

George E. Beal
 Arnfeith E. Bentsen
 Johnny T. Taylor
 Charles A. Fields
 Elbert V. Beasley
 Robert A. Warbutton
 David R. Gay
 Carl D. Johnson
 Peter E. Kelleher
 Robert E. Armstrong
 Wildon E. Steele
 Judah D. Shuster
 Edward J. Hodgdon
 John D. Seaman
 William H. Aldrich
 Alvin B. Beckerman
 Richard A. Long
 Ronald G. Walters
 William R. Felkner
 Stanley M. Lawson
 Sherman W.
 Coulbourne
 James A. Carpenter
 Charles F. Maher

David A. Moss
 Robert L. Couchman
 Raymond E. White, III
 William T. Myers
 Timothy P. Riordan
 Richard V. White
 Francis C. Dorvinen
 Armond K. Tennier
 William E. Brown
 William D. Hudson
 Albert J. Klapetzky
 Louis G. Brindle
 Charles D. Marmon
 James A. Kinimaka
 Ernest W. Yost
 Theodore S. Jones
 Lewis C. Pyland, Jr.
 Wayne H. Carlton
 Robert A. Buotte
 Ronald W. Sixberry
 James H. Perry
 Richard C. Carr
 Ralph W. Willard
 Page J. Shaw

Franklin D. Yelton
 Troy P. Rhodes
 Robert A. Cushing
 Frank E. Kopszywa
 Wesley G. Schallock
 David L. MacFarland
 Tommy W. Hancock
 George L. Hooton
 Paul L. Nadon
 Charles J. Castello

The following Reserve officers to be permanent commissioned officers in the Regular Coast Guard in the grade of lieutenant commander:

George G. Turner
 Walter R. Granstra

The following Reserve officers to be permanent commissioned officers in the Regular Coast Guard in the grade of lieutenant:

Edward G. Karst
 Charles C. Rogers
 Brian C. Sonner

Fred C. Hemmingway
 George A. Baum
 Joe Ramos, Jr.
 Harry T. Hill
 Robert M. Summerlin
 Gerald F. Sipp
 George R. Jones
 James E. Johosky
 Frank H. Bebout

Timothy E. Foley
 Ronnie R. Elliott
 Quintin K. Quinn
 Dennis C. Foresman
 Thomas J. Burnaw
 Richard P. Buhl
 Edward G. Martin

Christopher M. Stone
 Robert A. Knapp
 James D. Stiles
 Rodney E. Smith
 Richard N. V. Norat
 Roy G. Cook
 Fred A. Dickey

The following named officer to be a permanent commissioned officer in the Coast Guard in the grade of chief warrant officer, W2 having been found fit for duty while on the temporary disability retired list:

Randolph O. Grady

The following licensed officer of the U.S. merchant marine to be a permanent commissioned officer in the Regular Coast Guard in the grade of lieutenant (junior grade):

Roger L. Haskell

The following named officer to be a permanent commissioned officer in the Coast Guard in the grade of lieutenant having been found fit for duty while on the temporary disability retired list:

Harvey F. Moore

HOUSE OF REPRESENTATIVES—Wednesday, May 30, 1973

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

Study to show thyself approved unto God, a workman that needeth not to be ashamed.—II Timothy 2: 15.

O Thou whose light follows us all our days and whose love never leaves us along our ways, grant unto us a fresh sense of Thy presence as we face the duties of this day. We open our minds and our hearts unto Thee praying that Thou wilt dwell in us and abide with us as we labor for the welfare of our Nation and the well-being of all mankind.

Help us so to live, so to love our country, and so to lead our people that our flag may fly over a nation united in purpose, in spirit, and in good will—to the glory of Thy holy name and for the good of our human family. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate has passed a resolution of the following title:

S. RES. 119

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Honorable William O. Mills, late a Representative from the State of Maryland.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased, the Senate do now adjourn.

DILLON GRAHAM OF ASSOCIATED PRESS

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

Mr. SIKES. Mr. Speaker, one of the outstanding journalists—and one of the most respected—in Washington is preparing to write "30" to his career and to leave Capitol Hill after 25 years of service to newspaper readers across the Nation.

Dillon Graham of Associated Press has spent 44 years with that organization. In recent years, he has covered the Congress as it affects the Southeastern United States, and covered it very well indeed.

It is in this role that I have come to know and respect him.

Dillon Graham exemplifies the type of newspaperman who enjoys the confidence of those in public life. Whatever the situation no one would object to having Dillon Graham cover the story. He is accurate, fair, honest, and courteous. In these days when there are many who are appalled at the way in which news reporting sometimes is accomplished, I have never known anyone to take issue with Dillon Graham over the manner he has covered and reported events on Capitol Hill.

He is one of the rare talents as a writer. He coupled capability to get at the facts with a talent for putting those facts into context so that anyone reading his words could understand and comprehend them.

So, as Dillon Graham concludes 25 years in Washington and 44 years with Associated Press, I want to join with his many friends in wishing him and his beloved wife, Gigi—who has been a wonderful asset to him—the very best in the years ahead and to add my profound thanks to him for his important contribution to journalism.

ANY FUTURE GAS TAX SHOULD GO INTO SPECIAL FUND

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

Mr. OBEY. Mr. Speaker, yesterday Secretary of the Treasury George Schultz hinted that the gas tax might be increased in an effort to help cool down the economy.

Mr. Speaker, if there is a need to slow the economy, the Government should look at other tax sources including closing some of the business tax loopholes which were granted just 2 years ago.

But, in my judgment, there is only one condition under which an increase in the gasoline tax would make the most sense. That is if the additional gas tax money were put into a special fund to finance Government research and Government development of oil and natural gas on Government-owned lands and to finance other research or alternate sources of energy.

The gas and oil shortage will be serious enough over the next few years without our diverting a potential source of research funds to other general purposes.

POSTPONING CONSIDERATION OF HOUSE RESOLUTION 382

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that any consideration of House Resolution 382, the resolution disapproving Reorganization Plan No. 2, which has been reported by the Committee on Government Operations, be postponed until Thursday, June 7, 1973.

I make this request with the knowledge and concurrence of the Member who introduced the disapproval resolution, the gentleman from California (Mr. WALDIE).

The SPEAKER. Is there objection to

the request of the gentleman from California?

There was no objection.

SHIPBUILDING IN WESTERN MASSACHUSETTS

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

Mr. CONTE. Mr. Speaker, yesterday this Chamber was treated to an impassioned defense of the scandal-ridden farm subsidy program by the distinguished chairman of the Agriculture Committee (Mr. POAGE).

After reading his remarks on page 17010 of yesterday's RECORD, I can only say that if his information on the farm subsidy program is as accurate as his information on the district I represent, then we had better end this program this afternoon.

Mr. POAGE diverted from his farm subsidy romance yesterday long enough to charge that I represent "several overseas shipping firms which draw substantial subsidies from the U.S. Government, both on the construction of their ships and on their operation."

Mr. Speaker, obviously a geography lesson is needed for my distinguished colleague from Texas.

My First District of Massachusetts, of course, is a landlocked district which is comprised of the beautiful Berkshire Hills, the lovely Connecticut River Valley and other fine scenic areas. Mine is the westernmost district in the State and extends all the way to the New York State border.

If ships are being built in my district to ply the oceans of the world, I can only say they are going to have a devil of a time getting to those oceans. The Housatonic River is a nice stream, but anything larger than a rowboat would have a tough time navigating it.

I appreciate my colleague's interest in my district, but I suggest that before he again takes to the floor of this Chamber to talk about it, he visit the district with me. Together we can roam the lovely hills and mountains of the First District in search of those "overseas shipping firms" that apparently are just taking a hint from Noah and waiting for the next great flood.

PROVIDING FOR CONSIDERATION OF H.R. 5857, AMENDING NATIONAL VISITOR CENTER FACILITIES ACT OF 1968

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 405 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 405

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. 5857) to amend the National Visitor Center Facilities Act of 1968, 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 Public Works, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment recommended by the Committee on Public Works now printed in the bill notwithstanding the provisions of clause 7, rule XVI. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 164]

| | | |
|----------------|----------------|---------------|
| Adams | Flynt | Parris |
| Annunzio | Ford | Powell, Ohio |
| Arends | Gerald R. | Price, Ill. |
| Badillo | Fraser | Rallsback |
| Barrett | Fuqua | Randall |
| Biaggi | Goldwater | Rarick |
| Blatnik | Gubser | Reid |
| Boggs | Harsha | Rooney, N.Y. |
| Bray | Hawkins | Rosenthal |
| Broyhill, N.C. | Hébert | Rostenkowski |
| Burgener | Howard | Roy |
| Burke, Calif. | Hunt | Sandman |
| Camp | Ichord | Sisk |
| Carney, Ohio | Kastenmeier | Slack |
| Carter | Landrum | Spence |
| Chisholm | Leggett | Stratton |
| Clark | McCloskey | Stuckey |
| Collier | McCormack | Sullivan |
| Cotter | McKinney | Teague, Tex. |
| Coughlin | Michel | Waldie |
| Cronin | Milford | White |
| Davis, Ga. | Minish | Wiggins |
| Dickinson | Minshall, Ohio | Wilson |
| Diggs | Mitchell, Md. | Charles, Tex. |
| Dingell | Molohan | Winn |
| Esch | Murphy, N.Y. | Young, Ill. |
| Evins, Tenn. | O'Neill | |
| Fisher | Owens | |

The SPEAKER. On this rollcall, 352 Members have recorded their presence by electronic device, a quorum.

