased one. Now, after a short time, we are being asked or rather told we must transfer and again incur these needless expenses. This time, however, it will be worse, as we are being sent, along with countless others, to Norfolk, Virginia, where housing is already critical and rents are outrageous. Because of this we will probably have to remain apart until we receive Government quarters, which could be a wait of perhaps two years.

With the many hardships and sacrifices imposed upon our lives through the separations caused by sea duty, (which no other service must bear), we feel the Defense Department is creating and imposing an undue and unnecessary hardship upon us and thousands of other Navy families. Whatever happened to the tradition of the Navy taking care of its own, or has that been lost along with bellbottoms and jumpers?

It seems very strange that until this month, the Navy was unable to transfer personnel due to lack of permanent change of station funds, but suddenly they have found a cloud with a silver lining and have millions of dollars available to transfer thousands of people and tons of equipment.

We hope you will do everything within your power to reverse this senseless decision to withdraw the Navy from Rhode Island, and allow myself and thousands of other Navy families to remain.

I say, Mr. Chairman, enough is enough, and while I may be only one voice, I wish to assure you, Mr. Chairman, that voice will be forever on the side of fairness, equity, and truthful dealing with the American people.

In my preceding remarks, Mr. Chairman, I have indicated my support through the years for a strong military presence abroad. However, when faced with callous and arbitrary action by this administration to achieve doubtful or inconsequential savings we must seriously review a policy that costs this country on an annual basis roughly \$30 billion a year to maintain over 600,000 troops in 2,000 bases overseas. Many of these bases, of course, have all of the creature comforts that our top brass require to maintain a lifestyle commensurate with their own exaggerated notion of their own importance.

Mr. Chairman, faced with the bankruptcy of the past we are asked to vote for H.R. 6912 in the hopes that it will somehow cure our economic ills. But we voted for similar legislation in 1971 and, as I have pointed out, our economic ills are still with us. I ask, how much longer can the patient live? I think my constituents, if they were employed, would go along with a request of this nature in the hope that economic prosperity would, as a farmer said, be just around the corner. But I find it hard, if not impossible, to take this position with my people, especially those who, as a result of the devastating action just taken by this administration, are now queuing up to the unemployment compensation window and looking for any job that would help hold body and soul together. Think what it means to the ego and mental posture of a grown man who has been trained as a skilled technician and who has held a responsible job for 20 to 25 years who finds himself, through no fault of his own, out of a job and now forced to be a bellboy in a hotel or drive a taxicab looking for fares that do not exist.

My colleagues, this is not all, because this legislation calls not only for a de facto devaluation of the value of the dollar, but for the actual appropriation of \$2.2 billion to meet our obligations under the so-called maintenance-of-value clause, which is contained in the charter and agreements of the various multilateral lending institutions in which the United States participates.

Mr. Chairman, is this justice? Here the people of the country, my constituents and yours, out of the goodness of their feelings toward our fellow man throughout the world, contributed billions upon billions of dollars for their rehabilitation and economic development. Now we find the European Community and the Japanese imposing trade barriers and other restrictions for U.S. goods and services being sold in their markets. We find, Mr. Chairman, reduced to its basic simplicity, that the United States is being played as a patsy in the world today. Mr. Chairman, what I am

being asked to do here and what my colleagues are being asked to do is to tell my unemployed people back home that, yes, we have the money to continue giving away our funds for economic development abroad; yes, we have the money—more than \$2 billion worth—to maintain the value of our contributions to multilateral lending institutions; yes, we will continue to do this while other nations who are in a much better position to assume some of the humanitarian burdens which this Nation has shown ever since World War II will not increase their contribution and allow the United States to decrease ours. And, at the same time, Mr. Chairman, while our Executive moves to close military bases in my district and your district and while other programs in the field of housing, community development, health, education, and welfare are being seriously curtailed by this administration—while all this is going on, the unemployed in my district and those who no longer will be receiving the benefits of the various programs I have mentioned must still, if we vote for this legislation, continue to support foreign grant and aid programs which at best provide no benefits to us and which in fact cause in part the curtailment of domestic programs. Mr. Chairman, I ask how can I explain this to my people and when I ask myself how my constituents would vote on this matter, I think the answer becomes abundantly clear.

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

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

(Mr. HANNA asked and was given permission to revise and extend his remarks at this point in the Record.)

Mr. HANNA. Mr. Chairman, I should like to address myself to the purely financial effects and particularly to the cost of the proposed change in the par value of the dollar. The change in par value will have the effect of increasing certain United States assets and liabilities. Some of these liabilities will be financed without need of appropriation, the remainder—increased U.S. payment obligations to the international financial institutions—will be financed through an appropriation.

Passage of this bill will authorize the Secretary of the Treasury to fulfill U.S. maintenance of value obligations in the international financial institutions. It will also authorize the appropriation of the necessary amounts to fulfill these obligations. It is now anticipated that a maximum appropriation of \$2.25 billion will be required.

The increased payment obligations to the international financial institutions derive from provisions in the articles of agreement of these institutions requiring member countries to maintain the value of their subscription in terms of a common denominator—in this case gold. The purpose of this requirement is to assure that the contributions of all members are maintained in value in relation to each other despite changes in exchange rates. This provision has worked in favor of the United States in the past in assuring that other countries that devalue their currency do not diminish the value of their

contributions. It assures that our share in the assets and our voting rights in these institutions are not impaired by devaluation of other currencies.

The United States as a member of the International Monetary Fund and the multilateral development lending institutions must fulfill its maintenance of value obligations as provided in the articles of agreement of these institutions. These obligations involve \$756 million for maintenance of value in the International Monetary Fund, \$992 million for maintenance of value on callable capital and other contingent obligations of the international development lending institutions and \$477 million maintenance of value on paid in capital of these institutions.

The obligation to the International Monetary Fund—in the form of a letter of credit—will have no budgetary impact and it is highly unlikely that our contingent obligations will give rise to budgetary expenditures. Therefore, it is anticipated that total budgetary expenditures as a result of this legislation will amount to only \$477 million with no expenditures anticipated for this fiscal year. The budgetary impact for fiscal 1974 will be \$12 million which represents maintenance of value obligations on the paid-in subscription of the Asian Development Bank. The budgetary impact for fiscal 1975-86 will be \$465 million which represents maintenance of value obligations on capital now paid in and held by the multilateral development institutions, paid-in capital not out on loan by the international banks as well as capital to be paid in under authorizations now in progress.

Mr. Chairman, I should like to put our maintenance of value obligations in perspective by comparing our obligations resulting from the two devaluations with regard to the paid-in capital of the international development banks as well as the International Monetary Fund with the obligations of other countries. Our obligations resulting from the two devaluations will amount to about \$2 billion—this compares with over \$10 billion in maintenance of value obligations of other countries.

There is another important perspective to keep in mind. Devaluation results in an increase in our liquid international reserve assets—in our gold and SDR's—totaling \$1.4 billion. This provides cash to the Treasury—almost three times as much as the liabilities on paid-in capital to the international financial institutions of \$477 million—which will eventually become a cash drain. Taking into account not only increases in liquid assets but also contingent assets, there is a rough offset between assets resulting from devaluation and our liabilities resulting from devaluation. The assets side of the ledger must be kept in mind when we talk about liabilities.

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

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

Mr. BARRETT. Mr. Chairman, I rise in opposition to the bill, H.R. 6912, a bill to amend the Par Value Modification Act. I oppose this bill in protest to the ad-

ministration's handling of our international monetary and economic policies, as well as its mismanagement of the domestic economy.

No President in the history of this country has presided over within the period of 14 months two major devaluations of the U.S. dollar. At the conclusion of the Smithsonian Agreement, December 1971, President Nixon stated that the agreement which devalued the dollar by some 8 percent was the greatest international monetary agreement that had ever been made. Fourteen months after the greatest international monetary agreement, the President was forced to devalue the dollar again, because of, in my opinion, his total mismanagement of our domestic economy. The complete abrogation of phase II of the President's economic policy program of wage and price controls in January of this year caused a massive run on the U.S. dollar and made the gold speculators the international gamblers against the U.S. dollar.

Aside from the reason of my protest vote against this bill, I would like to point out the American taxpayer will be forced to provide \$2.25 billion in order to maintain the value of paid-in capital subscriptions to various international lending institutions, such as International Monetary Fund and the Inter-American Development Bank. As our committee report points out, an additional \$25 million will be needed as a contingency reserve, since the total of these obligations can only be determined on the date that the dollar devaluation formerly occurred. This is indeed a heavy price for the American taxpayer to bear, particularly at a time when this administration is cutting out and cutting back on numerous much-needed domestic programs in all areas.

As my colleague on the committee from Rhode Island (Mr. ST GERMAIN) will point out, the administration is abolishing thousands of jobs in unnecessary cutbacks of various Federal defense installations around the country making very little attempt to assist the people so affected by these cutbacks.

Domestic economy is experiencing the rampart of inflation, the likes of which we have not seen since the end of World War II, and nothing is being done to contain this inflation. Interest rates are rising again. Cost of living goes up every month. Food prices are reaching the point that the average American family will shortly be unable to meet his immediate food bill. Rents are rising all over the country. Construction of new homes is rapidly falling, and yet the administration does nothing.

I realize that this bill is a formal approval of the decision already arrived at by the President, but I must use this opportunity in opposition to this bill to protest the utter failure of the Nixon administration to manage our domestic economy and our international monetary affairs.

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

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I think for the Members to really understand this devaluation of

our dollar by 10 percent, things have got to be put into a little different perspective here this morning.

Back in the 1940's, we adopted the Bretton Woods agreement, wherein we in the United States of America, with some \$25 billion or so in gold in our coffers out in Fort Knox, agreed that we would buy back all dollars from abroad. It was a generous agreement we could make in those days, because our balance of payments was in our favor and money was not, of course, going out of the country the way it has in the last 15 years.

It was a sound agreement which has kept the currency of the world stable for 27 years, because the foreign currencies were pegged to this great American dollar which had back of it some \$25 billion worth of gold.

We did respond in accordance with our agreement to give up gold when dollars were presented.

Finally on August 15, 1971, the President had to "blow the whistle." Our gold was down to \$11 billion, and France and other countries were demanding \$300 or \$400 million worth of gold at a crack. The time would soon have come when we would not have gold for our domestic use.

I believe a country must maintain its gold supply, because a country without gold in times of great emergency is pretty destitute.

We therefore repudiated this promise to buy back dollars with gold. That meant our dollars abroad were no longer backed by that very delightful metal we had previously been responding with. As a result, confidence was lost in our dollar.

And to make matters worse, last year our balance-of-payments deficit jumped to \$6.8 billion, more than any other year in all our history, which further accumulated dollars abroad, and somebody says that nobody knows accurately how many there are—it is \$60 billion, \$70 billion, or perhaps \$80 billion abroad.

What happened in February of this year was we had to immediately devalue the dollar by 10 percent. Some \$6 billion worth of dollars were offered by speculators in Germany alone.

Who came to our rescue? The German banks came to our rescue and bought up those dollars. It was the German banks and the banks in Japan that did it. Some \$1.6 billion was offered in Japan. They came to our rescue, and they bought up those dollars.

A hurry-up message was sent to Washington, "You had better come over to do something about this." We sent Paul Volcker over there, under the instructions of the President and Arthur Burns and Mr. Shultz. He had to sit down with the bankers in Europe, and they said, "All right. We have bought up this money, but we are not going to do it further. What you have to do is devalue your dollar."

We did not pay too big a price, in my opinion, for having the dollar saved.

Let me say that if the German and Japanese banks had not bought up those dollars there would have been a virtual financial collapse in the world, in my opinion, as I read it.

We agreed to devalue the dollar right then and there. We did not come to the Congress and ask the Congress to do it, because it was a terrible crisis. Something had to be done. We sent a representative over there, and he said, "All right. If you will agree to stabilize the dollar we will devalue 10 percent."

The devaluation went into effect immediately. It has been in effect since February 12. It is something the Government had to do. We did not wait for the Congress to do it. There was a crisis over there, with the dollar being driven right off the market, and a financial collapse of the world, one might say, about to start, and the President had to act quickly.

In my opinion we did not pay a very high price for saving the dollar on all the markets of the world. Now we do have relative stability in the world financial markets. However, it hangs by a very slender thread.

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

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

Mr. JOHNSON of Pennsylvania. As a result, Mr. Chairman, of devaluation, things are happening as predicted. In the month of April, for the first time in many, many months, our balance of payments was in balance. This business of making it more expensive for Americans to shop abroad and making it easier for Europeans to shop in the United States is exactly what we wanted by devaluation of the dollar. I would not be a bit surprised that from here on out we will have an even balance on our balance of payments.

Devaluation is creating employment in the United States. What we have to do today is to pass this, to pass it quickly, and to put it on the President's desk, to show the people of the world we are standing by an agreement made by our President, because I believe it is giving the stability we need.

Mr. Chairman, I want to say this to the people of this country and of the world: We have the strongest currency in the world; our dollar is the most valuable currency in the world.

We are a great nation. Our gross national product this year is going to jump to \$1,250 billion, a jump of \$105 billion this year. We are a great nation, and people should not look down upon our dollar. I say it is one of the finest. Let us get to the business of further strengthening it here today.

Mr. Chairman, I urge the House to pass H.R. 6912, which would approve a 10-percent reduction in the par value of the dollar. Section 5 of the Bretton Woods Agreements Act prohibits such a change in par value without prior congressional approval. The proposed legislation would grant this approval.

This bill stems from recent disturbances in international exchange markets in early 1973 which required immediate action to restore order to exchange markets. The United States responded to this serious situation by negotiating with our trading partners an agreement on the realignment of international currency values. Pursuant to this arrangement, the

United States agreed to a 10-percent reduction of the par value of the dollar, the Japanese agreed to cut loose the yen to float upward to a rate consistent with Japanese balance-of-payments equilibrium, a continued float by the United Kingdom and Canada, and an agreement by France, Germany, Denmark, and the Benelux countries to engage in a joint float.

I believe this exchange rate realignment holds substantial benefits for the United States which makes it essential that Congress authorize the change in the par value of the dollar thereby allowing its implementation. The exchange rate realignment will substantially improve the competitive position of American workers, farmers, and businessmen in world markets. In addition, it has helped set the stage for outward-looking trade negotiations designed in part to eliminate trade practices which tend to shield large portions of national economies from the impact of balance-of-payments adjustment measures. If our trade negotiations meet with success in this regard, the benefits of the realigned exchange rates will be more fully realized by American workers and producers. Finally, the exchange rate realignment will speed and foster constructive reform of the world monetary system. Such reform is necessary to assure smooth adjustment to imbalances in international payments such as exist between nations today; that necessary adjustments in exchange rates are made more effectively and surely in the future; and that our monetary arrangements contribute to open trade and payments among nations.

I believe that this bill represents a positive response to the serious monetary crisis which we have experienced. The proposed legislation, reinforced by determined efforts to maintain a strong and inflation-free economy, can provide a firm basis for the restoration of monetary stability and international payments equilibrium. It can lay the foundation from which to attack the more fundamental and formidable task of building a new trade and payments structure.

Mr. WIDNALL. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. Mr. Chairman, I rise today to urge this House to enact H.R. 6912, the Par Value Modification Act of 1973.

Such action would provide congressional ratification of the February exchange rate negotiations by fulfilling the commitment made by the United States to reduce the par value of the dollar by 10 percent. This devaluation, combined with the actions of our trading partners, will be beneficial to all Americans. Combined with the Smithsonian exchange rate realignment, it provides a strong boost to our competitive position and will help restore the U.S. trade position to the healthy position of earlier years. Should the Congress fail to act favorably and promptly, I fear that new monetary turmoil could well develop which would create renewed international fric-

tion, further controls on trade and capital, and have an adverse impact on the U.S. economy.

We should not let recent exchange market turmoil detract from the magnitude of the realignment that has been achieved. The average combined exchange rate change from the Smithsonian and February realignments against the major industrial countries of Europe and Japan is about 25 percent. Against Japan, the world's third largest economy, the change has been 35 percent while vis-a-vis Germany, the strongest European economy, it is about 30 percent.

I recognize that there is some skepticism in this House about statements concerning the impact of exchange rate changes on our balance of payments, especially in light of the inadequate response thus far from the Smithsonian action. I share this skepticism but must admit that the sheer size of the combined realignment is unprecedented. Furthermore, there were signs that our trading position was beginning to improve, albeit inadequately, before the February decisions. Information suggests that further, stronger improvement may be occurring. I, therefore, would expect a significant improvement in our balance of payments as the effects of the exchange rate realignments work themselves out.

To be truly effective, this new exchange rate must be supported by more success against inflation. Unless we achieve a price performance significantly better than that of our trading partners, the improved competitive position that has been achieved will be frittered away. In this regard, I must admit some concern that devaluation will raise prices of imported products and contribute to inflationary pressures. While this is an inevitable offshoot of a realignment and the overall impact will be limited, in certain sectors important price changes will occur. Redoubled efforts will be needed to ensure that these price changes do not foster further significant inflationary pressures throughout the economy.

The achievement of realistic exchange rates must not deter us from reaching agreement on fundamental reform of the international economic system. We must develop codes of conduct which will avoid the prolonged imbalances of the past, with their recurrent crises, increased controls and rising protectionism. I would caution our partners, however, that this Congress will accept no reform which does not provide for a fair balance between rights and responsibilities. Nor will we accept rules which do not provide the United States the same freedom to act which others presently enjoy.

A satisfactory adjustment to today's economic conditions of more equal competitors also requires a restructuring of trade rules. U.S. products must have fair access to world markets if others are to continue to share in the richest, most open market on earth. Our workers must also have protection against unfair foreign competition while being assured of adequate remedies which will enable them to meet the challenge of increased imports.

Prompt action by the Congress on the par value bill will represent the first step along a path of a freer, fairer and more stable world economy.

Mr. WIDNALL. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER of Massachusetts. Mr. Chairman, I strongly urge support of H.R. 6912. The bill represents ratification of a Presidential act undertaken to meet an international monetary crisis. Passage of the legislation is of vital importance for the effective implementation of the needed realignment of international currency values and for the fulfillment of the international commitments by the United States. The devaluation of the dollar was not a step taken by the United States unilaterally; it represents a decision by the United States taken in conjunction with other countries to establish a new pattern of exchange rates which will bring exchange rates of all major countries into a fairer relation with each other. This new pattern includes in addition to the 10-percent reduction in the par value of the dollar, coordinate actions by Japan, the United Kingdom, Canada, Italy, France, Germany, Denmark and the Benelux countries.

The exchange rate realignment will have a fundamental effect on the whole range of U.S. economic contacts with foreign countries. The benefits of the realignment will accrue over a period of years and will greatly assist the competitive position of U.S. producers both in the United States and overseas markets. This in turn will result in more jobs in the United States.

This realignment will work strongly toward the restoration of a trade surplus for the United States. That surplus is essential to balance in overall external payments and thus to a stable monetary system. Realignment must be accompanied by effective United States action to combat inflation and to restore satisfactory domestic economic growth. It is clear that no monetary achievement can be of lasting benefit without satisfactory domestic performance. I hope that the administration will continue to take action not only on the international but also on the domestic front.

H.R. 6912 urges the President to expedite efforts toward realization of needed international monetary reform, as envisioned at the Smithsonian Conference in December 1971. Greater progress on international monetary reform must be made and it is hoped that fundamental agreement can be reached by September, the time of the next annual meeting of the International Monetary Fund.

Mr. Chairman, it is not enough for the Congress to urge the President to act expeditiously on monetary reform. We must also do our share by promptly enacting the legislation before the House.

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

Mr. FRENZEL. Mr. Chairman, I rise in strong support of H.R. 6912, the Par Value Modification Act. The committee bill preserves the goals of the adminis-

tration's original proposal of February 19, but it now contains some different legislative features.

The legislative features are the encouragement offered to the President to continue this country's leadership in the development of a new international monetary system. Nothing is more important to the improvement of our international trade and payments problems than the creation of such a system. The committee recognized that importance, and I hope this House does so today by ratifying the committee decision.

The other main committee addition is the provision with respect to gold ownership. It is a simple statement of the committee's desire to see the bold ownership privilege restored, but only when such ownership will not be judged disruptive to our international financial relationships. To go further—to set a fixed date for free gold—would be dangerous in my judgment.

We are late in passing this to ratify a needed international agreement negotiated by our Treasury Department. Even the other body, normally not a swift mover, is 4 weeks ahead of us. I urge speedy passage of this needed piece of legislation.

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

Mr. PATMAN. Mr. Chairman, I yield 10 minutes, the remainder of the time at our disposal, to the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Chairman, H.R. 6912, to modify the par value of the dollar and thus devalue it, should be passed.

No one may take any joy that the United States has been brought to this pass.

The steady erosion of the dollar goes back a long time. The disastrous war in Vietnam, and the inflation which stemmed from it, are the primary causes of the devaluation.

For years, as a result of the overvaluation of the dollar sustained by fixed exchange rates, and the unwillingness of the world's monetary masters to recognize reality, Americans were enabled and encouraged to live beyond their international means.

American consumers gobbled up the inexpensive European and Japanese products offered them. American tourists reveled in the joys of Europe on \$5 a day. American corporations, enabled by an overvalued dollar to buy up foreign assets in plant and equipment on the cheap, vastly overinvested abroad. And the American military found that it was able to carry on foreign wars at discount prices.

Now this is all over, and the dollar bears a more realistic relationship to other currencies.

Thus, when we are asked by the Nixon administration to endorse H.R. 6912, we are asked essentially to endorse what has long since occurred—the devaluation of the dollar in February and March of this year.

We are in the position of the proprietor of the saloon who is called on the intercom by the bartender with a credit inquiry.

"Is O'Toole good for a drink on credit?" asks the bartender.

"Has he had it?" asks the proprietor.
 "He has."
 "He is."

So it is with us. The devaluation has occurred. Unless we wish to embarrass the administration and demonstrate our own irresponsibility, we must ratify it.

The dollar is now floating with respect to the main national currencies. Far from the world's coming to an end, as was widely predicted by almost everyone if we ever floated, nothing of the kind has happened. The events of the last 2 weeks have demonstrated how effectively floating exchange rates have prevented a crisis. These days have seen the price of gold soaring, and a further depreciation of the dollar, down about 3 percent against other leading currencies. While our leaders have intoned "No more devaluations," the market has achieved the same result as a devaluation by depreciating the dollar an additional 3 percent.

Floating rates, plus the absence of interventions by governments, particularly our own, to affect rates by massive exchange interventions, are the reasons why a crisis was avoided. If we had remained under the system of fixed exchange rates which prevailed until February and March of this year, and had continued to intervene, very likely there would have been a crisis. The speculators would have licked their chops and attacked the dollar's artificially maintained position. In the end, the Government, and thus the U.S. taxpayer, could have lost hundreds of millions of dollars, and the formal devaluation, when it came, could have been accompanied by all sorts of exchange controls, import surcharges, and worldwide monetary chaos.

Floating rates, and abstinence from intervention, are what saved the day.

I congratulate the Treasury, notably Under Secretary Volcker, and the Federal Reserve, notably Chairman Burns, for their role in accepting the March 16, 1973, agreement to float, and for their self-restraint thereafter in not intervening.

I have been disturbed at past interventions by the U.S. Government—the Treasury and the Federal Reserve—to keep the dollar at an exchange rate which was obviously out of line. During the week prior to the August 15, 1971, dollar devaluation, for example, our Government guaranteed foreign monetary authorities against future exchange rate losses, even though the dollar was obviously overvalued and thus in fundamental disequilibrium. This move cost the U.S. taxpayer \$330 million. Again, in the week preceding the second dollar devaluation on February 12, 1973, the Government again intervened at a time when the dollar was in fundamental disequilibrium, with a loss to the U.S. taxpayer of more than \$20 million.

Thus I am particularly happy that both the Treasury and the Federal Reserve appear to be following the assurances they gave the Joint Economic Committee in September 1972 not to use the intervention mechanism to delay a necessary exchange rate adjustment.

Under Secretary Volcker said, in his testimony presented September 11, 1972:

We have not embarked on any efforts to artificially prop up the dollar counter to any

basic balance-of-payments trends in the longer run. . . . In contrast to usual practices before August 15, . . . the basic initiative will lie with the United States. Foreign exchange will be drawn not in a passive manner after intervention by other countries, but for use in the exchange markets by the United States in such amounts and at such times as we believe the market impact will be favorable and help to curb unwarranted speculative forces. . . . Drawings would not be made or enlarged to deal with what would be fundamental misalignments in our own payments position.

Similarly, when Chairman Burns appeared on September 15, 1972, he said:

In the new operations, market intervention will be on the Federal Reserve's initiative. It will be undertaken only to prevent or counteract disorderly market conditions and will be in such amounts and at such times as are judged likely to have a favorable impact. Swap drawings will not be made for the purpose of providing medium- or longer-term financing of the U.S. payments deficit. Nor will they be used as a substitute for needed adjustments in basic economic policies.

Finally, what of the future? Will the passage of H.R. 6912 enable us to rest easy, that all is well with the dollar, and that no further international monetary disturbances need be anticipated.

Unfortunately, we have no such assurance.

The recent free market gold price increase, not dangerous in and of itself, nevertheless says something about how the rest of the world regards the current posture of the United States. Foreign money men are not excessively concerned with morals. Thus the Watergate, with its related burglaries and perjuries, is not in and of itself of excessive significance to them.

What they do wonder about is the question of how minds saddled by the Watergate are capable of conducting the Nation's economy. The brooding uncertainty that now hovers over the international money markets is another reason—though certainly not the most important—for getting to the bottom of the Watergate matter, breaking clean, and starting anew.

Quite apart from the Watergate, the management of our economy today continues to disturb me.

The year 1973 has seen us throw away a splendid record of combating inflation. Prematurely, phase II was ended and an essentially farcical phase III launched. Adding to the inflationary muddle was the administration's misguided agricultural policy throughout most of 1972, which inevitably contributed to higher prices. The handling of the Russian wheat sale, the refusal to let beef cattle graze on idle grasslands, the exhortation to farmers to restrict production of poultry and turkeys—these and a dozen other misguided actions contributed grossly to the disastrous inflation in food prices.

A temporary price freeze across the board several months ago might have provided an umbrella under which to regroup and reorganize the battle to contain inflation. But the administration has continued to drift.

The result is that unconscionably high prices have been permanently embedded into the structure. Even if the rate of inflation tapers off, as I suspect it will,

we shall have installed a steep and irretrievable upward bias in our whole wage-price structure. We shall never be able to roll it back.

Even more serious than the failure to use adequate direct controls is the inflationary distortion brought on by the administration's own fiscal policies. Inflation is particularly disturbing in the durable goods and heavy industry sector of the economy. This is where the alarming increases in the wholesale, industrial, and export price indexes are occurring. This is where bottlenecks are increasingly showing up. This is where there is overemployment of engineers and skilled workers.

Ironically, this eye of the inflationary cyclone is one created very largely by the Nixon administration. On the expenditure side, high spending for the military, space, and shipbuilding continue unabated. On the tax side, the capital goods economy has been heavily larded since August 15, 1971, with tax favors in the form of accelerated depreciation—asset depreciation range—the investment tax credit, the DISC.

On the credit side, this sector of the economy, always a preferred borrower, was put in possession of all the money needed for its hyperexpansion by the Federal Reserve's excessive money creation last year. New money, narrowly defined as cash and demand deposits, was created at a rate of almost 9 percent during 1972. To further complicate matters, the administration's dividend control policy resulted in a huge retention of earnings by corporations. In the first quarter of 1973, for example, corporations paid out \$27 billion in dividends, but retained in their treasuries \$35 billion of their earnings.

Thus Government spending, tax favors, and the availability of corporate cash has contributed to the tremendous boom in plant and equipment investment. The latest McGraw-Hill survey estimates plant and equipment investment will be up 20 percent this year over 1972, which, in turn, represented a 14-percent increase over 1971.

This kind of hyperthyroid investment is not only inflationary. If we overbuild plant and equipment today, we are going to experience underbuilding tomorrow. The administration's inflationary fiscal policies thus will inevitably lead, if not to a boom and bust, at least to another unlovely combination of continued inflation, high interest rates, high unemployment, and individual stagnation.

Moreover, despite all this frenetic activity, the administration has not been able to reduce unemployment appreciably. Unemployment still hovers at 5 percent of the work force, with vastly greater numbers of jobless among the young, the black, and women. Yet the administration cast aside the best non-inflationary method of bringing down unemployment when it greatly curtailed both public service employment and manpower training.

Other countries confronted with inflationary pressures are showing greater wisdom than we. The Federal Republic of Germany, for example, has also had a

boiling inflation in its durable and heavy industries. There, however, the government has endorsed a program of repealing accelerated depreciation allowances; and far from giving a tax incentive to excessive investment, as by our investment tax credit, it proposes to discourage excessive investment by placing an 11-percent tax on investment.

If we want the dollar strong abroad, we must make it strong at home. We must return to the economic objective of full employment without inflation, which somehow we have lost sight of. We must, in short, change our present policies.

But having said all this, we need today to vote for H.R. 6912. There may be those among us who, disillusioned by the President, will want to show their displeasure by turning down this piece of Nixon legislation.

We should not yield to this temptation. The interests of the United States come first. And those interests require speedy adoption of H.R. 6912.

Mr. TAYLOR of Missouri. Mr. Chairman, I would like to speak in support of section 3 of H.R. 6912 which repeals the Treasury gold regulations and seeks to allow U.S. citizens to buy gold for speculative or investment purposes.

Over the years gold was an essential support of the domestic and international monetary system and due to its impact on the economic and social welfare of the country, the need to protect and maintain this monetary system justified restricting the liberty of the individual citizen to invest in gold.

However, financial conditions have changed substantially since that time. Gold has not backed the dollar domestically since 1933, or internationally since 1971, and its glitter has faded from the scene of sound modern monetary management.

Therefore, I think it is no longer necessary or desirable to limit the citizen's right to hold his assets in any form he chooses with a restriction on the private ownership of gold. The value of personal liberty in our political system would be reaffirmed by restoring the right of a citizen to buy, hold, or sell gold. I support this provision of H.R. 6912 because it responsibly accomplishes these ends.

Mr. VANIK. Mr. Chairman, I oppose this legislation in the form in which it is submitted to the Congress.

What the legislation before the House today does is to put the formal stamp of approval on the change which occurred in the world money markets and through international agreements on February 12 of this year. In short, we are formally amending the Gold Reserve Act of 1934 to provide that the new par value of the dollar will be defined in terms of gold as \$42 $\frac{1}{2}$ for one fine troy ounce of gold. The equivalent in terms of special drawing rights of \$1 will now equal 0.828948 SDR.

Devaluation should be no joy to the American people. The temporary advantage to American exporters must be reconciled to the \$2,225 million which must be appropriated to maintain the value of paid-in capital subscriptions to international development lending institu-

tions, the International Monetary Fund and certain dollar obligations of the Inter-American Development Bank. The administration will seek a fiscal 1973 appropriation of \$2,250 million to cover maintenance of these value costs.

In addition, the President's Council on International Economic Policy estimates that the 1972 devaluation added \$2 billion to import costs. The 1973 devaluation added another \$3 billion to import costs. Oil imports are essential, unavoidable and certain.

By these estimates, the recent series of devaluations will cost the American people \$7,250 million in 1973 and a substantially greater amount hereafter as America must make increased imports of oil from abroad.

This legislative action is fatally defective because it does not attempt to restrict or control the action of American multinational corporations in speculating against the dollar. It was widely reported that billions of dollars left America for investment in foreign currencies before the February 12, 1973, devaluation. The ratification of the President's action protects the right of the American multinationals to "do it to us again."

The legislative action is defective because it adheres to the doctrine of fixed-rate exchanges. The bill before the House today simply reestablishes the principle of the old system of fixed rates. With the current rate of inflation, the dollar may soon be over-valued again. How long are we going to insist and stand by the system of establishing fixed rates? How many more jobs will we lose in future years because of an over-valued and unrealistically priced dollar? How many more factories will be closed because the dollar "value" of the products which they produce are not "realistic" in world markets?

Is there any need to rush back into a "fixed-rate" of exchange systems? The Washington Post carried an article on Saturday, May 26, 1973, by its chief economics writer, Mr. Hobart Rowen. The article said in part:

The significance of this outlook [of delays in new monetary reforms] is that the present "transitional system" of floating rates will govern the world's international money markets for some time to come.

Many officials express a growing acceptance of the way things have been working, notably the painless way in which last week's gold speculation was absorbed. "Without fixed rates" one official said, "there was no need to buy billions in U.S. dollars."

While foreign governments were not compelled to buy billions in U.S. dollars, the value of the dollar was not significantly or permanently affected. Speculators were not able to "gang up" on the dollar or other currencies to force a devaluation or a major or sudden shift in the value of world currencies. The importance of providing such flexibility is increasingly important in light of the tremendous surplus of dollars held by foreign central banks, multi-national corporations, and, increasingly, certain small oil-producing nations—all of which could be used for speculation against the dollar.

Some of the economic and political problems associated with fixed exchange

rates versus some form of floating rates are well described in a March 5, 1973, Post article by Bernard D. Nossiter, part of which follows:

EUROPE MAY ASK UNITED STATES TO BACK DOLLAR

(By Bernard D. Nossiter)

LONDON, Mar. 5—Some major European monetary authorities now think that the United States should "defend" the newly devalued dollar's parity by taking out massive loans of European currencies, which could be used to buy dollars when the American currency comes under attack.

Meanwhile, the initial reaction of the money markets to the temporary freeing of the European currencies was a distinct strengthening of the dollar and a weakening of the British pound.

On the London free market, the dollar closed at \$2.445 to the pound, compared to \$2.50 on Friday.

In Frankfurt, the dollar rose as high as 2.827 marks, closing at 2.81. On Friday, the dollar had closed at 2.765 marks.

The price of gold slipped to \$81.50 an ounce in London and closed at \$83. after Friday's closing price of \$86.50.

But trading was light and was largely attributed to profit-taking. In Washington, U.S. Treasury Undersecretary Paul A. Volcker said he was "glad to see . . . the dollar strengthening a little bit" but cautioned, "I don't think you can conclude much."

If the European plan to encourage defense of the dollar does not meet too much opposition—and the British treasury, at least, is unsympathetic to the idea—the scheme may be put to Treasury Secretary George Shultz when he comes to Paris Friday for the hurriedly called monetary meeting initiated by France.

The proposal is understood to have won support from several European central banks, important quarters in the International Monetary Fund and some French authorities. The Common Market's bureaucracy is also expected to back the plan.

Common Market officials have also worked up an elaborate scheme to block off their currency markets from the flood of dollars that has been the immediate cause of the turmoil. The United States is expected to fight any such plan. Here, too, it can count on backing from the British Treasury which regards this blue-print for capital control as "weird."

Under the dollar defense notion, the Europeans would offer Washington large loans to prop up the floating American currency. If the dollar fell below the pattern of rates established last month, the United States would be expected to buy dollars with these borrowed foreign currencies and thereby keep up the price.

This appears to be what the French Finance Minister, Valéry Giscard d'Estaing had in mind when he said in Brussels yesterday that the United States must defend its new parity.

Today, after a lunch with President Georges Pompidou and other French government leaders, Giscard d'Estaing said it is necessary "to see to what extent Washington would be able to contribute, as would be normal, toward the defense of the currencies."

In effect, the scheme would return the global money system to something like the fixed exchange rate basis on which it has operated in the past. It would wipe out much of the floating that now characterizes the system.

The Continental argument holds that the February pattern of exchange rates was sound, that it has simply been subjected to irrational attacks by speculators. So, the brief runs, the speculators can be routed by putting enough resources in the form of

European currencies at Washington's disposal.

Supporters of the plan have noted the widespread reports of a split between Arthur Burns, chairman of the U.S. Federal Reserve, and Treasury Secretary George Schultz. The "defend-the-dollar" advocates think they would have Burns in their corner and hope that he can convince President Nixon. The U.S. Treasury said in Washington that Schultz would be accompanied to Paris by Burns and Volcker.

The counterview comes from the British treasury and relies on Schultz to be more persuasive. This argument goes that the world has endured a lot of grief over currencies because of misguided attempts to fix exchange rates.

REMOVING TARGETS

The best way to deal with speculation and uncertainty, then, is to remove the targets, let rates float up and down with buying and selling forces.

Sophisticated private bankers here hope the British Treasury will stick to its guns and encourage Schultz on his present course. These private bankers were delighted that the Common Market nations failed yesterday to fix rates among themselves. They think the best thing governments could do would be to let the currency respond to market forces.

The position of the other European nation that matters, West Germany, is not known. Based on past performance, however, the expectation is that Finance Minister Helmut Schmidt might join the French and central bankers who want the dollar parity to be "defended."

Behind all the grandiose talk about stability and uncertainty are what people conceive to be very real interests. The French, and to some extent the Germans, are fearful that in a world of universal floating, their currencies will rise in value, making their exports more expensive. This, they think, will hurt their domestic output and create unemployment.

The fact that the first day of universal floating actually brought European currencies down against the dollar is not regarded as a convincing demonstration.

RAISON D'ETRE

Central bankers and bureaucrats in regional and international organizations also have an understandable interest in fixed exchange rates. A floating world deprives them of the policing functions that gives some a reason for being.

Conversely, the British Treasury, concerned about its domestic economy, cannot support a plan to peg the rate of the dollar when it opposes plans to peg the pound. The treasury wants freedom to run domestic economic policies without worrying about losing reserves. That freedom would be inhibited in a world of fixed rates.

That is why Chancellor Anthony Barber imposed such stiff conditions yesterday for any British participation in a joint Common Market float. Such a scheme would require London to fix its rate against the other eight Common Market currencies.

Academic exponents of free exchange rates would prefer a world of no intervention at all, but the power political interests of exporting companies make this impossible. A world of modified or "dirty" floating could be the next best thing and could, at least, end the speculation against fixed rates.

The question will then become how "dirty" a float will take place.

I do not believe that the United States should be forced into the position of borrowing tremendous sums of foreign currencies—as loans—to stabilize the dollar—stabilization which does not ben-

efit the American worker but only assists the American multinationals, the world's central bankers and international traders.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 2 of the Par Value Modification Act (Public Law 92-268) is amended by striking out the words "one thirty-eighth of a fine troy ounce of gold" and inserting in lieu thereof the following: "0.828948 Special Drawing Right or, the equivalent in terms of gold, of forty-two and two-ninths dollars per fine troy ounce of gold".

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

Mr. Chairman, I listened intently to the gentleman from Wisconsin (Mr. REUSS) and I was surprised that he expressed no concern for the fact that implicit in this bill is \$2¼ billion to be shipped abroad to take care of the so-called maintenance of value, to take care of the so-called shortfall in the devalued dollar. It seems to me there ought to be some concern today about shipping another \$2¼ billion abroad. Perhaps that does not trouble anyone here. Is no one concerned about the maintenance of value of the dollars held by our own citizens?

Mr. Chairman, we are in deep financial trouble at home and abroad because the weakness of the American dollar arises right out of weakness in the American economy. For too many years has there been unchecked inflation in this country, inflation that was spawned and nurtured by borrowing and spending billions of interest-bearing dollars, and Congress, despite all its alibis and attempts to shift responsibility, has been and still is a prime contributor to this fiscal insanity.

We have here today a bill to rubber-stamp something that was done without consulting Congress—the devaluation of the dollar that was put into effect on February 12 of this year, despite the Constitution of the United States which says that Congress shall "regulate the value of money," and despite the law which says—and let me quote it:

Unless Congress by law authorizes such action, neither the President nor any person or agency shall on behalf of the United States . . . propose or agree to any change in the par value of the United States dollar . . .

Yet this same spineless Congress or House—let me limit it to the House because I do not know what the Senate has done—only about a week ago, approved the appropriation of millions of dollars for the very purpose which the statutes of the United States say it cannot do until this legislation before us today, validating the devaluation of the dollar, has been acted upon.

Do not talk to me about responsibility. This is one of the most flagrant irresponsible acts of any Congress that I have ever served in. Now we have had two devaluations of the dollar, each designed to cure the ills that beset the country, according to the so-called experts who have succeeded in feeding the American public a lot of gobbledygook about how much better off are they when inflation

continues and they get less for their dollars? If devaluation is such a wonderful gimmick for solving financial problems, why are Latin-American countries not wallowing in prosperity? Some of those countries have a habit of devaluing at least once year.

What a wonderful arrangement it has been for Americans to send bales of printing-press greenbacks abroad and get back Volkswagens, Hondas, and a host of other products. But that bill has to be paid some day with sweat, not printing-press money, and that day is certain to come, despite all the alibis heard here today.

There was a time not many years ago when the American dollar was sought, respected, and coveted as being as good as gold. Its existence could be used more effectively in certain international situations than a fleet of war ships.