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

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

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

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

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 5857, AMENDING NATIONAL VISITOR CENTER FACILITIES ACT OF 1968

The SPEAKER. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 405 provides for an open rule with 1 hour of general debate on H.R. 5857, a bill to authorize an appropriation for construction to complete the renovation of Union Station in Washington, D.C., as a National Visitor Center.

All points of order against clause 7, rule XVI, of the Rules of the House of Representatives, the germaneness provision, are waived.

H.R. 5857 also directs the Secretary of the Interior to provide transportation services in or between the National Visitor Center and other points of visitor interest.

The amount appropriated under H.R. 5857 is \$8,680,000. The report from the Committee on Public Works indicates this is the total amount needed for the completion of the National Visitor Center.

Mr. Speaker, I urge adoption of House Resolution 405 in order that we may discuss and debate H.R. 5857.

Mr. GROSS. Mr. Speaker, will the distinguished gentleman from Florida yield?

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

Mr. GROSS. The gentleman says that this rule will make in order a bill to complete the renovation of the Visitor Center; is that correct?

Mr. PEPPER. The contract has been awarded.

Mr. GROSS. What makes the gentleman think that this bill, the money authorized in this bill, will complete the renovation? Would it not be just as fair to state that this is perhaps another foot in the door?

Mr. PEPPER. I understand that this money is all that would be required to complete the program that has been approved by the Congress.

Mr. GROSS. Well, that will be the day, if \$8.6 million will complete the renovation of the Visitor Center.

May I ask the gentleman why rule XVI, clause 7, is waived? What is the purpose of the waiver?

Mr. PEPPER. That request for waiver of the rule was made to the Rules Committee, and approved by the Rules Committee. The bill primarily authorizes the completion of this project for a Visitors Center.

It also, as a relevant part but not a germane one in the technical sense, directs the Secretary of the Interior to provide transportation services from the Center to the Capitol and to places of historic interest in the Capital. That is not perfectly germane to the central theme of the bill authorizing construction of the project, but it is in a general sense relevant, and that is why I think it is appropriately included in the bill for our consideration.

Mr. GROSS. If the gentleman will yield further, I note in the bill—I assume that is what the waiver is directed to—the phrase "interpretive transportation." What is "interpretive transportation?"

Mr. PEPPER. That, one might say, is

giving instruction to the people about the sites that they see. It is sort of a sightseeing information service. I think that is what was intended by the committee.

Mr. GROSS. Is that what put Penn Central in bankruptcy—interpretive transportation? Where did this phrase originate?

Mr. PEPPER. This does not involve in any relevant sense the matter of the Pennsylvania Railroad. It is different from that, and it is not related to that subject. This has to do with the completion of the improvement program for the Union Station to be a very much needed Visitor Center, and provides transportation for the visitors who have such a difficult time finding places to park around the Capital. It provides informative transportation; I mean transportation with informative recital by those in charge of the transportation for our fellow Americans who come here to see our Capital.

Mr. GROSS. Has the gentleman from Florida ever ridden interpretive transportation?

Mr. PEPPER. That was their word. I think perhaps they could explain it more when we consider the bill. I think they mean an informative report on what the people are seeing who have the privilege of coming to the Capital of the greatest country in the world.

Mr. GROSS. I want to thank the distinguished gentleman for yielding to me.

Mr. PEPPER. It is always a pleasure to yield to the able and delightful gentleman from Iowa.

I yield to the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Speaker, I thank the distinguished gentleman from Florida, and I yield myself such time as I may consume.

Mr. Speaker, today we are considering House Resolution 405, which is the rule on H.R. 5857, amending the National Visitor Center Facilities Act of 1968. This is an open rule with 1 hour of general debate. In addition, it waives points of order for failure to comply with clause 7, rule XVI, which is the rule on germaneness.

The primary purpose of H.R. 5857 is to authorize funds for the alteration and renovation of Union Station as a National Visitor Center.

In addition this bill directs that the Secretary of the Interior provide transportation services between the National Visitor Center and major points of interest to visitors in the Washington area.

The total cost of this bill is \$8,680,000 for construction costs at the National Visitor Center. There will be no additional cost to the Government as a result of the transportation service, because this service will be integrated with present transportation service in the city.

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

Mr. PEPPER. Mr. Speaker, I have no further request for time.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 5858, JOHN F. KENNEDY CENTER MAINTENANCE FUNDS

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 406 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 406

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. 5858) authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, 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 Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Tennessee (Mr. QUILLEN) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 406 provides for an open rule with 1 hour of general debate on H.R. 5858, a bill to authorize appropriations to the Secretary of the Interior for all nonperforming arts functions at the John F. Kennedy Center for the Performing Arts, for the next 3 fiscal years.

Pursuant to the Public Buildings Amendments of 1972, all nonperforming arts functions are now, and will be, supplied by the National Park Service.

The cost of the bill is estimated at \$7,500,000, with \$2.4 million allocated for 1974, \$2.5 million for 1975, and \$2.6 million for 1976.

Mr. Speaker, I urge adoption of House Resolution 406 in order that we may discuss and debate H.R. 5858.

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

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

Mr. GROSS. Mr. Speaker, do not the functional activities have something to do with operations of the entire Center?

Mr. PEPPER. Yes, of course, if it is to keep people from stealing the things that are there, then it is relative to the operation of the building. It is to keep people from injuring and doing damage to the things there and certain aspects of the facilities which are provided under this bill.

Mr. GROSS. What is the difference between nonperforming and performing arts? Is there some real difference inso-

far as the taxpayer and the Government are concerned?

Mr. PEPPER. For one thing it is like other public monuments around here. They are all protected by the Government. People are not permitted to go around and deface the historical monuments around our Capital. This is an extension of the same thing. The Park Service provides protection for the Lincoln Memorial and other monuments to protect them from injury. It is that kind of service which is proposed to be rendered to this national monument, the John F. Kennedy Center.

Mr. GROSS. If the gentleman will yield further, do they already have interpretive transportation for the Cultural Center or is that provided under some other means? What is the interpretive transportation in this Cultural Center?

Mr. PEPPER. There is not to be any taxpayer money involved at all in this transportation. I said to the able gentleman, and I am sure he will agree, that when they come to tell about the great Kennedy Center which they are privileged to see, they will be movingly eloquent.

Mr. GROSS. But they will have to provide their own transportation?

Mr. PEPPER. They will have to pay their own way.

Mr. GROSS. I thank the gentleman.

Mr. PEPPER. Mr. Speaker, I yield to the gentleman from Tennessee (Mr. QUILLEN).

Mr. QUILLEN. Mr. Speaker, House Resolution 406 provides for the consideration of H.R. 5858, authorization for the John F. Kennedy Center for the Performing Arts. This is a simple open rule with 1 hour of general debate.

The purpose of H.R. 5858 is to amend the John F. Kennedy Center Act to authorize appropriations to the Secretary of the Interior for maintenance, security, information, interpretation, janitorial, and all other nonperforming arts functions at the Center for an additional 3 fiscal years.

Section 10 of the Public Buildings Amendments of 1972 amended the Kennedy Center Act by directing the Secretary of Interior, acting through the National Park Service, to carry out the above mentioned functions, which do not include the performing arts activities of the Center. Appropriations were authorized for fiscal year 1973 only.

H.R. 5858 is necessary to authorize the appropriation of the funds requested in the President's budget for 1974, as well as 1975 and 1976. The Department of Interior's request would have been indefinite, without fiscal year limitation, but the committee felt the authorization should be limited to 3 fiscal years, in order that the Congress might review the operation.

The cost estimate was prepared by the Department of the Interior and accepted as accurate by the committee. The costs involved would be \$2.4 million for fiscal 1974, \$2.5 million for fiscal 1975, and \$2.6 million for fiscal 1976.

Mr. Speaker, I urge the adoption of this rule so the House may have an opportunity to work its will on the legislation.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 6830, INTERNATIONAL CENTER FOR FOREIGN CHANCER- IES AUTHORIZATION

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 407 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 407

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. 6830) to amend Public Law 90-553 authorizing an additional appropriation for an International Center for Foreign Chanceries. 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 Public Works, 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 recommend. After the passage of H.R. 6830, the Committee on Public Works shall be discharged from the further consideration of the bill S. 1235, and it shall then be in order to consider said Senate bill in the House.

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

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 407 provides for an open rule with 1 hour of general debate on H.R. 6830, a bill authorizing the Secretary of State and the General Services Administration to initiate site development for the International Center for Foreign Chanceries. After the passage of H.R. 6830, it shall be in order to consider S. 1235 in the House.

The International Center was authorized by Congress through enactment of Public Law 90-553, 90th Congress. H.R. 6830 provides authority for an appropriation not to exceed \$2,200,000. Of this total it is estimated that \$1,100,000 will be spent in fiscal year 1974, \$900,000 will be spent in fiscal year 1975, and \$200,000 in fiscal year 1976. The Treasury will be reimbursed for all outlays from the appropriated funds through receipts from sales of Center property to foreign governments.

Mr. Speaker, I urge adoption of House Resolution 407 in order that we may discuss and debate H.R. 6830.

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

Mr. PEPPER. I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, does this represent a change in the way we have been doing business as far as the establishment of chanceries is concerned?

Mr. PEPPER. Mr. Speaker, this is an area that is agreed upon by our Government and representatives of foreign governments who would like to build facilities and chanceries at some central place which has been selected.

This money is for the purpose of authorizing the preparation of the site so that it will be appropriately available for purchase by these foreign governments for the erection there of their chanceries. Of course, they will pay a very good price for the land they purchase, and that purchase price will go to reimburse the Treasury 100 percent for this money which is appropriated.

Mr. Speaker, I am advised that the purchase price will be at the rate of \$600,000 per acre. I call that pretty fair compensation.

Mr. WYLIE. Mr. Speaker, under H.R. 6830, as I understand it, the United States is providing the money for the preparation of a construction site. The reason we are providing the money is because we cannot get any of the other governments to agree to any sort of financial arrangement for chancery construction in advance of site preparation, is that correct?

Mr. PEPPER. Mr. Speaker, I am advised that they did not find it convenient to get the money from the prospective purchasers, and this bill is to authorize the Treasury to advance the money.

Mr. WYLIE. Mr. Speaker, heretofore countries having chanceries in the United States have provided for their own site by lease or on chancery property, owned by the foreign government have they not?

Mr. PEPPER. That, I believe, has been the policy.

The able gentleman will recall there was considerable controversy reported in the press not long ago about where these chanceries were to be located. It was not altogether a private land transaction. I understand public authority has something to do with where chanceries are located.

Finally this site was selected and the Government has felt a responsibility to provide a site we would approve, where the foreign governments may build their chanceries. So the Government has participated in selecting the site and making it available for these purposes. This is merely the advance of funds necessary for the preparation of the site, so that it may be purchased.

Mr. WYLIE. The gentleman used the word "advance". Is it the gentleman's understanding we will ultimately be reimbursed for our out-of-pocket expenses?

Mr. PEPPER. This measure carries that assurance. Every dime of this \$2.2 million will be returned to the Treasury out of the purchase price.

Mr. WYLIE. I thank the gentleman.

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

Mr. Speaker, House Resolution 407 is the rule under which we will consider H.R. 6830, Authorization for International Center for Foreign Chanceries.

This is an open rule with one hour of general debate. House Resolution 407 also provides for the consideration of the Senate bill, S. 1235, after passage of H.R. 6830.

The primary purpose of H.R. 6830 is to amend section 6 of the International Center Act to carry out the purposes of that act by providing authority for an appropriation not to exceed \$2.2 million. This will allow the Secretary of State and the General Services Administration to initiate site development of the Center.

In 1968 the Congress authorized the International Center to be located at the south half of the old Bureau of Standards site in Washington. The north half of this site is being used for the permanent campus of the Washington Technical Institute. This site was to be developed by the Secretary of State from proceeds of sale or lease to foreign governments or international organizations. At present GSA is acting as agent for the Secretary, but cannot award contracts for demolition and site development until funds are available for those awards to be obligated against. To date it has not been possible to obtain capital from would-be purchasing governments to fund the necessary site development. This bill will solve these problems by authorizing \$2,200,000 for the initial site development of the chancery section. This figure is broken down for the next 5 fiscal years as follows:

| | |
|---------|-------------|
| 1974 | \$1,100,000 |
| 1975 | 900,000 |
| 1976 | 200,000 |
| 1977-79 | None |

Ultimately, there will be no cost to the Government because the Treasury will be reimbursed through sales of center property and actual construction costs of the chancery facilities will be borne by the purchasing governments.

Mr. Speaker, I urge the adoption of this rule so the House may have an opportunity to work its will on the legislation.

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

Mr. PEPPER. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TRANSFER OF SPECIAL ORDER

Mr. LANDGREBE. Mr. Speaker, I ask unanimous consent that the 1-hour special order I had reserved for today may be postponed until tomorrow, May 31, 1973.

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

There was no objection.

AMENDING NATIONAL VISITOR CENTER FACILITIES ACT OF 1968

Mr. GRAY. 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. 5857) to amend the National Visitor Center Facilities Act of 1968, and for other purposes.

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

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. 5857, with Mr. EVANS of Colorado 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 Illinois (Mr. GRAY) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. HARSHA) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. GRAY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, H.R. 5857 is a simple authorization to amend the National Visitor Center Facilities Act of 1968 to allow the Secretary of the Interior and the National Park Service to make certain improvements at Union Station simultaneously with improvements being made by the Baltimore & Ohio and Chesapeake & Ohio Railroads who own Union Station, in connection with a National Visitors Center for the use of the American people and foreign visitors.

Mr. Chairman, in 1968, Congress passed the original Visitor Center Facilities Act that I had the privilege of sponsoring with other Members. The need was critical for a National Visitor Center at that time. It is much more critical today, especially as we approach our bicentennial year in 2½ short years.

Mr. Chairman, we tried to "poor boy" this project by asking the railroads to put up all of the money to build a parking facility and renovate the existing Union Station at a total cost of \$16 million. Just at the time the plans were scheduled to be completed and the railroads were ready to go out for bids for construction, Penn Central who owned half of Union Station at that time went into bankruptcy, therefore, we have experienced a delay of at least 3 years. I am pleased to advise my colleagues today that the B. & O. and C. & O. Railroad has purchased all of the interest of Penn Central, has secured both construction and long-term financing, therefore, on June 5, 1973, it is expected that groundbreaking ceremonies will take place and this much needed project will be well underway. At the time the 1968 act was passed we estimated 15 million visitors per year. We now find that with the bicentennial approaching the visitation for 1976 should exceed 40 to 50 million foreign and American visitors. The President has requested this legislation and the funds are now in this year's budget for \$8.6 million to construct the necessary improvements, including theaters and other informational services to have this project finished and adequate to accommodate these large numbers of people.

Mr. Chairman, we believe this facility

will be a self-sustaining operation, because the concessions and parking fees will go to the National Park Service. The small visitor center at Cape Kennedy last year netted the Government over \$600,000 profit according to figures given to us last week by the very distinguished chairman of the Space Committee, the gentleman from Texas (Mr. TEAGUE). This facility will have 25 times more visitors than Cape Kennedy, therefore, I think everyone can see the potential of this being a self-sustaining operation. But far more important, Mr. Chairman, is the fact the American taxpayers are coming to Washington and are disillusioned, frustrated and downright disappointed at the lack of facilities to accommodate them in their own Capital. To put it bluntly, all they are seeing now are our backs instead of our faces, a parking ticket, no place to sit down and rest, lack of restaurant facilities, no place to get a meal for a large group and certainly no easy way of touring Washington and its scenic environs by public transportation. This bill will allow this center to be completed properly within 18 to 24 months and also authorizes public interpretive transportation services to the Capitol Building and other Government facilities. Present shuttle service includes the mall area and includes to and within Arlington National Cemetery. Extension of this valuable service to the Capitol Grounds and the Visitors Center and other sites designated by the Secretary will allow the visitors to park their cars and buses and experience a convenient well-instructed guided tour by shuttle or bus.