Now there are 100 billion American dollars floating around the world—billions of which are surplus to the needs or desires of those who hold them. So what kind of gimmick do the American experts try to promote for this situation? Why "paper gold," of course, and there is about \$9 billion of that funny money in existence.

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

(By unanimous consent, Mr. Gross was allowed to proceed for 5 additional minutes.)

Mr. GROSS. Mr. Chairman, that is paper gold, SDR's, and there is about \$9 billion of that funny money in existence. Thus it is that on this day, the House of Representatives will at long last rubberstamp the gimmickry that was hatched last February by increasing the price of what gold the country has left by \$4.22 an ounce while the free market price for that same gold is more than \$100 per ounce, and the American people will again be deluded into thinking that financially speaking everything is lovely and the goose hangs high.

But they do well to harken back to March 1, 1972, when the then Secretary of the Treasury Connally appeared before the House Banking and Currency Committee, and stated:

Europe said we are not going to take all the brunt of revaluation, we want the United States to make some contribution. We argued and said we have been making a contribution to you for 22 years, that is why we are in the shape we are in.

We have come from the position where we had all the assets in the world down to where we are broke, and that is about as much of a contribution as we can make.

Yes, Mr. Connally, this country is broke because its Government has had a succession of Presidents and too many Members of too many Congresses who, for reasons best known to themselves, believed there was only one way to solve problems here at home—throw money at them—and at the same time spend more billions trying to police and bankroll the rest of the world.

This Nation will probably have to sink still deeper into the financial swamp before there is an awakening. I do know that devaluation, without inflation having been checked, much less halted, is a snare and delusion for the American

public and I will not be a party to it. I will not be a party to any further devaluing of the American public.

That was my position when the dollar was devalued a little more than a year ago. I voted against that bill and I will vote against this one for the same reasons.

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

Mr. Chairman, there is much of freedom and certainly a great deal of sheer discomfort in the words that were just spoken by the gentleman from Iowa. I personally feel that we can agree with him that the approaches that have been taken which bring us to this bill have not been those in which any of us would take any great pride.

I think however that it would be well for us to look at a little more than just the question of the politics or philosophy or feelings about money. We think of money per se, and realize that any country regardless of its politics or philosophy or feelings about money will rest its economy ultimately upon the production of its people.

It is in this respect that I think we ought to be very sober about the bill today, and I join with the gentleman from Wisconsin in approaching this legislation, ready to vote for it, although probably with less enthusiasm than it has been my unhappy lot to hold, because I see in this not just what we see looking back, as the gentleman from Iowa, but looking forward, with the gentleman from California.

We will have to pay a bill of costs yet to come due. Let me suggest to the Members this administration has violated the principle of the Constitution in going about the changes they made for us and which we are now facing today in this legislation. They not only violated the Constitution, but they also violated the principle of good, commonsense which says we should plan and prepare for the results of what we are doing—and that they have not done.

In other words, the Executive did illegally what they were not empowered to do and failed in the leadership role they were elected to fill.

We have an office called the Office of Emergency Planning. One of our colleagues tried to call it over the weekend and found out that this office is only open from 9 to 5 on weekdays, so that when we refer to the Office of Emergency Planning, we have to recognize and to plan an emergency to fall within those hours.

This mentality is obstructing the ability of the executive to do its most important job which is to plan and prepare for events they can see and predict.

Mr. Chairman, this Government should have made some preparation for the emergency; but here it is, and there is no plan.

Does any Member have in his district a chemical industry? I expect unemployment in the chemical industry. Why? Because by devaluing the dollar by 20 percent in the last 2 years we guaranteed that business will pay a greatly increased price for imports such as petroleum which the chemical industry relies

upon for its basic products. We are going to find a whole new economics attached to that industry, and a lot of the present chemical manufacturers are not going to be around.

Does any Member have some mineral processors in his district? We are now importing minerals at an increasing percentage, I suggest that the 20-percent increase in cost that comes out of the 20-percent devaluation is going to mean that those industries are facing a whole new economic situation: Dramatically increasing prices for basic commodities and some of them are not going to be around. Therefore, we are going to find—not increasing employment—but decreasing employment. Within the next year we will see an awesome accumulation spelling out the total cost of this devaluation.

Mr. Chairman, as we look at the whole panorama, we shall find that what we have not prepared for is what we have to do when we devalue. There is only one positive good; it makes our goods cheaper and we have to be prepared to increase our exports. Selectively in areas where we can see trade opportunity and trade advantage. This administration has not prepared in any way to increase the exports from this country. The buildup has to be made; we cannot just wave a wand and tell people to get out there, the world is open. We have to do a much deeper job than that. It has not been done by this administration.

The administration was very quick to send its emissaries out and take the pulse of the capitals of the world on the question of devaluation; but they did not send anybody out in the country to tell the people of the United States what this means in the challenges it lays down for exports.

What this means is that we do not have a continent which we can rely upon for the goods and services of this country building the wealth of this country, because that went out in 1900. We no longer have a world that is fearing wars, preparing for wars, or getting over wars, so that they have to come to this country to get their goods. We have a world alive, alert, thriving, and moving forward. We are sitting home, dumb, fat, and happy, while the happiness is wearing off very quickly. The fat is fading.

Mr. Chairman, I hope the dumbness will pass away and we will begin to be constructive about what this bill means we have to do in this country. I would like to see our Nation prepare for the third great era, the era of international trade. An era in which government and business are not considered adversaries but as partners. May we be awakened, even if painfully, to true facts that what has to capture our dollars overseas are our goods and our services aggressively sold and competitively priced. If devaluation does not deliver this message, its alternative theme is dismal indeed.

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

Mr. Chairman, I am rather concerned about one section of this bill.

That is the section that permits the private ownership of gold, "if the President finds that international monetary

reform shall have proceeded to the point where elimination of regulations of private ownership of gold will not adversely affect the U.S. international monetary position." If that language puts a real restraint on the conditions under which the President could permit the private use of gold, then, I would feel a little more at ease with this particular provision of the bill.

Mr. Chairman, I would like to ask the gentleman from Texas (Mr. GONZALEZ) if he with his knowledge and background, feels that there would be any time in the foreseeable future that the President will be in a position to make such a finding with respect to the private ownership of gold.

Mr. GONZALEZ. Mr. Chairman, if the gentleman will yield, I would like to answer the gentleman from Ohio in this way: I am afraid my answer would not be objective, because I was against this and other provisions along this line.

I consider it mischievous at this particular time and as having no part in this particular legislation. I feel that ought to be a part of some separate action taken by the Congress.

Therefore, in all honesty, I must say that I did not agree to this, with the majority of the subcommittee or the full committee. This version in the bill is the amended form to the original amendment offered by the gentleman from Illinois (Mr. CRANE) which amended version was sponsored by the gentleman from Wisconsin (Mr. REUSS). If it pleases the gentleman, I would suggest he address this question to the gentleman from Wisconsin (Mr. REUSS) and I would be delighted to yield to the gentleman for that purpose.

Mr. SEIBERLING. Mr. Chairman, I yield to the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Chairman, my colleague (Mr. GONZALEZ) denies paternity and implicates me. I believe he is perhaps right on both counts.

I will respond to the gentleman from Ohio by saying that, yes, these are very meaningful restrictions on the power of the President to permit the purchase of gold by U.S. citizens. They are meaningful because the language says that monetary reform must have proceeded to the point where repealing the gold restrictions would have no adverse effect on the U.S. international monetary position.

In fact, so long as we do not have international monetary reform, so long as there are no rules of the road governing floating exchange rates and intervention, so long as the huge \$80 billion or \$90 billion overhang of short-term U.S. liquid liabilities abroad persists, it would be discombobulating indeed to the international monetary position of the United States to permit, U.S. citizens to go over and, in a day, perhaps, to add billions of dollars to our deficit as well as increasing the price of gold and perhaps precipitating yet another international monetary crisis in the bargain.

I am confident this is indeed restrictive language.

I should add, in this particular instance the President and the adminis-

tration have made it clear that they have no intention whatever of being able to make this kind of a certification anywhere in the foreseeable future. Indeed, the administration for a while resisted even this language.

I am the author of this language, and I believe that while the right of an American citizen to own gold is not quite on a philosophical parity with the right of an American to freedom of speech, freedom of religion, and the other great requirements of our Bill of Rights, nevertheless, if there is no good reason why somebody should not be able to own gold, why in heaven's name not let him own gold? When the day comes, it is open to the President to so declare.

That is all the provision says. I believe the gentleman is quite right in being inquisitive about the meaning of this action, but I honestly believe his fears can be assuaged.

Mr. SEIBERLING. In other words, this is not a "blank check" but is intended to be a requirement of true monetary reform.

Mr. REUSS. That is right. It is the very opposite of a blank check.

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

The CHAIRMAN. The Chair will count.

One hundred five Members are present, a quorum.

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

Mr. Chairman, last year I joined those who spoke against this principle in voting against this legislation. I would like to speak again today along the same lines.

My reason for doing so is that I think this perpetuates what I criticized previously, and that is our practice of delegating responsibility of lawmaking to bureaucratic officials who are not responsible to the people or, in most instances, to the administration they serve. This legislation, coming as it does, as an after-the-fact approval of what we have done following the Bretton Woods agreement of many years ago, continues the practice of allowing those who are not elected by the people to make the law, one time the responsibility of the people's House and the responsibility of the other body of Congress.

Furthermore, it seems to me the only reason for the legislation is to allow more money for the International Monetary Fund so that those international lending institutions might get more American dollars, and I do not think that is necessarily economic or well advised in the posture of things as they are in America today.

Mr. Chairman, considering the fact that I am the owner of a five-eighths interest in 23 miles of gold mining claims in Wyoming, I have no recourse but to abstain on the principle put forth by this bill. But if it were proper for me to vote, I would have to vote against it, including the section giving the President authority to say when private citizens can lawfully own gold.

It is again a case of our delegating our responsibility—this time to the President.

Mr. RARICK. Mr. Chairman, the bill before us to spend \$2.25 billion for the privilege of devaluing the American dollar, and making it worth 10 cents less in purchasing power, is not only expensive, but it benefits not a single American taxpayer.

The proponents of this move claim that this huge expenditure, the second one in little over a year, is a routine paperwork procedure since, for all practical purposes, the dollar is already worth less in international markets. The \$2.25 billion would go to pay off our alleged "maintenance commitments" to international banking organizations. It would in no way benefit the American taxpayer whose money this body would send to international bankers.

Included in this bill is a measure to aid the taxpayer, however. I refer to the amendment that would allow Americans to own and hold gold. The price of gold in world markets has been skyrocketing during the same period that the dollar has fallen. Citizens of more than 70 nations are allowed to own gold, yet we Americans are relegated to a second-class position, and are expected to be happy with shrinking, devalued printing press money. We are one of the few remaining non-Communist countries that fear allowing its citizens to own gold.

If our people could own gold, as tangible payment for their labor, inflationary spending by the Federal Government would be curbed, and the true value of the dollar would stabilize.

Gold, the basic precious metal indicator of wealth, has now soared to the price of \$128 per ounce as thinking people abandon the unsecured paper currency medium of exchange to seek other avenues to secure and protect their wealth.

The President's chief economic adviser shrugs off the soaring gold price as a general neurosis of the outside world, which he feels will have little effect on the American economy.

But in America, the only free world country which prohibits its citizens from possessing or owning gold, indications are otherwise. The constantly increasing prices of food and services are making it apparent to the citizen that something is wrong with his paper dollars and coins which have no intrinsic value. Americans are awakening to the stark reality that the worth of food and services is not going up but rather the buying power of printing press currency and slug money is going down.

Americans are in many instances breaking their own country's laws by participating in the European market under various subterfuges to transfer their dollars into gold and gold futures. As the demands of the new prospectors increase the buying of gold, the supply continues to dwindle as even the speculators fear selling at any price.

Indicative of ingenuity employed by many Americans to safeguard their wealth was the recent announcement by the Teamsters Union that to safeguard the investment of its pension and health and welfare funds it had bought \$26 million worth of Israeli bonds. This Teamster investment abroad represents con-

tributions from laborers earned in America from Americans. Yet its leadership obviously fears investing the trusts of its members in their own country because of the monetary situation.

But the average American concerned over protecting his savings, his retirement for old age, and still trying to stay ahead of the constantly decreasing purchasing price of the dollar is unable to transfer his nestegg into the stability of gold.

Two months ago, with little fanfare, possibly not to suggest the chance of hope to the average American, 111 Members of Congress cosponsored a sense of Congress resolution urging the President to authorize the right of Americans to buy and sell gold. Two months ago, the price of gold was under \$90 per ounce. The failure of the administration to act then for the benefit of American citizens has already denied our people a chance to salvage their savings and earnings by investing in gold.

A statement presented by the Secretary of the Treasury and made a part of the hearings on the devaluation of the dollar from a base of \$38 to \$42.22 in relation to an ounce of gold praised dollar devaluation as a means of increasing the relative value of U.S. gold at Fort Knox. The rationale was that by devaluing the dollar another 11.11 percent the U.S. gold reserves presently estimated at \$10 billion would be increased to a value of \$11 billion 165 million.

Apparently the Treasury Department experts in their backward arithmetic did not consider that to sell the Nation's gold reserves to the American citizens at the present going rate of \$128 per ounce would have enhanced the same gold reserves in excess of 200 percent or valued at over \$20 billion. This plus the fact that the gold would be safe in the repositories of the American people.

The refusal of the President and his advisers to accept reality of what is taking place the world over and the refusal of the news media to inform the people raises the question. "Is the controlling minority which directs the helm of our Government afraid to legalize gold ownership for Americans because they know that such freedom would completely destroy the people's confidence in unsecured paper currency and reveal the failures of the Federal Reserve System?"

American currency and coinage is authorized under the Constitution for the benefit of American people and not for the oversight and manipulation of international bankers and foreign powers. If our present financial system controlled and manipulated by international entangling deals has been successful in the protection and betterment of the American people, then why is it not working?

Our Government has failed to protect our people's financial system. Certainly the American citizen can no longer be discriminated against. He is entitled to freedom to convert his wealth and earnings from his labors, his savings and the evidence of his industriousness, to whatever medium of security he chooses. The right of American citizens to own gold is certainly one such choice.

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

SEC. 2. The Par Value Modification Act is amended by adding at the end thereof the following new section:

"SEC. 5. It is the sense of the Congress that the President shall take all appropriate action to expedite realization of the international monetary reform noted at the Smithsonian on December 18, 1971."

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

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

(c) The provisions of this section, pertaining to gold, shall take effect when the President finds and reports to the Congress that international monetary reform shall have proceeded to the point where elimination of regulations on private ownership of gold will not adversely affect the United States' interests.

AMENDMENT OFFERED BY MR. CRANE

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

The Clerk read as follows:

Amendment offered by Mr. CRANE: Page 2, strike section 3(c) and insert immediately after line 11 the following:

(c) The foregoing provisions pertaining to gold shall take effect December 31, 1973.

Mr. CRANE. Mr. Chairman, the amendment that I initially introduced before the Subcommittee on International Finance contains portions of the current bill, namely, section 3, subsection (b), and in debating the propriety of the restoration of private ownership of gold, it was argued by some who were fundamentally opposed to that position that there be qualifying language, so we agreed upon section (c).

Since that time, as I am sure everyone in this House is aware, the other body has taken action on this same devaluation bill and has spoken to the point of private ownership of gold.

In so doing, by a vote of 68 to 22, the Senate agreed to the language of the amendment which is before you, namely, that which would establish the date of December 31, 1973, for implementation of section 3, subsection (b).

What is interesting about that Senate vote, when analyzed in detail, is the realization that his issue is nonideological and nonpartisan. The 68 Senators voting in support of this position in the Senate included such diverse types as Senators McGOVERN, FULBRIGHT, KENNEDY, MUSKIE, HUMPHREY, HARTKE, as well as HELMS, HANSEN, HRUSKA, HARRY F. BYRD, JR., CURTIS, and BUCKLEY.

I do not think you can have any expression of greater bipartisan support for a position than that which was demonstrated in the Senate when it voted on this particular subject.

I think, in addition to this, we have to recognize that the desideratum of Members of the U.S. House of Representatives should be to maximize freedom of choice, which is basically what we are talking about here, on the question of restoring the right of American citizens to buy, sell, or hold gold, a right which was taken away in the Gold Reserve Act of 1934. Whatever the rea-

sions advanced to rationalize it at that time, it is an anachronism to continue to maintain that archaic prohibition.

We have heard the argument advanced, also, that to give this right to buy, sell, and hold gold to American citizens would aggravate our balance-of-payments deficit. On the contrary, I believe it would improve our situation.

At the time when we had phase I devaluation less than a year and a half ago gold was selling for \$40 an ounce. As those of you who have followed the financial pages know, it has gone on the Paris market to as high as \$128 an ounce. This would have represented a profit of over 200 percent to any American investor who had this right restored 18 months ago. When one is able to show profits in international investments it alleviates our balance of payments problem and does not aggravate it.

In addition to that, Mr. Chairman, we have heard the argument advanced that we would, with the potential increase in gold costs, sustain higher costs for industrial users. That is very probably so, but that increase to industrial users is already taking place to a rather considerable extent. I cannot under any circumstances envision another 200-percent increase in the price of gold over the next 18 months. But we have to balance that economic interest off against the economic interests of people in the mining industry in the United States who have been put out of jobs for the most part since 1934 because of this capricious and arbitrary action.

In addition to that, Mr. Chairman, we have heard the point made that we are seeking most expeditiously to get some kind of an international monetary reform. It has been a major concern of my good friend from Wisconsin, I know, as it is one of mine.

Dr. Arthur Burns indicated in testimony before the committee that he hoped to have that kind of a settlement by July 1. When my colleague from Wisconsin pressed Mr. Volcker on the point in later testimony, Mr. Volcker viewed that date as optimistic but suggested that surely we might be able to anticipate final settlement as late as September when there would be a conference of the International Monetary Fund. If those two estimates are correct—or if it is somewhere in between that we have a final settlement—then there is clearly no apprehension to be entertained over establishing a date certain, namely, December 31 of this year, for restoring the right to buy, sell, and hold gold.

In addition to that, we have to recognize that while on the one hand we have heard arguments that restoring the right to buy, sell, and hold gold would be destabilizing in achieving international monetary reform and assuming we did not have it by December 31 of this year, I think we have—

The CHAIRMAN. The time of the gentleman has expired.

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

Mr. JOHNSON of California. Will the gentleman yield?

Mr. CRANE. I will in just a moment. Let me finish this one final thought on that.

We have to recognize there are only three possible settlements that we can get out of any international monetary reform. One is total demonetization of gold. Another is some kind of a two-tiered gold system, which is meaningless, because you cannot open up the gold window when it is officially pegged at \$42 an ounce and when it is \$128 an ounce on the world market. Third is full convertibility, which is not considered titubity is impossible.

Finally, we are not talking about any great amount of exchange. A big day in the gold market, including London, Paris, and Zurich, is \$10 million of gold changing hands.

And on a daily basis we are engaged in the New York Stock Exchange with \$550 to \$650 million worth of business.

The issue which faces us today is one which relates not so much to matters of economics as to the question of individual freedom. Are Americans to be controlled by their Government, or are they to be free men and women, able to make their own decisions concerning a myriad of questions—including whether or not they wish to own gold?

The Senate, on April 4, passed by a vote of 68 to 23 an amendment sponsored by my distinguished colleague from Idaho, JAMES A. MCCLURE, allowing Americans the right to own gold. Senator MCCLURE and I offered a similar amendment to the dollar devaluation measure in the House last year. Although there was substantial House support the amendment was ruled nongermane.

The amendment passed by the Senate last month would simply remove the nearly 40-year-old restriction and allow American citizens to buy and hold gold after December 31, 1973.

In the House, in an effort to deter passage of this measure, the International Finance Subcommittee of the House Banking and Currency Committee changed the language of the amendment by substituting the phrase, "at the President's discretion," for the clear December 31 repeal.

It is essential that the language be quite clear, that what we are proposing is simply the elimination of any impediment upon American citizens from ownership of gold.

Beyond this, it is equally essential that we understand the real stakes in this question.

It has always been a proposition of free government that the burden of proof rests with those who seek to limit the freedom of the individual citizen, not with those who seek to preserve and enhance it.

Throughout our history there have always been those who sought to diminish our freedom, and many of the advocates of such limitations have had what they considered to be "good reasons" for calling for the intervention of State power.

The question of whether the individual should have the right to own gold has brought forth many arguments by those who seek to limit his rights in this area. Rarely, however, has there been a consideration of the background of this question, and rarely have such "good reasons" for limiting our freedom been thoroughly examined.

Prof. Milton Friedman, writing in Newsweek magazine of August 16, 1971, declared that—

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

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

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

At the same time that our own Government prohibits Americans from owning gold, it is interesting indeed that the other countries in the world which have adopted a similar policy of prohibition are primarily totalitarian dictatorships, such as Albania, Bulgaria, Cuba, East Germany, Hungary, Rumania, Communist China, and the U.S.S.R. The only non-Communist states with such a prohibition are Ceylon, India, Libya, Mali, and Rhodesia. Even Great Britain, which followed our own policy for years, restored the right to ownership of gold coins 2 years ago.

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

Economist Henry Hazlitt notes that—

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

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

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

Among those who object to the citizen's right to own gold is the Department of the Treasury. They tell us, for example, that gold will be hoarded. Yet, they do not tell us what difference this would make. The Treasury Department is repeatedly saying that gold does not affect the Nation's economy at all. If this is the case, then the economy would change more if people began to hoard potatoes or cabbage, which constitute a real percentage of the GNP. The only effect that gold ownership would have

would be a psychological one, giving the owner confidence that he owned something of value.

The Treasury Department recently declared that—

The premature lifting of restraints on the individual ownership of gold would inject a further speculative element into the present international monetary situation.

It is difficult to imagine gold in any livelier speculation than we have witnessed in the past months.

The basic question involved is clearly that of freedom of the individual. The Milwaukee Sentinel of June 24, 1971, notes that—

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

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

Discussing this point, Henry Hazlitt points out that—

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

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

The fact is that the reduction of the monetary role of gold, begun in the New Deal, has now been completed. Gold reserve requirements for Federal Reserve notes and deposits have been abolished. Even the attempt to maintain the world market price of gold at \$35 an ounce has been abandoned. Today, there is a free market in London where, in August 1971, the price of gold was \$40 an ounce. It is now more than \$100 an ounce.

Discussing this point at a meeting of the International Monetary Conference of the American Bankers Association in Montreal in May 1972 Prof. Milton Friedman declared that gold is "through" as an international medium of exchange. He stated that, "The role of gold is being played out like a Greek tragedy. The world is now on a dollar standard, and there is not the slightest chance the United States will make the dollar convertible into gold again."

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

Free world production, now thought to be at its peak, stands at 1,262 metric tons a year—a figure which some estimates suggest will barely meet industrial demands within a year or two. Purely industrial compensa-

tion (excluding jewelry) of the gleaming metal has increased by as much as 17% a year in the past and is expected to level off at around 6% in the future.

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

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

Let us consider these separate situations.

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

Second. If we retain fractional backing, there can be no objection to immediate restoration of the right to buy, sell or hold gold since—at present—there is no connection between the official price of gold, \$38 per ounce, and the world price, over \$100 per ounce, and convertibility is impossible.

Third. Convertibility is only feasible when the world market price and the official price are in harmony. Since soaring industrial demand keeps pushing the market price higher, annual devaluations would be required to achieve this, a situation which has been called totally unacceptable to foreign bankers and contrary to U.S. determination to diminish the role of gold, and which would trigger reciprocal devaluations throughout the world.

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

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

The nonmonetary demand for the metal proved far higher than any one in industry had thought possible. Industrial uses (all forms of fabrication) consumed 1,050 tons in 1968. This combined with the 570 tons taken up by speculators, exceeded the free-world production that year by 260 tons.

The article continues:

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

What this also suggests is that investment in gold in the world market is going

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

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

First, we would contribute positively toward remedying unemployment. Second, the United States has sufficient gold reserves underground to make this country one of the foremost exporters of gold in the world. Since it is our policy to seek to remedy our balance-of-payments deficit, surely becoming a major exporter of gold would help to meet this objective.

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

The Treasury Department, for years the opponent of change in our gold purchasing policy, has now recognized "the logic of allowing U.S. citizens to own and hold gold," according to recent testimony by Under Secretary Paul Volcker, but it does not feel that this is the time to introduce that change. It seems to me that now is precisely the time, and that whatever arguments there might once have been for prohibiting the private ownership of gold, there are none today.

It must be remembered that gold reserve requirements for Federal Reserve notes and deposits have been abolished and the reduction of the monetary role of gold that President Roosevelt began has now been completed. In addition to restoring a fundamental right to all of our citizens, the adoption of the proposal which I have introduced would also create a boom in the mining industry, providing thousands of jobs and once again make the United States a major gold exporter, thereby reducing our balance-of-payments deficit.

It is an old legal maxim that when the reason for a law ceases to exist that the law itself should be eliminated. If there ever was a valid reason to prohibit American citizens from holding gold, that rea-

son does not exist at this time. Since that is the case, the prohibition should also cease to exist.

In a free society the presumption of the law should always be on the side of freedom, not of governmental coercion and limitation. Those who want to prevent American citizens from the right to own gold have themselves to meet a burden of proof on behalf of that limitation upon individual freedom. Thus far, they have failed to do so. Parliamentary avoidance of the real issues cannot, for long, substitute for meeting that burden of proof. I am confident, when all of the facts are clearly set forth, that the issue will be resolved in the terms discussed here.

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

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

Mr. JOHNSON of California. Mr. Chairman, I want to commend the gentleman from Illinois, Mr. CRANE, for his very fine statement in support of his amendment, and I would join with the gentleman on his amendment.

Mr. Chairman, Mr. CRANE's amendment to H.R. 6912, which would permit American citizens to hold, sell, or otherwise deal with gold, should, I believe, be supported overwhelmingly here today.

It is sadly ironic that in the land of the free, citizens don't have this basic right. Well over 40 countries on every continent in the world give their citizens this fundamental liberty, yet we don't have it here in the United States of America. This we can terminate today.

This amendment would go a long way to revitalize our domestic gold mining industry. There has been a lot of talk today about our economic security needs and specifically as it relates to the International Monetary Fund. None of these allegations have been substantiated, however, with a clear delineation of facts which lead directly and logically to the conclusion that our economic system would be undermined or otherwise affected appreciably and adversely. I do not desire to see the dollar undergo a tailspin, therefore, if any of you can prove that there is a logical connection—not just a possible one—between the unrestrained ownership of gold and an undermining of the dollar, then I would immediately withdraw my support for the amendment.

Allow me, however, to briefly depict a crisis which does affect the status of the dollar. As late as February 1970, President Nixon's Task Force on Oil Imports assumed that world oil prices rises would be minimal and that the United States would remain essentially self-sufficient in terms of its oil production. Furthermore, the Task Force estimated that our imports of oil would not reach 5 million barrels per day until 1980. Here it is 1973, and we have now exceeded by over 1 million barrels a day, the Task Force's 1970 estimate for 1980. Mr. Alsop, in his commentary in the Washington Post of May 21, 1973, directs some thoughts to this problem and its relationship to the status of the dollar. I would like to quote a portion of Mr. Alsop's editorial:

Projected imports will, therefore, approach 50 percent of Winger's projection for U.S. de-

mand for crude oil and petroleum products. This means crippling dependence on overseas energy sources, which we are quite unable to control or to protect. But from the standpoint of the future of our dollars, the cost figure is still the key figure. The cost figure for imports means that the United States will have to find this much money to send abroad in payments for energy in 1976. Since demand for energy is both uncontrolled and rising rapidly, the cost figure further means that we shall have to find a lot more, year by year, in each year after 1976. But the worst trouble is that all these projections are strictly theoretical.

They are the figures the people are looking at, who are casting in their dollars and buying gold. These people know there is nothing in the U.S. balance of trade to suggest that we will have such huge sums, to pay for our projected imports of crude oil and other petroleum products. These people also know that if a country cannot pay up, one of two things must happen. Usually both happen. First, the country's currency rapidly loses its normal value. And second, because the currency begins to resemble confederate greenbacks, sellers overseas refuse to accept.

That is where the energy crisis will take us and our dollars, if we do not take corrective action soon.

And what solution does the administration offer for this real contributor to the dollar crisis. The administration basically says that it will look deeper into this perplexing problem and, in the meantime, it will allow the market to gyrate while asking voluntary limits on consumption and creation of a more efficient allocation of oil and gas. After all, exclaims the administration, we cannot infringe upon the rights of individuals or corporations in their free interaction in our pure market economy.

I see an absolute contradiction in this policy and the willingness of the administration and some of my colleagues to refuse to allow individual American citizens to own gold freely and thereby interact in the gold market.

If we want to maintain or to better yet shore-up the dollar, let us do something about the balance-of-payments deficit directly and unquestionably attributable to our enormous and expanding importation of gas and oil. This is not a "maybe" effect on the status of the dollar; it is definite. To acclaim freedom for the private sector in one instance, that of expanding oil consumption which necessitates ever greater dependence upon oil imports, which clearly contributes to a substantial undermining of the dollar; and then, on the other hand, to restrain an individual's freedom to own gold because such ownership might, and I emphasize might, have a minimal effect on the status of the dollar, is lacking in both logic and persuasiveness.

The real security interest involved in this situation is that of our own domestic gold mining industry. Forced to shut down, by our official policy of maintaining a national price of gold that is well under half the going international price, our gold mines are not contributing to our national security. In fact, I might add, their being closed does, rather, diminish our national security interests. If gold is a strategic commodity, as it surely is, then it would behoove us to insure that our own domestic industry be revitalized. It is with this in mind that I

rise today to support Mr. CRANE's amendment.

Thank you.

Mr. CRANE. Mr. Chairman, I thank the gentleman from California for his support.

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

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

Mr. DEVINE. Mr. Chairman, I too would like to join in commendation of the gentleman and in support of the amendment offered by the gentleman.

Mr. TOWELL of Nevada. Mr. Chairman, will the gentleman yield?

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

Mr. TOWELL of Nevada. Mr. Chairman, I too would like to join in the comments made by the gentleman from Illinois (Mr. CRANE). Furthermore, I am in support of repeal of sections 3 and 4 of the Gold Reserve Act of 1934 that has prohibited the private ownership of gold for speculative or investment purposes.

The passage of this legislation—the Par Value Modification Act—is of the greatest importance to the State of Nevada. It has the potential of revitalizing the once-thriving small mining industry in the State.

This bill is long overdue, and I am very proud to participate in its passage in the House today.

The dollar is no longer backed by gold either here or overseas. And the two-tier gold market established in 1968 allows the private price of gold to float.

Although some critics say that ending the restrictions disrupts the international money market, this bill contains a safeguard. It gives the President the authority to take action if the monetary situation does get out of hand.

It is with a great deal of pride that I insert into the Record today the following resolution adopted by the Nevada State Legislature:

NEVADA ASSEMBLY JOINT RESOLUTION No. 19
Assembly joint resolution—Memorializing Congress to repeal certain parts of the 1934 Gold Reserve Act

Whereas, United States citizens have been forbidden since 1934 from owning gold by an Act of Congress; and

Whereas, The 1934 Gold Reserve Act no longer furthers any compelling governmental interest; and

Whereas, Citizens in ever-increasing numbers demand the rights and privileges of owning and enjoying gold; now, therefore, be it Resolved by the Assembly and Senate of the State of Nevada, jointly, That the legislature of the State of Nevada respectfully memorializes Congress to repeal those sections of the 1934 Gold Reserve Act which prohibit private ownership of gold; and be it further

Resolved, That a copy of this resolution be prepared and transmitted forthwith by the legislative counsel to the Speaker of the House of Representatives, the President of the Senate and the members of the Nevada congressional delegation.

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

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

Mr. SYMMS. Mr. Chairman, I too would like to commend the gentleman from Illinois (Mr. CRANE) in offering his amendment, and to rise in support of that amendment.

Mr. Chairman, for over 2,000 years now governments have tried to manipulate and regulate the individual's choice of money.

Beginning in March of 1933, when President Roosevelt forcibly expropriated the gold owned by Americans, we entered a new era of excessive Federal spending, higher and higher taxes—and continuing inflation. With gold ownership being illegal, what protection does an individual have against the value of his dollar being reduced overnight?

The vast majority of other nations allow their citizens more freedom of gold ownership than does the United States. Of the 26 nations of the IMF—International Monetary Fund—which are classified as industrially developed, only one—Australia—has gold ownership restrictions that are as stringent as those of the United States. Apparently the U.S. Government has chosen to imitate the gold prohibition laws of two non-IMF nations—Soviet Russia and Red China.

For 40 years the Treasury Department has used the "stability" of the dollar as the excuse for not allowing the American citizen to possess gold. "We must not do anything to shake confidence in the dollar," they say. Of course this argument both points up the value of gold—and the fallacies of demonetization—and their failure to recognize the growing threats to dollar stability.

For 40 years our policies have been building a floodtide of pressure against the dollar. The Treasury Department says that it is not concerned about gold, that it has no monetary value. Why then do they continue to oppose gold ownership by American citizens? It seems to me that the real truth is that they are very much concerned about gold. As I recall, there were those who predicted that demonetizing gold would force the price of gold downward, but that has certainly not been the case. It would be fair to say in retrospect that virtually every official step taken with regard to gold in the past decade has been wrong. Is there any reason to believe that a perpetuation of that policy is suddenly correct?

The Treasury Department and Federal Reserve Board both say that we must now have a monetary system based upon the good faith and mutual confidence among nations. Yet, the strongest and richest nation in the world lacks sufficient faith and confidence in its own people to the extent that it will not permit them to own gold.

Gentlemen, why should the monetary system of the United States include gold prohibition, a prohibition invariably associated with collectivist regimes? Why should American citizens be subject to criminal and civil penalties for owning a piece of yellow metal?

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

Mr. Chairman, I would like to join with my colleague from Illinois in supporting his amendment setting December 31, 1973, as the date this private ownership of gold legislation is to take effect.

Not only will our citizens benefit directly by the restoring of one of their rights, but also indirectly through the rejuvenation of the American mining industry.

Thousands of Americans were employed in our mining industry in past decades. The potential for these jobs is still there—if the price of gold reaches a level profitable enough for the mining companies to go back into production.

In 1971, supplies of newly mined gold went down and demand went up. Primary gold produced in the United States supplied less than 25 percent of the U.S. consumption—the remainder was supplied by imports.

Domestic gold production dropped in 1971. An estimated 1.5 million ounces was mined compared with 1.74 million ounces in 1970. Net imports of gold, mostly for industrial use, rose somewhat and totaled about 6 million ounces in 1971 compared with 5.6 million ounces in 1970.

If our mining industry could be given an incentive to become more productive, it would certainly help both our unemployment problem and our balance-of-payments deficit. Allowing American citizens to own gold could provide this incentive.

The United States has sufficient gold reserves underground to make this country one of the major exporters of gold in the world; and with our current level of balance-of-payments deficit, this would provide a much needed change of direction.

I urge by colleagues to adopt the Crane amendment.

Mr. J. WILLIAM STANTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from Illinois (Mr. CRANE).

Mr. Chairman and Members of the Committee, the amendment that has been offered by the gentleman from Illinois (Mr. CRANE) states that basically, in agreement with the Senate version of this legislation, that after December 31 of this year American private citizens will have the right to buy and sell gold.

In the earlier colloquy with the gentleman from Ohio (Mr. SEIBERLING) and the gentleman from Wisconsin (Mr. REUSS) it was pointed out that the Subcommittee on International Finance went into this subject in great depth. It was the subject that the gentleman from Illinois was primarily interested in throughout the hearings on this legislation.

In the subcommittee the majority of that subcommittee felt that the subject matter before that subcommittee and now that is before this Committee of the Whole House on the State of the Union was not of Americans' right to buy and sell gold, but rather when this right should take place.

We had before us, on every single one of the elements of this legislation, the advice of Dr. Arthur Burns of the Federal Reserve Board and Dr. Paul Volcker, the international monetary expert in the Treasury Department. We also received fundamentally the same advice from other members of the Treasury, and other men from the Federal Reserve

Board prior to Dr. Burns, and that was that at this particular time in the history of our country, when we are faced with extremely difficult decisions ahead of us on the International Monetary Reform Agreements, that we should do nothing at this particular time on this particular subject.

In the legislation before us we have the mechanism that, after this International Monetary Agreement is agreed to, that the President of the United States can declare the right of Americans to buy and sell gold. So we are fundamentally in agreement on the question of this subject matter, but we strongly differ with the gentleman from Illinois on the subject of its timing.

Mr. Chairman, in rising in strong opposition to this proposed amendment, I say that we should follow the advice of the Chairman of the Federal Reserve Board, and the Secretary of the Treasury, and others.

I believe that the legislation which came out of this committee should be adopted, and I have to say to the gentleman from Illinois that I am deeply sorry, but that it was my understanding in the subcommittee that the gentleman from Illinois withdrew this amendment in favor of the gentleman from California. Am I not correct?

Mr. CRANE. Mr. Chairman, will the gentleman yield on that point?

Mr. J. WILLIAM STANTON. I would be happy to yield to the gentleman from Illinois.

Mr. CRANE. My amendment was section 3(b), immediate restoration of the right to buy, sell, and hold gold. There are now three positions. I am not arguing in support of my initial amendment to the bill in subcommittee which, as I indicated, was immediate restoration of the right to buy, sell, and hold gold, but in fact I have since come to accept the Senate language which passed overwhelmingly over there.

Mr. J. WILLIAM STANTON. I do not want to yield further to the gentleman from Illinois. I am just not sure if the Senate had not already passed this legislation when we took it up? Did the gentleman infer that he changes his mind due to this vote?

Mr. CRANE. When the Senate in fact took that action, that was not part of the discussion in the subcommittee.

Mr. J. WILLIAM STANTON. No; I am asking the gentleman on the floor if he changes his mind.

Mr. CRANE. I have compromised my position, which I am not in favor of. May I ask the gentleman one question? At a time when we are plagued with what many describe as a so-called constitutional crisis between the executive and the legislative branches, when we have discussed in this body the question of abdication of war-making powers and a variety of other powers that should be resident in this body, how can one get up and justify the idea of giving discretionary power to the executive branch over an issue that belongs exclusively in the U.S. House of Representatives?

Mr. J. WILLIAM STANTON. I would be most happy to answer that question. The answer is very simple. I thought I

made it clear before. It seems to me that while the gentleman and I may argue over this technical point on the question of power, I certainly will take the word of Dr. Arthur Burns and his exact testimony and statement, and he is not getting the power without the authority and power of Congress. What I am telling him is not to do it so immediately after the settlement of the international monetary agreement.

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

Mr. Chairman, I rise in opposition to this amendment. I join the distinguished and very able and competent gentleman from Ohio, a member of the subcommittee. He is absolutely correct. This is one question we went into quite thoroughly. The gentleman from Illinois, who has been a very staunch and avid supporter of this proposition over the course of several years, fails to report to us that there was not one expert or executive official witness appearing before the subcommittee who supported this thesis. This is already part of the Senate version of the bill. The Senate version of this par value modification bill also has a strong Senator ERVIN resolution on impoundment of funds, which the Senate gleefully put into this bill. They also have a proviso about aid to North Vietnam as part of this bill.

So let us not judge what the Senate did in a very hasty and intemperate action.

The only purpose that this amendment can serve—and I say this with all respect to the sincere "gold bugs" of this Nation who feel their basic constitutional right has been denied them—all this amendment will do will be to not only serve no public interest, no public good, no good international interests, but it will hang the American people on a cross of not only gold, but a cross of Russian and South African gold.

Let me read to the Members what the facts are that are staring us in the face. The United States imported 113,757 ounces of Soviet gold in March worth \$9,488,472—in the month of March.

That was the month of March. It goes on:

This means U.S. importers paid an average of 83.48 dollars an ounce during the month compared with February's average cost of 67.78 dollars an ounce on imports totaling 89,128 ounces.

Since that time the U.S. has imported a total of 759,491 ounces of gold valued at nearly 52 million dollars. Imports this year have so far totaled 225,000 ounces valued at 17 million dollars.

Russia and South Africa are the principal producers. A little better than half the available gold is owned by governments. The other half, or most of the other half—where do Members think the American dollars are going to go to get it if it is not delivering America into the hands of the gold speculators, to wit the Communist gold speculators?

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

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

Mr. CRANE. Mr. Chairman, with respect to the question of testifying be-

fore the committee, I think we had two very able witnesses in support of the gold ownership.

Mr. GONZALEZ. In principle. But we are talking about the specifics of the Senate version, which we discussed, which your amendment threatens, and it was not one where the Government officials or others said at this point it would be desirable to go into this gold ownership.

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

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

Mr. SYMMS. Mr. Chairman, I think maybe there was a misunderstanding of the gentleman from Texas. I was one of the witnesses and Senator McCURE, also from my State, was one.