Mr. Chairman, we have approved over \$2 billion in public funds for bureaucracy to work in the Washington area. Now we have an all taxpayer bill which is very modest indeed, but will do more to sell democracy and the image of our friendly Capitol than anything we could do. This is particularly true of foreign visitors. The new Visitors Center will have language translation equipment in the theaters and other areas of the Visitors Center. It is designed to make Washington the greatest Capital in the world to visit. I hope there is not one dissenting vote against this bill designed to help schoolchildren, older Americans, citizens in general and foreign visitors alike. This is truly a program to "bring us together."

Mr. SNYDER. Will the gentleman yield?

Mr. GRAY. I am delighted to yield to a very valuable member of the Committee on Public Works.

Mr. SNYDER. I am wondering how many different languages are there?

Mr. GRAY. We have 187 nations in the world. I would assume many of them are probably multilingual.

Mr. SNYDER. You assume? You do not know?

Mr. GRAY. I do not have the exact number. As the gentleman knows, there are new countries springing up on different continents around the world. This will not be finished for 24 months, and I can assure the gentleman that when it is finished we will cooperate with all of the foreign embassies in Washington. If we need a language for Uganda or whatever

it is, we will make sure it is part of the service provided by the visitor center.

Mr. SNYDER. You will have an ongoing program of languages, then, for all of these new emerging nations as they come forward?

Mr. GRAY. Without a doubt.

Mr. SNYDER. How much will that cost us when you come back?

Mr. GRAY. All of these services are being provided by the National Park Service.

Mr. SNYDER. But the gentleman told us—

Mr. GRAY. Let me finish. They are being provided by the National Park Service. None of the \$8.6 million authorized here for bricks and mortar can be spent for that purpose. We will receive 10 percent from the sale of food and other goods and services and receive commissions from the parking. It will cost \$3.5 million per year for the lease. Any residue left over over that \$3.5 million can be spent for informational services and to fund other aspects of the project.

Let us do some quick arithmetic here. There are 30 million people who will be coming here and if each person spends just \$1, that would be \$30 million that would be available. The lease is only \$3.5 million, so you can see that there is a big spread left for the type of services the gentleman is talking about. Also taxes will go to the District of Columbia. We estimate that this project will generate as much as \$750 million a year in additional business to the District of Columbia, and with a 5-percent tax rate, that would give us about \$35 million that would go to the District of Columbia government alone. These tapes used for translations will only cost a few thousand dollars.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRAY. Mr. Chairman, I yield myself 2 additional minutes.

Does that answer the gentleman's question?

Mr. SNYDER. I was not through, but if you are through with me—

Mr. GRAY. I will be delighted to yield further to my friend.

Mr. SNYDER. What you are suggesting, then, is that this interpretative service will not pay for itself. Is that what you are saying?

Mr. GRAY. I am saying that we had a study committee take this subject up, and they stopped the average tourist on the perimeter roads and asked them how long they planned to stay, and they said 7 days, but on leaving the city we found that they actually stayed only 2 days on the average. Tourists today are spending \$750 million a year in Washington.

By providing the proper facilities we can double it from 2 days to even 4 days, not the 7 they planned, so we will be talking about \$750 million more money that will be spent in Washington. This means additional dollars that will provide relief from our Federal payments, that will in turn provide relief for our overburdened taxpayers. And I am sure the services the gentleman from Kentucky is talking about would be small indeed

compared to the revenues that will be generated through this facility.

Mr. SNYDER. I still do not know what this interpretive thing is going to cost, and I guess from what the gentleman from Illinois says that the gentleman himself does not know. I believe that he is indicating that he feels that we will probably take more in than we will spend.

The gentleman was talking about this not costing anything, and I remember back in 1967 when I was cajoled by the gentleman from Illinois in voting for this project, and was told it was not going to cost the taxpayers 1 cent at that time. Is my recollection correct?

Mr. GRAY. The gentleman from Kentucky is absolutely correct, and to this day, 5 long years later, it still has not cost the taxpayers. What we propose today is in addition to what the gentleman from Kentucky voted for, and is not in lieu thereof. So the gentleman from Kentucky was right then, and the gentleman from Illinois is also correct today.

The modest project we passed in 1968 will not accommodate 40 million people. We are merely adding to what we did in 1968.

Mr. SNYDER. The Presidential approval was the old administration before the new one came in down there.

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

Mr. GRAY. Mr. Chairman, I yield myself 3 additional minutes.

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

Mr. GRAY. I am happy to yield to the gentleman from Missouri.

Mr. HUNGATE. Mr. Chairman, I think the program that the gentleman has outlined is a fine one in an area that has been too long neglected insofar as attracting tourists to the Washington area. The people who will come under this program will spend more money, and with the devaluation of the dollar that makes their money more valuable.

Concerning the language translations, is it not a fact that in the United Nations they accommodate all the nations, the emerging and disappearing nations both?

Mr. GRAY. The gentleman is correct.

Mr. HUNGATE. And that at the United Nations they use only about five languages to accommodate all the nations?

In other words, five languages are sufficient to solve this problem?

Mr. GRAY. The gentleman from Missouri is correct. And it is only at a cost of a few thousand dollars at the most for these interpretive translation tapes. So it is not an expensive item. But it is an important item, and one that will bring greater understanding of democracy in action, about this being a great capital, how democracy works, and so on. And it is only at a cost of a few thousand dollars to pay for these facilities. The United Nations in New York does provide this service now. I thank my friend.

Mr. HUNGATE. The gentleman is correct, the translation facilities in the United Nations are basically confined to

English, Chinese, French, Spanish, and probably German, and you have got it.

Mr. GRAY. The basic languages in use.

Mr. HUNGATE. That is correct.

Mr. Chairman, I thank the gentleman for yielding.

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

Mr. GRAY. I am happy to yield to my distinguished friend, the gentleman from Iowa. It is always a distinct privilege to do so.

Mr. GROSS. I thank the gentleman from Illinois for yielding to me.

The gentleman from Missouri says that the devalued dollar will make it all the more attractive for foreigners to go through the Visitor Center. Does the gentleman from Illinois agree with that?

Mr. GRAY. I am not an expert in monetary affairs, but it surely holds true that if you can get more goods for your dollars over here, that more people will come for it, with the devaluation, they can get a dollar's worth of merchandise for 90 cents, then that is an incentive for them to come here to buy.

We already have one and a half million foreign tourists and we expect 5 million for the bicentennial.

I would say further to my distinguished friend, that right now all that our foreign visitors are seeing is our backs; they cannot see our faces, because they do not understand our language. What we want to do is to extend to them the hand of fellowship and friendship.

The gentleman from Iowa is on the Committee on Foreign Affairs, and he knows that 1½ million people come to the Nation's Capital from foreign countries, who wish to see our great country, but when they do come here cannot learn about or understand our country.

It is people-to-people contact that we must have in order to accomplish peace and friendship in the world.

Mr. GROSS. That is lovely, but it costs money.

I would ask the gentleman from Illinois how many shifts of interpreters does the gentleman propose to maintain in order to interpret these 186 foreign dialects?

Mr. GRAY. I would say to the gentleman from Iowa that this will be primarily a daytime operation, in view of the fact that most of our other Federal monuments and facilities are closed at night, I would see no necessity to continue the operation of these interpretive and transportation services after dark, when the other Federal facilities have been closed down. We will, of course, keep the other facilities in the Visitor Center in operation, such as the restaurant facilities and other things; we will probably keep them open until midnight, in order for people to have an opportunity to go back there and get something to eat, and such other services as they may want. We plan to have automobile and rail facilities and bus services and the subway for the use of these visitors, the kind of facilities and services that the gentleman's constituents would want and need, all those services will be provided here. We will also provide USO facilities in the Visitor Center.

Anything that is needed in Washington for the visitors, they are going to find here.

Mr. HUNGATE. Will the gentleman yield further?

Mr. GRAY. I yield to the gentleman from Missouri.

Mr. HUNGATE. From the language point of view, we have down here at the National Gallery of Art a system where one rents a little earphone, puts it in his pocket, and as he goes around, it goes "beep." As one walks around to each picture, it goes "beep." We do not have any interpreters standing around.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRAY. I yield myself 1 additional minute.

I yield to my friend from Ohio (Mr. WYLIE).

Mr. WYLIE. I thank the gentleman for yielding to me. I should like to refer to the language on page 2, beginning at line 4. This is rather unusual legal language. I wonder if the gentleman would explain the necessity for using this type of phraseology. It says:

The Secretary may exercise the authority under this subsection without regard to whether or not title to the Union Station Building or the airspace adjacent thereto is in the United States . . .

Mr. GRAY. Yes, I shall be glad to explain that.

Mr. WYLIE. Then it says:

Provided, That he shall have entered into an agreement for a lease . . .

And this is the unusual language really—

(But such lease need not have commenced) . . .