Mr. GONZALEZ. That is true.

Mr. SYMMS. We testified on the basis of protection. Would not the gentleman agree with me that protection of the individual who would like to invest in gold would be a good reason to allow him to do it if he wants to protect himself from fiscal irresponsibility on the part of the Government? Would the gentleman not think that would be a good enough reason?

Mr. GONZALEZ. No. In answer to the gentleman, it is always a good thing to protect against fiscal irresponsibility, but how can the gentleman stand there and tell this House and the American public that this amendment will do anything but exchange one folly for a more grievous folly? I do not see how.

Mr. CRANE. Mr. Chairman, if the gentleman will yield further, he can exchange a paper IOU for a piece of gold, and if he would like to do that would that not be a good reason?

Mr. GONZALEZ. I think the gentleman should recognize this has not happened in the world for quite a few years. If that were the case there would be no international commerce at this time.

The point is whether or not we are going to wittingly or unwittingly be a tool of deliberately delivering the American people, and because they feel a constitutional right to possess anything, deliver them willingly and gleefully into the hands of the Communist gold producers and the South African gold producers, which in effect we would be doing.

Mr. WYLIE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois (Mr. CRANE) and I wish to associate myself with his remarks.

I hope that today the House will take this opportunity to correct a situation which has for too many years been ignored, in my judgment.

The United States is one of the last of the free world countries in which it is not possible for its private citizens to own gold. The only other free world countries in which it is not possible for private citizens to own gold are Ceylon, India, Libya, Mali, and Rhodesia. Even Great Britain which followed our policy for years, has recently restored this right.

Presently 70 other countries in the world allow their citizens to own gold, and some of them are our fiercest com-

petitors in the world marketplace. Included in this group are Taiwan, Japan, Hong Kong, France, Canada, Poland, Brazil, and Korea.

I say if it is good for other citizens of the other nations of the world to own gold, why not allow the citizens of the United States the same freedom? There is no reason today why Americans should be held to second-class status internationally in this regard.

I cannot understand the reason for the opposition to this measure. There is certainly no opposition coming from the American people themselves. Those citizens who want to exercise the right to own gold will thank us for restoring this right to them. Those who are not interested in exercising this right at the moment will have no reason to object to other people exercising it.

Our citizens will gain, our mining industry will gain, and our Nation will gain from the adoption of this amendment.

The Senate has already passed this legislation by a 3-to-1 margin. I would hope the same wisdom will prevail in this Chamber.

I ask support for the Crane amendment.

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

I shall not take too much time, when we should be voting.

Mr. Chairman, I oppose the Crane amendment because I think it holds the possibility for monetary disaster for the United States if it should pass. In essence, it says that after next December 31, next January 2, those American citizens who for 40 years have hungered and thirsted after the right to hold gold, are being empowered to go over to Europe or wherever the gold is for the buying, and gorge themselves to their heart's content.

No one here can estimate how much that early gorge is going to be, but it could well be on the order of \$5 or \$6 billion, enough to throw our balance of payments into a most grievous decline, which in turn could have repercussions over the entire international monetary scene.

The dollar has enough troubles, our economy has enough difficulties, without adding this new manmade one.

I know that the President, advised by his senior financial advisers, is prepared to veto legislation containing a position as fraught with disaster as this amendment. I know that there are Members who, for reasons of their own, are disillusioned with the President, and are looking for opportunities to vote against a measure which he believes essential, or for a measure which he believes disastrous.

I think, however, the duty of the Members is to look at the nature of the legislation or the amendment before us. The amendment, proposing to allow ownership of gold after next December 31, is against the monetary interests of the United States.

I hope it will be voted down.

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

Mr. REUSS. I yield to the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. Mr. Chairman, I would simply like to pose the question how, unless every American who invested in gold were to lose on that investment instead of returning a profit, and particularly looking at it in the light of the history between phase I devaluation and phase II devaluation, why the gentleman supposes that an American would not be as inclined to show a profit on that kind of commodity investment as he would in, say, silver, copper, or others?

If he shows a profit, that does not aggravate the balance of payments, but on the other hand mitigates it.

Mr. REUSS. There are several reasons. In the first place, the scenario could well be, instead of profits in this area of very fruitful speculation, there would be losses.

Secondly, even if there are profits, they do not show up on the black ink side of our balance of payments until they are repatriated.

I would anticipate that the ladies and gentlemen who suddenly go into the purchase of gold would keep their poker chips out on the table, waiting for the next round, so that the first impact on our balance of payments would be an unmitigated disaster.

Mr. Chairman, I hope the Members will have no part of this.

Mr. CRANE. Mr. Chairman, if what the gentleman says is true, that would be the result of some fast turnover after January 2, 1974.

Mr. Chairman, I have another question in that regard. Where does the gentleman get the figure of \$4 or \$5 billion anticipated in the gold market when a heavy day's business, taking into account London, Paris, and Zurich markets, a heavy day's business is \$10 million?

Mr. REUSS. From the demand, pent up for 40 years, of Americans who for one reason or another, good or bad, have a lust for gold.

After 12 years of prohibition, there was such a pent-up demand that the taps never ceased flowing. Heaven alone knows what will happen when the prohibition on gold ownership occurs.

Mrs. HECKLER of Massachusetts. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have been deeply concerned over this issue, both as the Representative from the 10th Congressional District of Massachusetts and as a member of the Banking Committee. Evidence from both my congressional district and from my work in the committee lead me to conclude that this amendment should not be passed.

From my perspective as a Member from Massachusetts, I bring to the attention of my colleagues the headline in the May 19 edition of the Attleboro, Mass. Sun Chronicle, reciting the tale of woe that is the lot of industries in that area.

The headline reads: "Local Firms Singing Gold Blues," and obviously they were talking about the same issue which has been the main subject of our debate this afternoon.

The city of Attleboro, in my congressional district, is involved in this issue with good reason—it is one of the leading centers of jewelry manufacture in the

country, and gold is the lifeblood of their business.

To illustrate Attleboro's significance, let me ask how many of my colleagues are wearing class rings. Most of those rings were made by the Balfour Co. of Attleboro, Mass. Cuff links and tie bars are quite in evidence across this room as well. Many of them were made by Swank, Inc., of Attleboro, Mass. There are also many small firms in the region, begun as individual shops, but which now each have as many as 20 skilled New England craftsmen.

These businesses, both large and small, in Attleboro, comprise a large segment of the jewelry industry in the United States. The problem faced by the industry is primarily one of supply—especially of gold. To survive, jewelry manufacturers need a steady gold supply, at a predictable cost, to allow prices which Americans can afford. With these conditions, as the president of Balfour Co. has said, the class ring is just going to be obsolete, beyond the means of the high school or college graduate. I am afraid that the industry would not be far behind.

Of course, I did not rise this afternoon to take the time of the Members to talk about class rings, or even to talk at length about my particular district, as important as that is to me. Nevertheless, from my position on the Banking Committee, I do feel that the problems of this industry, located in southeastern Massachusetts, are related to the total picture.

Our focus should be on the main goal of this legislation, which is to achieve stability in the international monetary system. If we cannot produce stability in this legislation, then it should not be passed.

The amendment suggested by the gentleman from Illinois must be considered in terms of this fundamental goal, and in those terms, I believe that it only adds a significant destabilizing force to the already troubled international money markets, and will make the search for stable, long-term monetary reform much more difficult. It creates new uncertainty. It invites speculation. Its effect is to thwart the very purpose of this legislation.

I hasten to advise my colleagues that I supported the committee's action on private ownership, because it would have permitted it within the context of responsible judgments on the ability of the monetary system to sustain the redistribution of gold possession.

I do not oppose the private ownership of gold per se. Indeed, I am confident that the needs of industry can be made compatible with private ownership, under suitable circumstances. Unfortunately, that time is not now. It is my hope that through this legislation we can further our efforts to subdue the monetary crisis we face, thereby reaching the point where individuals can own gold.

At this time, however, the troubled monetary scene would only suffer further weakening as the result of this amendment. Therefore, I ask that we do not destabilize an already uncertain market by adding this untimely, and I believe crippling language.

Mr. ABDNOR. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I have been listening intently to what has been said. Today I am going to discuss gold as a commodity. In fact, it is not a component of our monetary system.

I was very interested in what the gentleman from Massachusetts just stated, because I wanted to dwell somewhat on that same subject, the discrimination that has been going on for years against a business, a very important industry of this country—the mining of gold.

I might say that the people in the jewelry business have been able to buy gold for many years at the set price of the Government. It has only been recently they have been out in the field bidding for gold.

I should like to point out that the stockholders of gold mines, the owners of mining machinery, and, yes, those who work the gold mines, the miners themselves, have been extremely discriminated against over the years.

In the Black Hills of South Dakota, we do have gold and some gold mines. Many of our gold mines have been forced to close because of the artificial price of gold over the years.

How can the present discrimination against gold be justified? How can you explain to a hard-rock miner who works just as hard or harder than a miner of another ore that the fruits of his labor cannot appreciate in value in accordance with the true demand for the valuable metal he produces? If this artificial control continues, the day will come when no ore, no matter how rich, can be profitably processed, and all mines in South Dakota and elsewhere will close with resulting economic disaster.

Mr. Chairman, I have lived all my life in South Dakota, and I can well recall the dustbowl years of the thirties when many people were driven off their farms and even lost their farms, and when many of those people emigrated to the Black Hills of South Dakota, where they participated in the gold mining industry and made a living.

Mr. Chairman, I also recall in those days that there were times when we could not raise taxes for State and local government from ordinary sources. Because of this, the gold mining industry was faced with a discriminatory tax put on the ore, and carried the burden. Later on I recall, as a member of the State legislature, that step by step we took off that ore tax in an attempt to save the industry, because it was so important to the State of South Dakota and to our country. We have now taken off all such taxes in order to try to save the gold mining industry rather than see it close down and put thousands of people out of work.

Mr. Chairman, I say to the Members that a vote for this amendment will insure a true and fair price for gold and not leave that move to the discretion of the Treasury Department, which has a history of resisting that step. A vote against this amendment is no more justifiable than a vote to deny citizens the right to own a commodity such as iron, cotton, or beef. For too long one small

segment of industry has been treated unfairly. Today that can be rectified.

Mr. Chairman, I urge support for the amendment.

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

Mr. Chairman, I would like to ask a question or two of the distinguished chairman of the subcommittee, the gentleman from Texas (Mr. GONZALEZ).

It is my understanding that in Japan, where the sale of gold is permissible, they sell it in supermarkets. I would like to know whether the distinguished chairman of the subcommittee has any evidence that the economy of Japan, which I am told, based on testimony that has come before one of our subcommittees, is one of the strongest in the world, has been affected by that. Has that economy suffered as a result of the fact that the citizens of Japan can buy and sell gold?

Mr. GONZALEZ. Mr. Chairman, in answer to the gentleman's question, I have no statistical information showing to what extent the Japanese people are different or whether they prefer to eat gold rather than lettuce or any other vegetable from the supermarket.

This is like the instance involving a French peasant, a citizen of France. I have read accounts written by people who would like to get the law changed, and they talk about this: Why can our people not have the same right as the French peasant who feels secure because he can hoard a little bit of gold?

Mr. KOCH. Mr. Chairman, if I may just pursue that with the distinguished gentleman, we have seen a list of every country permitting the free sale of gold; it was read to us in part or, that is to say, a list of the few countries that do not permit it was read to us.

Does the gentleman have any statistical evidence that any one of those countries, whether it is Great Britain or France or Italy, has suffered as the result of the fact that its citizens can buy and sell gold?

Mr. GONZALEZ. Well, there is a difference. Each one of those countries, including Japan, has rigid laws on regulating export and import of the commodity. In other words, you can bring it into Japan, but you run into a problem if you try to get it out.

Mr. KOCH. Mr. Chairman, I am convinced that if Japanese citizens can buy and sell gold in the supermarket, American citizens are capable of demonstrating the same expertise.

Mr. GONZALEZ. The gentleman overlooks the fact that Japan has strong export and import control laws governing that.

The gentleman also overlooks the fact that other than speculating in the gold market the prohibition on holding gold is not complete in our own country.

Mr. REUSS. Will the gentleman yield?

Mr. KOCH. I am delighted to yield to the gentleman.

Mr. REUSS. To supplement the very responsive answer given by Mr. GONZALEZ, I would say this: Whereas in the United States the dollar is in a decline and we are in a persistent, endemic balance-of-payments deficit, in Japan the yen never had it so good, and Japan is

in a persistent balance-of-payments surplus. When the U.S. dollar gets in anything like the position of the Japanese yen, I will not only want to see gold sold in the supermarket, but I would like to see it given away at the filling station. That will be the day. Meanwhile, there is a difference.

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

Mr. Chairman, as I have heard the dialog here, one thing that impressed me is the pronouncements of doom and gloom emanating from some quarters if this amendment should pass. I have been here long enough to hear other pronouncements of doom and gloom on other actions that this body has taken, and in fact I have made predictions myself that if we passed certain bills it would mean the ruination of our country. Somehow we survive.

But there has been a strange dialog, it seems to me. On the one hand we are told that gold is worthless, it is an anachronism, a barbaric relic of the past. If gold is so worthless and it does have so little value in international currency markets, why is it so discomfiting if we allow American citizens to own this worthless relic of the past? It seems to me all we are saying here is that American citizens should have the same right as citizens of other countries throughout the world.

The gentleman from South Dakota made a very valid point when he said that there are gold mines in America that would be mined today if the price of gold were allowed to rise and if American citizens were allowed to buy it at a fair market value.

Let me suggest to you that if there should be—and there probably would be—a temporary balance-of-payments deficit as a result of Americans going on the international market to purchase gold, then let me suggest that if our domestic mines should go into production because it was economically attractive once again for them to mine gold, we could well end up with more gold being produced here than is being bought abroad. We could find that the whole balance-of-payments situation would be turned around by the sale abroad of American-produced gold from domestic sources.

I can see no great wrong that can come from allowing our citizens to exercise the right given to other citizens of other countries in the world.

Let me suggest to you the Japanese and the strength of the yen does not relate to the value of gold or its right to be purchased in Japan. They are unrelated. Let me suggest that the Japanese have been following far more sound economic and business policies there than we have been following in this country. That is entirely unrelated to the private ownership of gold in either of the two countries.

Mr. Chairman, I would urge that we stand today and give a message to the American people that we intend to protect their rights. One of the rights we will restore to them today is the right to the ownership of gold.

Mr. Chairman, I urge members of the committee to support the amendment

offered by the gentleman from Illinois (Mr. CRANE).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. CRANE).

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

RECORDED VOTE

Mr. CRANE. Mr. Chairman, on this I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 162, noes 162, "present" 3, not voting 105, as follows:

[Roll No. 161]

AYES—162

| | | |
|------------------------|------------------|--------------------|
| Abdnor | Gross | Pike |
| Addabbo | Grover | Poage |
| Alexander | Gude | Preyer |
| Andrews, N.C. | Gunter | Pritchard |
| Andrews, N. Dak. | Haley | Quile |
| Archer | Hanrahan | Rarick |
| Armstrong | Heinz | Rhodes |
| Ashbrook | Helstoski | Riegle |
| Bafalis | Henderson | Rinaldo |
| Baker | Hillis | Roberts |
| Beard | Hinshaw | Robinson, Va. |
| Bennett | Hogan | Roe |
| Blackburn | Holt | Rose |
| Bowen | Huber | Rousselot |
| Breaux | Hudnut | Runnels |
| Brinkley | Hungate | Satterfield |
| Brotzman | Hutchinson | Saylor |
| Buchanan | Johnson, Calif. | Scherle |
| Burgener | Johnson, Colo. | Schroeder |
| Byron | Jones, N.C. | Shoup |
| Chappell | Jones, Tenn. | Shuster |
| Clancy | Kemp | Sikes |
| Clark | Ketchum | Sisk |
| Clausen, Don H. | King | Skubitz |
| Clawson, Del. | Koch | Slack |
| Cleveland | Landgrebe | Snyder |
| Cochran | Long, La. | Steele |
| Crane | Long, Md. | Steiger, Ariz. |
| Daniel, Dan | Lott | Steiger, Wis. |
| Daniel, Robert W., Jr. | Lujan | Stephens |
| Daniels | McClary | Symms |
| Dominick V. | McCloskey | Talcott |
| Davis, S.C. | McEwen | Taylor, Mo. |
| Denholm | McKinney | Teague, Calif. |
| Dennis | McSpadden | Thone |
| Dent | Mailliard | Towell, Nev. |
| Derwinski | Mann | Treen |
| Devine | Martin, Nebr. | Veysey |
| Dorn | Mathias, Calif. | Waggoner |
| Downing | Mathis, Ga. | Whitehurst |
| Duncan | Melcher | Whitten |
| du Pont | Mezvinisky | Wilson, Bob |
| Erlenborn | Miller | Wilson, |
| Eshleman | Minish | Charles H., Calif. |
| Evans, Colo. | Mink | Wolf |
| Foley | Mitchell, N.Y. | Wyatt |
| Fountain | Mizell | Wyllie |
| Frey | Moorhead, Calif. | Wyman |
| Froehlich | Morgan | Yatron |
| Gaydos | Murphy, Ill. | Young, Alaska |
| Gettys | Myers | Young, Ill. |
| Ginn | Nichols | Young, S.C. |
| Goodling | O'Brien | Zablocki |
| Green, Oreg. | Owens | Zion |
| | Pettis | |

NOES—162

| | | |
|----------------|-----------------|-----------------|
| Abzug | Burton | Fish |
| Anderson, Ill. | Butler | Flood |
| Arends | Cederberg | Ford, Gerald R. |
| Ashley | Chamberlain | Forsythe |
| Aspin | Clay | Fraser |
| Barrett | Conable | Frelinghuysen |
| Bell | Conte | Frenzel |
| Bergland | Corman | Fulton |
| Bevill | Culver | Gialmo |
| Blester | Danielson | Gibbons |
| Bingham | Davis, Wis. | Gilman |
| Blatnik | Dellenback | Gonzalez |
| Boland | Dellums | Grasso |
| Brademas | Dingell | Gray |
| Brasco | Drinan | Green, Pa. |
| Breckinridge | Dulski | Guyer |
| Brooks | Eckhardt | Hamilton |
| Brown, Mich. | Edwards, Ala. | Hammer |
| Broyhill, Va. | Edwards, Calif. | schmidt |
| Burke, Mass. | Ellberg | Hanna |
| Burleson, Tex. | Fascell | Hansen, Idaho |
| Burlison, Mo. | Findley | Harrington |

| | | |
|-----------------|----------------|----------------|
| Harsha | Moorhead, Pa. | Sarbanes |
| Harvey | Mosher | Schneebell |
| Hastings | Moss | Sebelius |
| Hébert | Natcher | Seiberling |
| Hechler, W. Va. | Nedzi | Shipley |
| Heckler, Mass. | Nelsen | Shriver |
| Hicks | Obey | Smith, N.Y. |
| Holtzman | O'Hara | Staggers |
| Horton | Passman | Stanton, |
| Jarman | Patman | J. William |
| Johnson, Pa. | Patten | Stanton, |
| Jones, Okla. | Pepper | James V. |
| Jordan | Perkins | Stark |
| Karth | Peyser | Steed |
| Kyros | Pickle | Studds |
| Lehman | Podell | Taylor, N.C. |
| Litton | Quillen | Thompson, N.J. |
| McCollister | Rangel | Thomson, Wis. |
| McDade | Rees | Thornton |
| McFall | Regula | Ullman |
| Macdonald | Reld | Van Deerlin |
| Madden | Reuss | Vander Jagt |
| Madigan | Rogers | Vanik |
| Mahon | Roncallo, N.Y. | Vigorito |
| Mallory | Rooney, Pa. | Walsh |
| Maraziti | Rosenthal | Wampler |
| Matsunaga | Roush | Whalen |
| Mayne | Roybal | Widnall |
| Mazzoli | Ruppe | Williams |
| Meeds | Ruth | Wydlar |
| Metcalfe | Ryan | Yates |
| Mitchell, Md. | St Germain | Young, Tex. |
| Moakley | Sarasin | Zwach |

"PRESENT"—3

| | | |
|---------|----------------|---------|
| Collins | Roncallo, Wyo. | Stuckey |
|---------|----------------|---------|

NOT VOTING—105

| | | |
|----------------|----------------|---------------|
| Adams | Fisher | Montgomery |
| Anderson, | Flowers | Murphy, N.Y. |
| Calif. | Flynt | Nix |
| Annunzio | Ford, | O'Neill |
| Badillo | William D. | Powell, Ohio |
| Blaggi | Fuqua | Price, Ill. |
| Boggs | Goldwater | Price, Tex. |
| Bolling | Griffiths | Rallsback |
| Bray | Gubser | Randall |
| Broomfield | Hanley | Robison, N.Y. |
| Brown, Calif. | Hansen, Wash. | Rodino |
| Brown, Ohio | Hawkins | Rooney, N.Y. |
| Broyhill, N.C. | Hays | Rostenkowski |
| Burke, Calif. | Hollifield | Roy |
| Burke, Fla. | Hosmer | Sandman |
| Camp | Howard | Smith, Iowa |
| Carey, N.Y. | Hunt | Spence |
| Carney, Ohio | Ichord | Steelman |
| Carter | Jones, Ala. | Stokes |
| Casey, Tex. | Kastenmeier | Stratton |
| Chisholm | Kazen | Stubblefield |
| Cohen | Keating | Sullivan |
| Collier | Kluczynski | Symington |
| Conlan | Kuykendall | Teague, Tex. |
| Conyers | Landrum | Tiernan |
| Cotter | Latta | Udall |
| Coughlin | Leggett | Walde |
| Cronin | Lent | Ware |
| Davis, Ga. | McCormack | White |
| de la Garza | McKay | Wiggins |
| Delaney | Martin, N.C. | Wilson, |
| Dickinson | Michel | Charles, Tex. |
| Diggs | Milford | Winn |
| Donohue | Mills, Ark. | Wright |
| Esch | Minshall, Ohio | Young, Fla. |
| Evins, Tenn. | Mollohan | Young, Ga. |

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. M'KINNEY

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

The Clerk read as follows:

Amendment offered by Mr. McKINNEY: page 2, line 17, immediately before the period at the end thereof insert the following: "or at the close of June 30, 1975, whichever occurs first".

Mr. McKINNEY. Mr. Chairman, I shall not take my full time. I simply say to the House that this is a compromise amendment.

What this amendment does is to answer the objections of the administration as to allowed ownership of gold right away this year. It puts a mandatory date for the private ownership of gold as of June 30, 1975.

Mr. Chairman, this would make sure that the monetary policy conventions which are taking place in Europe are successful and set a date far enough off so that the speculation factor would be cut down. It would allow the President to set the date any time before then, but at the same time it would mandate that as of June 30, 1975, Americans would be allowed to own gold.

Mr. JOHNSON of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the membership must realize that in what we are doing here, one thing we do have in common is that we do agree that at a proper time American citizens would be able to have, own, and possess gold.

The only question before us is, When shall they be allowed to do it? We considered this in our committee and we finally came up with the amendment which is in the bill, which is a sensible amendment.

It says that "Yes, you can own gold, but when the President of the United States feels that our monetary situation is in such shape that we can do it, then he shall proclaim it."

Now, why did we put that in the bill? Soon there will be a meeting of a 20-nation conference on stabilization of the currencies of the world. We have made a great breakthrough in agreeing to this conference. We finally agreed on the size of the table, on the countries which were going to be invited. This is a very crucial conference, one of the first major international monetary conferences since the Bretton Woods Conference back in the 1940's. It is a tremendously important conference.

For the past 27 years, as Members know, our currency has been based on gold. To all of a sudden say that on December 31, or even in 1975, we will allow people to own gold, is upsetting as to the question of "Shall gold be a part of our financial structure or not?"

That is going to be decided in this 20-government conference. After that is over, if it is proved to the world that gold is no longer a part of the monetary system of the world, that it is just another commodity, then of course the President will proclaim that people can own gold.

All we are asking the Members to do is to give our Government an opportunity to study this gold situation and to wait for this 20-government conference to be over.

I am sure at the proper time the President of the United States will say that people can own gold.

There is nothing wrong with the bill we have brought before the Members today. It is a sensible bill, and we should vote for it. Let us not tamper with gold.

As I said in my earlier remarks, the situation in the money markets of the world is tenuous at best. Right now most anything could upset the equilibrium we have been able to achieve in the world money markets.

We should not pass this amendment today and mandate when ownership of gold shall take place, rather than leave it to the discretion of the Government.

That would be a bad thing, I believe, and so I ask the Members to vote down this amendment and to support the committee.

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

Mr. JOHNSON of Pennsylvania. I yield to the gentleman from Illinois.

Mr. CRANE. I thank the gentleman for yielding.

I should like to remind the gentleman that this was, as he knows, a basic plank of the Republican National Party platform of 1972.

Secondly, we are talking about 1975, under the amendment of the gentleman from Connecticut, midway through 1975. Surely I do not believe my good friend from Wisconsin, who had objection to the end of this year, could find significant fault with a date so distant. If we do not have international monetary reform finalized by then, we will never have it.

Mr. JOHNSON of Pennsylvania. My answer to that is perhaps we did what we did in 1972 thinking it was a good idea, but a lot of things have happened since 1972.

The gentleman is on the committee. He knows that on February 12 the financial structure of the world was just about ready to collapse. If we had not agreed to devalue the dollar, to do the things we did, things might have been in a terrible mess today.

Yes, eventually people will be able to own gold. Personally I think that our committee proposal is the best thing for now. I believe we should vote down the McKinney amendment and support the committee.

Mr. CRANE. The same kind of a problem that occurred in February of this year, as the gentleman knows, occurred in August of 1971. This is indeed a recurrent problem. All I am suggesting is that by mid-1975 we should have successfully resolved the problem or it would appear to be beyond resolution.

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

Mr. Chairman, whether Members voted for the last amendment or against the last amendment, they should certainly vote against this amendment. Let me say why.

I know the gentleman from Illinois is not mischievous. I know he does not mean to do this. Unless there are a lot of gold mines in a Member's district—and there is only one in the country, and I do not know in whose district it is—Members should oppose this amendment.

But unless he has got a lot of it, what this amendment would do is guarantee that the price of gold will skyrocket; there would not be an ounce of gold sold in the United States—and we use more gold than is produced here—if we vote for this amendment. None of the industrial users, none of the jewelers, none of the dentists will be able to get an ounce of gold, because everybody will be speculating; and on January 1 or July 1, 1975, the price is going to be a lot higher than what it is now, so whatever gold there is around to be used will be hoarded.

So whether we voted for or against the

last amendment, I say that we should not vote for this one, because this one is a disaster.

Now, let me explain what the bill does. The bill does a very sensible, sound thing. The bill provides that gold can be used as a commodity; it can be traded as a commodity between individuals, when the President decides that it will not disrupt our own economic conditions and our own monetary system.

Mr. Chairman, I know there are a lot of people around now who do not trust the President. I know that is not a hard thing to do these days, but we have got to trust somebody in this day, and there is one thing we cannot do: We cannot telegraph to the Russians and we cannot telegraph to the South Africans that on a date certain 2 years from now the price of gold is going sky high. If we do, there will not be any end to it.

And who would be the victors on this sad day? It would be the Russians and the South Africans. They have all the gold; they have it in their mines; they control it. If we want to help them, we can vote for the McKinney amendment, but if we want to have a sound fiscal policy in the United States, if we want to do what is right and reasonable, then we will vote against it.

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

Mr. GIBBONS. I will be glad to yield to the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Chairman, some concern has been expressed on the minority side about the statement in the Republican national platform before the last election. That statement said—and I am accurately paraphrasing it, although I do not have it in front of me—that American citizens ought to have the right to own and hold gold when that can be done without endangering the international monetary stability of the dollar.

Now, that is precisely the language in the bill before us. That is precisely the language which the amendment before us would seek to knock out.

So just for the record, let nobody vote for this amendment under the impression that he is thereby validating the Republican platform. He is doing just the opposite, and in the process administering a sound kick in the pants to the administration, when for once it does not deserve it.

Mr. GIBBONS. Mr. Chairman, I thank the gentleman. The proposition makes good sense as the gentleman from Wisconsin (Mr. REUSS) has explained it.

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

Mr. Chairman, the gentleman from Florida (Mr. GIBBONS) may covet the role of a second-class citizen—or maybe a third-class citizen—I do not.

Gold is available to French peasants, and they are buying it because they are frugal; they know the value of gold and what it means around the world, except to the so-called "experts" in the United States.

Mr. Chairman, I have heard all kinds of arguments here this afternoon against this, particularly the arguments made by the gentleman from Wisconsin (Mr. REUSS), who raised the specter

before the last rollcall of what public ownership of gold would do to the balance of payments.

Well, bless your heart and soul, Mr. REUSS, without Americans owning gold, we had a deficit of \$10,200,000,000 in the balance of payments in the first quarter, the first 3 months of this year.

I suspect those deficits are going to continue because here today, under this par value modification bill, there will be approved the contribution of another \$2,200,000,000 to the outflow of dollars to increase the deficit in the balance of payments. Yet you cry about what the purchase of gold on the part of Americans would do to the deficit in the balance of payments. I do not understand that kind of logic. Maybe you can explain it, and I will yield to you briefly to do so.

Mr. REUSS. I thank the gentleman for yielding. Let the gentleman tell me, is he in favor of this amendment?

Mr. GROSS. I voted for the December 31, 1973, amendment, and I would like to see the pending amendment made effective next June 30 or July 1 instead of 1975. I do not happen to think the Presidents of the United States for the last 40 years have been astute in their management of the financial affairs of this country or international affairs, either one.

Let me say to you what ought to come out of this bill above everything else is the delegated power to the President to determine when Americans can buy gold.

Mr. REUSS. Will the gentleman yield further?

Mr. GROSS. I yield to the gentleman.

Mr. REUSS. If the gentleman will introduce an amendment to take away that delegated power to the President now contained in the bill and continue the prohibition on ownership of gold by Americans until the Congress shall determine that the monetary stability will not be hurt, I will go for that.

Mr. GROSS. I have an amendment here to take away the delegated power of the President, and if this amendment is defeated, I will try to offer it: You had better believe I will, because I do not think any President of the United States ought to have the exclusive power you have written in this bill.

The gentleman from Wisconsin, in answer to the gentleman from Ohio (Mr. SEIBERLING) gave us the story a while ago, when there were only a few Members on the floor of the House. He said then, in effect, that there need be no worry over this provision in the bill, that the President would not permit Americans to buy gold as citizens of foreign countries can do. What the gentleman from Wisconsin said, in effect, was that we all ought to understand it was just window dressing. Not in the foreseeable future would a President let the American people own gold. He was never more right. But why did he not say so in so many words instead of beguiling the people?

Mr. REUSS. I will say so right now. When the gentleman introduces his amendment to knock out the President's power and vest that power in the Congress to determine when the ownership of

gold is in the best American interests, I will support it, and it is not a bad amendment.

Mr. GROSS. I can do that simply by striking out all of lines 12 through 17, and I will sure as the devil do so if I get the opportunity.

If the House adopts that amendment, the first step will have been taken toward restoring to Congress the power to determine when public ownership of gold is in our best interest and that is now.

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

Mr. Chairman, I want to say to the point that I hope this amendment is soundly defeated.

This is a very undesirable amendment. I think if it is the wish and the will of the Congress, the House and the Senate, to legislate into this bill at this time the question of gold holdings, then the present provision that you have in this bill now is about as close as you can find.

I merely want to inform the Members of this House of this, because I think they want to legislate very responsibly, that at no time did the Member offering this amendment, who is a member of the overall Committee on Banking and Currency, ever give us a chance to evaluate it to begin with. He never offered it in the committee. It was never discussed. The central issue has been discussed, and it was the wisdom of the majority of the subcommittee and the full committee that the version you have in this bill is the best that we can offer in good conscience to the Congress and the American people.

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

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

Mr. J. WILLIAM STANTON. Mr. Chairman, I appreciate the gentleman from Texas yielding to me, and I want to point out to the Members on our side of the aisle that this amendment in my opinion really is worse than the first amendment. I compliment the gentleman from Florida (Mr. GIBBONS) for pointing out the very important fact that was not brought out on the previous amendment, the fact concerning the hoarding of gold on the par value of our dollar, and what it would do to the dentists and doctors, and other gold users in this interim period of time.

So I appreciate the gentleman yielding to me, and I will certainly hope that the amendment is defeated.

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

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

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman from Texas for yielding to me.

I would just like to point out that the amendment that the gentleman from Iowa (Mr. GROSS) is proposing, or has said that he may propose, is a mischievous amendment, and we usually do not expect that from the gentleman from Iowa, but if the gentleman intends to strike out additional language by his proposed amendment, what the gentleman does is make the ownership and purchase of gold in the United States

effective immediately upon the enactment because he would eliminate the Presidential authority and the discretion of the President.

Mr. Chairman, I think we ought to be a little bit careful on how we should upset the rather late sounded and late procedural ideas of some of those who are offering ideas at this time.

Mr. GONZALEZ. Mr. Chairman, I thank the gentleman from Michigan for his comments. I might add that I had rather mixed emotions upon hearing the proposal made by the gentleman from Iowa (Mr. GROSS). I think it may be just game playing, coming as it does the joining of the gentleman from Iowa's party by the former Secretary of the Treasury, Mr. Connally. I think that this is the first time the gentleman from Iowa has been won over to our side, and this is a very happy moment.

Mr. GROSS. Mr. Chairman, if the gentleman will yield, what makes the gentleman from Texas think that I am on his side?

SUBSTITUTE AMENDMENT OFFERED BY MR. REUSS FOR THE AMENDMENT OFFERED BY MR. M'KINNEY

Mr. REUSS. Mr. Chairman, I offer an amendment as a substitute for the amendment offered by the gentleman from Connecticut (Mr. McKINNEY).

The Clerk read as follows:

Amendment offered by Mr. REUSS as a substitute for the amendment offered by the gentleman from Connecticut, Mr. McKINNEY: Page 2, line 13, strike out "President" and insert the word "Congress", and on lines 13 and 14 strike out the words "and reports to the Congress,".

Mr. REUSS. Mr. Chairman, I drafted this substitute amendment to the McKinney amendment in response to a widely felt need, and to the persuasive argument just made by the gentleman from Iowa (Mr. GROSS).

What it does is to remove from the language in the bill the delegation of power to the President to act when international monetary reform shall have proceeded to the point where elimination of regulation on private ownership of gold will not adversely affect the U.S. international monetary position. My amendment vests that power squarely in the Congress. It is thus entirely open to the Congress by resolution at any time—and as far as I am concerned the sooner the better to determine when reform has progressed to the point where the ownership by U.S. citizens of gold will not make international monetary difficulties. I think the amendment is constructive. It will clear up the difficulty under which we labor, and I hope the amendment will be voted on favorably.

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

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

Mr. ROUSSELOT. I thank the gentleman for yielding. Mr. Chairman, I was interested in the comment by the gentleman from Wisconsin, "the sooner the better." What does the gentleman mean by "sooner," and how soon?

Mr. REUSS. If the money masters of the world will get on with the job which has been delegated to them, if they will follow the timetable suggested by Mr.

Arthur Burns of monetary reform by July 1, and if they were locked in a room and denied sustenance for a few days. I think that could greatly accelerate their deliberations. There is no reason why by the end of this summer the Congress could not find that international monetary reform were in hand, and that far from causing distress, when Americans own gold here and abroad, it would be the re-creation of a right which they ought to have. I would vote for such a sense-of-Congress resolution.

Mr. ROUSSELOT. If I understand the gentleman correctly, he believes, then, that the right should be returned to all citizens in this country to buy, own, and sell gold sometime at the end of this summer, if certain conditions that he has outlined are met; is that correct?

Mr. REUSS. That is correct, but Congress would have to make that finding, and the only way in the world that the gentleman and I and our colleagues can tell whether that situation has arrived is by looking at it. It could come in a matter of months. If we dawdle, it would take years.

Mr. ROUSSELOT. Then if we had set the date at December 31 of this year, would not have been adequate time to achieve all of the conditions outlined by gentleman. Especially when we are denying to our citizens the basic right to buy, own, and sell gold. By failing to set a date, are we not, in effect, saying to the rest of these countries that we are going to continue to disallow our citizens to go into the free market to buy and sell gold and, therefore, there is no pressure on these other world leaders to achieve these goals the gentleman suggests by that time?

Mr. REUSS. I think there is a quick answer to the question of the gentleman from California. It is simply this: That no one can tell before the event when it is going to happen. I sincerely hope—and I have been working for a long time to bring it about—that reform will be achieved in a matter of months. If it is, the gentleman will find me cosponsoring the resolution with Mr. CRANE and others to indicate congressional approval. But until it happens, we do not really know, so I think this is a responsible way to proceed. I hope the gentleman can support me.

Mr. ROUSSELOT. I appreciate the gentleman's answers. I hope he is not serious about locking people up in a room.

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

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

Mr. BROWN of Michigan. I appreciate what the gentleman is attempting to do in his amendment, that is, placate those who object to the Presidential delegation. But the gentleman knows that even his amendment is game-playing, because if the Congress finds monetary reform has progressed to the point where the present law can be changed, the Congress can pass such law in its totality. I trust that the other Members of the House will not go along with this.

Mr. REUSS. I cannot yield further to the gentleman from Michigan. I would say to the gentleman, no, it is not game-

playing. I am prepared to vote for the amendment I have just introduced, and rivet it into the law that it is now the sense of Congress, that citizens ought to have the right to own gold 1 minute after it is determined that citizen-owned gold will not cause international monetary problems.

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

I shall be very brief. All I wish to do is complete my statement to the gentleman from Wisconsin, and that is, if the Congress finds international monetary reform has progressed to the point which would justify the finding required under the Reuss amendment, the Congress can just as well adopt all of the language of section 3 at that time, and, in so doing, the Congress would keep that prerogative for itself. The Reuss amendment should be defeated, and the McKinney amendment should be defeated. Then, if the gentleman wishes, he can strike all of section 3, as far as I am concerned, and the total discussion on the matter would be retained in the Congress.

Mr. J. WILLIAM STANTON. Mr. Chairman, I move to strike the requisite number of words.

I just want to point out to the Members here that the gentleman from Wisconsin is the original author of the amendment and the language that is in this bill, and I am sure he is not too serious about this amendment, as put forth here. I urge the Members of the House to vote "no" on the amendment, and also on the McKinney amendment.

Mr. REUSS. Will the gentleman yield?

Mr. J. WILLIAM STANTON. I yield to the gentleman from Wisconsin.

Mr. REUSS. Yes, the gentleman from Wisconsin is serious, and the reason is simply this. Of course, I was the author of the original language in the committee bill. I have listened to debate on this floor. I have sensed the feeling on the part of many Members that it is the Congress, rather than the President, that ought to make this determination.

Mr. J. WILLIAM STANTON. Mr. Chairman, I refuse to yield any further to the gentleman from Wisconsin. I have more faith in the gentleman from Wisconsin when he can deliberate with great time on a subcommittee, rather than scribbling and sending an amendment up of this type.

I think it was revoked by the gentleman from Iowa and I am sorry we got away and got off the subject at the particular time. Really we need it in this country and certainly we do not need today either the amendment or the amendment to the amendment.

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

Mr. J. WILLIAM STANTON. I yield to the gentleman from Georgia.

Mr. BLACKBURN. Mr. Chairman, I think it proper to observe what the gentleman from Wisconsin is proposing is that we delegate this authority to the Congress but to a commission. I do not think we ought to delegate it at that level.

Mr. J. WILLIAM STANTON. I go back to what the gentleman from Michigan said. Certainly that is why we do not want any amendment on this subject ex-

cept this language. We could come back in the Congress to act to have the right for Americans to buy gold and this Congress can do it.

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

Mr. Chairman, I recognize the fact that we are about ready to vote. I rise merely to make the observation that the Banking and Currency Committee has the habit of bringing to the floor plain, noncontroversial bills that in turn do not spark any debate at all. In keeping with the pattern of that committee I am merely an interested observer of the world of high international finance. I think the gentleman from Wisconsin is not often right, but I think in this point he is. I intend to support his amendment.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Wisconsin (Mr. REUSS) for the amendment offered by the gentleman from Connecticut (Mr. McKINNEY).

The question was taken; and on a division (demanded by Mr. FRENZEL) there were—ayes 44, noes 105.

So the substitute amendment was rejected.

MOTION OFFERED BY MR. GROSS

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

The Clerk read as follows:

Mr. GROSS moves to strike all of lines 12 through 17 on page 2.

Mr. GROSS. Mr. Chairman, I submit that if this is a mischievous amendment, as some have characterized it, then the language in the bill itself is mischievous. Listen to this language in the bill:

(c) The provisions of this section, pertaining to gold, shall take effect when the President finds and reports to the Congress that international monetary reform shall have proceeded to the point where elimination of regulations on private ownership of gold will not adversely affect the United States' international monetary position.

That is the ultimate in mischievousness. It is a delegation of power no President should have; it is power no Congress should delegate.

If Members of Congress vote to leave to the pleasure of a President whether the citizens of this country can freely own gold, they will grow beards so long they can walk on them before that happens.

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

Mr. GROSS. Yes, I yield.

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

Mr. Chairman, I just want to make sure I understand the amendment. All it is doing is striking section c, is that correct?

Mr. GROSS. Mr. Chairman, the gentleman could not be more correct.

Mr. BROWN of Michigan. Mr. Chairman, I think the gentleman from Iowa will agree that I am also correct when I say that by only striking section c, the gentleman is changing this governmental posture with respect to private ownership of gold 180 degrees; is that not correct?

Mr. GROSS. Mr. Chairman, I would not know about 180 degrees because I did not bring my slide rule.

Let me say to the gentleman from Michigan that it would mean that Americans, upon the signing of this modification act by the President, would be permitted to buy and own gold the same as French peasants can buy and own gold.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman agree also that his amendment goes even further than the amendment which was defeated?

Mr. GROSS. Mr. Chairman, I could not estimate the distance. I only know that it would restore the right of American citizens to become first-class citizens in this world. That is all it would do. I hope the Members support the amendment.

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

Mr. GROSS. I yield to the gentleman from Illinois (Mr. CRANE).

Mr. CRANE. Mr. Chairman, I cannot help but rise in support of the amendment offered by the gentleman from Iowa, inasmuch as this was the initial amendment which I had submitted before the International Finance Subcommittee. I think in support of it before this body, when we recognize the Senate by an overwhelming margin supported December 31, the House came out with an immediate date. On the basis of past performance by the Committee on Banking and Currency in deferentially moving to accept Senate language as we saw on the Wage and Price Control Act, then what we might expect out of conference is the acceptance of the December 31 date.

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

Mr. GROSS. I yield to the gentleman from Illinois (Mr. McCLODY).

Mr. McCLODY. Mr. Chairman, I would like to rise in support of the amendment offered by the gentleman from Iowa, because without this amendment, this legislation discriminates against Americans. I think we should end this discrimination. By barring American citizens from dealing in gold, we are downgrading further the American economy—and our economic position in the world. In earlier years I opposed the demonetization of our coins. Silver coins have now disappeared from circulation and our present coins have virtually no intrinsic value.

By eliminating the right to redeem our currency we have reduced its value here—and abroad. The artificial prohibition against buying and selling gold seems to me to be playing into the hands of the international speculators—while depriving American citizens of the right to restore value—true value—to the dollar.

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

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

Mr. BLACKBURN. Mr. Chairman, I commend the gentleman for offering this amendment.

If this amendment passes, it deprives the international monetary experts and gold speculators from any speculation. When this bill is passed, Americans in owning and buying gold eliminate any uncertainty.

Mr. GROSS. The gentleman from

Wisconsin (Mr. REUSS) earlier this afternoon suggested that the President might veto this bill if the gold provisions in it were altered unfavorably to the language in the bill. Let me ask the gentleman this question:

Is the President going to impound the dollars that have already been approved by the House by way of maintenance of value to the tune of millions of dollars? Does the gentleman think he is going to impound that money all of which will be shipped abroad?

Mr. REUSS. Mr. Chairman, irrespective of the President's action with respect to impoundment, he certainly is going to veto the bill with this amendment in it.

Mr. GROSS. I am glad to have that word from the gentleman from Wisconsin, who is a member of the opposition party.

After the session this afternoon, I would like to sit down and visit with him to find out how he gets into the White House and gets that information so quickly and readily.

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

Mr. Chairman, when the International Finance Subcommittee heard the Par Value Modification Act and made its recommendations which were subsequently confirmed by the full committee, we heard a great deal of testimony on the subject of public ownership of gold.

I believe it is fair to restate at this time that there was not a single economist, not a single member of the administration, who spoke in approval of the kind of amendment which has been suggested by the gentleman from Iowa.

In fact, the only two people who did testify in favor of public ownership of gold now were the gentleman from Idaho and his predecessor, now a Member of the Senate.

Each one of these Members who testified before us, each expert, felt the same way that the committee and the subcommittee did. We did believe, along with those such as the proposer of this amendment, that public ownership of gold was a good thing and should be restored, but we felt that in these uncertain times it was not appropriate to restore public ownership of gold at this time.

This year we heard from such men as FRB Chairman Arthur Burns; last year from Secretary Connally. We heard from Treasury Secretary Volcker. Secretary Volcker, of course, was speaking for Secretary Shultz.

Each one of these people said, "The time is not right. We agree that gold should be publicly owned, but we cannot do it now because of the uncertainties."

If Members vote for the amendment offered by the gentleman from Iowa they will be voting against the Treasury Department, against the administration, against Arthur Burns and Secretary Schultz, and they will be voting against a proper resolution of our international monetary difficulties.

What they will be voting for will be the speculators of Europe, the U.S.S.R. and South Africa, and for uncertainty in international money markets, and for a slowdown in the negotiations which

we hope will build us and the rest of the world a new international monetary system.

I urge a vote against the Gross amendment.

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

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

Mr. GROSS. The gentleman has the world coming to an end, does he not, relying upon the experts? They have "experted" us into an almost impossible situation now. I am just trying to extricate them.

Mr. FRENZEL. I thank the gentleman for his contribution, but I do not believe he is going to help in the extrication process.

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

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

Mr. ROUSSELOT. I thank the gentleman for yielding.

Is it not entirely possible that the reason why there were not a great number of people to testify as to the value of returning the right to own gold to individual citizens is because the main subject of the bill did not relate to that subject? This was added on. Were not most of the people testifying here those who talked about the par value of the dollar and its relation to gold, since it was not specifically to return the civil right of the individual citizens of our country to own gold? That was not the main purpose of the bill; is that not correct?

Mr. FRENZEL. My answer to the gentleman from California is that each time this bill is heard it does become a gold bill and we do have testimony.

As I pointed out, we had excellent testimony from two Members of our own group with whom we basically agreed. We merely said, again, that we believe in public ownership but we must make the decision that such public ownership should be effective only at a time when we will not introduce instability, when we have our international monetary system reformed.

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

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

Mr. CRANE. I thank the gentleman for yielding.

If we are going simply to invoke the argument from authority as a basis for our deliberations and actions taken in this body, I believe we might just as well close up shop with respect to what is going on. As has been said, one can keep a company of experts on tap and on top.

Let me throw out some names of recognized authorities on the other side of the argument.

Milton Friedman is one who advises for the immediate ownership of gold by American citizens.

Ludvig von Mises of New York and Hans Sennholz of Grove City College are others.

I can give the names of a variety of experts in the field who do not happen to share the views held by Mr. Volcker, Under Secretary of the Treasury.

Mr. FRENZEL. I thank the gentleman

from Illinois. I stipulate that there are many experts who hold that opinion.

I would say that the ones who testified before us, and the representatives of our Government, who must negotiate to build a new system, did not agree. I am going to follow those experts whom we have designated to do the job for us. I am going to support the Treasury and the Federal Reserve here and now. I urge the defeat of the Gross amendment and the passage of the committee bill.

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

Mr. Chairman, I think that the key question which we have to determine here is simply this question of our position as Americans still having the dollar as the key currency.

With all the questions and the bantering that goes on as to what the dollar really is and how strong and how sound it is, it still is the key currency for foreign exchange, and there is no alternative.

Mr. Chairman, negotiations are being carried on by the IMF to find out if there is not some substitute so that the burden of being the key currency will be taken off the dollar. The only currency that is really threatened in the gold market operation is the key currency. So it is the suggestion of the speakers we have heard that we ought to delay the introduction of new buyers in the gold market from the United States until such time as the U.S. dollar can be taken out of the position of being harmed by that very speculation.

So, Mr. Chairman, it is not a question of whether Americans can or cannot hold gold. That we have decided. The only question is how we are going to take the dollar out of the position of being the key currency. As soon as that is accomplished, then there will be no harm to our position internationally in respect to our system in the matter of holding gold. Until that is accomplished, any increase in the price of gold is going to fall on the dollar as the only key currency in the international money field. It is that simple; it is not a question of how we feel about holding gold; it is a question of how we feel about having the dollar subject to further assault by gold prices, because it is a fact that the dollar is the key currency in exchange in the world. It still is.

Mr. Chairman, nothing we are doing here in this legislation is going to change that, so we had better accept it. That is the fact, and it is the fact that controls the decisionmaking, or it ought to control it.

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

I told the Members a while ago why they ought to oppose the McKinney amendment, and I will tell the Members now why they ought to oppose the Gross amendment.

Mr. Chairman, the Gross amendment is doubly mischievous. It says that we have no faith in our own economic system, we have no faith in the value of our own banking system, we have no faith in our own leadership in this country. I do not say that, but that is what the Gross amendment says. The amendment says further that we ought to go back to gold, and then the gentleman throws up the

red herring: "Well, the French peasants do it."

Why can France act as she does about gold and why would such a policy for the United States be an act of irresponsibility? Because the French, when compared to the United States in the economic world, are small. The United States is the strongest economic power in the world, and we cannot back away from that responsibility.

Oh, yes, we read about some little old transactions on the English gold market and the French gold market, but can anyone tell me how much gold has ever changed hands in that market? No, they cannot, because they never publish any figures. Nobody knows how much gold changes hands in those markets.

Mr. Chairman, despite the fact that the gentleman from Iowa and the gentleman from Illinois want to degrade this country by saying we do not have a good economic system and by saying we do not have a good monetary system, we are still the most powerful in those fields. Yes, our dollar has been devalued. It should have been devalued a long time ago; it should have been devalued in 1953 or in 1954, but we went along and we followed some antiquated economic procedures, but now we have finally awakened.

I want to commend the present administration for realizing that the economic policies that we followed since World War II are now obsolete policies and should have been changed perhaps as far back as 1954 or 1955.

We are at last doing the right thing now. Let us not pull the rug out from under the President at this crucial time. Sure, he is having problems, and I would like to make some political hay out of them, but I think enough of my country and I think enough of the office of the Presidency not to pull this rug out from under him.

We ought to vote down the Gross amendment and we ought to vote down the main amendment.

I will be glad to yield to the gentleman.

Mr. GROSS. Does the gentleman know why this Government devalued the dollar?

Mr. GIBBONS. Yes, sir; I know a little better than you do.

Mr. GROSS. Who ordered the United States to devalue the dollar?

Mr. GIBBONS. All of the other people in the world thought it was fine to devalue the dollar, and you have been standing in this well complaining because the President devalued it.

Mr. GROSS. You say we are imprudent now to do this.

Mr. GIBBONS. No, I am not saying that. I am saying, Mr. Gross, that we are still the largest economic factor in this whole world. We have the duty to be the most responsible in the world. We cannot go back to the gold standard and put this bill the way it is drafted now into effect, which would allow banks to buy gold and put it into their own reserves and have a whole new monetary system in which the South Africans and the Russians control the supply of that monetary system. I know the gentleman from Iowa does not want to do that.

Mr. CEDERBERG. Will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman.

Mr. CEDERBERG. I would like to acknowledge my total lack of expertise on this subject and say that from the speeches I have heard I believe I have a lot of company here.

I would like to say this: On a very critical subject like this it seems to me, where you can get all kinds of expert opinions, the wise thing to do is to stick with the people downtown in the Treasury Department who have the responsibility of dealing with this very critical problem, which can have a long-range effect on our monetary and fiscal policies in this country. I think it would be unwise, with all of the expertise we have, to try to make that kind of a decision right here and now.

Mr. GIBBONS. The gentleman is absolutely correct.

I yield back the balance of my time.

Mr. CRANE. Mr. Chairman, I rise in support of the amendment. I just want to make a couple of brief statements.

Mr. GROSS. Will the gentleman yield?

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

Mr. GROSS. I wonder if the gentleman from Michigan (Mr. CEDERBERG) was referring to Haldeman and Ehrlichman when he was talking about the experts downtown.

Mr. CRANE. Mr. Chairman, I share this concern over an expression of faith in people to make judgments, in us as the world's greatest deliberative body, but I cannot help but address myself to a statement by the gentleman from Florida (Mr. GIBBONS).

Inasmuch as I have some French ancestry, I feel that he has denigrated my ancestry in part with a derogatory reference to "pipsqueaks," I believe. But on the other hand, I think that there is perhaps a little bit of good sense and judgment on the part of some of those people who have protected themselves in this manner based on the past experiences of their own governments. Not too many of them probably remember their history when they debauched their currency in that country at the end of the French Revolution, but I can assure you many Germans remember how they debauched their currency in that country between World War I and 1923. I carry some bills in my pocket that I will be happy to show my colleagues at any time to indicate why so many Europeans have grave reservations on the question of demonetizing of gold.

It has been suggested that my esteemed colleague from Iowa (Mr. Gross) and I lack faith in the U.S. currency and that is why we are promoting the restoration of the right to buy and sell and hold gold. I only suggest to the gentleman from Florida that at one time we monetized silver, but we have since demonetized silver, and yet we have permitted American citizens to buy silver and hold silver.

I do not think there is inconsistency in supporting that proposition, and I am sure the gentleman from Florida supports it, and this in no way indicated any lack of faith in the U.S. currency. I have some reservations about its strength

when we have been hit with phase II devaluation in less than 18 months after phase I devaluation.

But, on the other hand, I think we recognize in the United States on occasion the value of this piece of paper called a dollar to citizens is that on the one hand it is redeemable in its banks, and its other value is in love and affection but in any case intrinsic worth.

The CHAIRMAN. The Chair will state that the parliamentary situation is as follows:

There is pending a perfecting amendment offered by the gentleman from Connecticut (Mr. McKINNEY). There is also pending a motion offered by the gentleman from Iowa (Mr. Gross) to strike out certain language.

In this parliamentary situation the vote will come first on the perfecting amendment offered by the gentleman from Connecticut (Mr. McKINNEY). Following the vote on that perfecting amendment the vote will occur on the motion offered by the gentleman from Iowa (Mr. Gross) to strike certain language.

The question is on the amendment offered by the gentleman from Connecticut (Mr. McKINNEY).

The amendment was rejected.

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

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

RECORDED VOTE

Mr. GROSS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 100, yeas 218, answered "present" 3, not voting 111, as follows:

[Roll No. 162]

AYES—100

| | | |
|----------------|-----------------|----------------|
| Abdnor | Frøehlich | Rinaldo |
| Alexander | Gaydos | Roberts |
| Archer | Gettys | Robinson, Va. |
| Armstrong | Ginn | Roe |
| Ashbrook | Goodling | Rousselot |
| Bafalis | Green, Oreg. | Runnels |
| Bennett | Gross | Satterfield |
| Blackburn | Grover | Scherle |
| Brinkley | Hanrahan | Shoup |
| Brotzman | Helstoski | Sikes |
| Buchanan | Henderson | Skubitz |
| Burgener | Holt | Slack |
| Byron | Huber | Snyder |
| Chappell | Hudnut | Steiger, Ariz. |
| Clancy | Hutchinson | Symms |
| Clausen | Johnson, Calif. | Talcott |
| Don H. | Johnson, Colo. | Taylor, Mo. |
| Clawson, Del. | Jones, N.C. | Teague, Calif. |
| Cleveland | Ketchum | Thornton |
| Crane | Landgrebe | Towell, Nev. |
| Daniel, Dan | Long, Md. | Treen |
| Daniel, Robert | Lujan | Ullman |
| W. Jr. | Mann | Waggoner |
| Daniels | Martin, Nebr. | Wolf |
| Dominick V. | Mathis, Ga. | Wyatt |
| Davis, S.C. | McClory | Wylie |
| Denholm | McEwen | Wyman |
| Dennis | Miller | Yatron |
| Dent | Minish | Young, Alaska |
| Derwinski | Mizell | Young, S.C. |
| Devine | Myers | Zablocki |
| Erlenborn | Nichols | Zion |
| Eshleman | Parris | Zwach |
| Foley | Rarick | |
| Frey | Riegle | |

NOES—218

| | |
|----------------|----------|
| Abzug | Bell |
| Addabbo | Bergland |
| Anderson, Ill. | Bevill |
| Andrews, N.C. | Blester |
| Andrews, | Bingham |
| N. Dak. | Blatnik |

| | | | | | |
|-----------------|-----------------|----------------|--------------|--------------|---------------|
| Boland | Hechler, W. Va. | Podell | Sandman | Sullivan | Wiggins |
| Bowen | Heckler, Mass. | Preyer | Smith, Iowa | Symington | Wilson, |
| Brademas | Heinz | Pritchard | Spence | Teague, Tex. | Charles, Tex. |
| Brasco | Hicks | Quile | Steelman | Udall | Winn |
| Breaux | Hill | Quillen | Stokes | Waldie | Wright |
| Breckinridge | Hinshaw | Rangel | Stratton | Ware | Young, Fla. |
| Brooks | Hogan | Rees | Stubblefield | White | Young, Ga. |
| Brown, Mich. | Holtzman | Regula | | | |
| Broyhill, Va. | Horton | Reld | | | |
| Burleson, Tex. | Jarman | Reuss | | | |
| Burlison, Mo. | Johnson, Pa. | Rhodes | | | |
| Burton | Jones, Okla. | Rogers | | | |
| Butler | Jones, Tenn. | Roncallo, N.Y. | | | |
| Cederberg | Jordan | Rooney, Pa. | | | |
| Chamberlain | Kemp | Rosenthal | | | |
| Clark | Kluczynski | Roush | | | |
| Clay | Koch | Roybal | | | |
| Cochran | Kyros | Ruppe | | | |
| Conable | Lehman | Ruth | | | |
| Conte | Litton | Ryan | | | |
| Corman | Long, La. | St Germain | | | |
| Culver | Lott | Sarasin | | | |
| Danielson | McCloskey | Sarbanes | | | |
| Davis, Wis. | McCollister | Saylor | | | |
| Dellenback | McDade | Schneebell | | | |
| Dellums | McFall | Schroeder | | | |
| Downing | McKinney | Sebelius | | | |
| Drinan | McSpadden | Selbinger | | | |
| Dulski | Macdonald | Shipley | | | |
| Duncan | Madden | Shriver | | | |
| du Pont | Madigan | Shuster | | | |
| Eckhardt | Mahon | Sisk | | | |
| Edwards, Ala. | Mailliard | Smith, N.Y. | | | |
| Edwards, Calif. | Mallory | Staggers | | | |
| Ellberg | Maraziti | Stanton | | | |
| Evans, Colo. | Mathias, Calif. | J. William | | | |
| Fascell | Matsunaga | Stanton, | | | |
| Findley | Mayne | James V. | | | |
| Fish | Mazzoli | Stark | | | |
| Flood | Meeds | Steed | | | |
| Ford, Gerald R. | Metcalfe | Steele | | | |
| Forsythe | Mezvisky | Steiger, Wis. | | | |
| Fountain | Mink | Stevens | | | |
| Fraser | Mitchell, Md. | Studds | | | |
| Frelinghuysen | Mitchell, N.Y. | Taylor, N.C. | | | |
| Frenzel | Moakley | Thompson, N.J. | | | |
| Fulton | Moorhead, | Thompson, Wis. | | | |
| Gialmo | Calif. | Thone | | | |
| Gibbons | Moorhead, Pa. | Tiernan | | | |
| Gilman | Morgan | Van Deerlin | | | |
| Gonzalez | Mosher | Vander Jagt | | | |
| Grasso | Moss | Vanik | | | |
| Gray | Murphy, Ill. | Veysey | | | |
| Green, Pa. | Natcher | Vigorito | | | |
| Gude | Nedzi | Walsh | | | |
| Gunter | Neisen | Wampler | | | |
| Guyer | Obey | Whalen | | | |
| Haley | O'Brien | Whitehurst | | | |
| Hamilton | O'Hara | Whitten | | | |
| Hammer- | Owens | Widnall | | | |
| schmidt | Passman | Williams | | | |
| Hanley | Patman | Wilson, Bob | | | |
| Hanna | Patten | Wilson, | | | |
| Hansen, Idaho | Pepper | Charles H., | | | |
| Harrington | Perkins | Calif. | | | |
| Harvey | Pettis | Wyder | | | |
| Hastings | Peyser | Yates | | | |
| Hébert | Pickle | Young, Ill. | | | |
| | Pike | Young, Tex. | | | |

ANSWERED "PRESENT"—3

Collins Roncallo, Wyo. Stuckey

NOT VOTING—111

| | | |
|----------------|---------------|----------------|
| Adams | Dickinson | King |
| Anderson, | Diggs | Kuykendall |
| Calif. | Dingell | Landrum |
| Annuizio | Donohue | Latta |
| Badillo | Dorn | Leggett |
| Blaggi | Esch | Lent |
| Boggs | Evins, Tenn. | McCormack |
| Bolling | Fisher | McKay |
| Bray | Flowers | Martin, N.C. |
| Broomfield | Flynt | Melcher |
| Brown, Calif. | Ford, | Michel |
| Brown, Ohio | William D. | Milford |
| Broyhill, N.C. | Fuqua | Mills, Ark. |
| Burke, Calif. | Goldwater | Minshall, Ohio |
| Burke, Fla. | Griffiths | Mollohan |
| Camp | Gubser | Montgomery |
| Carey, N.Y. | Hansen, Wash. | Murphy, N.Y. |
| Carney, Ohio | Harsha | Nix |
| Carter | Hawkins | O'Neill |
| Casey, Tex. | Hays | Poage |
| Chisholm | Holtfield | Powell, Ohio |
| Cohen | Hosmer | Price, Ill. |
| Collier | Howard | Price, Tex. |
| Conlan | Hungate | Rallsback |
| Conyers | Hunt | Randall |
| Cotter | Ichord | Robison, N.Y. |
| Coughlin | Jones, Ala. | Rodino |
| Cronin | Karst | Rooney, N.Y. |
| Davis, Ga. | Kastenmeier | Rose |
| de la Garza | Kazen | Rostenkowski |
| Delaney | Keating | Roy |

So the motion was rejected.

The result of the vote was announced as above recorded.

Mr. BURKE of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this has to be one of the most impotent gestures or idle exercises this Congress is called upon to engage in—voting on devaluation. What are the options open to a Congressman on a vote like this? Pathetically, either to vote to approve a devaluation effected months ago and already superseded by subsequent decisions to float other major currencies vis-a-vis the U.S. dollar, or to vote to reject the devaluation effected months ago and set off another major monetary crisis and consternation and near-panic in the money capitals of the world.

Neither alternative can have much appeal to any Member of Congress who feels he has been sent down here to Washington by his people to participate in the decisions of Government, to have a say and to influence the course of events.

Twice now in the space of 2 years, this Congress has been called upon after the facts to ratify a deal negotiated by this administration, overseas with foreign central bankers—deals of the utmost importance to and with the most relevant impact on the Nation's consumers. Prior to the summer of 1971, for a Government of the United States even to contemplate devaluation of the mighty U.S. dollar was unthinkable, tantamount to political suicide. But having gotten away with it once, having tried it and liked it, this administration, in what can only be considered a bold and brazen move, is back to us again for a second devaluation.

And this is not the end of it. Something far more insidious is going on. Apparently three times was considered too brazen even by this administration. We have had, in effect, a third devaluation going on right before our eyes, only instead of being a formal devaluation requiring congressional approval and all the publicity this involves, the administration has entered into agreements with foreign governments whereby those governments have floated their currencies. Under these arrangements foreign currencies have gone nowhere but up or, what is the same, our currency has gone nowhere but down. In effect, we have had, and are still having, a third devaluation through the back door so to speak, and I suspect this is very much what we can expect for the future. Not too long ago when Secretary Shultz was testifying before the Ways and Means Committee on which I serve, I had occasion to listen to him speak glowingly of the benefits derived for the U.S. economy from these devaluations. Now I have heard of people looking at the bright side of things, but I think this administration is going even further. Rather than face the tough political decisions which must be made, after consultations with Congress, involving the conduct of this Na-

tion's foreign trade and investment as well as inflation and high prices here at home, this administration has opted for a policy of relying on devaluation to restore this Nation to a favorable balance of trade and balance of payments.

Mr. Chairman, I know of no better recipe for continued disruption and economic decline than this short-sighted reliance on devaluation. No one is denying that there are times when devaluation, coupled with other basic policy readjustments, often produces benefits for a nation beset with foreign trade problems. But to rely on devaluation by itself is to put too much reliance on a mechanism which was just not intended as a substitute for rational re-thinking of economic policies. The first devaluation and the second devaluation should have been accompanied by major changes in this country's trade policies if it was to work. It was not and this is why we are having a third devaluation right now and we will continue to have them until we face our problems head on.

We must abandon the myth that this country is a country with limitless resources. The energy crisis alone should have convinced every American by now just how dependent we are upon foreign energy sources for industrial uses and our personal life style. Experts predict that very soon we will be importing energy in such volume that we will be running a balance-of-trade deficit close to \$15 billion a year.

They are pessimistic that there is anything we can sell to make up this difference. What we currently have to do is have some national priorities established and start importing only what we need. If fuel imports are deemed essential then we must sacrifice in other areas.

Nor can we continue to allow investors and speculators to send out billions of dollars each year to take advantage of investment opportunities and speculation opportunities overseas when it weakens the dollar, when it means jobs are lost at home, when it means domestic plants are just not keeping up with the reinvestment and R. & D. are necessary to be competitive in today's market.

I will not detain the Members longer. I think you all know where I stand on this issue. The point I am making is that we must begin to grapple with the basic fundamental problems with this country's foreign trade today and we must stop kidding ourselves that this devaluation is the panacea for all our troubles. As I said to Secretary Shultz, if devaluation is as good as you say it is, I suppose we will have more and more. His reply should be listened to by everyone: "That might be too much of a good thing, Congressman."

Well, we are today faced with this meaningless vote. I am going to vote for devaluation, not because I like it, but because to vote against it would, under present circumstances, be the height of irresponsibility. But I do so with no illusions. I do not agree with this policy of Government by devaluation. I think it is a useless vote to be called upon to make. I think the Government is playing a dangerous game with the psychology of the American people about the stability of their currency. Pretty soon it will be

difficult to get a wheelbarrow at a hardware store, as Americans get ready for the day when they have to use them to carry their worthless currency to the grocery store for bread. I am not ringing the alarm or crying wolf today, but the complacency must be penetrated if certain catastrophe for this Nation's economy is to be averted.

The CHAIRMAN. Under the rule, the Committee rises.

According, the Committee rose; and the Speaker having resumed the chair (Mr. VANIK) Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 6912) to amend the Par Value Modification Act, and for other purposes, pursuant to House Resolution 408, he reported the bill back to the House.

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

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

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

MOTION TO RECOMMIT OFFERED BY
MR. J. WILLIAM STANTON

Mr. J. WILLIAM STANTON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. J. WILLIAM STANTON. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. J. WILLIAM STANTON moves to recommit the bill, H.R. 6912, 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.

The motion to recommit was rejected.

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

Mr. GROSS. 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 281, nays 36, answered "present" 3, not voting 112, as follows:

[Roll No. 163]

YEAS—281

| | | |
|------------------|----------------|-----------------|
| Abdnor | Breckinridge | Culver |
| Abzug | Brooks | Daniel, Dan |
| Addabbo | Brotzman | Daniel, Robert |
| Anderson, Ill. | Brown, Mich. | W. Jr. |
| Andrews, N.C. | Broyhill, Va. | Daniels |
| Andrews, N. Dak. | Buchanan | Dominick V. |
| Archer | Burgener | Danielson |
| Arends | Burke, Mass. | Davis, S.C. |
| Armstrong | Burleson, Tex. | Davis, Wis. |
| Ashley | Burlison, Mo. | Dellenback |
| Aspin | Burton | Dellums |
| Bafalis | Butler | Devine |
| Baker | Cederberg | Downing |
| Beard | Chamberlain | Drinan |
| Bell | Chappell | Dulski |
| Bergland | Clancy | Duncan |
| Bevill | Clark | du Pont |
| Blester | Clausen | Eckhardt |
| Bingham | Don H. | Edwards, Ala. |
| Blackburn | Clawson, Del | Edwards, Calif. |
| Blatnik | Clay | Ellberg |
| Boland | Cleveland | Erlenborn |
| Bowen | Cochran | Eshleman |
| Brademas | Conable | Evans, Colo. |
| Brasco | Conte | Fascell |
| | Corman | Findley |

| | | | | | |
|-----------------|------------------|----------------------------|---------------|----------------|---------------|
| Fish | McSpadden | Ruth | Flynt | Leggett | Roy |
| Flood | Macdonald | Ryan | Ford | Lent | Sandman |
| Foley | Madden | Sarasin | William D. | McCormack | Smith, Iowa |
| Ford, Gerald R. | Madigan | Sarbanes | Fuqua | McKay | Spence |
| Forsythe | Mahon | Satterfield | Goldwater | Martin, N.C. | Staggers |
| Fountain | Mailliard | Schneebell | Griffiths | Michel | Steelman |
| Fraser | Mallary | Sebelius | Gubser | Millford | Stokes |
| Frelinghuysen | Mann | Seiberling | Hansen, Wash. | Mills, Ark. | Stratton |
| Frenzel | Maraziti | Shipley | Harsha | Minshall, Ohio | Stubblefield |
| Frey | Martin, Nebr. | Shoup | Hawkins | Mollohan | Sullivan |
| Froehlich | Mathias, Calif. | Shriver | Hays | Montgomery | Symington |
| Fulton | Matsunaga | Shuster | Holifield | Murphy, N.Y. | Teague, Tex. |
| Gettys | Mayne | Sikes | Hosmer | Nix | Udall |
| Gialmo | Mazzoli | Sisk | Howard | O'Neill | Waldie |
| Gibbons | Meeds | Skubitz | Hungate | Poage | Ware |
| Gilman | Melcher | Slack | Hunt | Powell, Ohio | White |
| Gonzalez | Metcalfe | Smith, N.Y. | Ichord | Price, Ill. | Wiggins |
| Grasso | Miller | Stanton | Jones, Ala. | Price, Tex. | Wilson |
| Gray | Minish | James V. | Karth | Rallsback | Charles, Tex. |
| Green, Oreg. | Mink | Stark | Kastenmeier | Randall | Winn |
| Green, Pa. | Mitchell, Md. | Steed | Kazen | Robison, N.Y. | Wright |
| Grover | Mitchell, N.Y. | Steele | King | Rodino | Young, Fla. |
| Gude | Mizell | Steiger, Ariz. | Kuykendall | Rooney, N.Y. | Young, Ga. |
| Gunter | Moakley | Steiger, Wis. | Landrum | Rose | |
| Guyer | Moorhead, Calif. | Stephens | Latta | Rostenkowski | |
| Haley | Moorhead, Pa. | Studds | | | |
| Hamilton | Morgan | Symms | | | |
| Hanley | Mosher | Talcott | | | |
| Hanna | Murphy, Ill. | Taylor, Mo. | | | |
| Hanrahan | Myers | Taylor, N.C. | | | |
| Hansen, Idaho | Natcher | Teague, Calif. | | | |
| Harrington | Nedzi | Thompson, N.J. | | | |
| Harvey | Nelsen | Thomson, Wis. | | | |
| Hastings | Obey | Thone | | | |
| Hébert | O'Brien | Thornton | | | |
| Hechler, W. Va. | O'Hara | Tiernan | | | |
| Heckler, Mass. | Owens | Towell, Nev. | | | |
| Heinz | Parris | Treen | | | |
| Helstoski | Passman | Ullman | | | |
| Henderson | Patman | Van Deerlin | | | |
| Hillis | Patten | Vander Jagt | | | |
| Hinsaw | Pepper | Veysey | | | |
| Hogan | Perkins | Vigorito | | | |
| Holt | Pettis | Waggonner | | | |
| Holtzman | Peyser | Walsh | | | |
| Horton | Pickle | Wampler | | | |
| Huber | Pike | Whalen | | | |
| Hudnut | Podell | Whitehurst | | | |
| Jarman | Preyer | Whitten | | | |
| Johnson, Calif. | Pritchard | Widnall | | | |
| Johnson, Colo. | Quile | Williams | | | |
| Johnson, Pa. | Quillen | Wilson, Bob | | | |
| Jones, N.C. | Rangel | Wilson, Charles H., Calif. | | | |
| Jordan | Rees | Wolff | | | |
| Keating | Regula | Wyatt | | | |
| Kemp | Reid | Wyder | | | |
| Ketchum | Reuss | Wyllie | | | |
| Kluczyński | Rhodes | Wyman | | | |
| Koch | Rinaldo | Yates | | | |
| Kyros | Roberts | Yatron | | | |
| Lehman | Robinson, Va. | Young, Alaska | | | |
| Litton | Roe | Young, Ill. | | | |
| Long, La. | Rogers | Young, S.C. | | | |
| Lott | Roncallo, N.Y. | Young, Tex. | | | |
| McClary | Rooney, Pa. | Zablocki | | | |
| McCloskey | Rosenthal | Zion | | | |
| McCollister | Roush | Zwack | | | |
| McDade | Rousselot | | | | |
| McEwen | Roybal | | | | |
| McFall | Ruppe | | | | |
| McKinney | | | | | |

NAYS—36

| | | |
|-----------|--------------|------------|
| Alexander | Gross | Nichols |
| Ashbrook | Hammer- | Rarick |
| Barrett | schmidt | Rlegle |
| Bennett | Hicks | Runnels |
| Breaux | Hutchinson | St Germain |
| Brinkley | Jones, Okla. | Saylor |
| Byron | Jones, Tenn. | Scherle |
| Crane | Landgrebe | Schroeder |
| Denholm | Long, Md. | Snyder |
| Dent | Lujan | Stanton |
| Gaydos | Mathis, Ga. | J. William |
| Ginn | Mezvisky | Vanik |
| Goodling | Moss | |

ANSWERED "PRESENT"—3

Collins Roncallo, Wyo. Stuckey

NOT VOTING—112

| | | |
|------------------|--------------|--------------|
| Adams | Burke, Fla. | Davis, Ga. |
| Anderson, Calif. | Camp | de la Garza |
| Annunzio | Carey, N.Y. | Delaney |
| Badillo | Carney, Ohio | Dennis |
| Blaggi | Carter | Derwinski |
| Boggs | Casey, Tex. | Dickinson |
| Bolling | Chisholm | Diggs |
| Bray | Cohen | Dingell |
| Broomfield | Collier | Donohue |
| Brown, Calif. | Conlan | Dorn |
| Brown, Ohio | Conyers | Esch |
| Broyhill, N.C. | Cotter | Evins, Tenn. |
| Burke, Calif. | Coughlin | Fisher |
| | Cronin | Flowers |

So the bill was passed.
The Clerk announced the following pairs:

On this vote:

Mr. O'Neill for, with Mr. Evins of Tennessee against.

Until further notice:

Mr. Rooney of New York with Mr. King.
Mr. Hollifield with Mr. Gubser.
Mrs. Boggs with Mr. Carter.
Mr. Rostenkowski with Mr. Collier.
Mr. Teague of Texas with Mr. Bray.
Mr. Carey of New York with Mr. Lent.
Mr. Donohue with Mr. Cronin.
Mr. Hays with Mr. Brown of Ohio.
Mr. Annunzio with Mr. Harsha.
Mr. Adams with Mr. Conyers.
Mrs. Burke of California with Mr. Wiggins.
Mr. Staggers with Mr. Broyhill of North Carolina.

Mr. Carney of Ohio with Mr. Badillo.
Mr. Kastenmeier with Mr. Powell of Ohio.
Mr. Delaney with Mr. Coughlin.
Mrs. Chisholm with Mr. de la Garza.
Mr. William D. Ford with Mr. Esch.
Mr. Fuqua with Mr. Burke of Florida.
Mr. Howard with Mr. Young of Georgia.
Mr. McCormack with Mr. Price of Texas.
Mrs. Griffiths with Mr. Broomfield.
Mr. Murphy of New York with Mr. Michel.
Mr. Hungate with Mr. Dickinson.
Mr. Nix with Mr. Stratton.
Mr. Karth with Mr. Kuykendall.
Mr. Price of Illinois with Mr. Derwinski.
Mr. Mollohan with Mr. Stokes.
Mr. Randall with Mr. Dennis.
Mr. Rose with Mr. Latta.
Mr. Rodino with Mr. Hunt.
Mrs. Sullivan with Mr. Martin of North Carolina.

Mr. Diggs with Mr. Symington.
Mr. Waldie with Mr. Goldwater.
Mr. Charles Wilson of Texas with Mr. Conlan.
Mr. Wright with Mr. Camp.
Mr. Cotter with Mr. Cohen.
Mr. Brown of California with Mr. Rallsback.
Mr. Flowers with Mr. Roy.
Mr. Flynt with Mr. Hawkins.
Mr. Dingell with Mr. Robison.
Mrs. Hansen of Washington with Mr. Hosmer.

Mr. Dorn with Mr. Steelman.
Mr. Jones of Alabama with Mr. Ichord.
Mr. Blaggi with Mr. Sandman.
Mr. Leggett with Mr. Kazen.
Mr. Landrum with Mr. McKay.
Mr. Davis of Georgia with Mr. Spence.
Mr. Montgomery with Mr. Mills of Arkansas.

Mr. Anderson of California with Mr. Ware.
Mr. Milford with Mr. White.
Mr. Udall with Mr. Stubblefield.
Mr. Casey of Texas with Mr. Winn.
Mr. Smith of Iowa with Mr. Minshall of Ohio.

Mr. Fisher with Mr. Young of Florida.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of a similar Senate bill (S. 929) to amend the Par Value Modification Act, to insure the separation of Federal powers and to protect the legislative function by requiring the President to notify the Congress whenever he, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States, impounds, orders the impounding, or permits the impounding of budget authority, to provide a procedure under which the Senate and the House of Representatives may approve the impounding action, in whole or in part, or require the President, the Director of the Office of Management and Budget, the department or agency of the United States, or the officer or employee of the United States, to cease such action, in whole or in part, as directed by Congress, and to establish a spending ceiling for 1 fiscal year 1974.

The Clerk read the title of the Senate bill.

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

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

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 insert extraneous material on the bill just passed.

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

There was no objection.

RESIGNATION FROM COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

The SPEAKER laid before the House the following resignation from the Committee on Interior and Insular Affairs;

WASHINGTON, D.C.,
May 29, 1973.

HON. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: I hereby submit my resignation from the House Committee on Interior and Insular Affairs.

Please convey to the Members of this Committee my best wishes. I have found my association with them most pleasurable.

With best regards,

Sincerely,

JOSEPH J. MARAZITI.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION TO COMMITTEE ON THE JUDICIARY

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 413) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 413

Resolved, That JOSEPH J. MARAZITI of New Jersey be, and he is hereby, elected a member of the standing committee of the House of Representatives on the Judiciary.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FORMER SOUTH PHILADELPHIAN HONORED

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

Mr. BARRETT. Mr. Speaker, on May 25, 1973, the New York Chapter of the American Logistics Association sponsored the 11th annual Armed Forces recognition banquet and ball at the Americana Hotel in New York City.

The highlight of the program was the presentation of the Outstanding Junior Officer Award, presented annually to that officer who measured highest in leadership potential. The recipient of the 1973 award was Capt. Daniel William Christman, U.S. Army. I have the honor of representing in the Congress the runner-up in this year's voting, a fine young officer in the U.S. Air Force, Capt. Eugene L. Corbett. Captain Corbett is the son of Mr. and Mrs. Eugene Corbett of my home district in south Philadelphia, and I would like at this time to have the following remarks read into the RECORD:

CAPT. EUGENE L. CORBETT, USAF

Captain Eugene L. Corbett was born and raised in Maryland but acquired a serviceman's love of travel early in life. As the son of a former major league baseball player and minor league manager, he had lived in eight states by the time he was eleven, and his father retired to the Eastern Shore of Maryland. Captain Corbett attended Holy Cross College on an athletic scholarship and majored in secondary school education while pursuing an Air Force commission through ROTC. He lettered in football and lacrosse before graduating in 1963 and pinning on the bars of a Second Lieutenant.

After attending the Aircraft Maintenance Officer Course at Chanute AFB, Illinois, Captain Corbett was assigned to the Air Force Logistics Command's F-105 System's Management Division, Brookley AFB, Alabama. Ironically, his first duty in the Production Management Branch was a project monitor of the short lived F-105 Thunderbirds—just modified to aerobatic configuration at Republic's Long Island facility. In 1965, Captain Corbett transferred with the F-105 Division to the Sacramento Air Materiel Area (SMAMA) in Sacramento, California. Now serving in the Division's Operations Management Branch, Captain Corbett continued with the F-105 as the Thunderchief became the workhorse of the early conflict over North Viet Nam. He earned the Air Force Commendation Medal for his part in the development and installation of Radar Homing and Warning (RHAW) and Wild Weasel in the F-105.