Mr. GRAY. Yes, the gentleman raises a very important question. I should be delighted to answer it. As the gentleman knows, we do our best to get by without spending any of the taxpayers' money. We said to the railroads, "You go out there and spend \$16 million, build this facility, and lease it back to us."

We do not own Union Station. The taxpayers will own it at the end of the 25-year period on the lease-purchase.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRAY. I yield myself 2 additional minutes.

In the meantime we propose here to spend taxpayers' dollars to put in ramps and make certain improvements to the facility, so we wanted to protect the taxpayer by putting in this language saying, We do not own Union Station now; we have a noncancelable lease; we are going to own it in 25 years; and we want these improvements to accrue to the benefit of the taxpayer at the end of the period. That is the purpose of the language.

Mr. WYLIE. Will the gentleman yield further?

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

Mr. WYLIE. What security does the United States have prior to the time the lease commences?

Mr. GRAY. We have a contract for a deed, and it is predicated upon a \$3½ million per year payment. We do not

start paying that lease money until the facility is completed. It is a turnkey operation. Therefore, our lease payments do not commence until they turn the keys over and say it is ready to be opened as a National Visitor Center. That is why we have that protective language in there.

Mr. WYLIE. Then we have an option to purchase it?

Mr. GRAY. We do have an option to purchase it. If we want to buy it the next day, we can, but I think the best way is to pay it out, because we have a low interest rate, and we are paying more for borrowed money, so I cannot see taking Treasury money at 6 or 7 percent and paying off the railroads in advance when we have got now a 5-percent interest rate on the air rights. The gentleman raises a very important point. I thank you for it.

Although inflation and high costs have forced the President to come up with another \$8 million, let me explain that this property we estimate has increased in value by over \$20 million; so while we are going to spend \$86 million for needed improvements, the taxpayers are going to own all of this land and a 350,000 square-foot building at the end of the 25 years.

While inflation is eating us up on bricks and mortar, the value of that property will increase for the taxpayers 3 or 4 times.

Mr. WYLIE. I thank the gentleman. Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield to my friend, the gentleman from Pennsylvania.

Mr. WILLIAMS. I should like to ask the gentleman if the decision is made to exercise the option, what is the price that will be paid?

Mr. GRAY. We estimate that the facility itself is about \$19 million. I think if it were put on the market today, it would probably bring \$40 or \$50 million.

Mr. WILLIAMS. No, I want to know, is that figure included in the lease-option agreement?

Mr. GRAY. It is. Not only that, but I will say to the gentleman from Pennsylvania that it has an escalator clause that they cannot arbitrarily say it is \$19 million going in, but 5 years later it is worth \$40 million. It is all down for the entire 25-year period as to what we would have to pay if we pick up the option.

Mr. WILLIAMS. Wait a minute. The gentleman says there is an escalator clause in the option.

Mr. GRAY. There is a deescalator clause, because if we pay into equity, naturally the railroads will receive less money on a purchase contract.

Mr. WILLIAMS. There is no escalator clause.

Mr. GRAY. That is right. I forgot about that little prefix "de."

Mr. WILLIAMS. I thank the gentleman.

Mr. SMITH of New York. Mr. Chairman, will the gentleman yield?

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

Mr. SMITH of New York. Would the gentleman tell us regarding this \$8,600,000 that is authorized in this bill, was it

originally contemplated in the original legislation that the U.S. Government would be spending that kind of extra money?

Mr. GRAY. I would say to my distinguished friend, that when we passed the bill, and I have a copy of my statement made on the floor in 1967 and the bill was signed into law in 1968, we said at that time we were having 15 million visitors a year and we were planning a project without taxpayers' money that would accommodate 20 million people, but that was before the bicentennial celebration was contemplated which is projected to bring in 40 to 50 million people.

Now we have to think in terms of 10,000 to 20,000 an hour. So the President said we want to build the facility that was contemplated in 1968 but in addition why not, while we are doing it, include the additional needed facilities, and it will be much cheaper to go in and spend this additional \$8.6 million now, so we will be able to accommodate the visitors anticipated for the bicentennial.

Mr. SMITH of New York. Then if I understand the gentleman, some of this \$8 million is for additional facilities above those originally contemplated.

Mr. GRAY. The gentleman is absolutely correct. I would like to call attention to the fact that we have a mockup in the lobby. It was too large to bring it in, but the Members can walk up to it and lift the top and see that there are two walk-in theaters of 7 minutes duration each and visitors will be able to walk in and be able to see a little bit about the Capital area if they are in a hurry. Then if they want to sit down we will have two theaters to accommodate them, as at Williamsburg, if they want to know something about the executive and the legislative and the judicial branches it will all be told. That information has been produced or will be produced by the National Capitol Historical Society, and visitors will be able to sit down and see that film for 30 minutes. They will have a cyclorama. We will have different things for different people.

This is why the President has said we should do it now while it is cheaper to add on.

Mr. SMITH of New York. Am I correct in observing that part of the \$8 million is due to inflation and that we are going to be doing part of the job already contemplated by the railroad?

Mr. GRAY. That and more.

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

Mr. Chairman, I rise in support of H.R. 5857, a bill to authorize direct Federal appropriations for construction of part of the proposed National Visitor Center. This bill, a request made pursuant to the administration's bicentennial plans, would authorize \$8.6 million for construction, and purchase of exhibits and furnishings. Additionally, this bill would authorize the Secretary of the Department of the Interior to provide bus service in or between Federal areas within the District of Columbia. This area shall include transportation between the Mall, the Ellipse, the National Visitor Center, the John F. Kennedy Cen-

ter for the Performing Arts, and other visitor points of interest. Because the buslines were privately owned heretofore, the contract given by the District of Columbia to the then privately owned bus company did not allow any other transit line to offer services on Government property. This section will allow the Secretary to contract for this bus service, consistent with the purpose of the proposed parking facility at the Visitor Center, so visitors to our Nation's Capital can leave their cars at a conveniently located place and enjoy the bus service to the monuments and points of interest in the city. There are thus no Federal funds involved in this new visitors' transportation system.

I am pleased to note the ground-breaking ceremonies for this Center will take place on June 5, 1973, after a delay of some 5 years.

Because of this delay, the authorization contained in this bill is necessary to assure that the construction of this Center will be complete and adequate to handle the estimated 34 million people who will visit Washington, D.C., in 1976. The original act authorized the Secretary of Interior to enter into lease agreements with Washington Terminal Co., for the use of the facility, such sums not to exceed \$16 million for improvements and construction of a parking facility by the Terminal Co. But, due to financing delays and the bankruptcy of the Penn Central, actual construction has been delayed. The current owners of the property have finally obtained financing, but with the additional costs of broker fees, surveys, appraisals, insurance and the like, together with some 5 years of inflation, there has resulted the need for these additional funds.

The President's budget includes some \$7.1 million for fiscal year 1974 for the purposes of this bill. The additional \$1.58 million, to be used for exhibits and furnishings, will be fully phased in with the work being undertaken, and will be requested later.

I hope the House acts favorably on this bill to benefit the visitors to Washington. Completion of this Visitor Center will be an enormous asset to the city of Washington, and will facilitate in orientating the visitors to the area. I urge enactment of this bill.

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

Mr. GROVER. I yield to the gentleman from Illinois (Mr. GRAY).

Mr. GRAY. Mr. Chairman, I thank the gentleman for yielding. I want the record to show that the gentleman from New York (Mr. GROVER) has worked like a Trojan on this project for the Nation's Capital. This has been bipartisan effort, with no politics involved, for the benefit of the American people.

Mr. Chairman, I want the record to show that the gentleman from New York has been tremendously helpful, and I thank him for it.

Mr. GROVER. Mr. Chairman, I thank the gentleman from Illinois for his kind remarks.

Mr. Chairman, there is one point that I might add here which has not been brought up today. This is an historic landmark piece of architecture which

certainly could not be replaced. The land was worth \$19½ million in 1967, and I am sure it is worth substantially more today.

I understand the presentation we have in the well, in its inception in 1967 and with the improvements on it, the replacement value would be in the area of \$200 million to \$300 million. Mr. Chairman, this is one of the best bargains this country has ever had.

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

The CHAIRMAN. The Chair will count.

Eighty-five members are present, not a quorum. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 165]

| | | |
|----------------|----------------|----------------|
| Adams | Fascell | Murphy, N.Y. |
| Annunzio | Fisher | O'Neill |
| Arends | Flynt | Owens |
| Armstrong | Ford | Parris |
| Ashley | Gerald R. | Powell, Ohio |
| Badillo | Fraser | Price, Ill. |
| Barrett | Fuqua | Railsback |
| Blagel | Goldwater | Randall |
| Bray | Gubser | Rarick |
| Breaux | Hansen, Wash. | Reid |
| Broyhill, N.C. | Harsha | Rooney, N.Y. |
| Burgener | Hawkins | Rostenkowski |
| Burke, Calif. | Hébert | Roy |
| Camp | Heinz | Sandman |
| Carey, N.Y. | Howard | Sisk |
| Carney, Ohio | Hunt | Spence |
| Carter | Ichord | Stratton |
| Clark | Kastenmeier | Stuckey |
| Collier | Landrum | Sullivan |
| Cotter | Leggett | Teague, Tex. |
| Coughlin | McCloskey | Thompson, N.J. |
| Cronin | McCormack | Waldie |
| Davis, Ga. | McKinney | White |
| Dickinson | Michel | Widnall |
| Diggs | Milford | Wiggins |
| Dingell | Minshall, Ohio | Wilson |
| Eckhardt | Mitchell, Md. | Charles, Tex. |
| Esch | Mollohan | Winn |
| Evins, Tenn. | Mosher | Young, Ill. |

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. EVANS of Colorado, Chairman of the Committee of the Whole House on the State of the Union, having reported that that Committee, having had under consideration the bill H.R. 5857, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, when 347 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky (Mr. SNYDER.)

Mr. SNYDER. Mr. Chairman, at the risk of sounding like a broken record on the subject of our monumental building endeavors here in the District of Columbia, may I respectfully point out that we are again called on to vote taxpayers' money to bail out a project which—we were assured vigorously and solemnly—would never cost the taxpayers 1 cent.

Mr. Chairman, I voted for the National Visitor Center Facilities Act when it first passed back in 1967. At that time, as is embarrassingly evident from the permanent RECORD of November 27, 1967 (page 33741), the chairman of the subcommittee, the gentleman from Illinois

(Mr. GRAY) observed "We are pleased to announce to the House that the proposal we bring to you today will not require 1 cent of taxpayers' money in the renovation of Union Station, construction of parking" and so forth.

The original device whereby many Members of Congress, myself included, were cajoled into voting for this project was that it would not be another white elephant to be bailed out by the taxpayers. Today we are asked to vote \$8,600,000 to do just that. That sum represents over 50 percent of the \$16 million maximum cost which was originally to have been incurred solely by the private parties to the agreement. It represents 8½ years of the cost of the original yearly lease, according to estimates at that time by Mr. GRAY. That lease cost was supposed to have been paid out of the revenues of the facility—the Federal cost not to have been assumed at all until the Visitor Center, and so forth, was fully operational. As our former colleague from Florida Mr. Cramer, assured us in 1967:

There will be no payment by the Federal Government due under this legislation until the building and improvements—the improvements on the building and parking facilities—are constructed and available for use.

It is obvious, Mr. Chairman, that this facility is far, far from being "constructed and available for use." And this brings me to another point.

Last year in this Chamber, as we discussed building the Elephantine Civic and Convention Center down here at the bottom of the Hill, one of the prime excuses the administration set forth was that it would be a fitting monument for the bicentennial celebration of 1976. We learned subsequently, of course, that it could not be ready by then.

Back in 1967, Mr. GRAY's colleague in this matter, Mr. Cramer, estimated it would be "2 or 3 years" before this project saw completion. I assume there were delays.

Again, the committee report on the present bill contains, on page 3, a reference to President Nixon's February 4, 1972, statement that "such a facility, desirable for all years, becomes indispensable as we look to the bicentennial."

Mr. Chairman, I ask, are we really supposed to believe that this thing would be ready by 1976—any more than the Convention Center will be, or any more than the Visitor Center was ready in 1969 or 1970? I believe we must utterly disregard that plea as a justification.

Some of us have raised repeated objections to D.C. Enterprises such as the R. F. K. Stadium—which has yet to pay off any of its original bonded indebtedness and which is costing the taxpayers upwards of \$800,000 per year in interest payments alone—and the Kennedy Cultural Center—which was originally not to cost the taxpayers any money but for which we are paying through the nose—as illustrated by the \$7.5 million "maintenance" package we are asked to vote on here today.

What response do we get when we make such objections? In response to one such, back in 1967, Mr. GRAY stated that:

There is absolutely no comparison at all between the District of Columbia Stadium program and this [the Visitor Center] program. . . . We are talking about zero expenditures on the part of the Federal Government.

Six years later we are talking about \$8,600,000 more than zero—and the Lord knows how much more we will be called upon to fork over after this initial investment. That is the whole history of these affairs.

As my distinguished colleague and the preeminent prophet of the House, the gentleman from Iowa (Mr. Gross), noted during debate on this center back in 1967:

The bill will pass and I predict it will haunt some of those who voted for it.

I hope it haunts enough of us for us to realize that we keep getting told these things would not cost us anything so the project can get its foot in the door—and you know the rest.

This is just intolerable, Mr. Chairman. We cannot continue to operate by means of such transparent charades.

I urge my colleagues to remedy this deplorable situation. Let's just forget the whole thing while we still can—before the taxpayers get up to their ears in another fiasco.

The American people who come to Washington are resourceful people—like most Americans. They come to learn. They do not need guided tours everywhere. They do not need \$700,000 in audiovisual equipment, or \$730,000 in exhibits, or \$8 million worth of added fixtures to enjoy our Nation's Capital. They do not need to be spoon fed or led around like lambs. And most especially they do not need another multimillion-dollar boondoggle to pay for—especially these days.

What they may need is more parking facilities. If so, let us turn our attention to that problem—and even to providing "interpretative transportation service"—whatever that means—if indeed there will be, as we are assured in the report with this bill, "no increased Federal expenditures."

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

Mr. SNYDER. I yield briefly to the gentleman from Illinois.

Mr. GRAY. Mr. Chairman, since the gentleman from Kentucky mentioned my name, I appreciate him yielding to me. The gentleman is absolutely correct that I made that statement in 1967, and I again say it in 1973. The project that is now being built at the Union Station will not cost the taxpayers a dime. The gentleman must differentiate between that project and what is on the floor today. What is on the floor today is to make improvements that have been requested by the President and the Secretary of the Interior, so I hope the gentleman will not leave the impression that we are asking for seconds on that original project.

Mr. SNYDER. That is exactly the impression that I am leaving, because the gentleman is back here now asking for seconds.

Mr. GRAY. The gentleman is not correct.

Mr. SNYDER. And I would hope that the gentleman from Illinois would not

strike that from the record, as the gentleman from Illinois did previously when the gentleman said that I had falsely represented matters on the floor, which I had not; which transcript I have in my pocket if the gentleman would like to see it.

Mr. GROVER. Mr. Chairman, I yield to my colleague, the gentleman from New York, such time as he may consume.

Mr. WYDLER. Mr. Chairman, I rise in support of this proposal.

It was many years ago that I suggested to the House of Representatives that we have a National Visitor Center. I think the idea was sound then, and is sound now. I just want to make this point to my colleagues on this particular bill. Many times for many good causes we are required to take the tax dollars of the people we represent back home and spend them for others. We take our constituents' money and give it to others so that others benefit. This can be justified, of course. But in this particular bill we are being asked to spend the tax dollars of the people back home for their own benefit. It will benefit all those who want to come to the Nation's Capital and enjoy their visit here.

I heartily recommend to my colleagues that they give their support to this legislation.

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

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

Mr. GROVER. Mr. Chairman, let me point out the gentleman from New York has mentioned putting the taxpayers' money to the service of the taxpayer. I think we should reflect back on what the gentleman from Illinois said. There has not been one red cent spent on the Visitor Center since 1967, when it came into being through legislation on the floor of the House. Not one penny has been spent; not one visitor has visited that Visitor Center; not one car has parked, because there is no Visitor Center. We are here de novo because we have a new proposal for a Visitor Center in anticipation of the bicentennial of 1976.

Let me say we have had since the initial legislation millions of footsore visitors—a lot of them my constituents—and I hear about their sore feet and other inconveniences. Do the Members know how much this legislation is going to cost the 200 million Americans per capita, the 200 million per capita of the United States of America? It will cost them exactly $4\frac{1}{3}$ cents per capita, and then the annual maintenance after that will cost $2\frac{1}{2}$ cents per capita. That is not an awful lot to spend for my constituents' comfort, safety, and convenience.

Mr. WYDLER. I thank the gentleman from New York.

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

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

Mr. FINDLEY. Mr. Chairman, it seems to me the money provided in this bill is money well spent. I want to take this opportunity to congratulate my colleagues, the gentleman from Illinois (Mr. GRAY) and the gentleman from Illinois (Mr. GROVER) for advancing it so well.