After six months of language training, Captain Corbett was assigned the Headquarters U.S. Air Forces Southern Command in the Panama Canal Zone in April of 1968. At Albrook AFB, he served with distinction as Staff Maintenance Officer, Directorate of Maintenance, DCS/Materiel. While at the Headquarters staff, he represented Logistics on the Command Briefing Team and participated in the youth activities program as coach of the Albrook boys basketball team.

In December of 1969, Captain Corbett transferred across the Canal to Howard AFB as Squadron Commander, 24th Field Maintenance Squadron. In a most rewarding and satisfying tour, Captain Corbett set new standards as a Commander and leader and was awarded the First Oak Leaf Cluster to the Air Force Commendation Medal. Captain Corbett, who has worked with such vintage aircraft as the C-47, C-123 and T-28 in Panama, expected to return to the jet age upon assignment to Vietnam in March of 1971. He was surprised to see the old C-119 "Flying Boxcar" dusted off and converted to an AC-119 "Shadow" gunship. He became the sole maintenance officer of a 17th Special Operations Squadron Forward Operating Location and commanded the entire maintenance operation consisting of flight-line mechanics, aircraft and avionics specialists and a mini-gun shop. During Captain Corbett's tenure, his flight produced the finest maintenance reliability record of any AC-119 unit in Southeast Asia. With a normal complement of ten gunships, Captain Corbett's unit launched eight combat sorties per day and produced over 1100 consecutive missions without a maintenance cancellation—a record still intact when the unit stood down. Captain Corbett then supervised the transfer of all twenty-four AC-119G's to the Vietnamese Air Force (VNAF). The transfer was lauded by the DCS/Logistics, 7th Air Force who personally inspected the aircraft. Selected to remain with the AC-119 gunships, Captain Corbett and a small cadre of USAF Advisors conducted the training of Vietnamese Crew Chiefs and gunship specialists. The Training Program was so successful, the VNAF Logistics Command requested its expansion into other aircraft maintenance activities at the same station. Upon his departure, the VNAF awarded Captain Corbett the Vietnamese Air Service Medal (Honor Class). For his performance, the USAF awarded the Bronze Star.

Captain Corbett was assigned to the 438 Military Airlift Wing, McGuire AFB, N.J. in March 1972, as Chief, Programs and Mobility. As such he is responsible for all logistics plans for the Chief of Maintenance and supervised resources management and contract administration.

Captain and Mrs. Corbett (whom he met at SMAMA) now reside on McGuire AFB in Falcon Courts East.

LEGISLATION TO REQUIRE A 1974 CENSUS OF AGRICULTURE

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

Mr. EVANS of Colorado. Mr. Speaker, last week I made the following statement before the Senate Post Office and Civil Service Committee in Support of Senate Joint Resolution 95, sponsored by Senator HUBERT H. HUMPHREY, which is identical to House Joint Resolution 518, which I introduced on April 18, 1973.

Today, I am reintroducing this joint resolution with 16 additional cosponsors. The resolution has already been referred to the House Post Office and Civil Service Committee's Subcommittee on Census and Statistics, and I understand that hearings will be held next month.

I sincerely hope that the administration will heed the call of this resolution and hold the 1974 Census of Agriculture, as required by law.

I include my testimony in the RECORD at this point.

STATEMENT OF REPRESENTATIVE FRANK E. EVANS

Mr. Chairman, I am appreciative of the opportunity to testify before this Committee in support of S.J. Res. 95, to require the holding of the 1974 Census of Agriculture, as required by law. As you know, I have co-sponsored this resolution with Senator HUMPHREY in the House of Representatives, and I am happy to report today that as of now, fifteen of my colleagues in the House have indicated an intention to co-sponsor H.J. Res. 518 when I re-introduce it.

The starting point of any discussion of the Census of Agriculture must be the law authorizing the holding of this census, which reads as follows [13 U.S.C. 142]:

(a) The Secretary shall, beginning in the month of October, 1959, and in the same month of every fifth year thereafter, take a census of agriculture, provided that the censuses directed to be taken in October 1959 and each tenth year thereafter, may, when and where deemed advisable by the Secretary, to be taken instead in conjunction with the censuses provided in section 141 of this title.

(b) The Secretary shall, in conjunction with the census of agriculture directed to be taken in October 1959 and each tenth year thereafter, take a census of irrigation and drainage. (emphasis supplied)

The census referred to in Section 141 is the decennial census of population, unemployment and housing, taken in 1960, 1970, and so forth.

Thus, the law states that the Census Bureau "shall" take the Census of Agriculture in 1974. No discretion is afforded the Department of Commerce as far as holding the Census in 1974 is concerned, although in 1979, for example, the decision could be made to postpone the holding of the census until 1980, in conjunction with the regular decennial census.

Censuses of agriculture have been taken since 1820. The next census was taken in 1840, providing the first county-by-county data. Thereafter, a census of agriculture was taken every ten years until 1920, when, by law, the census was switched to a once-every five-years basis. Since 1957, the law has required that the census be held in years ending in 4 and 9.

The problem, however, is that at this time the Department of Commerce indicates no interest whatsoever in holding the Census in 1974, as required by law. In the President's FY 1974 Budget, the following reference is made to the 1974 Agricultural Census, accompanying the request for no funds for this purpose:

1977 Census of Agriculture. A census of Agriculture is required to be taken every 5th year covering years ending in 4 and 9 by 13 U.S.C. 142. The census provides measures concerning the agricultural economy of each State and county. Data are obtained from the census on a number of farms, acres in farms, value of farmland, cropland harvested, production statistics for major crops, and number and kinds of livestock, equipment, farm practices, and the use of fertilizer and pesticides.

Funds were appropriated in 1973 to begin planning on a 1974 census of agriculture. However, the 1974 request proposes the postponement of the census until 1977 and its combination with the 1977 economic censuses. The 1973 appropriation will be used to plan the transition. A legislative proposal will be submitted to change the timing of the census.

Mr. Chairman, as far as I am aware of, no bill has as yet been introduced to postpone the holding of the census until 1977. I understand that there is a draft bill floating around to that effect, but the Administration apparently is having trouble finding someone to introduce it. Perhaps the reason this is so is that the postponement

of the Census of Agriculture is not a very good idea.

The words of our Joint Resolution express the urgency of the holding of this census as scheduled: it supplies the only complete data for agriculture at the county level; it enables data users to keep up to date with the changes in agriculture; it provides the basis of many local and federal agricultural programs, it influences many economic decisions of private industry; it provides benchmark data for projections of production and land use; it enables farmers and farm businessmen to make accurate predictions affecting their business decision; and it generally enables us to keep up with the nation's largest industry and our most helpful export.

The many changes taking place in agriculture, and the many changes believed by many to be taking place—including the growing influence of "corporate farming"—are of great importance to the Congress and the Federal Government. But unless we know accurately and completely as possible what is taking place and what has already happened in agriculture, we will be unable to make the kind of informed judgments that will be necessary in the years ahead. Are we ready to give up on the "family farm"? Is this just a romantic notion totally out of step with the reality of American farming? Do we want an agriculture characterized by large production units almost exclusively? These are important policy questions which cannot be debated in a vacuum—and, more to the point, will never be debated at all without the availability of good current information. And, if these questions are not debated, it does not mean they will not be decided; it just means that they will be decided pretty much outside the realm of public policy discussion.

But the importance of holding the census is not solely for the purpose of debating the Big Questions of farm policy. The census data help our largest industry to function effectively in bringing food and fiber to American and foreign consumers. A recent survey of 1008 executives, marketing and sales managers, product managers, advertising managers and marketing research personnel in firms and associations related to agribusiness, taken by the Miller Agricultural Research Services of Minneapolis, Minnesota, showed that of those responding, 94.4% used the Census of Agriculture data, and 78.0% favored holding the census in 1974.

The Executive Director of the Federal Statistical User's Conference, Mr. John H. Aiken, stated in a report to his membership on the proposal to postpone the Census of Agriculture:

The 1974 Census of Agriculture is a major statistical program and the decision to postpone it until 1977 is of such importance that it could have a serious impact on the many users of these data. Undoubtedly, the decision was not made in a vacuum; there was some consultation. However, it represents another instance of a Federal agency decision regarding a major statistical program where other governmental agencies and statistics users are informed of the decision "after the fact."

And, at the meeting of the Census Advisory Committee on Agriculture at the Bureau of the Census, held February 23, 1973, the members of the Committee were practically unanimous in support of holding the census in 1974, as scheduled. Dr. L. S. Fife of the Farm Equipment Institute, Mr. R. J. Pommern of the Agriculture Publishers Association, Dr. Lawrence Van Nair of the National Canners Association, Mr. Clyde Jarvis of the National Farmers Union and the National Farmers Organization, Mr. Orville Thompson of the National Agricultural Advertising and Marketing Association, Mr. Norman Coats of the American Feed Manufacturers Association, Dr. Kennedy Upham of the Rural Sociological

Society, Mr. Edward Eurich of the National Association of State Department of Agriculture, Mr. Robert Frederick of the National Grange, Mr. Richard Kennedy of the National Agricultural Chemists Association, the National Plant Institute and the Animal Health Institute, Dr. James T. Bonnen of the American Agricultural Economic Association, Mr. Dewey Bond of the American Meat Institute, and the Chairman of the Advisory Committee, Mr. W. E. Hamilton of the Farm Bureau—all supported the holding of the Census in 1974, as scheduled. The only member present, aside from OMB and Census Bureau personnel, who supported the Administration's position was Mrs. Haven Smith of the Farm Bureau's Women's Committee.

Mr. Chairman, The Administration's proposal to postpone the 1974 Census of Agriculture cannot be understood apart from the general Administration Game Plan for rural America. The decisions to "terminate" REA's 2% loan program, the ending of the REAP program, the total impoundment of funds for rural water and sewer loans, the freeze on rural housing subsidies—all point to a policy of downgrading rural America and rural Americans. The decision to try to postpone this Agricultural Census fits into the same category of negativism for rural America. I sincerely hope that the Congress does not agree with the Administration, that it passes this joint resolution, fully funds the 1974 Census of Agriculture within the 1974 budget, and convinces the Census Bureau to get on with this very important job.

A TRIBUTE TO JEANNETTE RANKIN

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

Mr. EDWARDS of California. Mr. Speaker, last Friday, Ms. Jeannette Rankin, a leading figure in both the peace and women's rights movements, died in California at the age of 92. The first woman elected to the U.S. House of Representatives in 1914, Ms. Rankin cast her first vote in Congress against the United States' entry into World War I. Twenty-four years later, serving her second term, she was the only member of Congress to vote against the declaration of war against Japan, thereby becoming the only member to oppose entry into both World Wars.

Beginning her career as a social worker, Ms. Rankin's first political activity was heading the successful campaign to give women in Montana, her home State, the right to vote. During her first term in Congress, she continued the fight for women's rights, introducing bills to give women the right to vote and U.S. citizenship rights independent of their husbands, and to provide public instruction for women concerning infant hygiene. She lost a bid for the Senate in 1918, but continued to lobby in Washington for women's and children's legislation and then for disarmament measures.

The unpopularity of her stand toward World War II, limited her to one second term and forced her into temporary retirement. However, with the rise of the antiwar movement in the 1960's, her reputation and activism were revived.

At the head of a peace group named in her honor, she led the Jeannette Rankin Brigade of 3,000 women in an antiwar march on the Capitol in January of 1968.

Until last year, she continued to appear

at meetings and conferences on women's and antiwar issues. Somewhat unorthodox and still ahead of her time, she proposed that women be paid for taking care of their children—work, she said, they preferred to do—called for complete, unilateral disarmament, and stated emphatically that if women were organized peace would be achieved in 1 year. Her gutsy spirit and unfailing championship of unpopular causes that later became national issues should inspire us to continue to work for equal rights for all and for peace throughout the world.

THE USEFULNESS OF WATERGATE

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

Mr. SEIBERLING. Mr. Speaker, last Monday, a week ago, I made a short statement on the RECORD concerning the remarks that were made by Norman Cousins, at the commencement exercises of the University of Arizona. Mr. Cousins expressed the view that Watergate would strengthen and unite our country in the long run instead of dividing it.

I would like today to include the remarks, in a similar vein, of John S. Knight, the head of Knight Newspapers, Inc., in his Editor's Notebook of May 20.

Mr. Knight expressed his personal view that Watergate can be instrumental in purging American political life of an accumulation of sordid practices and shameful public morality. He listed various benefits he expected from the investigation as follows:

First. Reform of campaign financing and campaigning procedures.

Second. Resumption by Congress of its constitutional prerogatives.

Third. More confidence in an independent judiciary.

Fourth. A message to the President to live up to his pledge of an open government.

Fifth. A diminution of the brutal arrogance of power of the executive branch.

Sixth. An enforced sense of humility which will bring the President into closer touch with the Congress, and, even more important, with the people.

Mr. Speaker, I share Mr. Knight's reactions to the Watergate crisis, but I note that much depends on the ability of the President to respond in a positive, open and constructive way and much depends also on the ability of Congress to restructure itself internally and to enact basic reform in the methods of financing elections.

Mr. Knight's editorial follows:

[From the Akron Beacon Journal, May 20, 1973]

WATERGATE PURGING WILL STRENGTHEN US

I was talking recently with a young black citizen whose intelligence I respect. The conversation soon turned, as most of them do these days, to the Watergate scandal.

"Mr. Knight," he said, "I have tried to believe in what we call the system, and work

under it, but my faith has been shaken. How can we say that we have a great country when leaders at the highest levels of government violate the laws and engage in criminal practices? When even the White House is touched by scandal, how can we say that our system is best? What and who can we now believe?"

"Wayne," I replied, "much of what you say is true and I can understand your concern and dismay. The nation has every reason to be outraged by the Watergate revelations, and there will be more to come."

"Yet," I continued, "I do not share your sense of hopelessness. On the contrary, the Watergate investigation now under way by Sen. Sam Ervin's committee may provide the catharsis this nation requires."

"Sen. Ervin is a fair man, one of our leading constitutional authorities. The disposition of all committee members appears to be nonpartisan. Their opening statements last Thursday morning indicate they seek only to get at the truth. Actually this is an example of our political system working at its best."

"So don't condemn the system out of hand until all of the facts are in."

"The investigation is being fully reported and shown on television for all Americans to read and see. Ours is an open system, and the truth will come to light. The guilty will be punished, those who are innocent will be exonerated. Keep the faith. The American processes, as established under the Constitution, are about to strengthen our country, not demean it."

Many of our younger people, appalled and disillusioned by Watergate, forget that this nation has had its share of scandals in the past—notably under Presidents Grant and Harding.

The Teapot Dome investigation was conducted 50 years ago in the same marble caucus room of the Senate Office building where the Ervin hearings are now being held. Albert Fall, Secretary of the Interior under President Warren Harding, was sent to jail for favors given to oilman Harry Sinclair with the connivance of Attorney General Harry Daugherty.

President Andrew Johnson was impeached by the House, then tried by the Senate which on May 26, 1868, voted 35 for conviction and 19 for acquittal, thus lacking the two-thirds necessary to convict. Yet the Republic was not shaken.

There have been "dirty tricks" played in many a previous presidential campaign. The belief persists that Richard M. Nixon was denied the presidency in 1960 by crooked voting procedures in Chicago and Cook County, home of the once potent Daley machine. Similar shenanigans were reported in sections of Texas.

John F. Kennedy won the 1960 election by the narrow margin of only 118,550 votes. Nixon's backers urged him to call for a recount. He declined as he did not wish to throw the country into a crisis of uncertainty. The Republic endured.

My personal view is that Watergate, painful and distressing as it is, can be instrumental in purging American political life of an accumulation of sordid practices and shameful public morality.

As I see it, the benefits of the Watergate investigation can be listed in this order:

1. Reform of campaign procedures to avoid the buying of presidential elections, and the cynical merchandising of candidates.

2. The strengthening of Congress, and the resumption of its constitutional prerogative to hold the President responsible.

3. More confidence in an independent judiciary.

4. A message to the President that closed doors and personal isolation do not comport with his 1968 pledge of an "open government." Mr. Nixon should remember that he is the President, not the king.

5. A diminution of the brutal arrogance of power, and the belated awareness that the Chief Executive represents but one branch of government; that the legislative and judicial functions have equal importance as provided by our founding fathers.

6. An enforced sense of humility which may bring the President into closer touch with the Congress and even more importantly, with the people. The nation would welcome fewer pietistic pronouncements from the White House such as his latest television address, and a greater willingness to throw the rascals out.

Associate editor Joe Stroud of the Detroit Free Press wrote recently that "If the founding fathers could see all this, they surely would be chortling over the country's lack of faith in the system they devised. What, after all, forced the President to make his humble accounting to the American people?"

An independent judiciary, a Congress with the power to hold the President accountable, and a press that resisted the pressures the administration exerted to bring it to heel.

"Perhaps," says Stroud, "it was the luck of the draw that brought to the fore an independent and courageous judge, some steadfast and persistent members of Congress and the diligent reporters of the Washington Post. But the loose-jointed, open, pluralistic American society may have built into it the potential for that kind of 'accidental' remedy."

The founding fathers would approve of what is transpiring in the Senate caucus room as a reaffirmation of their handiwork.

I think, too, that Watergate may encourage the people of this nation to take stock of their own patterns of behavior. As Alastair Cooke emphasized in his excellent series on "America," liberty is the luxury of self-discipline and all through history people who did not discipline themselves had discipline thrust upon them from the outside.

Cooke says he has recognized several of the symptoms in the United States that Edward Gibbon saw so acutely in the decline of Rome which arise not from external enemies but from inside the country itself.

"A love of show and luxury; a widening gap between the very rich and the very poor; the exercise of military might in places remote from the centers of power; an obsession with sex; freakishness in the arts masquerading as originality; and a general desire to live off the state, whether it's a junkie on welfare or a government-subsidized airline."

"That's why," says Cooke, "the usual cycle of great nations has been first, a powerful tyranny broken by revolt; the introduction of liberty, and then back to tyranny again."

I disagree with those Americans who either dismiss Watergate as "just politics," or are now thrown into a state of despair over the future of our country. The first connotes unwillingness to face reality; the second suggests that all is lost.

My personal faith in this nation's ability to emerge from Watergate with sharper definitions of purpose, and a stern resolve that it must never happen again, is very strong indeed.

We badly needed a purge of putrefactive politics, and Watergate is the right medicine.

JOHN S. KNIGHT.

"RESTORING THE TIDEMARKS OF TRUST," AN ADDRESS BY MALCOLM MOOS, PRESIDENT, UNIVERSITY OF MINNESOTA

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

Mr. BRADEMAS. Mr. Speaker, one of the most significant discussions of the meaning of the events we are coming to

sum up under the phrase "Watergate" is the address delivered at commencement exercises at the University of Notre Dame, on May 20, 1973 by Malcolm Moos. Mr. Moos is the distinguished president of the University of Minnesota and former White House assistant to President Dwight D. Eisenhower.

I ask unanimous consent to insert in the RECORD the text of Mr. Moos' address on this occasion:

RESTORING THE TIDEMARKS OF TRUST

On January 18, 1961, promptly at 10:29 A.M., Sterling Green of the Associated Press said: "Thank you, Mr. President," and instantly, amidst a standing ovation from 309 journalists, Dwight David Eisenhower, 34th President of the United States, waved goodbye as he concluded his one hundred and ninety-third news conference—his last.

Just the evening before, President Eisenhower had delivered a nationwide farewell broadcast. In it he spoke of "The conjunction of an immense military establishment and a large arms industry," which he pointed out wisely, was new in the American experience. "The total influence," he said, "economic, political, and even spiritual is felt in every city, every state house, every office of the Federal government." And then he admonished the nation solemnly:

"In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex . . . We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals so that security and liberty may prosper together."

AN HISTORIC LAST PRESS CONFERENCE

Although within three months Mr. Eisenhower's farewell address began attracting national and international scrutiny, only one reporter, Mr. William McGaffin of the Chicago Daily News, referred to it at the last news conference. "Mr. President," he queried, "you sounded a warning last night of the dangers to our democratic processes implicit in unparalleled military establishment. But some of your critics contend that liberty, the people's right to know, has suffered under your administration because you have tolerated abuse of Executive privilege in the Defense Department and other departments and agencies and because you did not hold frequent enough press conferences." To which Eisenhower responded briskly, "Well, they are critics and they have the right to criticize."

DISBELIEF PERVADES THE NEWS

And so they do. And so the conflict between the need to know and the right not to tell in the highest councils of government has become the spectre that haunts every headline. Hanging over all of us like the deadliest of all mists is not disillusion, not despair, not disenchantment, not even distrust—but disbelief. Stated with the bark off of it, it has become difficult to believe in the existence of objective truth.

COMPETING FOR THE PUBLIC MIND

Some time ago a very wise and skilled journalist and a member of Parliament in England made the very cogent comment that "News is something somebody else does not want you to print." He also went on to say that "The relation between the politician and newspapers are founded not on sympathy but antipathy. Both to some extent are rivals for influence over the public mind, and they take good care that neither should achieve a monopoly of it. 'It is here,' Mr. Deeds insists altogether correctly, 'where the

great value of the relationship lies, because in countries where newspaper and politicians are in the same camp, freedom is threatened."

The theme that I will address myself to today is that of leadership and the need for visibility. I say visibility, although accountability is a much more fashionable word. But I would be the first to insist that accountability is really what is uppermost in our thoughts when we think critically about life at the top.

First, as a person who has been chief executive of a major state university for five years, let me say a word about my brief tenure. I say brief because Father Hesburgh, with twenty-one years, is the Dean of us all. In the shapeless atheneum of modern university life, the president is continually pounded and pelted by a blizzard of mind-clogging crises and problems: the recruitment and retention of the most adventurous faculty, students, and staff; the development of the most sensitive radar scopes to scout new, untried, non-traditional ideas; and the incredibly intricate task of orchestrating resources and personnel more efficiently in a more constricted budgetary environment. Finally, of course, he must not only continue to perform an expanding bundle of symbolic duties, but he must also react speedily to increased demands for accountability to his multiplying constituencies, and he must be responsive to the explosive elements of social scope that criss-cross the nation.

PRESIDENTS MUST BE VISIBLE

Now, there are similarities between the presidency of a major university and the presidency of the United States. Both seem to have become a national lightning rod for varieties of public disaffection, distrust, and downright hostility. In the life of higher learning, the life of the mind, the presidency has entered an era of responsible reporting and instantly so. We presidents have learned, sometimes at great expense, that to maintain the public trust, we must be constantly visible, open, and forthright about our activities. In like manner, it would seem, the American presidency will enter the same era, also having learned at a terrible price.

A LIGHT TIGHT COCOON

Over the years we have hesitated to tinker with the presidential system, in the halls of learning as well as the Statehouse. And wisely so, for it has served us well as we have moved, crisis by crisis. But without tampering with structure, the times demand adventurous adaptation to the challenges of the hour. It is curious that while there is a movement toward openness at all other governmental levels and in higher education, that we hear so much of "executive privilege" and that the Executive Branch appears to be moving toward increasing levels of secrecy. It is also curious that during this same time of openness, the Presidency appears to be less visible and less available, shielded from public contact by layers and layers of bureaucracy until the cocoon is no longer transparent.

Perhaps one of the most striking similarities between the president of a major university and the President of the United States is best summed up by Oriana Fallaci's pithy comment in her book, *If the Sun Dies*:

"When it really sets out, America can out-bureaucratize the best." Clearly, the bureaucratization of the presidency has had an insular impact on the relationship between the presidency and his constituents. But the exaltation and isolation of the presidency from the American people is a long story. It is a matter of power beyond what was contemplated—a staff system with inevitable justification—but so often the product of what Mr. Eisenhower used to complain of as "over-zealous staff-work," and finally, a remoteness beyond what was contemplated—almost a semi-celestial presidency.

PRESIDENT SHOULD SPEAK DIRECTLY TO CONGRESS

It is proper, for example, for the President to speak to the American people and use them as a megaphone to react upon the Congress, but I believe that the time has come in the confluence of events when the Chief Executive should speak to the Congress openly and regularly. President Kennedy, had he appeared before Congress immediately after the Bay of Pigs, might have given the legislators an opportunity to assess and understand the dilemma he faced. Or Eisenhower, after the embarrassment of the U2 overflight, might have appeared before Congress with the opportunity for a vote of confidence. Icy distance from the House and Senate can only magnify the heated adversarial roles that the Legislative and Executive branches have begun to assume toward each other. Presidents of institutions of higher learning can attest to the need for continuous communication with their own "Congresses," the faculty-student senates. Those who have not maintained internal accord have found themselves in an isolation not of their own making.

INSTITUTIONALIZE EQUIVALENT OF A VOTE OF CONFIDENCE

The continuity of the American presidency, of course, continues on a term basis with periodic referendums for rejection or renewal. But the time has come to institutionalize a means of restoring the tidemarks of trust between the Executive and the Congress. In essence, I suggest the functional equivalent of a vote of confidence for having the president continuously accountable to the legislative branch.

We are reliving a period quite like that of the 1950's which brought a new term into the dictionary known as McCarthyism. At every conceivable gathering—dinner or cocktail party—people matched atrocity stories and there was a great wringing of hands about the dreadful state of affairs that was smothering the nation. But few did anything about it.

A COUP D'ETAT WAS ATTEMPTED

Today all eyes are trained on the exposé of abuses astride life at the top of our government. As the McCarthy period taught us, there is no time when charges should be loosely made. Consequently, I hasten to point out that convictions already obtained and acts already admitted to support the statement I have just made. As though that were not bad enough, the allegations which are yet to be examined in Congressional inquiries and in the courts are striking in their enormity. It must be faced that the sum of all the allegations is that we were the victims of a coup d'etat or an attempted coup. I weigh my words carefully. I am aware that the strict definition of a coup d'etat is "a sudden decisive exercise of force whereby the existing government is subverted". But, surely, an attempt to capture or retain control of a government by *illegal means* is action of the same genre.

"SILENT GENERATION" WATERGATE PRINCIPALS WERE EDUCATED

Many of the principal "figures" involved are products of the silent generation following World War II. These are not men unschooled; almost all are products of higher education. This should give us at the universities particular reason to wonder what went wrong and why. Did we either through acts of commission or omission contribute in any way to the malaise which besets us?

Now academia has always been engaged in a search for truth. But have we passed that heritage on to our students? Is that an article of faith that has been rejected?

HAS HIGHER EDUCATION TAUGHT VALUES?

Yet the concern now is less with reality and more with appearance—the difference

between what is and what appears to be. Can it be that "appearances" of the sort projected by television have had a greater impact than the "reality" we contend we deal with in higher education? Have we taught men the price of everything and the value of nothing? Did higher education merely provide tools and technology, but no sense of ethics and morality to temper the far-flung influence of the military-industrial complex, an awesome floating power largely free of restraint?

TWO GENERATIONS LACK COMMITMENT TO DEMOCRACY

In both the era of the silent generation of the fifties and the youth-quake of the sixties, we have witnessed a lack of commitment to democratic ideals and processes. And we permitted situations to develop where we did not respect the rights of others. Regrettably, at some of our finest tradition-laden temples of freedom, the right to listen as well as to speak was flagrantly violated and some of those scars have not only been altogether erased, but they helped speed the university's swift fall from grace in the public esteem.

UNIVERSITIES SHARE THE RESPONSIBILITY

Is it unfair, then, to suggest that the happenings at our universities contributed to create a climate which permitted men at the pinnacle of political power to see nothing morally wrong in dealing cavalierly with democratic ideals, processes, and justice? I ask you to ponder that question, not as an exercise of self-flagellation but as a way of pointing up what needs to be done. For whatever the universities' responsibility, or lack of it, they can play a major role in restoring the tides of trust.

Over the years there have been many disparaging themes about dethroning the eggheads from positions of influence in public affairs. What we need is just the opposite. Let us enthrone the egghead who is worthy of trust and the institutions that have nurtured their growth and immense capabilities. My source and documentation for this article of faith is unimpeachable—an authoritative volume titled *The Joy of Cooking*. Boldly and in immeasurably clear language it sets forth this principle: "Treat eggs gently. They like this consideration and will respond to kindness." Again from an equally authoritative source another stern warning: "The first principle that cannot be impressed too strongly is that eggs cook with a very low degree of heat."

Our universities comprise the nation's most inventive spearheads. They have been through a traumatic ordeal—some of it deservedly. But we need to restore our faith and reaffirm our confidence in them. This happens to be the track season. Remember, universities do not excel at the 100 yard dash. They are not sprinters. They are not geared to perform over the short course. They are distance runners and their performance and quest for excellence is enriched and ennobled over the long stretch.

In preparing this presentation, I did so under the heavy and constant reminder that I was born during a war and that for 24 of my 56 years—almost half of my life—this nation has been at war. And we are still not clear of conflict that defies the intellect. Not only the war, but the constellation of social, economic, and now environmental issues have brought colleges and universities to the very brink of perhaps their most difficult ordeal and trial, along with a severe financial crunch.

POLITICS AND TEACHING ARE THE SAME

During the first third of this century, as Spain gasped and choked with internal disorders and descended toward total collapse under governments unable to govern, the brilliant philosopher, Unamuno, wanted to make all of Spain his classroom. He desired not just a chair as a platform at Salamanca, but really as a pulpit to give him an emi-

nence to educate all of Spain. The Spanish government had insisted and indeed promulgated the doctrine that politics and teaching were incompatible. But Unamuno countered otherwise. He declared that politics and teaching were the same thing. In essence, he argued that while politics is teaching on a national level, teaching is politics on a personal level. And when his critics denounced him for speaking in paradoxes, his rejoinder was that paradoxes could not be disposed of when it was necessary to arouse and awaken an indolent nation—to rattle its very spine to the necessity of responding to challenge.

CORPORATE POSITIONS ANATHEMA TO UNIVERSITIES

Clearly, members of university communities—faculty, students, and civil service personnel alike—wish to be heard on their deepfelt concerns for the way the nation is headed—and lustily so. But the axis of University life is not one of taking corporate positions. Ideally a university is like a live and open microphone where all the expressions and ideas of its component parts can be picked up and their vibrations stir response and enlighten debate across the nation.

DOGMA THREATENS SCHOLARSHIP

The activism that seeks to convert universities, as institutions, into political partisans, thumping for this or that ideological position, is a threat to the unique relationship between the university and external social and political institutions. Specifically, universities are uniquely the place where society builds its capacity to gather, organize and transmit knowledge; to analyze and clarify controverted issues; and to define alternative responses to issues. Ideology is properly an object of study or scholarship. But when it becomes the starting point of intellect, it threatens the function uniquely cherished by institutions of learning.

A BEING BOTH IN AND OUT OF THE WORLD

Like the individual scholar, the university itself is no longer the dispassionate seeker after truth once it adopts controverted causes which go beyond the duties of scholarship, teaching, and learning. But unlike the individual scholar, the university has no colleague to light the fires of debate on controverted public issues. And unlike the individual scholar, it cannot assert simply a personal choice of judgment when it enters the field of political partisanship, but must seem to assert a corporate judgment which obligates, or impinges upon, or towers over what might be contrary to choices by individuals within its community. To this extent, it loses its unique identity among our social institutions. And to this extent, it diminishes its capacity to protect the climate of freedom which nourished the efficiency of freedom. The activists who most passionately want freedom of individual choice and freedom for commitment to causes should understand that, when they seek to commit the university to their chosen political cause, they threaten the unique capacity of the university to walk the razor's edge of being both in and out of the world, and yet simultaneously in a unique relationship with it.

It is very easy for those of us who seek the eye of the hurricane to ride out the storm to become immensely irritated at how the press and the media handle news. How often those of us in university life have been belted by well-meaning, dedicated alumni who have chided us during the past six difficult years for not showing the good side of university life. Why, they insist, have the tiny willful minorities dominated the television screen of the front pages?

WILLFUL MINORITIES JAG HISTORY

The press, of course, have come under a drumfire of criticism for seeming to give unbalanced coverage. But the universities reflect the strain and stress of society in micro-

cosm. Willful minorities, moreover, have a way of jaggging history.

It was the willful minority, the Bolsheviks, that overturned the majority, the Mensheviks, in the Russian Revolution, for which a terrible price has been paid. One might well ask, glancing back over our shoulders, what might have been the result in the tides of modern Russian history if the country had had a free press.

NO AGE HAS A MONOPOLY ON MADNESS

Now, our antiquarian tradition of commencement exercises ordains that appropriately some word of advice and counsel be transmitted by the speaker to the graduating class. I have carefully refrained from so doing. I would remind you, though, that no age has a monopoly on madness and even a madcap movement confronted by repressive force is like a kite against the wind. The stronger the wind the higher the kite flies.

We are confronted at times by an astounding velocity of change. When I was a boy, Miss America stood 5 feet one. Today she stands 5 feet nine. I will not comment on her other measurements, but all about us we are reminded that our problems are more explosively stacked.

And they do not sink out of sight. As my old mentor, the demolition expert on the *Baltimore Sun* once spoke of the "vacuum president:" "His way of dealing with the problems confronting him is to avoid them, as a sensible man avoids an insurance solicitor or his wife's relatives." Nor is a long gone French Prime Minister correct when he said: "The art of politics lies not in dealing with fundamental problems, but in keeping quiet those who raise them."

No, the late great artist Picasso found the touchstone when during a life that stretched over 90 years, he often referred to the privilege of the artist which is "to do," and when critics asked him what he was trying to explain or convey—what he was trying to get at—his rejoinder was: "You mustn't talk to the driver."

THIS GENERATION CAN REINCARNATE DEMOCRACY

I have a fierce faith that your generation will invoke the privilege of the artist to do, and vigorously so, whether it be somewhere in the rainbow of the arts and humanities, medicine—bio-medical or spare-parts surgery, science, that of the solitary tinkerer and investigator, or in the drafty rooms of politics. So be free. Feel loose in your harnesses and do not be dismayed or deterred by the critics haranguing the driver from the back seat or from sheltered burrows.

Let us re-incarnate a commitment to democratic ideals and processes. Because America that has been so adventurous, so creative and so boldly buccaneerish in the building of industry, science, commerce, finance, and a dazzling technology—the envy of mankind, let us not drift downward spiritually with only a cosmetic concern for the light of the mind that tells us what is right.

So, as an aging Moos, let me conclude with the story of my first experience with a cricket match in Pakistan. Completely baffled after the first 20 minutes, I turned to an English newsman and asked: "What is the object of this game?" In a manner most condescending to one I am certain he regarded as a peasant from the prairie provinces, he stared at me stonily and said: "The object—the object, my dear sir, is to get on with it!"

So saying, Notre Dame graduating class of 1973, we should be about our work.

ST. STANISLAUS CHURCH OF BUFFALO, N.Y. CELEBRATES ITS 100TH ANNIVERSARY

The SPEAKER pro tempore (Mr. DANIELSON). Under a previous order of the

House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, on June 10, 1873 about 365 people gathered on a farm at Fillmore and Peckham in Buffalo, N.Y., where subscriptions were taken for a new church and school. This humble beginning was the start of St. Stanislaus Church, which on June 10 will celebrate its 100th anniversary as Buffalo's first spiritual center for the Polish Americans of western New York.

A celebrated Mass of Thanksgiving will be held at the church on June 3 with the Most Reverend Edward D. Head, bishop of the diocese of Buffalo, leading the noon service. Bishop Stanislaus Rubin of Rome, Italy, representing Stefan Cardinal Wyszyński, archbishop of Gniezno-Warsaw, will be among his assisting prelates.

Others include Bishop Stanislaus J. Brzana of Ogdenburg, Bishops Alfred Abramovich of Chicago and Arthur Krawczak of Detroit, and the Buffalo diocese's two auxiliary bishops, the Most Reverend Pius A. Benincasa and the Most Reverend Bernard J. McLaughlin.

The Reverend Monsignor Peter J. Adamski, P.A., pastor of St. Stanislaus and a real leader in our community will head priests of the diocese participating in the climax to the church's 100th anniversary celebration.

Mr. Speaker, although St. Stanislaus is not in my district, I am proud to be the Representative in Congress of many Polish-Americans who attend its services. I am also both proud and honored to have received an invitation to participate in the 100th anniversary celebration dinner for St. Stanislaus which will be held the evening of June 3, when the bishops will gather with several hundred of western New York's Polish-American community at the Statler Hilton.

My very best wishes to a great American the Reverend Monsignor Peter J. Adamski, P.A., and to everyone at St. Stanislaus as they celebrate this important milestone for Buffalo's first Polish-speaking church.

Mr. Speaker, I include for the RECORD an article from the Buffalo Courier Express which gives an excellent historical account of St. Stanislaus and describes plans for its 100th anniversary celebration:

SEVEN BISHOPS TO CELEBRATE FOUNDING OF ST. STANISLAUS
(By Ed Toronto)

Seven Roman Catholic bishops will join in a concelebrated Mass of thanksgiving at St. Stanislaus Church June 3 in remembrance of the church's founding a century ago as the first spiritual beacon for Polish immigrants on the Niagara Frontier.

The Most Rev. Edward D. Head, bishop of the Diocese of Buffalo, will lead the service, beginning at noon in the Church at Willson and Peckham.

Among his assisting prelates will be Bishop Stanislaus Rubin of Rome, Italy, representing Stefan Cardinal Wyszyński, archbishop of Gniezno-Warsaw.

Others will be Bishop Stanislaus J. Brzana of Ogdenburg, who will preach; Bishops Alfred Abramovich of Chicago and Arthur Krawczak of Detroit, and the late Buffalo diocese's two auxiliary bishops, the Most Rev. Pius A. Benincasa and the Most Rev. Bernard J. McLaughlin.

The Rev. Msgr. Peter J. Adamski, P.A., pastor of St. Stanislaus, will head priests of the diocese participating in the spiritual climax to the church's centennial observance.

The final celebration will come at 6:30 that evening when the bishops gather with hundreds of the Niagara Frontier's 350,000 Polish-Americans at the Statler Hilton Hotel for the centennial dinner.

Msgr. Adamski is only the third rector of St. Stanislaus. His awareness of the church's original purpose is vivid, and so he continues to make it the rallying point for Polish-Americans who find comfort in worshipping in the language of their fathers.

St. Stanislaus' founder, the Rev. John Pitass, had discovered early the anxieties of Polish families entering the Niagara Frontier in search of the promised peace, to find, instead barriers of communication and isolation in old country customs, the only ones they knew.

Father Pitass, as a young native of Poland preparing for the priesthood, apparently saw his vocation and the elevation of his transplanted people as inseparable commitments. He was ordained on June 8, 1873, and that same afternoon organized the first Polish speaking church in Buffalo.

Some believe it was the first in this country, possibly along with Chicago's Church of St. Stanislaus, but Sister Mary Donata, centennial historian, believes that isn't necessarily so. The point, to her, is that Father Pitass wanted the church to bring his people together, to help them see the American dream as the good day's work and community solidarity it always had been, and to see it from the spiritual, social and cultural points of view that were theirs by birth.

Father Pitass first took his congregation to the chapel of St. Michael's Church, on Washington St., to worship. His own church, a two-story frame building at Peckham and Townsend, was completed in late January, 1874, and its presence not only became a spiritual and social magnet for those already here but attracted increasing numbers of the immigrants pouring out of economically and politically troubled Poland in the 19th century.

By 1875, the parish had 330 families and, by 1882, it became clear that a larger, more imposing church, should rise for the multiplying devout. It would be of stone, the permanent place of worship for the new Polish-speaking Americans, and it was built as a twin church, each of two floors a complete place of worship.

It was a \$200,000 undertaking, and would be under construction from the spring of 1884 to the fall of 1886. But the first floor was completed in January of 1885, consecrated and opened to the parishioners.

Completed, the church would accommodate 3,000. It would endure, Father Pitass thought, as the one church in the Buffalo diocese devoted to the spiritual needs of Polish-speaking Americans.

But the Polish community grew, and by 1886, the year of its consecration, the Church of St. Adalbert was organized. By 1898, St. Stanislaus was but one, if the first, of seven such churches in the city. It was just as well. There were 19,000 people in its parish by then.

Today, Msgr. Adamski ministers to about 1,200 families, fewer than half the number in the parish in the late 1880s but many descendants of the church's first worshippers. Their offspring, great-grandchildren of original parishioners, attend school on St. Stanislaus' first floor. The church now is on the second.

The monsignor became pastor of St. Stanislaus in 1944, succeeding the Rev. Msgr. Alexander Pitass, nephew of the founder, who had taken over from Father John in 1914, the year after the original church was demolished.

Msgr. Adamski has carried on in the Pitass tradition, even to the construction in 1965 of the \$300,000 St. Stanislaus Social Center, near the church. His main interest was in giving the parish's 250 to 300 senior citizens a place of their own, as Father John Pitass cared for the lonely of his day.

St. Stanislaus, even as it shares its present day function with other churches, remains a monument to Father Pitass' wisdom in divining the need for such a church. Its power in drawing Polish immigrants to this area is conceded by Polish-American historians and is at least partially measured by the presence of Polish-descended figures in the Frontier's affairs.

One-third of Erie County's 1,100,000 residents are Polish-Americans, hundreds of these are in every profession, and at key levels of government.

It wasn't until 1950 that Buffalo gave itself a Polish-American mayor, the year that the late Joseph Mruk ascended to the chief executive office at City Hall. A dozen years later, Chester W. Kowal became the second and, today, with the rise of Stanley M. Makowski through political ranks, there again is a Polish-American mayor; now serving by appointment, seemingly ready to stage the third mayoral election drive by one of his origin.

Among well-wishers at St. Stanislaus' June 3 "civic dinner", as Msgr. Adamski calls it, will be Mayor Makowski; "paying his respects to the good monsignor," a mayor's aide says, "and mixing with the well-wishers."

LEGISLATION REGARDING COAST GUARD SHORE ESTABLISHMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. FROELICH) is recognized for 15 minutes.

Mr. FROELICH. Mr. Speaker, I am today introducing legislation to require the Coast Guard to notify the Congress when it proposes to consolidate or discontinue one of its shore establishments, require it to submit a detailed explanation of the reasons for its proposal, and permit either House of Congress to veto the proposal within 60 legislative days of notification.

I am delighted to be joined in sponsoring this legislation by Messrs. ASPIN, BLATNIK, DAVIS of South Carolina, ELLBERG, GILMAN, HUTCHINSON, KETCHUM, McEWEN, MOAKLEY, ROSE, and STEIGER of Wisconsin.

The need for this legislation became evident to me quite recently when I was informed by Coast Guard Commandant Chester R. Bender that a Coast Guard search and rescue station in my district was to be "disestablished" within a month. This station, which had been in continuous operation since 1897, was located on Plum Island off the tip of the Door County peninsula in northeastern Wisconsin. It was and is vital to thousands of boaters, sailors, fishermen, ship- pers, and island residents who use the waters in that area.

Although I tried repeatedly to impress upon the Department of Transportation the importance of the station to the safety of my constituents and the economy of my district, my pleas were not heeded. Indeed, over a period of many weeks, the Department not only rejected my arguments for reopening the station, but also failed to supply me with any

satisfactory explanation for the station's closure.

Reluctantly I have come to the conclusion that in order to achieve petty economies the Department of Transportation is willing to risk the safety of literally thousands of people.

I set out the facts of this matter at some length during the debate on the Coast Guard authorization, May 8, and in testimony submitted to the Transportation Subcommittee of the Appropriations Committee. The latter statement is printed below.

The station at Plum Island was not the only station to be abruptly discontinued. At the same time I received my letter from Admiral Bender, other Members were being advised of plans to disestablish stations at—

Cape Hatteras, N.C.; Sullivan's Island, S.C.; South Haven, Mich.; Harbor Beach, Mich.; Manistee, Mich.; Beaver Island, Mich.; Munising, Mich.; Portage, Mich.; North Superior, Minn.; Galloo Island, N.Y.; Sodus Point, N.Y.; and Racine, Wis.

My distinguished colleague from Ohio (Mr. VANIK) quite properly pointed out during the debate on the Coast Guard's authorization that 11 of these 13 closings occur on the Great Lakes. This indicates an unusually heavy concentration of closings in one area of the country.

Because the safety of my constituents and other citizens is at stake I am not willing to let this matter rest. Thus, section 3 of my bill would require the Coast Guard to reestablish the stations it has closed and to phase out these stations in the future only with the approval of Congress. This will give the Congress the right to determine whether economy and efficiency should be permitted to override compelling considerations of public safety.

With respect to the major provision of this bill, let me say that although I support responsible efforts to achieve economy in Government and willingly concede that the disestablishment of some search and rescue stations may now or in the future be justified, I believe that it is entirely reasonable and appropriate for Congress to have the final say when an important Coast Guard establishment is closed.

There is ample precedent for this kind of congressional veto. For instance, Congress may disapprove a Government reorganization plan. See (section 906(a) of title 5, United States Code. This is one of our most important checks on the executive.

Congress may disapprove the pay recommendations of the Commission on executive, legislative, and judicial salaries. See section 359 of title 2, United States Code.

Recently, Messrs. SAYLOR, DORN, HAMMERSCHMIDT, and TEAGUE introduced a bill, H.R. 4185, to freeze the Veterans' Administration schedule for rating disabilities and require congressional approval of all additions, deletions, changes, modifications, or other alterations thereto.

I believe I noticed a rather perceptible change in the reasonableness and tractability of the Veterans' Administration after the introduction of that bill.

I am hopeful that my bill will inspire a new spirit of cooperation and compromise in the Department of Transportation and the Office of Management and Budget.

The proposed legislation and my statement to the Transportation Subcommittee follow:

H.R.—

A bill to amend title 14 of the United States Code in order to require prior Congressional approval of any action by the Commandant of the Coast Guard to change the location of, consolidate, or discontinue any Coast Guard shore establishment; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 5 of title 14, United States Code, is amended by inserting immediately after section 93 thereof the following new section:

"§ 93a. Coast Guard shore establishments

"(a) Before the Commandant takes any action, pursuant to section 93(b) of this title, to change the location of, consolidate, or discontinue any Coast Guard shore establishment, he shall transmit notification of his intention to take such action to Congress together with a detailed explanation of the reasons why he deems such action to be necessary.

"(b) The Commandant shall deliver the notification required under subsection (a) of this section to both Houses of Congress on the same day and to each House while it is in session.

"(c) Any action to change the location of, consolidate, discontinue any Coast Guard shore establishment proposed in any notification delivered to Congress pursuant to subsection (b) of this section shall take effect at the end of the first period of sixty calendar days of continuous session of Congress after the date on which the notification is transmitted to it unless, between the date of transmittal and the end of the 60-day period, either House passes a resolution stating in substance that the House does not favor the proposed action.

"(d) For the purpose of subsection (c) of this section—

"(1) continuity of session is broken only by an adjournment of Congress sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period."

(b) The analysis of such chapter 5 is amended by inserting immediately after

"93. Commandant; general powers."

the following:

"93a. Coast Guard shore establishments."

Sec. 2. Section 93(b) of title 14, United States Code, is amended by inserting immediately after "(b)" the following: "subject to section 93a of this title."

Sec. 3. (a) Notwithstanding any other provision of law, no action taken by the Commandant of the Coast Guard after March 1, 1973, and before the date of the enactment of this Act under section 93(b) of title 14, United States Code, to disestablish any Coast Guard shore establishment shall be effective unless Congress, within the 60-day period of continuous session of Congress immediately following such date of enactment, passes a resolution stating in substance that Congress approves such action.

(b) For the purpose of subsection (a) of this section—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.

STATEMENT OF REPRESENTATIVE FROELICH TO THE TRANSPORTATION SUBCOMMITTEE OF THE HOUSE APPROPRIATIONS COMMITTEE

Mr. Chairman and Members of the Subcommittee:

I am appealing to the Transportation Subcommittee for funds to continue the operation of a vitally important Coast Guard station in my district. In order for the subcommittee to understand the basis for this appeal, I shall attempt to set out the circumstances that led to the closure of this station a few weeks ago.

On March 1, 1973, several Members and I received letters from Coast Guard Commandant Chester R. Bender informing us that a decision had been made to "disestablish" 13 search and rescue stations throughout the country.

The affected station in my district is located on Plum Island, a small island off the tip of the Door County peninsula in Northwestern Wisconsin.

The station at Plum Island has been operated by the Coast Guard since 1897. At last report, this facility had 13 men and two craft: a 40' MLB and a 40' UTB.

In his letter, Admiral Bender made the following comments to justify the closure of the Plum Island station:

"The Coast Guard is supporting the President's program to reduce Federal expenditures. At the same time new personnel and monetary resources are required to meet new responsibilities such as those contained in the Ports and Waterways Act of 1972. It therefore becomes necessary to review existing programs and to determine lower priority and less efficient operations which may be curtailed.

"A review of operations at rescue stations located throughout the United States has been completed and a determination made that, considering the aforementioned priorities, closure of the station listed, among others, is indicated. This determination results from a continuing appraisal by the Coast Guard of the number and severity of the rescue cases responded to by each station; the ability to make this response from adjacent stations or by alternative means, such as helicopter rescue; and the efficient allocation of available resources."

On April 23, 1973, Messrs. Aspin, Blatnik, Davis of South Carolina, Harvey, Vander Jagt, and I directed a communication to the President urging the continued operation of the 13 search and rescue stations. We received a reply, dated May 10, 1973, from Harold F. Eberle of the Office of Management and Budget. Mr. Eberle wrote in part as follows:

"In recent years, the demand for Coast Guard services has steadily increased throughout the country with some areas exhibiting very rapid growth, particularly in recreational boating, and great stress has been placed upon many Coast Guard search and rescue facilities. This growing demand coupled with increased responsibility under recent enacted legislation necessitated that the Department of Transportation and Coast Guard reassess the effectiveness of all of its present facilities with a view towards improving the efficiency of the entire Search and Rescue System. All the stations selected for closure have either consistently ranked low in utilization when compared to other Coast Guard search and rescue facilities or they are sufficiently close to another Coast Guard facility to permit disestablishment with minimum risk to life and property."

The second quoted paragraph of Mr. Eberle's letter makes it abundantly clear that a search and rescue station may be closed for the reason that it ranks low in utilization, even though it is not "sufficiently close to another Coast Guard facility to permit disestablishment with minimum risk to life and property." This must have been the reason for disestablishing the Plum Island station,

for the Coast Guard has admitted in writing that:

The forty (40) foot utility boat at Sturgeon Bay Canal station would require approximately two hours and ten minutes to arrive at the Plum Island station location."

This damaging admission indicates a virtual abandonment of northern Door County, as far as Coast Guard search and rescue operations are concerned. Any rescue operation that takes two hours and ten minutes after notification to reach the scene is likely to find no survivors to rescue.

The Congress has been funding the operation of the Plum Island station in good times and bad since 1897. This means that for more than 75 consecutive years the Coast Guard has determined that a station at Plum Island was worth operating. For more than 75 years the Congress has determined that this station was worth funding.

Why, when Plum Island's search and rescue caseload is dramatically increasing, should this station now be closed?

The Plum Island station is strategically located in one of the most popular boating, fishing, and vacation areas of Wisconsin. Thousands upon thousands of boaters, sailors, and fishermen use the waters around Plum Island during the course of a year. About 100,000 passengers were transported by ferry between the mainland and Washington Island in 1972. The station is situated near an important shipping lane and across from the site of the projected Northport Harbor.

For the past 75 years, the Coast Guard has recognized its responsibilities in this area, where the waters are rough and treacherous, by operating a station at Plum Island. The evidence clearly indicates that the station has been performing important work. For instance, the station was involved in 31 search and rescue operations in fiscal 1972, more than twice its caseload in fiscal 1970. Its personnel have the responsibility of operating two fog signals and seven minor lights. They provide assistance to cross-lake traffic. They cooperate in important ways with the Door County sheriff. And they provide a means of radio communication for boaters and local residents. The functions and activities of this station must not be abruptly discontinued. They cannot be undertaken by the Sturgeon Bay Canal Station, which is not being augmented, without producing unsatisfactory and possibly tragic results.

Against this background, the projected savings of \$113,000 is not a persuasive reason for disestablishing this station. The disestablishment of this station will have an adverse economic impact on Door County. But, more important, it will adversely affect the County's vitally important recreation industry because, to put it bluntly, it will jeopardize human lives.

Not all the great services of government can be performed with impressive statistical economy. This is one of them. As the chief policy maker of the government, Congress should make the final determination whether these important search and rescue stations should be continued or closed.

Other Members have voiced to this subcommittee similar concerns about the closing of Coast Guard stations, particularly in the Great Lakes, and they have made similar appeals. I wish to associate myself with their remarks, and to strongly urge the subcommittee to incorporate into the transportation appropriation a provision to continue the operation of the Plum Island station and all the other disestablished search and rescue stations for which a good case can be made. I am hoping this can be done consistent with the rules of the House. I also urge that the committee's report reflect unequivocally the committee's judgment that the continued operation of these stations is desirable and necessary in the public interest.

SPECIAL ORDER HONORING THE HONORABLE JAMES A. FARLEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CAREY) is recognized for 5 minutes.

Mr. CAREY of New York. Mr. Speaker, tomorrow, May 30, 1973, is the 85th birthday of Jim Farley. I think it most fitting that Jim's friends and admirers in the Congress have an opportunity to extend our congratulations and best wishes to him. For this reason, I request a special order of an half hour for tomorrow, May 30, 1973.

U.S. FORCES IN EUROPE: A RESOLUTION AND HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ROSENTHAL) is recognized for 5 minutes.

Mr. ROSENTHAL. Mr. Speaker, I am introducing today a resolution concerning U.S. military forces in Europe. I have decided to proceed with legislation and hearings on this subject at an early date, because of several recent events.

First, the American balance-of-payments—BOP—situation continues to deteriorate. The latest figures show a first quarterly deficit for this year of \$10.3 billion. I recognize that that much of this deficit is not due to U.S. military forces abroad, much less to those stationed in Europe.

But the military BOP loss is a constant one, not subject to either the short- or long-term remedies which we might apply to our trade balance or to the effects of capital flow. The military BOP loss is sizable, it is steadily growing and is not a negligible problem.

In the area of Europe alone, the net U.S. military BOP loss now totals about \$1.7 billion annually—calendar year 1972. The two recent devaluations—December 1971 and March, 1973—have contributed, of course, to this basic European military deficit in BOP as has the steady inflation in the European countries where our troops and their dependents are stationed. The continuation of both that inflation and the instability of the dollar point to a continued increase of the U.S. military BOP loss.

The following preliminary figures show this serious and unfortunate progression:

NET FOREIGN EXCHANGE COSTS—US FORCES IN EUROPE

| Calendar year | Cost in millions |
|---------------|------------------|
| 1970 | \$1,096.8 |
| 1971 | 1,014.8 |
| 1972 | 1,701.9 |

To keep these figures in perspective we should recall that the total world-wide American balance of payments loss in calendar year 1972 was about \$9.25 billion—current accounts—and that our net military expenditures, world-wide, accounted for \$3,558 billion of that amount.

These figures mean that our military BOP loss is responsible for more than one-third of all current accounts losses in our BOP accounts. The European part

of the military BOP loss is about one-half of the military BOP problem and almost 20 percent of the worldwide figures. All of these military BOP figures take account of the sales—deliveries—of U.S. military equipment abroad and are, therefore, net figures for our military BOP losses.

These figures do not take account of the contention of the Department of Defense that other offsets should be subtracted from the above figures. I have asked for a detailed explanation of these other offsets which I will introduce, at the appropriate point in the hearings which I hope will be held in June.

In addition to the balance-of-payments problem, there are other considerations which make appropriate a consideration of our forces in Europe. I have just returned from a study mission to Europe where a group of House Members had discussions with our European colleagues on U.S. force levels in Europe. I would like to summarize my impressions from those meetings:

The Europeans are less concerned about the size of the U.S. force levels in Europe, particularly in the center region where European land forces are sizable, than they are about the ultimate that is nuclear commitment of the United States to the defense of Western Europe.

There exists in Europe, as in the United States, a variety of opinion about how and when U.S. force reductions should be made.

There exists in Europe, and this is my personal view, more skepticism about the Vienna talks on mutual and balanced force reductions than there is in the United States. The Europeans are much more concerned about appropriate "West-West" talks on these matters. In other words, I sense that the Europeans are quite willing to discuss and to agree to substantial U.S. land force reductions if we can reassure European public opinion—and their governments, of course—that those reductions do not lessen the long-term American commitment to the principle that the defense of Europe is also the defense of the United States.

Finally, and in summary, I concluded after this visit to Europe, that a substantial reduction can be made in the immediate future—within the next 12 to 18 months—in U.S. land forces on these principles: first, the reductions proceed from a coordinated NATO policy; second, the reductions be limited to U.S. land forces, leaving our air and naval units as presently deployed; third, the reductions be substantial enough to reflect the decrease in the perceived likelihood of a Soviet military threat in Western Europe and yet not so large as to erode European confidence in our ultimate defense commitment to NATO.

I believe that West-West talks should define "substantial" reductions but by that term I would mean about half of our 215,000 member land force now stationed in Germany. Despite the European skepticism about the MBFR talks, I believe that such a reduction, under the conditions I outlined above, could be the key to unlocking the armed confrontation in Europe, opening the door to successful MBFR talks and preserving the western alliance.

The reduction should be a coordinated NATO effort, reducing not only American troop levels but European as well. This will take careful and difficult negotiations to achieve.

This kind of reduction would make it clear to all that our action is not taken out of desperation but motivated by a sincere desire to facilitate force reductions. If handled with diplomatic skill, a synchronized reduction need not diminish the psychopolitical support our troops give to our European friends.

This reduction could trigger a similar response from the East. Showing one's good faith—while expecting the other side to reciprocate—is just as valid an approach in this negotiating area as the administration's current commitment to a bargaining-chip strategy. Beginning a modest downward spiral now would immeasurably assist the difficult MBFR negotiations themselves.

My resolution, which is included below, has, therefore, these three elements: first, a prescription for solving our balance-of-payments problems in our NATO expenditures by establishing a mechanism under which no NATO country suffers a major BOP loss from such expenditures; second, a substantial reduction in U.S. land forces in Europe over the next 12 months; and third, a recommitment by the United States to a concept of united defense with and of Europe through NATO.

I propose this resolution not as the final answer to the troublesome question of how we should adjust our NATO role to today's realities but as one approach, of many which have or will be offered, toward a solution. The Subcommittee on Europe of the House Committee on Foreign Affairs, which I chair, will consider a variety of proposals in June. I expect that the hearings will stimulate appropriate action by the NATO countries and particularly, by our own Government in the course of this year.

HEW AND WELFARE GUIDELINES: RESTRICTIONS ON FAIR HEARINGS AND DUE PROCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Ms. ABZUG) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, the Department of Health, Education, and Welfare has issued another set of guidelines that will prove as disastrous for public assistance recipients as the social service regulations were for people receiving services under the Social Security Act.

To enable us to more fully understand the impact of these regulations I would like to include at this time an analysis of them prepared by Mr. Maurice O. Hunt, of the Federation of Protestant Welfare Agencies of New York. I hope that my colleagues, if they have not already done so, will offer their objections to these regulations to Secretary Weinberger.

The analysis follows:

The Department of Health, Education, and Welfare is now revising its regulations for determining eligibility for Public Assistance, for fair hearings and in regard to recouping over-payments. The changes are such that

those of us concerned about the needs of the poor again need to express our opinions to the Department. The deadline for comment on these new Regulations is May 20th.

The conscientious administrator of Public Assistance has two major goals: he wants to be certain that no one who is not legally eligible receives public funds; he wants his organization to function in such a way that persons who are eligible receive the assistance they need as expeditiously as possible.

Over the years there have been numerous occasions when some state and local administrations have failed to assure these goals. From time to time the Federal government has taken steps through law and regulation to try to prevent these operational failures. The current Federal Administration is pushing States to be certain only eligibles receive assistance, a goal with which none can quarrel. As part of this effort, however, the Administration is proposing to remove a number of provisions in regulations which protect applicants and prevent deprivation by requiring prompt action by welfare departments. We are in a period of tight money for public welfare and the pressure to save funds at the expense of the needy is strong in some jurisdictions. The changes being proposed would make such exploitation more possible. For example:

1. If an administrator has as his primary goal the saving of money, one way to do it is to stall on granting assistance to new applicants. Current regulations require that eligibility be determined and assistance granted within 30 days after application. This is being changed to 45 days. Although payments would be retroactive to the 30th day, the way is further opened up for a slowdown, inasmuch as the time count would start only when a formal application has been signed rather than at the original request for help. No longer would the welfare agency be required to help applicants provide needed information if because of physical, mental or other difficulties they were unable to do it themselves.

2. Those who have followed public welfare operations in recent years will remember the "midnight raids" which were carried out in some States to find out whether there were men living in the households of AFDC families. These and other similar invasions of privacy are now specifically prohibited by regulation. Although general language remains in the new proposals which might cover such situations, the specific prohibitions have been removed.

No longer under the proposed regulations is it required that the applicant be the primary source of information necessary to establish eligibility, and welfare departments will be free to go to third parties for checking without the knowledge of the applicant. Such checking is permissible now in questionable cases, but only after the applicant or recipient has been informed and given a chance to clear up the question himself.

3. Changes in the fair hearing procedures which are disadvantageous to applicants and recipients are also proposed. Persons who feel they have been treated unfairly have always had the right under the law to ask for a hearing from the State. The most common reason for such fair hearing requests is either a termination or a reduction of assistance. Under regulations established two years ago when a recipient appeals such an action by a local department, assistance must continue unchanged until the State holds a hearing and renders a decision. The proposed regulations would allow reductions and discontinuances of assistance before the State hearing if the local agency provides an "evidentiary hearing meeting due process standards" which confirms the local workers' decisions.

In addition to this, the way has been opened for the hearing process to take longer. Current regulations require a deci-

sion from the state no later than 60 days from the request for hearing. This is being extended to 90 days.

In view of the fact that national figures show one third of State fair hearing decisions reversing local decisions, these changes open the way for actions resulting in unfair hardships for many needy people.

4. Closely related to this is the fact that the proposed regulations would allow assistance to be terminated on ten days notice rather than the present fifteen days, and in some situations with no notice at all.

5. Present regulations allow the recoupment of overpayments to recipients if they resulted from the recipients willful withholding of information. Recoupment is also possible in other situations when the money is available to the recipient. Under the new proposals welfare agencies may recoup all overpayments from future grants even though the mistake was made by the department and the money has been spent by the recipient. Since departmental error accounts for a large portion of overpayments, recipients through no fault of their own could find themselves with extremely limited income for extended periods of time. The proposed regulations say such monthly deductions must not cause "undue hardship" on recipients.

In brief, the above are some of the highlights of these latest proposals. Full details may be obtained in a thorough analysis prepared by the Center on Social Welfare Policy and Law, 25 West 43 Street, New York 10036 (Telephone: 354-7670). No one knows how many States would take advantage of these proposed regulations, but if they are adopted the opportunity will certainly be present for changes that will work to the disadvantage of many needy people.

It is essential that agencies and individuals make known their opinions about these proposed regulations by sending communications to HEW (See complete address on page 1) on or before May 20. In view of the current Congressional interest regulations issued by the Administration, copies of your communications might well be shared with your Senators and Representatives.

INTERSTATE HATE MAIL MUST BE STOPPED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BRINKLEY) is recognized for 5 minutes.

Mr. BRINKLEY. Mr. Speaker, the following vicious statement was part of a 10- and 12-sheet packet contained in letters mailed anonymously from outside the State to several organizations located in Columbus, Ga., within my congressional district, during the first half of April of this year:

THE STORY OF THE CENTURY

This story had its beginning 94 years ago as that was the date when the Jews began to dominate the Vatican. Did you know that we have had 18 to 20 Jew Popes? You will learn that the crimes committed in the name of the Catholic Church were under Jew Popes. The leader of the Inquisition was one—de Torquemada, a Jew.

THE GREATEST HOAX IN HISTORY

Giovanni Battista Montini, a Jew was made Pope Paul VI. Montini—DeBenedictis, Jews, (founders of family of Montini). Montini's mother was a full blooded Jewess. The world however did not know this so apparently the planners felt secure in such a choice.

Equally apparent is the fact they did not realize that the records were still available

showing that Giovanni Battista Montini had been a member of the Freemasons.

Montini never attended a Seminary and this is unheard of in the history of the Catholic Church and those who prepare themselves for the priesthood.

Montini was schooled in a private home, by a Jewish priest. His entire grooming was by this professor and a series of Jewish teachers who schooled him very carefully and tirelessly for this—"The Greatest Hoax of All Time".

During Montini's younger days he was actively engaged in Freemasonry and as most readers know—you cannot be a Mason and a member of the Catholic faith.

One obvious bit of evidence of Paul's false papacy can be found in the way he "blesses" the congregations at Rome. The fact is that Montini cannot, or will not, make the form of the cross with his hand; instead, he makes a crescent-shaped motion, a Masonic Symbol. He seldom wears the Cross—he wears the Ephod (vestment). Giovanni Battista Montini, presently referred to as Pope Paul VI is an imposter and a fraud.

Finally, the Jews decided that the Church had to go, before governments could be destroyed.

The Jewish conspirators with their worldwide connections were made aware that their time is indeed growing short so they decided—"we must wreck the Church, the Universities, and ALL schools of learning—and it must be done immediately". They secretly have led the fight for forced busing of America's school children.

The Jews' next act is to install Jews in every position of power and authority. The massacre of millions of Christians might follow so what do you have to lose by making your move first. The life you save might be your own, or those of your loved ones. Do not dally too long—unless you are one who might overlook the magnitude of this, "the greatest hoax in history".

How widespread were the mailings? Was it coincidence that only days later during the same month, on April 28, after the conclusion of an important runoff election in Columbus, an Enquirer columnist wrote as follows?

DEMOCRATS RAN SCARED IN POST 5 ELECTION
(By Paul Timm)

I'll be the first to admit that I took the whispering campaign against Mr. Hirsch with a grain of salt and felt that the whole thing had been blown out of proportion as a purely political expedient.

As the election results poured in and telephone callers asked results, my mind was changed.

Some of the language used by what started out to be nice old ladies and little old gentlemen turned almost obscene. In more than one case I hung up in disgust.

I wish I had the names of the anonymous callers. Some of them surely must have been wearing the hood of the KKK.

Strange! On the surface Columbus appears to be a city fortunately devoid of widespread or deep rooted bigotry. Underneath the veneer of the city, however (and I shed a tear because of it) there is a discrimination that is almost unbelievable.

Woe be unto us if this insidious germ of hatred spreads any further. Better it be rooted out and banished forever.

A lot of wars have been fought to this end, but there are those who insist on being maggots in the meat of humanity.

Notwithstanding that story, the publisher of the newspaper had the unmitigated gall to unleash a vicious editorial attack on the following letter which had sounded an alarm:

COLUMBUS, GA.,

April 16, 1973.

DEAR FRIEND AND FELLOW COLUMBUS CITIZEN: Why am I for Milton Hirsch?

It is not enough that he is a Democrat, although he and I are Democrats; it is not enough that he has been unfairly maligned, although he has been unfairly maligned.

I am for Milton because Columbus is too big, too complicated and too important for me to remain silent on what I consider to be an important issue. The men and women who are in charge of the operation of our city have enormous responsibilities. Their decisions can affect our future for the rest of our lives.

The issue here is one of *ability* not only to make decisions but to make correct decisions, and that is enough. Enough to make us stop and think what this election is all about. We are filling a job requiring all the competence, all the experience and all the capacity we can muster.

Won't you please consider Milton Hirsch—on his own merit?

Sincerely,

JACK BRINKLEY.

P.S. I would personally appreciate it very much if you would make it a *point* to vote Tuesday.

In attempting to make its case over several issues, the paper developed and attributed quotes such as "evidence," "justification," "who happened to be of the Jewish faith"—none of which terms were used, as anyone can see from the above letter. This was cruel, warped fabrication of the rankest order.

May not a *free* press ask the candidate himself as to whether or not he has been unfairly maligned?

Should not a *fair* press have printed the information contained in a two-page letter from Mr. Hirsch which was voluntarily brought to the executive editor for both local newspapers soon after the editorials raised their ugly innuendos?

Must not a *concerned* press condemn the mischiefmakers—even if their numbers are tens instead of thousands?—the presence of which the paper always acknowledged.

Mr. Speaker, the existence of these packets mailed into my State were called to my attention just this weekend. I have two in my possession—one addressed to recorder, Order of Rainbow Girls of Columbus; another to the conductress or secretary, Columbus Chapter No. 261, Order of Eastern Star; and a third packet was sent to secretary, Augusta Evans Chapter No. 177, Order of the Eastern Star. As a Mason myself, I particularly share the indignation of the recipients.

Today, Mr. Speaker, I have turned copies of these letters of vilification over to the U.S. Postal Service, asking that the envelopes in which they came be traced to the sender or senders, if possible, and that appropriate remedial action be taken to eliminate such funnels of hate.

NOMINATION HEARINGS ON SCHLESINGER—LAST HOPE FOR MANY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE), is recognized for 10 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, the fallout from great events

in history is usually impossible to predict at the time and almost impossible to trace with any degree of certainty years later, but that great events and upheavals in the body politic do have reverberations and influence events for years to come is unquestionable. Certainly the Watergate affair by now is just such an event of major proportions in the political history of this Nation rivaling even the South Sea bubble or the affair Dreyfus or the Profumo case in terms of political crisis and in the confidence of the electorate in their Government.

But I am not taking to the floor today to in effect give a sermon on the Watergate affair; I will leave that to others at the moment, the professional moralists among us. However, without going so far as to see a bright side to an otherwise dismal episode, or to allow that out of every unfortunate turn of events comes some good, the Watergate episode has already resulted in a chain of events of profound significance for my congressional district. In choosing Elliot Richardson to be his new Attorney General the President has created a vacancy in the position of Secretary of Defense. While he has named his choice to succeed Mr. Richardson in this post, Mr. James Schlesinger, Mr. Schlesinger has as yet to be confirmed by the Senate. All I want to say that if ever there was a time that this confirmation process for high-level policymaking positions in the Government is to have any meaningful and lasting impact this should be one such time.

Before Secretary of Defense Richardson was selected for the difficult assignment of Attorney General he had, as I am sure this House is quite familiar, made a major announcement to close down countless bases across the country. While very few congressional districts were spared the impact of this widespread closing of bases, as every major newspaper pointed out at the time, the greatest impact, the real meat axe cutbacks, were made in New England—particularly in the State of Rhode Island and the Commonwealth of Massachusetts. Thousands of workers in both States are certain to lose their jobs because of the lopsided impact of these closings.

At the time of Secretary Richardson's confirmation as Secretary of Defense this decision had not been announced and, therefore, was not discussed. True, over the past months, or even years, preparation had already been made for this decision and all that prevented the announcement from being made by Secretary Laird was a little matter like the Presidential election of 1972 and a new Secretary of Defense's subsequent confirmation. You might remember in this connection one of the main thrusts of the last Presidential campaign by the Republican propaganda machine that Senator McGovern's election to the Presidency would result in wholesale closing of bases with thousands of jobs being lost in the process. Little did the American electorate, certainly the electorate in Rhode Island, realize that the script had already been written for just such a dismantling of bases if President Nixon were reelected

My point in all of this is when the announcement was made there seemed to be a brooding pessimism in Congress that very little could be done to change this Executive decision—aside from making speeches and congressional gnashing of teeth, bewailing and bemoaning in public, pulling out of hair and the renting of garments. In the end the Pentagon juggernaut would ride over all these objections and have its way.

But now, I think for the first time, Members of Congress have a real opportunity, probably their only opportunity, to influence these decisions and to ameliorate the situation for the thousands of workers affected. The Senate must hold hearings on Schlesinger's confirmation and it seems to me inevitable that they must get around to questioning Schlesinger closely on the rationale and justification for the base closings. As Senator PELL so aptly pointed out the other day, if defense costs must be cut then a case may be made for proportionately reducing military establishments across the country. What we in Massachusetts object to, and the good Senator from Rhode Island concurs, is a meat-ax cut in a few States.

Massachusetts already has one of the highest unemployment rates in the country. The closing of the Boston Naval Yard, which has served this Nation so well for so long, can only further weaken the economy of the greater Boston area. Perhaps in better times an argument might be made that a vital, healthy economy could absorb this impact and ride out the closing of such a major installation employing thousands of workers. But this is not the situation we enjoy at the moment in Boston. The timing of the announcement could not have come at a worst time.

In making these announcements it seems to me that a major department of a government committed to a policy of full employment, must consider the economic impact of its decisions. After all, the closing is being justified on economic grounds. My question is why is not the Pentagon in step with the Department of Labor or Health, Education, and Welfare, which is spending millions in the State of Massachusetts to cure the problems of steady unemployment. What is the Government of the United States gaining if one department saves a few pennies and other departments spend more than these few pennies saved to tackle a more serious problem? What this Nation needs is more work, not more welfare.

And so fellow colleagues, I view the forthcoming Senate hearings on Schlesinger's confirmation as absolutely crucial hearings, an unexpected opportunity for the Members of Congress through their Senators to question closely these Defense Department's decisions and to convince the powers that be of the untold economic dislocation and personal hardship which will result from these closings as presently conceived. To those that argue that this amounts to little more than holding the Secretary of Defense to ransom, all we need say in reply is that the job of the representatives of the people is to influence the policies of this Government and to inform the

bureaucrats here in Washington of conditions at the local level instead of being confronted with a fait accompli from the Secretary of Defense. What we now should have is a policy on American bases hammered out in coordination and consultation with the Congress. This is the way it should be.

IN MEMORY OF HALE BOGGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, it has been many months now since Hale Boggs sat with us in this Chamber. Yet, in our minds and in our hearts, his presence, his courage, his leadership, his beliefs, and his dreams remain vibrant and strong.

The relationship built between one man and another differ with every friendship created. Each individual brings a part of himself into this bond, making each separate, distinct and uniquely special. We all knew Hale in our own ways, be it as family, colleague, as constituent, or as friend; and each of us cherishes the experiences and the memories we were privileged to share with him. Certain basic qualities of Hale's character, however, touched upon us all. His love, his compassion, his commitment to his fellow man, his desire to make possible a better life for everyone could be seen in his every deed and in his every word. So long as these memories remain alive, so long as we continue to carry forward the programs and the goals Hale wanted this Nation so desperately to achieve, his image will remain an integral part of the workings of this Chamber. For a large part of this man is indelibly printed in legislation of such great scope that his work has already enhanced the quality of American life and become imbued in the legacy and the principles of this Nation.

Of the many statements which have been made or will be spoken as time goes on, perhaps the words of St. Francis of Assisi best capture the essence of Hale's goals and of the endeavors and accomplishments he attained in his own lifetime in seeking their fruition.

Lord, make me an instrument of your peace.
Where there is hatred, let me so love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light;
And where there is sadness, joy.

O divine Master, grant that I may not so much seek to be consoled as to console;
To be understood as to understand;
To be loved as to love;
For it is in giving that we receive;
It is in pardoning that we are pardoned;
And, it is in dying that we are born to eternal life.

Sometimes, in paging through last session's CONGRESSIONAL RECORD, in rereading his words and the speeches he delivered on this floor day after day, it is difficult to realize Hale Boggs' words will appear no more on these familiar pages. Yet, though he may never walk this way again, and though he may not stand before us fighting for the culmination of

his dreams and hopes, the steps he took have left their imprint and have shown us a direction and a way.

TRIBUTE TO THOMAS HALE BOGGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MURPHY) is recognized for 5 minutes.

Mr. MURPHY of New York. Mr. Speaker, the Nation and the Democratic Party will forever be in debt to Thomas Hale Boggs who gave unselfishly of his time and energy to the Congress of the United States and the democratic process. The Congress will sorely miss his skill in the art of politics, his knowledge of legislation, and his ability to maneuver the legislative process into the viable, workable, and successful system that it was designed to be.

It is with sadness in my heart that I eulogize my friend and colleague of many years. A man who was a shining example to me when I came as a freshman to the Congress. And a man whom I continued to admire and learn from as he led the Congress on national issues such as the Civil Rights Act and many others laws too numerous to mention. His work was carried out with a perceptive national perspective that made him a true statesman in every sense of the word.

The pages of history are written with the words of Hale Boggs and we shall never lose that. We are fortunate to have LINDY, his faithful wife, as a part of our membership to carry on the good work of Hale Boggs. I extend to her and the family my profound sympathy in their bereavement.

CONGRESSIONAL BUDGET REFORM PROPOSALS NEED IMPROVING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 5 minutes.

Mr. REUSS. Mr. Speaker, the Joint Study Committee on Budget Control recently reported out a congressional budget reform proposal, H.R. 7130. It is urgent that Congress give serious consideration to this bill, and to necessary changes in it.

Budget reform's purpose is to help Congress regain effective control over an expanding and increasingly technical and complex process—setting Federal spending levels and priorities.

H.R. 7130 is not ideal—no proposal of similar scope and sensitivity could be. But it is the best reform vehicle now before the House. I urge Members to improve the bill, not reject it.

Substantial changes in H.R. 7130 are necessary:

First. Budget Committee Membership.

A. SIZE OF COMMITTEE

H.R. 7130 establishes a House Budget Committee of 21 members. The Report of the Joint Study Committee on Budget Control suggests a ratio of 4 Democrats to 3 Republicans on the committee. Instead, the amendment below sets up a committee composed of 25 members, per-

mitting a ratio of 3 Democrats to 2 Republicans, as required in Democratic caucus Addendum No. 9. Future Congresses may provide for different ratios.

AMENDMENT

Page 3, line 11, section 111(a) is amended by striking everything after "paragraph:" and inserting in lieu thereof:

(e) Committee on the Budget, to consist of twenty-five members.

B. MEMBERSHIP OF COMMITTEE

H.R. 7130 requires that the committee consists of 7 members from Ways and Means, 7 from Appropriations, and 7 from other committees. This does not give members not on either Ways and Means or Appropriations adequate participation. The amendment to the Democratic Caucus Rules below sets forth that the committee consist of 4 Appropriation members, 3 Ways and Means members, and 8 other members. Republican members would be selected by appropriate party machinery.

AMENDMENT TO DEMOCRATIC CAUCUS RULES

Resolved, that—

(1) the House Committee on the Budget consist of 15 Democrats, at least 4 of them members of the committee on Appropriations and 3 members of the Committee on Ways and Means, nominated and elected by the Caucus;

(2) members of the Committee on the Budget may also be members of two legislative committees, notwithstanding Caucus Addendum 3, which specifies that no member shall be a member of more than two committees with legislative jurisdiction; and

(3) members of the Committee on the Budget shall be nominated and elected by the Caucus, notwithstanding Caucus Addendum 6, which specifies that the Committee on Ways and Means shall nominate members.

FUNCTION OF DEMOCRATIC CAUCUS

c. H.R. 7130 directs the Ways and Means Committee and Appropriations Committee each to select its 7 representatives, while the Speaker is to appoint the remaining 7 members of the Budget Committee. The amendments below require the Democratic caucus to elect all the Democratic members of the committee. Republican members would be selected by appropriate party machinery.

AMENDMENTS

Page 32, line 25, section 161 is amended by striking subsections (a) through (c), and by renumbering subsections (d) through (k) as subsections (a) through (h) accordingly.

See also a. and b. above.

ELECTION OF CHAIRMAN

d. H.R. 7130 requires the chairman of the Budget Committee to be selected by the committee members, alternating annually between Appropriations and Ways and Means members. The amendments below require the chairman to be selected in the first instance by the Democratic Caucus, just as other committee chairmen are, and then elected by the House.

AMENDMENTS

Page 4, line 7, section 111(b) is amended by striking all language contained in "6.(a)" and renumbering "6.(b)" and "6.(c)" as "6.(a)" and "6.(b)" respectively.

(See also c. above.)

Second. Procedure and Timing.

H.R. 7130 locks the budget into an unrealistically short time span: First. It proposes a first concurrent budget resolution to be reported out by March 1, and sets a restraining "rule of consistency" (which requires proposed increases in one category to be offset by proposed decreases in another category by a tax increase, or by an increase in total budget outlays) for amendments to the concurrent resolution; Second. Effectively prevents Congress from passing spending bills which exceed these budget limitations between the first and the second concurrent resolutions; Third. It does not require a second concurrent resolution until the end of session. Fourth. It stipulates an automatic surcharge in certain conditions.

The following changes are needed:

TENTATIVE CONCURRENT RESOLUTION

The first concurrent resolution should be seen as tentative, and Members of the House should be allowed to amend it on the floor freely. Of course, if a Member wishes to increase or decrease one category of spending or revenue-sharing, it is expected that he would also alter overall guidelines on spending, revenues, public debt, and deficit, as appropriate.

AMENDMENTS

First. Page 15, line 15, section 125(b) (2) is amended by inserting "second" after "the" in line 15.

Second. Page 20, line 3, the title of section 141 is amended to read as follows:

SEC. 141. AMENDMENTS TO THE SECOND CONCURRENT RESOLUTION.

Third. Page 20, line 5, section 141(a) is amended by striking "any" in line 5, and by inserting in lieu thereof "the second".

H.R. 7130, through an oversight, requires an amendment procedure which would violate the rules of the House regarding amendments in the third degree. The amendment below changes the rules to permit all amendments to be offered—providing that they meet the "rule of consistency" for the second concurrent resolution.