Mr. GROVER. Mr. Chairman, I have no further request for time and reserve the balance of my time.

Mr. GRAY. Mr. Chairman, I am privileged to yield 5 minutes to the very distinguished gentleman from Minnesota, the chairman of the committee (Mr. BLATNIK).

Mr. BLATNIK. Mr. Chairman, first of all I would like to congratulate the gentleman from Illinois (Mr. GRAY), the chairman of the subcommittee, for his leadership of the Subcommittee on Public Buildings and Grounds, and for the Subcommittee's really careful and thorough work. I want the record to show that I was not too enthusiastic about this project when it first started, but I also want the record to show I am very impressed with the thoroughness with which the ideas have been reworked and recast and broken apart and put together again in the reworking. The models we see are merely a small physical piece of evidence of the truly deep and caring thought that has gone into the facilities whose prime objective is to provide service for Mr. and Mrs. America who come here and who do not have the dollars to spend on the big luxury hotels and the valet parking services and the expensive meals.

I have had families drive in by car, with three or four little children in the back seat, perspiring in the hot weather in June, July, and August. They come to my office and they are very grateful when we give them and their children a chance to wash up and rest and get a Coke. They ask me where they can buy hotdogs or hamburgers around here and I have to tell them I do not know of any place.

When I think of the money we are spending in the Commerce Department to try to encourage foreign visitors to come here, and when we think of the money spent on the foreign aid programs abroad, I say for once let us spend some money for Mr. and Mrs. America and let them see their own Capital and the monuments and the scenic beauties of this area and let them be proud of their Nation's Capital.

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

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

Mr. GROSS. Mr. Chairman, the gentleman speaks of the high price of hotel rooms in Washington, and they are high. They are high across the country, including Minnesota, if you want to pay for them. But is it proposed to establish hotel and motel facilities over at this proposed Center with bargain basement prices for rooms?

Mr. BLATNIK. No, the bill has no provisions for hotel or motel accommodations. I am saying that the average Mr. and Mrs. America have an awful time when they come to this town and have to cope with the prices in this town. Conventions who come here with all expenses paid can afford it, but the gentleman knows how many of our Midwestern people come here by private car, on a very limited budget. They can get a bite to eat at the Visitors Center, wash up, and rest at very little cost. They can leave their car at the Center, see an orientation film,

and take public transportation to the Capitol, the Lincoln Memorial, and other visitor attractions, and not have to combat the congested traffic or grope their way around strange streets.

This is a little service, but it means a lot to our out-of-town visitors.

Mr. GROSS. If the gentleman will yield further, I do not know what that argument has to do with this bill, because you say you do not intend to provide room facilities in connection with this, so what in the world does that have to do with it? I would not be surprised to find that the Park Service or the Public Works Committee had something to do with closing down one of the best camping spots in the Washington, D.C., area on the Potomac River. Somebody chased the tourists out of these several years ago.

Mr. BLATNIK. We are not providing that kind of tourist facility. But we must do everything we can to encourage Mr. and Mrs. America, who don't have a convention's expense account, to come here to the Nation's Capital, bring their children, and enjoy their stay at minimum expense, in maximum comfort. The Visitor Center will go a long way toward making their stay here meaningful, memorable, and pleasant for them and their children.

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

Mr. GROVER. I yield to the gentleman from Illinois (Mr. GRAY).

Mr. GRAY. Mr. Chairman, I apologize to my colleagues for taking this time, but the gentleman from Kentucky has left two or three impressions which I believe need clearing up.

First of all, more important than this Visitor Center is the credibility of our Committee on Public Works. We have worked on this matter for 8 long years. First, we established a Commission to study the needs of the visitors coming to Washington. Then, in 1967 we passed the original bill. It has been a long, hard time. All throughout the debate, even after President Johnson signed the bill, we have said that the project as it was originally voted in 1967 will not cost the taxpayer any money. We again reiterate that today.

Mr. Chairman, the original project, when passed in 1967, was to accommodate 15 to 20 million visitors. We know that in $3\frac{1}{2}$ short years we will have 40 to 50 million visitors coming here for the bicentennial. So, the President and the Secretary of the Interior, with great foresight, said, "Let us take this project which Congress has voted, and which will not cost the taxpayer any money, and make sure it is going to be adequate."

There is no credibility gap. We are not today saying something different than we said in 1967. We are today saying, "Let us take what we said then and add to it, and make it a project which we can all be proud of, so that we do not have long lines waiting to get into the parking facilities, we do not have long lines waiting to eat in the restaurants, and to get into the other facilities."

Second, the gentleman from Kentucky alluded to this project as a grandiose thing with expensive services. I want to

call to the attention of the Members that the old project in 1967 and the new project in 1973 call for over three-fourths of all the money in here to go for parking, ramps, or related work. I reiterate, parking or related work.

Mr. Chairman, this is the real crux of the visitors' problem now. There is no place to park. Look at the buses lined up at the Library of Congress now. There is no place to park. Look at the cars circling the Smithsonian. Dad drives the car around so that the kids and mom can go in to see a few of the displays.

Mr. Chairman, we need parking. Out of the original \$16 million for the project, \$11 million goes for parking facilities.

Mr. Chairman, I would say to my friend from Kentucky that we are not asking the taxpayers to foot the bill for a big, grandiose project. We are going to construct parking facilities, we are going to build theaters, small theaters that will be inexpensive so that they can see a movie about what there is in this National Capital to see.

So, in summarizing, there is no credibility gap. No. 2, this is a modest project. No. 3, every single dime, my friends, goes to aid your constituents and mine.

The gentleman from Kentucky said that this was a District of Columbia project. This is an All-American project for Illinoisans, Kentuckians, Californians; those people coming here. Look in the galleries. By the thousands they are coming to see the greatest deliberative body in the world, the Congress of the United States, and all the other points of interest.

Mr. Chairman, I say that a vote against this project is a vote against those who sent us here. It is a vote against the convenience of the people who sent us here, against those people who want to come here, see and enjoy their Capital.

Mr. Chairman, I hope the members will vote "aye."

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 National Visitor Center Facilities Act of 1968 (82 Stat. 43), is amended by inserting after subsection (b) in section 102 the following new subsection:

"(c) In addition to the alterations and construction by the company pursuant to subsection (a) of this section, the Secretary is authorized to undertake, directly or by negotiated contract with the company, its successors, agents, and assigns, such alterations and construction, with regard to the Union Station Building and the adjacent parking facility, as he deems necessary to supplement the activities of the company in providing adequate facilities for visitors under the agreements and leases referred to in subsection (a). The Secretary may exercise the authority under this subsection without regard to whether or not title to the Union Station Building or the airspace adjacent thereto is in the United States: Provided, That he shall have entered into an agreement for a lease (but such lease need not have commenced) with the company incorporating the provisions of paragraph (5) of subsection (a) prior to the exercise of the authority under this subsection; And provided further, That not to exceed \$8,680,000 of the funds authorized to be appropriated

in section 109 shall be available for the Secretary to carry out the provisions of this subsection."

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

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

There was no objection.

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

Mr. Chairman, I would like the new Members of the House especially to be aware of the fact that they are being called upon today to pick the pockets of their taxpayers for almost \$9 million for a white elephant that was proudly touted by the gentleman from Illinois (Mr. GRAY) as a project that "will not require one cent of taxpayers' money."

Yes, indeed, on November 27, 1967, the gentleman from Illinois (Mr. GRAY), fronting out for this so-called Visitor Center, stood in this Chamber and solemnly unburdened himself of the following:

We are pleased to announce to the House that the proposal we bring to you today will not require one cent of taxpayers' money in the renovation of Union Station, construction of parking, or the construction of a new railroad passenger station to replace Union Station as a train terminal.

Mr. GRAY. Mr. Chairman, will the gentleman from Iowa yield?

Mr. GROSS. When I get through.

Mr. GRAY. I thank the gentleman.

Mr. GROSS. The gentleman has had ample time.

How the rhetoric can change in this center of fantasy known as Washington, D.C. when the Board of Trade goes to work.

The gentleman from Illinois was not alone. The gentleman from California (Mr. DON H. CLAUSEN) was also present that day, and he, too, was long on promising that it would not cost the Nation's taxpayers anything. He said this:

One of the most gratifying factors about this legislative proposal is that the private sector.

Let me repeat:

The private sector will finance the very substantial portion of the facilities required.

Messrs. GRAY and CLAUSEN were soon joined on that fall day in 1967 by a gentleman from Illinois (Mr. KLUCZYNSKI) who stated flatly and unequivocally that the so-called Visitor Center will come about without cost to the Federal Government and almost guarantees a continuing profit.