AMENDMENT

Page 22, line 23, section 141(g) is amended by inserting "(1)" before "For" in line 23, and by adding the following new paragraph:

(2) Rule XIX of the Rules of the House of Representatives is amended by designating the first paragraph Clause 1, and by adding the following new Clause:

2. This rule (governing amendments in the third degree) shall not apply to amendments to a concurrent resolution on the congressional budget for the United States Government. All amendments to such concurrent resolution may be offered, providing they do not duplicate an amendment previously offered to that same concurrent resolution.

INTERIM SPENDING BILLS

Since the guidelines in the first concurrent resolution are only tentative, the following amendments would allow Congress to pass spending bills in excess of the resolution guidelines between the first and second resolution, provided that any bill or amendment in excess of a guide-

line is labeled with a statement from the Legislative Budget Director giving the amount of the excess.

AMENDMENTS

First. Page 24, line 5, section 144 is amended by striking subsection (a), and by renumbering subsections (b) through (e) as subsections (a) through (d) accordingly.

Second. Page 24, line 18, section 144(b) (1) is amended to read as follows:

(1) a statement that the new budget authority provided by the bill of resolution as reported, and the outlays resulting the reform, do not exceed any limitation adopted under the most recent concurrent resolution on the budget, or, if the outlays do exceed the limitation, a statement of the amount by which the limitation is exceeded, and.

Third. Page 25, line 15, section 144(c) (2) is amended to read as follows:

(2) a statement prepared by the Legislative Budget Director indicating whether the new budget authority provided by the amendment, or the outlays resulting therefrom, would exceed any limitation adopted under the most recent concurrent resolution on the budget, and, if applicable, the amount by which such limitation is exceeded.

Fourth. Page 28, lines 9 through 16, section 145 is amended by striking subsection (c).

SECOND CONCURRENT RESOLUTION

The amendments below would require a second concurrent resolution before August 15. The second resolution would reaffirm or revise the guidelines in the first resolution and would allocate the general contingency reserve for new or expanded programs.

It is expected that Congress will not have followed exactly the tentative guidelines in the interim. Also, economic conditions may have changed since the first resolution, calling for more or less fiscal stimulus. Finally, mid-year spending and revenue estimates may have been revised.

If the total effect of spending and revenue bills passed by Congress, considered in the light of revised estimates, leaves the Federal budget with the same gap between total outlays and revenues indicated in the first resolution, then the second resolution must contain the figures actually voted by Congress. If Congress' actions have altered the gap between outlays and revenues, the second resolution must either:

First, in case of increased outlays or decreased revenues, raise taxes or prorate counterbalancing spending cuts equally over all other spending bills passed that year, having first applied the emergency reserve, or

Second, in case of decreased outlays or increased revenues, reduce taxes or add the amount of unused outlay and authority allowance to the contingency reserve to be allocated among new and expanded programs.

The resolution may be amended on the floor, subject to the "rule of consistency" requiring proposed spending increase to be offset by an increase in total outlays, a tax increase, or a cut in outlays elsewhere.

AMENDMENTS

Page 12, line 20, section 122 is amended to read as follows:

SEC. 122. REVISION OF CONGRESSIONAL BUDGET.

(a) ACTION TO BE COMPLETED BY AUGUST 15.—On or before August 15, Congress shall complete action on a concurrent resolution which reaffirms or revises the congressional budget for the United States Government adopted pursuant to section 121 for the fiscal year in which the date falls.

(b) MATTERS REQUIRED TO BE DEALT WITH IN SECOND CONCURRENT RESOLUTION.—The second concurrent resolution shall contain—

(1) if the spending bills passed by Congress since the first concurrent budget resolution, taken together with the mid-year revision of federal fiscal estimates, result in the same gap between total outlays and revenues indicated in the first resolution, the outlay and authority sums actually voted by Congress; or

(2) if the spending bills passed by Congress, taken together with the mid-year revision of federal fiscal estimates, result in a changed gap between total outlays and revenues—

(A) in the case of increased outlays or decreased revenues, either a decrease in outlays and authority prorated equally among all spending bills passed during the session or a directive to increase taxes; or

(B) in the case of increased revenues or decreased outlays, either an allocation of the outlay and authority allowance not used to the contingency reserve or a directive to decrease taxes.

See also amendments 2a 1, 2, and 3.

TAX SURCHARGE

The following amendment would remove the automatic tax surcharge imposed in H.R. 7130. If Congress wishes to raise taxes, it may state the increase explicitly in the second concurrent resolution.

AMENDMENT

Page 17, line 2, through page 19, line 24, part 3 is stricken and parts 4 through 7 are renumbered as parts 3 through 6 accordingly.

Third. Tax expenditures.

H.R. 7130 would exercise tight control over direct expenditures, but virtually no control over tax expenditures subsidizing individuals and activities through the Internal Revenue Code. The amendment below would require the Ways and Means Committee to present a list of all contemplated new tax legislation—grouped by budget category—which would affect Federal revenues by at least \$25 million for the coming fiscal year, with revenue gain or loss estimates for each category. The amendment would require the Budget Committee to include the list in the first concurrent resolution, and the House would be given the opportunity to vote on proposed revenue changes at that time.

AMENDMENT

Page 10, section 121(b) is amended—

First, by striking "and" in line 3,

Second, by changing the period in line 12 to a semicolon and inserting "and", and

Third, by adding the following new paragraph after line 12:

(6) a list of the tax measures, itemized by budget category, contemplated by the Committee on Ways and Means, which will affect revenues by more than \$25 million in the fiscal year under consideration, with the revenue loss or gain specified for each budget category.

Fourth. Budget Committee staff.

H.R. 7130 does not specify that the Budget Committee staff shall be of ade-

quate size and fully available to give all Members of both Houses whatever assistance they require. The following amendments would specify these changes:

AMENDMENTS

First. Page 39, line 12, section 201(a) is amended by adding "of adequate size" between "staff" and the comma.

Second. Page 41, line 5, section 201 is amended by adding the following new subsection:

(e) The Joint Legislative Budget Staff shall be fully available to assist all members of both Houses.

OVERSIGHT HEARINGS ON THE HUD NEW COMMUNITIES PROGRAM

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

Mr. BARRETT. Mr. Speaker, I would like to announce that the Subcommittee on Housing will hold oversight hearings May 30 and 31 on the new communities development program administered by the Department of Housing and Urban Development.

The new communities program is one of the few HUD programs which the administration seeks to expand in fiscal year 1974. The budget calls for additional guarantee authority of \$195.5 million to make possible approval of an additional 10 new community projects. The Housing Subcommittee is extremely pleased with this proposed expansion of a program for which all of us had high hopes upon its enactment in 1970.

We have had called to our attention, however, a considerable number of administrative and substantive problems in the implementation of the program during its first 2 years. There are reports, for example, of excessive delays in approving projects due to the shortage of skilled staff, as well as reporters of problems likely to be faced by new communities if certain supplemental Federal aids are not made available as intended by the 1970 legislation.

To look into these problems, the subcommittee will hear from a variety of witnesses engaged in, planning, or otherwise affected by new community development projects. The witnesses are as follows:

WEDNESDAY, MAY 30

10:00 A.M., Room 2128 Rayburn Building. William Nicolson, formerly Director of the HUD Office of New Community Development. Lewis Manilow, representing the League of New Community Developers, accompanied by the League's Board of Directors.

P.M.

Delegations representing State and local government officials involved in new community development projects.

THURSDAY, MAY 31

10:00 A.M., Room 2128 Rayburn Building. Honorable James T. Lynn, Secretary of Housing and Urban Development. Representatives from National Governors Conference.

Mayor Moon Landrieu of New Orleans.

P.M.

Melvin Mister, Executive Director, Redevelopment Land Agency, Washington, D.C.

Organizations or individuals wishing to submit written statements for the hearing record should contact the staff of the Housing Subcommittee.

JAPAN AND THE ARAB BOYCOTT AGAINST ISRAEL

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

Mr. KOCH. Mr. Speaker, Monday's New York Times included a story on Israel's efforts to widen trade with Japan and the history of Japan's accession to the Arab boycott against Israel. The latter is a problem that has long concerned me and one which I have raised in this body in the past.

The New York Times story by Richard Halloran, reporting from Tokyo, outlines the refusal of a number of large Japanese firms, particularly those manufacturing industrial goods, to market their products in Israel. Among others mentioned were Toyota and Nissan, who have long been infamous for their refusal to sell cars in Israel. What Japanese companies are doing is responding to the Arab threat that, if they sell a proscribed product in Israel, they no longer will have a market in the Arab countries.

Many Japanese, and particularly those affiliated with the government, try to deny that Japan is participating in a boycott of Israel. But, Mr. Halloran has gathered what appears to be irrefutable evidence that Japan, while not initiating the boycott, is giving it support and perpetuation by acceding to the Arabs' demand.

The degree to which the Japanese participate in the boycott is perhaps best illustrated by Mr. Halloran's astounding revelation that a Japanese diplomat sits in as an observer on the meetings of the Arab League's committee responsible for the boycott's implementation. This committee meets once or twice a year.

Mr. Halloran describes the committee's responsibilities in the following way:

The boycott committee sets the regulations for doing business with Arab nations, maintains a list of Japanese and other companies around the world that are trading with Israel, and communicates its findings and instructions to Arab countries.

Although both the regulations and the list are secret, the general Arab principle is that any Japanese company doing business in Israel or helping the Israeli economy, especially in transport or items that might be militarily useful, is subject to the boycott. The emphasis is on industrial goods rather than consumer products.

If large countries of Japan's trading potential did not consent to the trade "regulations" of the Arab countries, they could not succeed. And thus, I would submit that Japan's very economic position in the world places a singular responsibility on its shoulders for recognizing its present contributions to the boycott and doing something about it. Japan can no longer protest to herself or others that she is a small country struggling for world markets with no choice but to submit to Arab pressures.

Japan's strength in world markets has gained rapidly in recent years. We read

about the success of her companies' representatives in Latin America, the initiatives she is taking in Africa and Southeast Asia, and of course the great number of exports to our own country.

Part of the reason of Japan's success is the quality and technical sophistication of her products. Just as the Israelis want Japanese products, the Arabs want, and, more important, need them, too. It simply defies the elemental forces of the marketplace and considerations of national self-interest to suggest that Arab countries would cut off all orders from Japanese companies if trade were commenced with Israel. This is another instance in which the Arabs' bark is bigger than its bite. There are many American and European companies that are trading with both Israel and the Arab countries. One such company is Peugeot, the French automobile manufacturer. One sees thousands of Peugeots in both Israel and the Arab countries. Why, then, cannot Toyota and Nissan sell their cars in both Israel and Arab countries?

It is time that the Japanese Government press to break this boycott. No freedom-loving country should tolerate a boycott on another, and certainly none should find itself effectively contributing to a boycott by acceding to its terms.

Some Japanese question why Americans should be concerned with Japan's trade relations with Israel. We must be concerned because we see one of our allies being victimized. Trade is axiomatic to a country's survival and prosperity. No citizen of any country can quietly stand by and ignore the abuse suffered by a country and her people by a trade boycott. In the instance of Israel, there are many people of the Jewish and Christian faiths in this country who have a particular affection and solicitude toward that country. And so they are particularly concerned. But, most important, a boycott of any democratic country by another country is simply an affront to one's sense of justice.

The Japanese may wish they could stay out of the problem of the Middle East. This is an understandable feeling, but surely participating in the boycott of one side is not the way to remain neutral. Furthermore, it may be impossible for a country that has ascended to such a prime position in the world's economic hierarchy to seek realistically such neutrality. Economic power, like any other form of power, is burdened with certain responsibilities.

Finally, Japan must know that participating in a boycott opens a Pandora's box that has its dangers to all, for boycotts breed boycotts.

INTEREST IN STUDENT CREDIT UNIONS CONTINUES TO GROW

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

Mr. PATMAN. Mr. Speaker, recently there has been a marked increase in the use of credit unions as a teaching tool in various school systems around the country.

We already have student-run credit unions at Fort Knox, Ky., Natick, Mass., and Norwalk, Conn. Many school systems are using credit union principles on an informal basis to teach students money management on the operations of a free enterprise system. In Yuma, Ariz., James B. Rolle School, a fifth-grade class has opened its own credit union designed to teach students the principles of money management. Students receive a 4-percent dividend on savings and are charged interest on loans at the rate of 2 cents for each 35 cents borrowed. That rate was established because 35 cents is the price for a lunch in the cafeteria, and most of the loans go to students who have forgotten to bring lunch money.

The student credit union principle has gained such widespread support that an editorial in the April 7 issue of the Phoenix Gazette suggests that the establishment of a student-run credit union is an excellent way for Arizona school systems to meet the required one-semester high school course on the free enterprise system. The editorial suggests that there "may be some skepticism about how helpful it is to start one living a life on credit at a tender age. On the other hand, an early exposure to the ins and outs of personal credit management could mean much in getting a young person off on the right financial foot."

The credit union learning process is not limited to students running their own credit unions. In the Webb Air Force Base Credit Union in Big Spring, Tex., students working through the vocational office education program are hired by the credit union in conjunction with a work study program. Under this program, students receive a minimum of 175 classroom hours and at least 525 hours of supervised on-the-job training. Since the VOE program was established in 1966, Webb Air Force Base Credit Union has employed 13 students. Four students have become full-time employees.

Wade Choate, manager of the credit union, points out that—

This type of program provides excellent experience and training for the students. It provides on-the-job training plus business education subjects. Those students who do not plan to continue their education have received good experience and training to begin a career in business.

Mr. Speaker, I am including in my remarks a copy of the Youth Report from the April issue of the Credit Union magazine which discusses the Yuma Student Credit Union and the VOE at the Webb Air Force Base Credit Union, as well as a copy of the editorial from the Phoenix Gazette urging Arizona to include a study of credit unions in their course curriculum:

FREE ENTERPRISE TEACHING AID

At least three eastern high schools have established an extracurricular activity that would seem to have a natural tie-in with Arizona's state-mandated free enterprise course. The activity is a high school credit union—the real thing, not merely a pretend exercise.

The first two such high school credit unions according to Rep. Wright Patman, D-Tex., were set up at Fort Knox, Ky., and Natick, Mass. A third one recently opened in Norwalk, Conn., the first to cover all high schools in the system, not just one.

The Norwalk credit union was organized after the school system's mathematics courses were updated to contain a unit on credit unions. State permission was obtained to allow the United Credit Unions of Norwalk, serving all of the school system's employees, to include all registered high school students in the city.

The United Credit Union is underwriting all expenses of the student credit unions until it becomes self supporting. While supplying management assistance, it will stay in the background, allowing the students to run the credit union themselves. The students have already elected their own board of directors and named their credit and supervisory committees.

Says Patman, "Not only will the credit union enable students to better understand our monetary system and to gain a firsthand look at how financial institutions are operated, but the credit union will also mean that the student can establish a credit rating while he is in school, and after he graduates, he can use that credit rating to good advantage."

There may be some skepticism about how helpful it is to start one living a life on credit at a tender age. On the other hand, an early exposure to the ins and outs of personal credit management could mean much in getting a young person off on the right financial foot.

In any event, such a practical extracurricular activity appears to have good possibilities as a tool to go along with Arizona's required one-semester high school course on the free enterprise system. Participation in a credit union might help the student better understand what the state has directed to be taught in the classroom.

[From the Youth Report, April 1973]

AT YUMA: LUNCH PRICE SETS PRIME RATE

Involving youth in the credit union movement is not new, but interesting ways of doing it continue to originate from resourceful credit unions and their members.

From Yuma, Arizona comes the story of an experiment in credit unions where the prime lending rate was based on the price of school lunches. In Big Spring, Texas, parttime student employees earn school credits at the same time they earn wages.

An innovative teacher at Yuma's James B. Rolle School thought her fifth grade class needed an exercise in money management. Both Dorothy Green, the fifth grade teacher, and school principal Tony Martin, are members of the AEA No. 2 Federal Credit Union. So it was only natural that they turned to credit union manager Harry Moxon as well as local bankers for help.

The result was Credit Union-22, formed late last fall by the pupils in classroom-22 with forms supplied by Moxon.

The experiment involved 35 pupils. Membership was confined to the classroom. Each pupil paid five cents to join. He received a savings book, and a ledger was started for his account.

Credit Union-22 elected a full slate of officers, formed a loan committee, and cashiers rotated daily to extend the experience of receiving and recording money.

Lively business sessions last 15 to 20 minutes each morning, after which cashiers for the day had to balance the books.

"We sometimes tore our hair trying to balance the books, but managed to come out right," Dorothy Green said.

They used an unusual loan rate structure. Students borrowed money at the rate of two cents for each 35 cents owned. How did they arrive at that figure? Simple; it's the price of a school lunch, an essential loan if one has forgotten to bring his lunch money.

"It worked out nice. We have pay as you go lunches, and when students forgot their money, they borrowed through the credit union," Martin said.

It was only meant to be a temporary classroom experiment, so just before Christmas assets were liquidated and Credit Union-22 dissolved. During the exercise, assets had grown to almost \$100 and savers received a 4 per cent dividend.

Will they do it again? "When a pilot project is successful, we like to use it again. Our staff is very cooperative in sharing ideas," Martin said.

AEA No. 2 Federal Credit Union is the largest of five credit unions in the Yuma area. It has 3,100 members with assets in excess of \$3.25 million.

IN TEXAS: EARN WHILE YOU LEARN

Another credit union that has shown an active interest in youth-oriented programs is Webb Air Force Base Federal Credit Union of Big Spring, Texas.

Just last June, Webb credit union initiated a Youth Advisory Board, only the second established in the state. But Webb's interest in youth started long before last June.

In 1966, the credit union joined in a Vocational Office Education program offered by Big Spring High School to introduce students to the business world and train them for careers.

It is a program in which students can earn while they learn. They attend school classes mornings and work afternoons.

Wade Choate, Webb general manager, serves as chairman of VOE's advisory board in Big Spring, and it was through him that part-time jobs were made available at the credit union.

Here is how it works. A student must be 16 or older and a senior to enroll. Students are accepted on the basis of training objective, aptitude, interest, physical and mental competency, and of course, according to the needs of business.

For a business to qualify under the VOE program, it must offer jobs in the "office occupation" realm, which includes everything from bookkeepers to library assistants, from typists to timekeepers.

To earn credit in the cooperative training program, students must receive a minimum of 175 classroom hours and at least 525 hours of supervised "on the job" training. This means one school year-length course coordinated with 15 to 20 hours per week on the job. Students are paid three-fourths of minimum wage.

Webb has employed 13 students through the VOE program since 1966. Many of them have stayed on to work full-time. Four students became full-time employees. Three are still with the credit union. They include Martha Hernandez, Polly Wade and Elizabeth Stewart, who was the VOE 1969 National 10-key Adding Machine Champion. Mrs. Hernandez, whose husband is also employed by the credit union, serves as correspondence clerk in the cash department. Miss Wade is a cashier, and Mrs. Stewart, wife of an Air Force captain, serves as membership officer.

At present, Robert Barton, a senior at Big Springs High School, is Webb's only student trainee. He is the first male to be employed through the program. Barton serves as filing clerk and processes outgoing mail.

"Being able to work half a day gives you experience and lets you see how the business world works," Barton said. "VOE is one course that prepares you for the job that best suits you." Barton plans to continue with the credit union in accounting.

Cooperative training-education programs that link business with education are becoming popular throughout the nation.

"This type of program provides excellent experience and training for the students," Wade Choate said. "It provides on the job training plus business education subjects. Those students who do not plan to continue their education have received good experience and training to begin a career in business."

Webb AFB FCU has 14,000 members, more than \$14 million in assets, and 30 employees—28 full-time, two part-time.

Although Webb is a large credit union, Bill Brumfield, Webb's advertising and marketing officer, said credit union size shouldn't restrict participation.

"Because of the wage structure, I don't see that size makes that much difference," Brumfield said, adding "it's a two way process: The students learn, and we gain employees who stay with the credit union movement."

CHANGING TIMES RECOMMENDS CREDIT UNION SERVICES

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

Mr. PATMAN. Mr. Speaker, throughout the year I receive a large number of inquiries from people who wish to start credit unions, but do not know how to go about forming a credit union. I refer letter writers to CUNA International, the worldwide credit union trade association, and the National Credit Union Administration for further information on seeking a charter.

Now an additional excellent source of information has been made available for those seeking a credit union charter or to learn more about credit unions. The May issue of Changing Times magazine carries an excellent article on "Credit Unions: Easier To Join, More Useful, Too." The article outlines in detail the workings of a credit union and includes a do-it-yourself section on how to start a credit union.

I am including a copy of the article in my remarks, so that all Members will have this information available in the event they receive letters from constituents seeking information on joining or organizing a credit union:

CREDIT UNIONS: EASIER TO JOIN, MORE USEFUL, TOO—SEE THE CHANGES THAT ARE TAKING PLACE; MORE PEOPLE ELIGIBLE, MORE SERVICES OFFERED

Credit unions, the nation's cooperative saving and lending societies, have been adding more than 1,000,000 members a year for nearly a decade. Collectively, they have 25 billion dollars in assets.

Their appeal is reasonable-cost loans, good returns on savings, sympathetic service. But credit unions have certain limitations, too: Not everybody can join one because membership is limited to people with a "common bond," such as employment in the same company. And the services provided have been pretty much limited to accepting savings and making auto loans and relatively small, short-term cash loans.

Now changes are taking place on both fronts. The eligibility rules for joining (or organizing) a credit union are being liberalized. New types of financial services are being added or proposed.

Advocates of these trends say they will give still more impetus to credit-union growth. Critics say they threaten to wipe out the unique features of credit unions that give them their special value. Here's what is happening.

MORE AND MORE PEOPLE CAN JOIN

The odds are that you are now eligible for at least one of the 23,000 credit unions set up in factories, military posts, offices, churches, associations and communities across the U.S. (Some of the military ones serve personnel no matter where they are based; Navy Federal, for example, the world's largest

credit union, serves sailors and marines all over the world.)

If you couldn't find one to join a few years ago, look again.

Charters broadened

Some credit unions have received an okay from state or federal officials to take in new groups of members. For example, a credit union affected by automation, a company merger or a plant closing might, like Humble Employees Credit Union in Baytown, Tex., be able to extend services to people living in the nearby community. Credit unions serving teachers and college professors have been allowed to accept students. One that served a single church might now be allowed to serve all members of the same denomination in the area. A military credit union might accept civilians.

Catch-all credit unions

They have liberal definitions of their field of membership.

Central credit unions in about 25 states can, or are seeking changes to let them, serve people who can't get credit union benefits. Generally, centrals extend membership to small employe groups if the employer will allow payroll deductions. A few, such as Wisconsin State Central in Milwaukee, will take anyone who lives in the state.

Consumer co-ops sometimes run credit unions. Once you're a member of the cooperative, it's usually fairly easy to become a member of its credit union. Membership requirements and services vary. Motor City Consumers Co-op in Detroit accepts anyone who pays \$2—a \$1 membership fee plus \$1 entrance charge. A \$5 share deposit makes you a credit union member. But to get full benefits from the Co-operative Center Federal Credit Union in California you must be an active member of the Berkeley co-op. If you're not, you can add to your account without restriction, but you can get pass-book loans only.

Community credit unions in some places can serve anyone who lives or works in the area. CUNA credit union in Madison, Wis., takes in members from all over the state. Rhode Island has some that can serve anyone who lives or works in the state.

A few credit unions have charters so broad they can serve nearly anyone. Kansas Federal in Wichita counts among its potential members anyone who belongs to the Kansas Consumer United Program. You join KCUP for an annual \$2 fee, and a \$5 share deposit makes you eligible for all benefits.

START YOUR OWN?

If you still find yourself out in the cold, but want to belong to a credit union badly enough, maybe you can organize a new one. Any group can as long as they have some common tie and have a certain number of potential members. And recent changes in federal chartering by the National Credit Union Administration make it easier to set them up.

For instance, a new credit union can now take in employees of different stores in a shopping center, workers in different companies in an industrial park or office building, even an airport. Previously, federally chartered credit unions had to restrict membership to employees of only one company.

Also, community credit unions can be set up in places of up to 25,000 or so people; before they were limited to areas with a population of 7,500.

These are rules for federally chartered ones, by the way; rules for chartering by states vary.

Getting a credit union started takes more than desire. Before the NCUA will even consider granting a charter, it wants to know how many potential members you'll have (normally, a minimum of 200 for occupational groups, 300 for associations and 300 families for community credit unions). It

will want assurance that you can get adequate numbers of people to serve as volunteer directors and committeemen, that you can get cooperation from sponsoring organizations (and it won't let you set up an association just to create a sponsor), that you can get at least minimal office space, equipment and supplies. Finally, you might not be able to set up a credit union if existing ones can serve the group.

Unofficially but in fact, you'll also need patience. It may take years before a new credit union can offer a full range of services and benefits.

NEW WAYS TO SAVE AND BORROW

Some credit unions are now offering services people once got only from other lenders and other financial institutions.

An increasing number of state-chartered credit unions can accept deposits other than the usual share payments. (Normally, money you put in goes to buy shares in the organization—see the box on the opposite page.)

Several thousand credit unions (including federals) have set up open-end credit plans that let members float loans to make purchases or pay bills. Under these plans the member signs one application and is approved for a certain line of credit he can use whenever he likes. Finance charges aren't assessed until the credit is used. Frequently with these preapproved loans the member is given some kind of "negotiable order" that can be used like a check or credit card.

A few credit unions offer special extras like group travel or buying clubs that let members get autos at a discount. A few provide in-depth counseling to help bail out members with serious financial woes.

Further changes may be coming. Congress is considering legislation that could greatly affect the way credit unions operate.

One plan would "modernize" the federal credit union act by allowing federally chartered groups to offer new kinds of services, some of which are already being offered by state-chartered credit unions. Provisions would:

Let them broaden their field of membership.

Remove restrictions on loan maturity—now five years for unsecured loans, ten for certain secured loans. This change could allow a credit union to make mortgage loans.

Remove limits on how much can be lent on signature alone. Presently, a large federal credit union can lend up to \$2,500 without security; very small ones may be limited to lending as little as \$200 on signature.

Permit them to operate deposit accounts other than share accounts, pay dividends more frequently (figure them daily) and vary the amount they pay out, depending on the type of deposit.

Allow operation of trust services (the Texas Credit Union League has already set up a trust company).

Let them purchase conditional sales contracts signed by members at stores.

Permit them to provide a variety of group insurance plans for members.

The other plan would create a central bank for credit unions. Proponents say that in the event of another credit crunch, the central bank would be essential to a credit union's ability to lend money at survival rates by increasing its liquidity and giving it access to funds now outside the credit union movement. In better times the bank could make surplus funds of one credit union available to others.

Someday other changes may come. For instance, perhaps more credit unions may be able to operate checking accounts. A few state-chartered credit unions in Rhode Island already do.

The basic theory that the institutions should serve only a tightly knit group with some common bond may also be seriously challenged. A few leaders, such as James Jukes, managing director of the Kansas

Credit Union League, think the common bond concept should be abolished, even if it means paying taxes on credit union income. They pay no federal income tax now. But a presidential commission last year agreed with the American Bankers Association that if credit unions start providing broad financial services to the general public, they should be regulated and taxed like other financial institutions.

A spokesman for Credit Union National Association says people like Jukes are exceptions and that most credit union people want to keep the common bond idea. But the spokesman added, "Maybe people like him are the exceptions that will pull the rest of the movement along with them."

HOW A CREDIT UNION WORKS

To be eligible to join a credit union, you must share the common bond that defines its field of membership. To join, you make a minimum payment of \$5 and usually pay an entrance fee, typically 25 cents.

That first \$5 is your share in the credit union and, except in Illinois, gives you as much say in it as anyone else. Additional payments go toward additional shares, but give you no extra voting power. At least once a year members elect directors from the group, who set policy and control operations; with the possible exception of the treasurer, they are unpaid volunteers.

Saving

All encourage systematic thrift, a habit made easy by the fact that so many credit unions have payroll deduction plans. Dividends are usually based on fully paid up shares (if you have \$39 in your account you'd have seven full shares plus \$4). Federally chartered groups currently are restricted to paying no more than 6% annually. Some state-chartered groups don't face such limitations. Most credit unions, though, pay between 5% and 5.5%.

Borrowing

Nearly all credit unions are restricted to charging a maximum of 1% a month on the outstanding balance, an annual percentage rate (APR) of 12%, and the bulk of credit union loans are made at this rate. Many do charge less, especially on secured loans. For instance, a credit union serving teachers in Washington State recently charged 7.5% APR for new-car loans. Both the amount and the length of time a loan can be carried are limited, but limits vary widely.

Some credit unions distribute "profits" to borrowers via interest rebates.

Safety

All federal credit unions and many state-chartered ones have share insurance of up to \$20,000 on each account through the National Credit Union Administration. A few states have their own insurance plans for state-chartered groups.

Extra services

Many credit unions provide loan protection insurance at no extra cost that will pay off credit debts if the member dies or is permanently disabled. Many credit unions also provide at no extra cost life insurance that matches a member's savings up to certain limits.

FOR MORE INFORMATION

If you would like to find a credit union to join, write to the Credit Union National Association, P.O. Box 431, Madison, Wis. 53701. CUNA can supply you with a list of state leagues to aid you. The state leagues also have experts to assist you in setting up a credit union, though some discourage creation of new credit unions that will be too small to provide full service. You can also get information on setting up federal credit unions by writing to the Administrator, National Credit Union Administration, Washington, D.C. 20456.

IT PAYS TO STAY A MEMBER

Most credit unions are allowed to continue serving people who have left the field of membership, no matter where they later live or work. The Fresno Consumers Credit Union in California, set up to serve people in the area, has made loans to members who have moved as far away as Japan.

If you're currently a credit union member, find out what your right will be if you leave. Perhaps a small share account (as little as \$5) will let you tap the credit union for a sizable loan even if you live clear across the country. However, some credit unions do limit out-of-area members to certain kinds of loans or certain amounts. Some terminate membership altogether if you move away.

ARTICLE ON "\$10 BILLION FOOD SUBSIDY" SHOWS LACK OF UNDERSTANDING OF BASIC FACTS

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

Mr. POAGE. Mr. Speaker, I have just read an article published as an editorial in several newspapers. Evidently it was furnished by some kind of editorial service. It is entitled the "\$10 Billion Food Subsidy."

I recognize that there is always serious difference of opinion about economic matters, and I do not want to contend that I have all the economic answers, but this article not only involves questionable economic judgment but shows a complete lack of understanding of the basic facts. Farm subsidies have never amounted to \$10 billion or even \$5 billion. They have averaged about \$3 billion for a number of years and even this last fiscal year when payments were probably higher than they have ever been, they amounted to about \$4 billion. Actually most of these statements as to the amount of farm subsidies include the cost of such programs as school lunches, commodities for the poor and the food stamp program which itself will cost approximately \$2½ billion this year. Clearly these are not farm subsidies. They are social subsidies intended to assist the poor and they are not paid by consumers as such. Of course, all Government costs are paid by taxpayers and all taxpayers are consumers.

But back to economics, I very strongly feel that whatever subsidy there is, clearly reduces, rather than increases, the cost of food to consumers. Certainly if farmers get part of their return in the form of subsidy, consumers under normal conditions are going to have to pay less, not more. Yet the editorial in question categorically states "that the legislators are the cause of much of it, creating high food prices through the \$5 billion in subsidies paid out to farmers, mostly the big farm operators." I cannot conceive any circumstances under which the cost of food to consumers would be greater because of the payment of subsidy to the farmer.

Congressman FINDLEY and Congressman CONTE have discovered a political bird nest on the ground. For a good many years they have suggested that we should reduce all farm payments made to any one corporation or individual. I believe that Mr. FINDLEY at one time offered an

amendment to put a limit of \$5,000 on the payments.

It is perfectly true that when farm prices are high that such a proposal might work without any injury to the economy and the presently pending legislation in both House and Senate contemplates that when farm prices are as high as they are now that there would be no payment at all. It is only when farm prices are low as they have been for at least 18 of the last 20 years that the total of the payments allowed to one producer becomes a matter of any importance. When farm prices are down to 50 or 60 percent parity, as they have been for many years in the recent past, it seems rather clear that we are producing more farm products than either the domestic or export market will take at a fair price. We have, therefore, sought by various means to bring production into the balance with demand, although we have always carefully maintained a cushion of excess production that we might never create a shortage of food and fiber in the United States, and I think the history of the program shows that we have succeeded in this respect.

There has never been a time during our farm program's existence when we have actually faced any lack of needed food as a result of planned shortages. However, to obtain any kind of balance between what is actually produced and what is needed, there must be some program which will either use the stick or the carrot to bring about a degree of supply management. In the early days we used the stick. Acreage allotments and marketing quotas simply forced producers under penalty of law to forgo production. In more recent years we have used the carrot. We have made payments on production to those who voluntarily comply with the farm programs and we have made these payments in proportion to the contribution which each individual producer has made. Thus, we obtained the cooperation of most farm producers, and thus, we avoided the wasteful accumulation of unneeded stocks. However, had we had a limit of \$5,000 or \$10,000 on the payments that could have been made to any one producer, I think it is clear that a large number of the larger producers would have stayed out of the program. This would have meant that either a great many small producers of necessity would have been required to take a larger cut in production than they did take, or the Government has been required to buy up vast sums of surplus materials, or the program would have been completely ineffective and far more farmers than did would have left the land and moved to the city.

Congressman CONTE represents several overseas shipping firms which draw substantial subsidies from the U.S. Government, both on the construction of their ships and on their operation. He does not, however, favor any limitation on the size of the payments to these American shipping firms. On the contrary, he feels as I do, that these payments should be made in proportion to the number of Americans employed and the investment of the company.

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The Readers Digest which receives a subsidy in the form of special postage rates has been very vocal in its criticism of payments to farmers. But the Readers Digest feels, and I think properly, that postal subsidies which are intended to help the people get information, should be on the basis of the amount of information moved through the mail, and not be limited to payments only sufficient to provide for the living expenses of the publisher.

I believe it is important that we maintain our basic concept of free enterprise, and that we extend the same kind of treatment to all of our citizens. Of course, this not to say that we should not provide any assistance to the needy, but assistance to the needy should come in programs clearly recognized as being for that purpose. Surely we cannot expect when trying to stabilize prices and production, that we can pay one producer for cooperation and refuse the same payment for the same cooperation to another.

I do not believe that there are many American housewives who would be willing to go into the grocery store and pay twice as much for a pound of tomatoes grown by a farmer who had but a two acre tract, as they would for a pound of tomatoes grown by a farmer on a 2,000 acre tract.

The basic failing in the Conte-Findley recommendation seems to me to be that of not drawing any distinction between social and economic programs. The farm program must operate as an economic program. By so operating we have given the American consumer the cheapest food in the world. The Russians have operated their farm program as a social program, and they have about the highest cost of food of any of the developed nations.

I am confident that we will all be pleased if the level of farm prices can stabilize at a point high enough to encourage farmers to keep producing without any subsidies at all, and that is exactly what we are attempting to achieve in the pending farm bill.

GEN. BRUCE C. CLARKE HONORED

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

Mr. POAGE. Mr. Speaker, in 1971 the retired chiefs of the Army Corps of Engineers, along with the incumbent Chief, began what is to be an annual custom recognizing some retired corps officer for his achievements and contributions to the armed services and the Nation. Those who have served as Chief may not receive the award.

The first award went to Gen. Lucius Clay who had served with distinction in Texas. I am happy to say that the 1972 award, the second to be conferred, has been presented to my longtime friend, Gen. Bruce C. Clarke, now retired and living in nearby Arlington, Va.

General Clarke retired after a long and distinguished career, the first part of which was spent in the Engineer Corps. It was my pleasure to be asso-

ciated with him closely in connection with the planning and construction of the Whitney Dam and Reservoir in Texas. General Clarke then served as commander of Fort Hood on two separate occasions. No man made a more favorable or a more lasting impression in this capacity. In the meantime General Clarke rendered outstanding service on the European battlefields. Since then he has commanded the Continental Army and more recently he has devoted his efforts to instilling patriotism in the American people.

Mr. Speaker, I include a copy of the citation presented to General Clarke, in ceremonies at Fort Belvoir, Va., on this past May 4, in the RECORD. The citation follows:

CITATION FOR THE CHIEFS OF ENGINEERS
AWARD FOR OUTSTANDING PUBLIC SERVICE
IS GIVEN TO BRUCE C. CLARKE, GENERAL,
U.S. ARMY, RETIRED

With highest esteem and grateful appreciation for an inspiring and distinguished career in which he demonstrated superb leadership and selfless service to the Corps, the Army, the Nation, and the free world.

The impacts of his dynamic accomplishments are typified in his direction of surveys and approval of plans which led to the construction of the Whitney Dam, Texas; the brilliant and decisive action at St. Vith, Belgium, which proved to be a turning point for allied forces during the turbulent Battle of the Bulge; the ingenuity and statesmanship exercised in creating essential, amicable German-American relationships; and deep personal interest, pride, and unstinting support of the international movement of the Boy Scouts of America; his dedicated involvement in the affairs of youth and the service life of his numerous commands, and his intense efforts as an ambassador-at-large in fostering the building of a sound and responsive Modern Volunteer Army.

His eminence as a professional soldier, military engineer, public servant, and humanitarian are embodied in numerous testimonials to his unique and profound capacity to lead, to counsel, and to inspire all that come within the sphere of his influence.

RAYMOND A. WHEELER,
EMERSON C. ITSCHNER,
WALTER K. WILSON, Jr.,
WILLIAM F. CASSIDY,
FREDERICK J. CLARKE,

All Lieutenant Generals and Chiefs
of the Corps of Engineers, United
States Army.

OMNIBUS COPYRIGHT REVISION ACT

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

Mr. PODELL. Mr. Speaker, I am today introducing legislation which would completely revise title 17 of the United States Code, the U.S. copyright law. The present statute was enacted in 1909, and has remained virtually unchanged despite the many revolutionary developments in communications during the intervening years.

In 1967, a similar copyright revision bill passed the House of Representatives, but was held up in the Senate Judiciary Committee while various interest groups lobbied for more favorable treatment.

The bill, which I am introducing to-

day, has already been introduced in the other body by the chairman of the Subcommittee on Patents, Trademarks, and Copyrights, Senator JOHN McCLELLAN. Among the sweeping changes embodied in this legislation is a provision defining the term of American copyrights as the life of the author plus 50 years after his death. This clause brings our statute in line with the laws of virtually all other countries. The 1909 statute set a term of 28 years, renewable once, with the result that many authors watched helplessly in their old age as their works passed into the public domain.

The revision also abrogates the confusing distinction between the common-law copyright of unpublished works and the statutory copyright which followed publication. All copyright is now brought under the provisions of the Federal statute.

The new law would retain the requirement of copyright notice, but an inadvertent omission or misplacement of the required notice would not result in loss of the copyright.

The controversial "manufacturing clause" has also been modified. The 1909 statute denies copyright protection to American authors unless their books are published in the United States. The result is that our country has been discriminating against its own citizens, a legal outrage unparalleled in any other statute. Although the revision retains the basic manufacturing requirement, its provisions have been softened. While I personally would have preferred to discard the manufacturing clause entirely, I believe that on this point, and in toto, this bill represents a very workable compromise.

The main reason for the delay in congressional action on this revision has been the knotty problem of how to deal with community antenna television broadcasts, usually referred to as CATV or cable television. Last year the Federal Communications Commission adopted regulatory rules for the cable television industry, and a major stumbling block was thus eliminated. The revision bill provides for a compulsory license formula for the payment of copyright royalties by the CATV industry for programs broadcast by regular television stations and transmitted to CATV subscribers. The cable television industry has fully endorsed these provisions.

One subject of great general interest is that of photocopying. While the revision bill protects an author from unauthorized photocopying of his works, the bill also contains a broad "fair use" provision, which would allow students, teachers, newsmen, and other researchers to make photocopies without incurring any liability.

This revision represents many weeks of drafting and many months of hearings over the past 8 years. It is broad enough, I believe, to cover whatever new forms of communication may be developed within the foreseeable future. It brings our copyright law much closer to that of other countries, and gives greater protection to American authors and artists, both in their own country and abroad.

After all these years of delay, I hope

that 1973 will be the year of this omnibus copyright reform. Our writers, composers, and other creative artists have been waiting for this revision for a long time.

FINDING JOBS FOR IDLE STUDENTS

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

Mr. PERKINS. Mr. Speaker, the problem of jobs for young people this coming summer presents a contrast that the Congress should know about and do something about. On one hand, young college graduates are finding more and better opportunities for good jobs this year than anytime since the 1960's. And on the other hand, young high school students who need to work so they can earn the money that will help them return to school in September are running up against a blank wall.

Mr. Speaker, that blank wall has been put up by the administration's wrong-headed decision on funding the Neighborhood Youth Corps, and the Congress must find the wisdom and judgment to tear it down. I spoke on this several days ago, and I am commenting now because several publications are paying a considerable amount of attention to the matter.

The Louisville Courier-Journal of May 25 pointed out, in an editorial, that—

It makes little sense to talk about the work ethic and to chide the unemployed for lack of initiative and at the same time turn away needy youngsters who are eager to work.

I shall insert the editorial in the Record following my remarks.

The May 28 issue of Newsweek has an interesting article on the job contrast between graduates and youths who need summer jobs so they can reregister in September. I will also insert it in the Record.

But I would also like to point out that unless we fund the Neighborhood Youth Corps, we will be encouraging a generation of dropouts, and not a generation of college graduates who can go on to the good jobs discussed in this article.

The material follows:

[From the Louisville Courier-Journal, May 25, 1973]

FINDING JOBS FOR IDLE STUDENTS

The weather is getting warmer, the days are stretching out and one by one the schools are closing. But for many young people the start of summer is the beginning of a long spell of unwilling idleness, instead of the jobs they had hoped would bring in extra, and sometimes essential, money. This year, with an estimated 30,000 students looking for summer jobs in the Louisville area alone, the problem is so grave, in fact, that local and state governments should be digging now into their revenue-sharing coffers to create useful employment for at least the thousands of disadvantaged youngsters who need work and should have it.

As part of the Nixon philosophy of decentralizing government, many federal programs are being phased out through withholding of funds voted by Congress. Among them is the Neighborhood Youth Corps, which last year had \$6.3 million to provide summer jobs for 1,500 low-income youths in the

Louisville area and another 13,600 elsewhere in Kentucky. This year, with a budget about one-fifth as big, the program is expected to benefit only about 4,000 disadvantaged youngsters in the state.

The problem is national, of course. As Kentucky's Representative Carl Perkins observed in a House speech this week in which he attacked the Nixon administration's impoundment of \$239 million in Youth Corps funds, New York City offered 54,800 jobs last summer but only 18,000 this year, and Detroit is down from 18,000 to 563.

The administration proposes that the summer jobs be financed from Emergency Employment Act money, \$300 million appropriated to train poverty-level adults and veterans for unsubsidized jobs. But as Mr. Perkins observes, this is simply a proposal to "take mothers and fathers off the payroll and put on their children," and therefore will be resisted by many cities. Furthermore, the proposal is simply one more indication of the administration's blindness in the whole area of social welfare.

Given the impasse in Washington, however, the buck has been passed back to the cities and states. And it's important that they reestablish in the budgets they're now drafting, for at least some of the disadvantaged young people who will otherwise go jobless this summer.

Past experience has shown that a combination of a long, hot summer and large numbers of frustrated and bored young people invites trouble. But beyond the question of getting through the next few months without uproar, it makes little sense to talk about the work ethic and to chide the unemployed for lack of initiative and at the same time turn away needy youngsters who are eager to work.

[From Newsweek, May 28, 1973]

JOBS: THE SUMMER AND BEYOND

As the nation's high schools and colleges recess for the summer, young jobseekers find the market a study in contradictions typified by Gary Ashley and Larry Johnson. For graduates starting their careers, the situation is the best since the boom late 1960s. Ashley, 23, who received an engineering degree last week from the University of Wisconsin, had four job offers. "I got the job I wanted. I'm satisfied," he says. But for those who want only summer work, the situation is the worst in years. Federal budget cuts eliminated the job that Johnson, a 16-year-old black from Chicago's South Side, held for the last three summers, and he says: "I'll take anything I can get this time around."

Men who earn bachelor's degrees this year are getting 46 per cent more job offers than last year's graduates, estimates the College Placement Council, a private research group. Most salaries, however, are only slightly higher. Dr. Frank Endicott, the former placement director at Northwestern University, estimates that the average starting salary for liberal-arts majors who graduate this summer is \$8,700 vs. \$8,328 last year.

Blacks, women and graduates with certain technical skills have an edge in the job market, according to college placement directors. Engineering and accounting offer the best job opportunities, but liberal-arts and education majors are in little demand. Massachusetts Institute of Technology placement director Robert Weatherall notes that West Coast engineering firms have started advertising in Eastern newspapers and are actively recruiting across the country. "The situation is good even for [engineering] undergraduates just seeking summer employment," says Weatherall. "Companies want to contact those who will be available in a year or so."

In the summer-job market, there are good opportunities for youths with typing or other office skills, but the outlook is bleak for the vast majority of unskilled young peo-

ple. Joblessness among youths is already a staggering 15.4 per cent of the labor force vs. the 5 per cent over-all rate. Ghetto and poverty-line youngsters have been counting on the Federal Neighborhood Youth Corps (NYC), the largest single source of youth employment, which funded 700,000 jobs last summer. But the NYC's summer-job program has been put out of business by President Nixon's decision to impound the \$230 million that Congress appropriated for it and so far no significant amount of government money has turned up to fill the gap.

As an alternate to the NYC, Mr. Nixon proposes to make \$424 million in Federal funds available to the states to use for summer jobs if they wish. But the bulk of the money comes out of appropriations for the Emergency Employment Assistance Act, which provides year-round public-service employment, mostly for adults. Thus, as Republican Sen. Jacob Javits of New York puts it: "Cities [and states] are left with the Hobson's choice of firing the father in order to hire the son."

Down: Without NYC funds, city officials predict that the number of jobs they can offer youths will be sharply reduced (table) and they are worried about the possibility of increased street crime and disturbances this summer. In Atlanta, for example, there will be just 7,500 jobs in government and private industry that are open to the poor this summer vs. 10,000 last year. "We're talking about another 2,500 kids who have nothing to do but stand around on corners," says Percy Harlen, a mayoral aide. "A 2,500-youth population is an available resource for anything."

There are other youth-job programs financed with Federal and municipal funds, but these are modest in scale compared with the NYC program. They include Renta-Kid of Cambridge, Mass., a locally financed program that finds odd jobs such as car washing for 14- to 16-year olds. Under Just A Start, a federally funded program, 10 youngsters in Cambridge are being hired to rehabilitate substandard housing in their own community. And in San Francisco, a neighborhood center is organizing youngsters to run a recycling center.

Unfortunately, business doesn't seem able to compensate for the decline in government-sponsored jobs. The National Alliance of Businessmen is staying with last year's goal of 175,000 jobs for disadvantaged youth. In Chicago, the Mayor's Committee on Summer Employment for Youth, a panel of top corporate executives, has yet to appoint this year's chairman, let alone find jobs. And in Los Angeles, the Watts Labor Community Action Committee is having trouble finding private money to replace the Federal funds that it expects to lose this year. "No one is particularly committed to giving now," says a WLCAC spokesman.

Why: Commitment aside, there are other reasons why the summer-job out-look is dim. Many lucrative job opportunities are in auto plants and other factories that have moved to suburbia, and inner-city youth don't have transportation to get there. Dr. Charles L. Lapp, a placement counselor at Washington University in St. Louis, cites other trends: the cost of paper work is up, making short-term hiring prohibitively expensive; there are fewer unskilled jobs; labor unions are more restrictive in allowing students to do certain jobs; and manufacturers are spreading their production more evenly over the entire year, rather than letting it peak during the summer. Contrary to one fairly prevalent belief, the minimum wage does not seem to be an important factor in cutting down jobs for the young worker.

With the outlook so dim, young people are competing vigorously for whatever jobs are available. Fully 10,000 youths applied for New York Telephone's 1,500 summer openings; at Carowinds, an amusement park on

the North-South Carolina line, ten youngsters applied for every host or hostess job. Others are picking up money by gardening and performing other chores or by peddling in streets. In Atlanta, black children under 16 stand at street corners and expressway exits, selling roses for \$1.50 a dozen (on which they earn 20 cents). And in Cambridge, Alice Howard, a black, 16-year-old high-school sophomore, is still looking for work. Alice worked part-time last summer at a school, but that job isn't available this year and, she says, "I need the money to help at home." She has been checking Renta-Kid listings regularly. "If I can work cleaning houses, I'll do that," she says. "But if I get nothing, I'll just baby-sit."

The job crunch—Government-funded jobs for youth this summer will be off sharply from 1972

| | Number of jobs | |
|--------------------------|----------------|--------|
| | 1972 | 1973* |
| Atlanta | 6,089 | 2,765 |
| Boston | 5,800 | 1,300 |
| Chicago | 33,200 | 15,300 |
| Houston | 4,000 | 716 |
| Los Angeles County | 25,000 | 12,000 |
| New York City | 50,000 | 16,666 |
| St. Louis | 8,926 | 3,900 |
| San Francisco | 5,722 | 750 |

* Estimated.

MEDICAL CARE

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

Mr. WALSH. Mr. Speaker, medical care for patients is many things. It is a doctor, a nurse, medicines, a hospital—many things. But the psychological well-being of a patient is equally important to his or her recovery. All of the medical genius in the world will not make a patient fully recover unless the patient is ready and willing to do so.

I am today introducing legislation which will do several things. It will clarify a potential inequity in present law. It will allay the fears of many patients at extended care facilities. It will help people get well.

Let me begin with an actual case history. An aged patient was hospitalized on November 15. It became apparent after 2 weeks that his recuperation would be of some duration. He became eligible for medicare benefits in an extended care facility because of his age and income.

He was transferred to such a facility on December 1. By December 20, the attending physician felt that the medical condition of the patient would be greatly improved by allowing him to spend a few hours or days with his family during the holiday period.

As the medicare law is now interpreted, if the patient leaves the facility for even a short period of time, he is not receiving "daily"—formerly "continuous"—medical care. He might therefore be excluded from receiving benefits. Each case is judged on an individual basis. There is much room for error in judgment and much room for individual lack of compassion or objectivity. The patient can live in morbid fear of losing his funds.

The present regulation discourages home visits and conditional releases and is often not medically in the best interests of the patient. Present interpretation of the regulations can increase the

cost of the medicare program for it results in delayed recovery in many cases.

The regulations presently make it necessary for the doctor to certify initially that the patient is in need of extended care. Following this, there are periodic instances when this certification must be updated.

Mr. Speaker, I feel that doctors make this evaluation every time they see the patient. They alone know what is best. Therefore, my legislation allows them to make the decision on their patient, and in doing so they simply recertify that the individual still needs extended care, but that the trip home would be medically in the best interest of the patient.

It eliminates the problem created by the present law, an interpretation of which could be that since the patient can go home he does not need the services of the extended care facility or the medicare program to provide them.

It makes the doctor responsible. If the doctor thinks it is in the medical best interest of the patient; if adequate arrangements can be made at home for necessary care and services; and if the absence is not inconsistent with his need for the care specified, then nothing in the Social Security Act shall be construed as implying that an absence from the facility be treated as terminating or otherwise affecting his right or the right of such facility to payments under medicare for posthospital extended care services.

Mr. Speaker, this legislation I am introducing today is only fair and equitable and can do much to correct a potential problem area and put many minds to rest. In addition, it can help speed the recovery of many patients by allowing their doctors to recommend a day or two at home without any fear of losing benefits to which the patient is entitled. I urge speedy enactment of this proposal.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mrs. Boggs (at the request of Mr. O'NEILL), for today through Friday, June 1, on account of official business.

Mr. O'NEILL, Mr. RANDALL and Mr. KASTENMEIER (at the request of Mr. McFALL), for this week, on account of official business.

Mr. COHEN (at the request of Mr. GERALD R. FORD), for today, on account of official business.

Mr. BURKE of Florida (at the request of Mr. GERALD R. FORD), for today, on account of official business.

Mr. HUNT (at the request of Mr. GERALD R. FORD), for the week of May 29, on account of official business.

Mr. STEELMAN (at the request of Mr. GERALD R. FORD), for today, on account of official business.

Mr. POWELL of Ohio (at the request of Mr. GERALD R. FORD), for week of May 29, on account of official business.

Mr. CRONIN (at the request of Mr. GERALD R. FORD), for week of May 29, on account of official business.

Mr. YOUNG of Florida (at the request of Mr. GERALD R. FORD), for week of May 29, on account of official business.

Mr. MURPHY of New York (at the re-

quest of Mr. McFALL), for today through June 4, on account of official business.

Mr. CAREY of New York (at the request of Mr. McFALL), for today, on account of illness in family.

Mr. WINN (at the request of Mr. GERALD R. FORD), for today and the balance of the week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GUDE, for 60 minutes, on Wednesday, June 6, and to revise and extend his remarks and include extraneous matter, to eulogize the late Honorable WILLIAM O. MILLS of Maryland.

(The following Members (at the request of Mr. HUBER), to revise and extend their remarks, and to include extraneous matter:)

Mr. TREEN, on May 30, for 5 minutes.
Mr. KETCHUM, on June 5, for 1 hour.
Mr. KEMP, today, for 15 minutes.
Mr. FROELICH, today, for 5 minutes.
Mr. LANDGREBE, on May 30, for 1 hour.
Mr. DON H. CLAUSEN, today, for 5 minutes.

The following Members (at the request of Mr. MEZVINSKY), to revise and extend their remarks, and to include extraneous matter:)

Mr. FLOOD, today, for 15 minutes.
Mr. GONZALEZ, today, for 5 minutes.
Mr. CAREY of New York, today, for 5 minutes.
Mr. ROSENTHAL, today, for 5 minutes.
Ms. ABZUG, today, for 10 minutes.
Mr. HARRINGTON, today, for 5 minutes.
Mr. BRINKLEY, today, for 15 minutes.
Mr. BURKE of Massachusetts, today, for 10 minutes.
Mr. RODINO, today, for 5 minutes.
Mr. MURPHY of New York, today, for 5 minutes.
Mr. REUSS, today, for 5 minutes.
Mr. WOLFF, today, for 10 minutes.
Mr. CAREY of New York, on May 30, for 30 minutes.
Mr. GAYDOS, on May 30, for 60 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HUBER) and to include extraneous material:)

Mr. HANRAHAN in seven instances.
Mr. WYATT.
Mr. ASHBROOK in three instances.
Mr. GROSS.
Mr. HUBER.
Mr. QUIE.
Mr. DERWINSKI in two instances.
Mr. GOLDWATER.
Mr. ARMSTRONG.
Mr. ANDERSON of Illinois in two instances.
Mr. WYMAN in two instances.
Mr. WALSH.
Mrs. HOLT.
Mr. ZWACH.
Mr. VEYSEY.
Mr. TREEN in two instances.

Mr. CHAMBERLAIN in two instances.

Mr. STEIGER of Wisconsin.

Mr. KEMP.

Mr. FROELICH.

Mr. HORTON.

Mr. SANDMAN.

Mr. HOGAN in two instances.

Mr. MARAZITI.

Mr. STEELE in five instances.

Mr. DAVIS of Wisconsin.

Mr. TAYLOR of Missouri.

Mr. ROBISON of New York.

(The following members (at the request of Mr. MEZVINSKY) and to include extraneous material:)

Mr. DAVIS of Georgia in five instances.

Mr. DRINAN in four instances.

Mr. CARNEY of Ohio in four instances.

Mr. EDWARDS of California in two instances.

Mr. BROWN of California.

Mrs. MINK.

Mr. WALDIE.

Mr. RARICK in three instances.

Mr. GONZALEZ in three instances.

Mr. CHAPPELL.

Mr. RIEGLE.

Mr. HEBERT in two instances.

Mr. HARRINGTON in two instances.

Mr. DE LUGO.

Mr. WOLFF.

Mr. KOCH.

Mr. DOMINICK V. DANIELS in five instances.

Mr. GINN.

Mr. PREYER.

Mr. VANIK in two instances.

ADJOURNMENT

Mr. MEZVINSKY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 40 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 30, 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:

960. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the legislative branch for fiscal year 1973 (H. Doc. No. 93-105); to the Committee on Appropriations and ordered to be printed.

961. A communication from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1973 for certain international financial institutions and for the preparation of sites at the International Center, Washington, D.C. (H. Doc. No. 93-106); to the Committee on Appropriations and ordered to be printed.

962. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken for the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

963. A letter from the Secretary of Transportation, transmitting a report on the additional cost of providing mobility for the elderly and handicapped on the Washington Metropolitan Rail Rapid Transit System, pursuant to section 102 of Public Law 92-349;

to the Committee on the District of Columbia.

964. A letter from the Acting Assistant Secretary of State for Congressional Relations; transmitting notice of the intention of the Department of State to approve a co-production project for the manufacture of certain tactical radios in Korea, pursuant to section 42(b) of the Foreign Military Sales Act, as amended; to the Committee on Foreign Affairs.

965. A letter from the Assistant Secretary of the Interior, transmitting a copy of an application by the Pond-Poso Improvement District of Wasco, Calif., for a loan under the Small Reclamation Projects Act, pursuant to section 4(c) of the act; to the Committee on Interior and Insular Affairs.

966. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed concession contract for the continued provision of accommodations, facilities, and services for the public within Grand Teton National Park, Wyo., for the 30-year term ending December 31, 2002, pursuant to 67 Stat. 271 and 70 Stat. 543; to the Committee on Interior and Insular Affairs.

967. A letter from the Chairman, Federal Power Commission, transmitting the Commission's annual report for fiscal year 1972; to the Committee on Interstate and Foreign Commerce.

968. A letter from the Chairman, Federal Power Commission, transmitting copies of a publication and a map entitled, respectively, "Steam-Electric Plant Air and Water Quality Control Data, Form No. 67, December 31, 1969," and "Major Natural Gas Pipelines, December 31, 1972"; to the Committee on Interstate and Foreign Commerce.

969. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to implement the shrimp fishing agreement with Brazil; to the Committee on Merchant Marine and Fisheries.

970. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 27, 1973, submitting a report, together with accompanying papers and illustrations, on Matanuska and Little Susitna Rivers, Alaska, requested by resolutions of the Committee on Public Works, House of Representatives, adopted June 13, 1956, and August 31, 1960. It is also in response to items in the Flood Control Acts of 1948 and 1950; to the Committee on Public Works.

971. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the proposed use of certain "Research and development" funds appropriated to NASA for fiscal year 1973, to provide additional air storage and pumping capacity to a high pressure air supply system at the Ames Research Center, Moffett Field, Calif., pursuant to section 3 of the NASA Authorization Act, 1973 (86 Stat. 160); to the Committee on Science and Astronautics.

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:

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 7670. A bill to authorize appropriations for the fiscal year 1974 for certain maritime programs of the Department of Commerce (Rept. No. 93-234). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 7935. A bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act, to expand the coverage of that act, and for

other purposes (Rept. No. 93-232). Referred to the Committee of the Whole House on the State of the Union.

Mr. POAGE: Committee on Agriculture. H.R. 2303. A bill to continue mandatory price support for tung nuts only through the 1976 crop (Rept. No. 93-233). Referred to the Committee of the Whole House on the State of the Union.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 110. Concurrent resolution providing for the printing, as a House document, of the eulogies and encomiums of the late President of the United States, Harry S. Truman; (Rept. No. 93-229). Ordered to be printed.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 132. Concurrent resolution providing for the printing as a House document of a revised edition of "the Capitol"; with amendment (Rept. No. 93-230). Ordered to be printed.

Mr. BRADEMAS: Committee on House Administration. House Concurrent Resolution 200. Concurrent resolution providing for the printing of the compilation of the social security laws; with amendment (Rept. No. 93-231). Ordered to be printed.

Mr. PERKINS: Committee on Education and Labor. H.R. 7935. A bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act, to expand the coverage of that act, and for other purposes; (Rept. No. 93-232). Referred to the Committee on Education and Labor.

Mr. POAGE: Committee on Agriculture. H.R. 2303. A bill to continue mandatory price support for tung nuts only through the 1976 crop. (Rept. No. 93-233). Referred to the Committee on Agriculture.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 7670. A bill to authorize appropriations for the fiscal year 1974 for certain maritime programs of the Department of Commerce; (Rept. No. 93-234). Referred to the Committee on Merchant Marine and Fisheries.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG (for herself, Mr. BELL, Mr. CORMAN, Mr. GIBBONS, Mr. HARRINGTON, Ms. HOLTZMAN, Mr. LENT, Mr. McCLOSKEY, Mr. MOSS, Mr. O'HARA, Mr. PODELL, Mr. REES, Mr. RIEGLE, Mr. ROSENTHAL, Mr. STUDDS, and Mr. TIERNAN):

H.R. 8163. A bill to prohibit discrimination on the basis of sex or marital status in the granting of credit; to the Committee on Banking and Currency.

By Mr. ARMSTRONG:

H.R. 8164. A bill to designate the Eagles Nest Wilderness, within the Arapaho and White River National Forests, in the State of Colorado; to the Committee on Interior and Insular Affairs.

By Mr. BARRETT:

H.R. 8165. A bill relating to collective bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

By Mr. BLATNIK:

H.R. 8166. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. BREAUX:

H.R. 8167. A bill to amend chapter 34 of title 38, United States Code, to provide additional educational benefits to Vietnam-era veterans; to the Committee on Veterans' Affairs.

By Mr. CHAPPELL:

H.R. 8168. A bill to amend title XVIII of the Social Security Act to provide for the administrative and judicial review of claims (involving the amount of benefits payable)

which arise under the supplementary medical insurance program; to the Committee on Ways and Means.

By Mr. COHEN:

H.R. 8169. A bill to amend the Community Mental Health Centers Act to extend for one fiscal year the programs of assistance under that act; to the Committee on Interstate and Foreign Commerce.

By Mr. CRONIN:

H.R. 8170. A bill for the establishment of a council on energy policy; to the Committee on Interstate and Foreign Commerce.

H.R. 8171. A bill to amend the Internal Revenue Code of 1954 to permit the full deduction of medical expenses incurred for the care of individuals of 65 years of age and over, without regard to the 3-percent and 1-percent floors; to the Committee on Ways and Means.

By Mr. DU PONT (for himself, Mr. BEVILL, Mr. BINGHAM, Mr. BROWN of California, Mr. BUCHANAN, Mr. CLEVELAND, Mr. CONYERS, Mr. COUGHLIN, Mr. DELLENBACK, Mr. ESCH, Mr. FISHER, Mr. FRENZEL, Mr. HARRINGTON, Mr. HORTON, Mr. LEGGETT, Mr. McCLOSKEY, Mr. MCCORMACK, Mr. MALLARY, Mr. MAZZOLI, Mr. NIX, Mr. PODELL, Mr. SEIBERLING, Mr. STARK, and Mr. WHITEHURST):

H.R. 8172. A bill to promote public health and welfare by expanding and improving the family planning services and population sciences research activities of the Federal Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FASCELL:

H.R. 8173. A bill to provide for the continued supply of petroleum products to independent oil marketers; to the Committee on Interstate and Foreign Commerce.

By Mr. GERALD R. FORD:

H.R. 8174. A bill to amend the State and Local Fiscal Assistance Act of 1972 to provide that where a State uses a uniform system for equalizing valuation for purposes of local taxes on real property, such State may provide that, for purposes of determining the general tax effort factors of units of local government, special weight is to be given to the respective rates of real property taxation applied by such units; to the Committee on Ways and Means.

By Mr. FROELICH (for himself, Mr. ASPIN, Mr. BLATNIK, Mr. DAVIS of South Carolina, Mr. EILBERG, Mr. GILMAN, Mr. HUTCHINSON, Mr. KETCHUM, Mr. McEWEN, Mr. MOAKLEY, Mr. ROSE, and Mr. STEIGER of Wisconsin):

H.R. 8175. A bill to amend title 14 of the United States Code in order to require prior congressional approval of any action by the Commandant of the Coast Guard to change the location of, consolidate, or discontinue any Coast Guard shore establishment; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mrs. GRASSO:

H.R. 8176. A bill to provide for the continued sale of gasoline to independent gasoline retailers; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRINGTON (for himself, Ms. ABZUG, Mr. ADDABBO, Mr. BADILLO, Mr. BINGHAM, Mr. BROWN of California, Mr. BURKE of Massachusetts, Mr. BURTON, Mr. CONYERS, Mr. DELUMS, Mr. EILBERG, Mr. FAUNTROY, Mr. FRASER, Mr. GUDE, Mr. HAWKINS, Mr. HECHLER of West Virginia, Mr. HELSTOSKI, Mr. LEGGETT, Mr. LONG of Maryland, Mr. MAZZOLI, and Mr. MEEDS):

H.R. 8177. A bill to amend the Foreign Assistance Act of 1961 to require congressional authorization for the involvement of American Forces in further hostilities in Indochina, and for extending assistance to

North Vietnam; to the Committee on Foreign Affairs.

By Mr. HARRINGTON (for himself, Mr. METCALFE, Mrs. MINK, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. PODELL, Mr. REES, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. ROYBAL, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. STARK, Mr. STOKES, Mr. SYMINGTON, Mr. VANIK, Mr. WALDIE, Mr. WON PAT, and Mr. YATRON):

H.R. 8178. A bill to amend the Foreign Assistance Act of 1961 to require congressional authorization for the involvement of American Forces in further hostilities in Indochina, and for extending assistance to North Vietnam; to the Committee on Foreign Affairs.

By Mr. LENT:

H.R. 8179. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MCKINNEY (for himself, Mr. COUGHLIN, Mr. HANNA, and Mr. RIEGLE):

H.R. 8180. A bill to provide for repayment of certain sums advanced to providers of services under title XVIII of the Social Security Act; to the Committee on Ways and Means.

By Mr. MARAZITI:

H.R. 8181. A bill to amend the Federal Aviation Act of 1958 to provide effective program to prevent aircraft piracy, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MELCHER:

H.R. 8182. A bill to amend the Budget and Accounting Act of 1921 to require the advice and consent of the Senate for appointments to Director and Deputy Director of the Office of Management and Budget; to the Committee on Government Operations.

By Mr. PERKINS:

H.R. 8183. A bill to amend title XI of the Social Security Act with respect to the categories of individuals to be considered in applying limitations on funds for certain social services; to the Committee on Ways and Means.

By Mr. PETTIS:

H.R. 8184. A bill to amend section 403(b) of the Federal Aviation Act of 1958 to permit the continuation of family fares; to authorize reduced-rate transportation for handicapped persons and their attendants; and to authorize reduced-rate transportation for elderly people and young people on a space-available basis; to the Committee on Interstate and Foreign Commerce.

H.R. 8185. A bill to establish a U.S. Fire Administration and a National Fire Academy in the Department of Housing and Urban Development, to assist State and local governments in reducing the incidence of death, personal injury, and property damage from fire, to increase the effectiveness and coordination of fire prevention and control agencies at all levels of government, and for other purposes; to the Committee on Science and Astronautics.

By Mr. PODELL:

H.R. 8186. A bill for the general revision of the copyright law, title 17 of the United States Code, and for other purposes; to the Committee on Judiciary.

By Mr. RHODES:

H.R. 8187. A bill to amend section 2031 (b) (1) of title 10, United States Code, to remove the requirement that a junior reserve officer training corps unit at any institution must have a minimum number of physically fit male students; to the Committee on Armed Services.

By Mr. ROBINSON of Virginia (for himself, Mr. MITCHELL of New York, and Mr. LOTT):

H.R. 8188. A bill to improve and implement procedures for fiscal controls in the

U.S. Government, and for other purposes; to the Committee on Rules.

By Mr. ROONEY of Pennsylvania:

H.R. 8189. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. SCHERLE:

H.R. 8190. A bill to amend the Truth in Lending Act to eliminate the inclusion of agricultural credit; to the Committee on Banking and Currency.

By Mr. SEIBERLING (for himself and Mr. LEHMAN):

H.R. 8191. A bill to reduce the social security taxes to the 1972 rates and to provide a further reduction in such taxes for limited income individuals; to the Committee on Ways and Means.

By Mr. STEED:

H.R. 8192. A bill to amend Public Law 90-503 (82 Stat. 853) to authorize construction, operation, and maintenance of facilities to deliver water to the city of Frederick, Okla., from the Mountain Park reclamation project; to the Committee on Interior and Insular Affairs.

By Mrs. SULLIVAN (for herself, Mr.

CLARK, Mr. DINGELL, Mr. DOWNING, Mr. MURPHY of New York, Mr. JONES of North Carolina, Mr. LEGGETT, Mr. ANDERSON of California, Mr. KYROS, Mr. BREAUX, Mr. ROONEY of Pennsylvania, Mr. SARBANES, Mr. GINN, Mr. STUBBS, Mr. LONG of Louisiana, Mr. HANNA, Mr. FOLEY, Mr. GROVER, Mr. MAILLIARD, Mr. LOTT, Mr. PRITCHARD, Mr. YOUNG of Alaska, and Mr. RONCALLO of New York):

H.R. 8193. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. VANDER JAGT (for himself, Mr. RAILSBACK, Mr. ESCH, Mr. O'HARA, Mr. METCALFE, Mr. HEINZ, Mr. SARASIN, Mr. MOLLOHAN, and Mr. DAVIS of Georgia):

H.R. 8194. 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. WALSH:

H.R. 8195. A bill to amend title XVIII of the Social Security Act to provide that where an individual is an inpatient of a skilled nursing facility, his absence from such facility for a short period with the approval of his physician shall not (in and of itself) be considered as indicating a lack of need for the services being furnished him or as terminating his right to have payments made under the medicare program for such services; to the Committee on Ways and Means.

By Mr. WHALEN:

H.R. 8196. A bill to amend title 10, United States Code, in order to improve the judicial machinery of military courts-martial by removing defense counsel and jury selection from the control of a military commander who convenes a court-martial and by creating an independent trial command for the purpose of preventing command influence or the appearance of command influence from adversely affecting the fairness of military judicial proceedings; to the Committee on Armed Services.

H.R. 8197. A bill to amend title 37, United States Code, to provide for the procurement and retention of judge advocates and law specialist officers for the armed forces; to the Committee on Armed Services.

By Mr. WOLFF:

H.R. 8198. A bill to amend title 18, United States Code, to strengthen and clarify the law prohibiting the introduction, or manufacture for introduction, of switchblade

knives into interstate commerce; to the Committee on the Judiciary.

By Mr. ZWACH:

H.R. 8199. A bill to amend section 301 of the Federal Meat Inspection Act, as amended, and section 5 of the Poultry Products Inspection Act, as amended, so as to increase from 50 to 80 percent the amount that may be paid as the Federal Government's share of the costs of any cooperative meat or poultry inspection program carried out by any State under such sections, and for other purposes; to the Committee on Agriculture.

By Mr. BAFALIS (for himself, Mr. YOUNG of Florida, Mr. BURKE of Florida, Mr. FASCELL, Mr. FREY, Mr. LEHMAN, Mr. ABDNOR, Mr. ANDERSON of California, Mr. BAKER, Mr. CLEVELAND, Mr. COCHRAN, Mr. CRONIN, Mr. GROVER, Mr. HANRAHAN, Mr. KETCHUM, Mr. RINALDO, Mr. SAILOR, Mr. SHUSTER, Mr. SNYDER, Mr. STUBBS, and Mr. WALSH):

H.R. 8200. A bill to deauthorize permanently the recently halted Cross-Florida Barge Canal; to the Committee on Public Works.

By Mr. FAUNTROY (for himself, Mr. ASPIN, Mr. DIGGS, Mr. HARRINGTON, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. REES, Mr. REUSS, Mr. ROSENTHAL, Mrs. SCHROEDER, Mr. STARK, Mr. TIERNAN, and Mr. WON PAT):

H.R. 8201. A bill to repeal the provisions of law which prohibit the transfer of certain lands located in the District of Columbia; to the Committee on Armed Services.

By Mr. FRASER (for himself, Mr. DIGGS, Mr. BERGLAND, Mr. BURTON, and Mr. WALDIE):

H.R. 8202. A bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome and to restore the United States to its position as a law-abiding member of the international community; to the Committee on Foreign Affairs.

By Mr. KEATING (for himself, Mr. BREAUX, Mr. FORSYTHE, Mr. CLANCY, Mr. PEPPER, Mr. WALSH, Mr. SARASIN, Mr. BINGHAM, Mr. ST GERMAIN, Mr. LENT, Mr. MELCHER, Mr. YATRON, Mr. SHOUP, Mr. MAYNE, Mr. DIGGS, Mr. MEEDS, Mr. HAWKINS, Mr. LEHMAN, Mr. MADIGAN, Mr. BURGNER, Mr. YOUNG of Alaska, Mr. GUYER, Mrs. CHISHOLM, Mr. BURKE of Massachusetts, and Mr. WYMAN):

H.R. 8203. A bill to amend the Federal Aviation Act of 1958 to authorize reduced rate transportation for certain additional persons on a space-available basis; to the Committee on Interstate and Foreign Commerce.

By Mr. KEATING (for himself, Mr. MINISH, Mr. MITCHELL of Maryland, Mr. TIERNAN, Mr. DENHOLM, Mr. ADDABBO, Mr. STARK, Mr. BUCHANAN, Mr. WALDIE, Mr. ANDERSON of California, Mr. CEDERBERG, Mr. PREYER, Mr. COHEN, Mr. SYMMS, Mr. COUGHLIN, Mr. BROWN of California, Mr. RIEGLE, Mr. BUTLER, and Mr. BLACKBURN):

H.R. 8204. A bill to amend the Federal Aviation Act of 1958 to authorize reduced rate transportation for certain additional persons on a space-available basis; to the Committee on Interstate and Foreign Commerce.

By Mr. MELCHER:

H.R. 8205. A bill to establish a U.S. Fire Administration and a National Fire Academy in the Department of Housing and Urban Development, to assist State and local governments in reducing the incidence of death, personal injury, and property damage from fire, to increase the effectiveness and coordination of fire prevention and control

agencies at all levels of government, and for other purposes; to the Committee on Science and Astronautics.

By Mr. O'HARA:

H.R. 8206. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. RARICK (for himself, Mr. WON

PAT, Mr. WHITEHURST, Mr. MELCHER, Mr. JONES of North Carolina, Mr. HUNT, Mr. DAN DANIEL, Mr. ROE, Mr. DENHOLM, Mr. ZWACH, Mr. CLEVELAND, Mr. SHOUP, Mr. FROELICH, Mr. GUNTER, and Mr. SYMMS):

H.R. 8207. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to prohibit the importation of agricultural commodities when pesticides are used in connection with such commodities in a manner which is prohibited in the United States by any Federal law; to the Committee on Agriculture.

By Mr. STAGGERS:

H.R. 8208. A bill to provide for the continued operation of the Public Health Service hospitals; to the Committee on Interstate and Foreign Commerce.

H.R. 8209. A bill changing the name of Bloomington Lake, Md., and W. Va., to Shaw Lake; to the Committee on Public Works.

By Mr. WILLIAMS:

H.R. 8210. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BURTON:

H.J. Res. 579. Joint resolution to end the bombing in Cambodia and Laos; to the Committee on Foreign Affairs.

By Mr. EVANS of Colorado (for him-

self, Mr. BREAUX, Mr. BRECKINRIDGE, Mr. CULVER, Mr. DENHOLM, Mr. FOLEY, Mr. HAWKINS, Mr. HECHLER of West Virginia, Mr. LEGGETT, Mr. OBEY, Mr. PODELL, Mr. ROE, Mr. ROY, Mr. SCHERLE, Mr. STEIGER of Wisconsin, Mr. THONE, and Mr. WON PAT):

H.J. Res. 580. Joint resolution relating to the taking of the 1974 Census of Agriculture; to the Committee on Post Office and Civil Service.

By Mr. FASCELL:

H.J. Res. 581. Joint resolution providing for the orderly review of fee-paid oil import licenses; to the Committee on Ways and Means.

By Mrs. GRASSO (for herself, Mr. Mc-

CORMACK, Mr. STOKES, Mr. CHARLES H. WILSON of California, Mr. WOLFF, Mr. BURTON, and Mr. GUNTER):

H. Con. Res. 226. Concurrent resolution expressing the opposition of the Congress to certain measures for the curtailment of benefits under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H. Con. Res. 227. Concurrent resolution expressing the sense of the Congress with respect to an immediate reduction in the number of U.S. ground forces committed to the defense of central Europe and the development of an appropriate payments mechanism designed to eliminate the balance-of-payments deficit of any member nation of the North Atlantic Treaty Organization (NATO) attributable to NATO defense costs, and for other purposes; to the Committee on Foreign Affairs.

By Mr. WOLFF (for himself and Mr. McKINNEY):

H. Con. Res. 228. Concurrent resolution to collect overdue debts; to the Committee on Ways and Means.

By Mr. BURTON:

H. Res. 414. Resolution to abolish the Committee on Internal Security and enlarge the jurisdiction of the Committee on the Judiciary; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

224. By the SPEAKER: A memorial of the Senate of the Commonwealth of Puerto Rico, relative to the rural environmental assistance program; to the Committee on Agriculture.

225. Also, memorial of the Legislature of the State of Florida, relative to the achievement of peace in Vietnam; to the Committee on Foreign Affairs.

226. Also, memorial of the Legislature of the State of Oklahoma, relative to weather modification research; to the Committee on Interior and Insular Affairs.

227. Also, memorial of the Legislature of the State of Oklahoma, relative to legislation providing that no retirement or social security benefits shall be subject to offset withholding, garnishment and attachment by the Federal Government; to the Committee on the Judiciary.

228. Also, memorial of the Legislature of the State of Oklahoma, relative to changing the name of the Robert S. Kerr Lock and Dam and Reservoir to the Robert S. Kerr Harbor; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG:

H.R. 8211. A bill for the relief of Lenny Y. Alikpala; to the Committee on the Judiciary.

By Mr. BROYHILL of Virginia:

H.R. 8212. A bill for the relief of Joseph P. Gerardi; 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:

223. By the SPEAKER: Petition of the Palau District Legislature, Western Caroline Islands, Trust Territory of the Pacific Islands, relative to the construction of the Koror-Babelthau Bridge; to the Committee on Interior and Insular Affairs.

224. Also, petition of Edward Vieira, Jack-

sonville, Fla., relative to the U.S. Secret Service; to the Committee on the Judiciary.

225. Also, petition of Boyd Gibson and 165 other members of the Fraternal Order of Police, Charlotte-Mecklenburg Lodge #9, Charlotte, N.C., relative to protection for law enforcement officers against nuisance suits; to the Committee on the Judiciary.

226. Also, petition of Clarence W. Walker, Joliet, Ill., relative to redress of grievances; to the Committee on the Judiciary.

227. Also, petition of Richard W. Bowman, Graterford, Pa., relative to redress of grievances; to the Committee on the Judiciary.

228. Also, petition of the Council of Maui County, Hawaii, relative to the financing of ferry operations; to the Committee on Public Works.

229. Also, petition of the Council of Maui County, Hawaii, relative to financial and other assistance for the Hawaiian pineapple industry; to the Committee on Ways and Means.

230. Also, petition of the Council of Maui County, Hawaii, relative to the rates of duty on imported pineapple and pineapple products; to the Committee on Ways and Means.

SENATE—Tuesday, May 29, 1973

The Senate met at 12 o'clock noon and was called to order by Hon. DICK CLARK, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou Lord of all history, in whom we live and move and have our being, turn our minds from doubt and despair to confidence and hope in Thy providential care and guidance. Keep alive our faith in the invincibility of goodness and in the truth of the moral law. Help us to do our duty in this place with a sense of great expectation in the ultimate triumph of righteousness, to be prepared for every breakthrough and surprise of history, and to be ready for every open door which advances Thy kingdom. Grant us Thine enabling spirit and grace sufficient for our times.

In Thy holy name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 29, 1973.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DICK CLARK, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.
JAMES O. EASTLAND,
President pro tempore.

Mr. CLARK thereupon took the chair as Acting President pro tempore.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of May 23, 1973, the Secretary of

the Senate, on May 24, 1973, and May 25, 1973, received messages in writing from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

(The nominations are printed at the end of the Senate proceedings of today.)

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, May 23, 1973, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that on May 24, 1973, the President had approved and signed the act (S. 721) to authorize appropriations for the Indian Claims Commission for fiscal year 1974, and for other purposes.

REPORT OF THE NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS AND THE NATIONAL HOUSING PARTNERSHIP

The ACTING PRESIDENT pro tempore (Mr. CLARK) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Banking, Housing and Urban Affairs. The message is as follows:

To the Congress of the United States:

As required by Public Law 90-448, I am transmitting herewith the Fourth Annual Report of the independent National Corporation for Housing Partnerships and the National Housing Partner-

ship. It covers the period of January 1, 1972—December 31, 1972.

RICHARD NIXON.

THE WHITE HOUSE, May 29, 1973.

REPORT OF RAILROAD RETIREMENT BOARD—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. CLARK) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I hereby transmit to you the Annual Report of the Railroad Retirement Board for fiscal year 1972.

During the period covered, railroad retirement and survivor benefits were paid to more than one million beneficiaries and totaled \$2.1 billion; railroad unemployment and sickness insurance benefits totaling over \$120 million were paid to over 360,000 claimants.

This document is of added interest now that the Congress has instructed railroad management and labor, and retirees, through negotiations, to recommend a plan that would protect the financial position of the railroad retirement system. Such a plan must take into consideration the report of the Commission on Railroad Retirement, a synopsis of which is included in this annual report.

RICHARD NIXON.

THE WHITE HOUSE, May 29, 1973.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. CLARK) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)