Not only a profit, but a continuing profit.

Mr. GRAY was not satisfied with his initial, glowing announcement about the cost, and he arose again to make the statement:

Mr. Chairman, there is no net cost in the way of capital expenditures.

Then Mr. GRAY added:

We are not talking about \$35 million, we are talking about zero expenditures on the part of the Federal Government.

Still another gentleman from Illinois (Mr. ERLBORN) came on strong for this project, saying that:

No Federal funds are involved in the \$19½ million estimated cost for the renovation of the Union Station and the construction of the facilities in the Center, the 4,000 parking-space garage, and the new train and rapid rail station under the garage.

In addition to all the wondrous promises to the House and the Nation's taxpayers that were made on the floor that November day in 1967, the report accompanying the bill had an interesting comment. It said this:

It should be pointed out that under this bill there will be no expenditure of any money—

"Any money," it said—

by the United States until such time as the facilities of the Visitor Center are available for public use.

One cannot make it any more plain than that, but here they are today looking for nearly \$9 million.

Speaking of the report, I want to point out the supplemental views of the gentleman from New Hampshire (Mr. CLEVELAND) who said:

The scheduling of this proposal is regrettable. I hope that consideration of this matter will be deferred until this Nation's difficult fiscal situation has clarified and other more important legislation is scheduled for House action.

I submit, Mr. Chairman, that the difficult fiscal situation of which the gentleman from New Hampshire spoke in 1967 has, indeed, been clarified.

It has become worse, much worse, and this is no time to be adding nearly \$9 million to the load already being borne by the American taxpayer.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. GROSS) has expired.

(By unanimous consent, Mr. GROSS was allowed to proceed for 3 additional minutes.)

Mr. GRAY. Mr. Chairman, I will ask if the gentleman from Iowa (Mr. GROSS) will now yield.

Mr. GROSS. I now yield to the gentleman who made such wonderful promises in 1967. I yield to the gentleman from Illinois (Mr. GRAY).

Mr. GRAY. Mr. Chairman, I thank my friend for yielding.

Let me say that that promise made in 1967 is being fulfilled today. The legislation we have before us today was not requested by the gentleman from Illinois; the legislation was not requested by the gentleman from California (Mr. DON H. CLAUSEN); it was requested by the President of the United States and by your former colleague, the gentleman from Iowa, Mr. Kyl, who now is Assistant Secretary of the Department of Interior. If the gentleman will read the report, he will see his letter verbatim.

Mr. GROSS. Well, the gentleman does not need to quote him to me, because that does not make any particular impression.

Mr. GRAY. Mr. Chairman, I am pointing out how the request came about. The request came from the administration, and they said it is true we are going to get a visitors' center without costing

the taxpayers a dime, and we can live with that, however.

Mr. Chairman, if we want to see long lines down there, and if we want our constituents coming up here and saying, "I waited 2 hours to get a parking place, and then I could not get a hot meal at a restaurant, because it was too overcrowded," then perhaps the gentleman is right.

Mr. GROSS. Mr. Chairman, I heard the gentleman say that a while ago. He has fulfilled his promise by coming here today for \$9 million.

Let me say something else to the gentleman from Illinois (Mr. GRAY). I came to House Chamber early today to get a front row seat, because I thought the gentleman from Illinois would be here to tell us that he was going to recall that bill to provide 8,000 more seats in the Kennedy Stadium that we are going to pay for eventually.

Despite what the gentleman told us, nobody around here is being kidded by the fact the gentleman says we are not going to have to pay for those seats in the end. But now that Joe Danzansky and the other two millionaires have a baseball club coming to town, why the devil not let them pay for those 8,000 seats? Is there anything wrong with those in District of Columbia doing something for themselves once in a while, since they are getting all of the gravy from the tourists? Why should they expect my taxpayers and the taxpayers from southern Illinois—and I doubt if they want any more tax increases down in southern Illinois—to pay for projects of this kind?

Why not let the District of Columbia take care of some of these things. They get all the manna from the tourists.

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

Mr. GROSS. Surely, I yield to the gentleman from Illinois (Mr. GRAY).

Mr. GRAY. Mr. Chairman, that is exactly what we are doing with the 8,000 seats; we are letting the sports fans pay for them. There is not a dime of taxpayers' money involved.

Mr. GROSS. Mr. Chairman, that will be the day. The gentleman is back with a request for \$9 million more on this project, and this is just a foot in the door.

I say to the Members of the House, Republicans and Democrats alike, that this is a foot in the door, and the gentleman from Illinois (Mr. GRAY) will be back for more. He said he was not coming in for more money in 1967; yet he is here today asking for \$9 million.

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

Mr. GROSS. Of course, I yield to the gentleman from Illinois, if I have time remaining.

Mr. GRAY. I have a joke for you.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. GROSS) has expired.

Mr. GROSS. Mr. Chairman, I did not understand the gentleman.

Mr. GRAY. I have a joke for you, if the gentleman can get unanimous consent to proceed further.

Mr. GROSS. Mr. Chairman, I ask

unanimous consent to proceed for 1 additional minute.

I do not know whether the joke is going to be on the gentleman from Illinois or the gentleman from Iowa. I think he has already played a joke on us with this bill.

(By unanimous consent, Mr. GROSS was allowed to proceed for 1 additional minute.)

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

Mr. GROSS. I yield to the gentleman from Illinois (Mr. GRAY).

Mr. GRAY. Mr. Chairman, here is the story:

There was an old maid riding on a train when all of a sudden they went into a dark tunnel, and in the tunnel a man leaned over and kissed her.

When they reached the end of the tunnel and came into the light, he was a little embarrassed, so he struck up a conversation. He said, "Say, do you know that tunnel we just went through cost over a million dollars?"

The old maid said, "It was worth every penny of it."

I guarantee that this project is going to be worth every penny it costs the taxpayers.

Mr. GROSS. Mr. Chairman, it appears this has now been turned into a sex bill.

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

Mr. GROSS. I yield to the gentleman from Kentucky (Mr. SNYDER).

Mr. SNYDER. And we are getting "kissed" today.

Mr. Chairman—

The CHAIRMAN. The time of the gentleman from Iowa (Mr. GROSS) has expired.

AMENDMENT OFFERED BY MR. SNYDER

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

The Clerk read as follows:

Amendment offered by Mr. SNYDER: On line 8, after "directly" insert "by competitive bidding".

Line 8, after "or" insert ", if he deems it to be in the best interest of the United States,".

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

Mr. SNYDER. I yield to the gentleman.

Mr. GRAY. We have examined the amendment. It allows a competitive and negotiated bid consistent with the Secretary's wishes. We are prepared to accept the amendment, because we think it will improve the bill.

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

Mr. SNYDER. I yield to the gentleman.

Mr. GROVER. The minority concurs.

Mr. SNYDER. Thank you.

I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. SNYDER).

The amendment was agreed to.

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

Mr. Chairman, it was not intention to participate in this debate, since I know that the committee has given it enough attention, but the gentleman

from Iowa in the process of using some time a moment ago made reference to three very distinguished Members of the Illinois delegation, Mr. GRAY, Mr. KLUCZYNSKI, and Mr. ERLBORN, and State pride requires that I rally to their support.

As I understand the situation, this Visitor Center, as the gentleman from New York pointed out, will be serving all of our constituents from all of the 50 States. When we break it down on a per capita basis, it is not exorbitant in cost. I say to the gentleman from Iowa \$9 million seems like a staggering sum, but I am sure that if we can arrange with the leaders of the DSG to drop some of their wild-eyed spending schemes and save \$9 million in that fashion, we can properly spend it on the Visitor Center.

Quite frankly, I think it is a shame that our Nation's Capital has not more adequately served the visitors to it in the past. This development is long, long overdue.

I look upon it as a very practical and timely investment. It is in the best interests of all of our constituents in the country.

The language that the gentleman from Kentucky just added to the bill makes that point. I think this bill will represent as fine an investment in an understanding of our Nation's Capital and therefore the history of our country as we can make, and give our constituents an appreciation of the greatness of this city and our land. I look upon it in a positive light. I do not think this is a place to wage a battle for economy.

I commend the gentleman from Illinois (Mr. GRAY), and the other members of the committee for bringing forth this piece of legislation.

Mr. CONABLE. Will the gentleman yield?

Mr. DERWINSKI. I am glad to yield to the gentleman.

Mr. CONABLE. I would like to associate myself with the remarks of the gentleman in the well even though he is from Illinois.

Mr. DERWINSKI. In Illinois we have been known to rise when the occasion really demands it, and I am sure the gentleman recognizes that even though he comes from a State which I thought should have been cut off and left adrift in the ocean way back in 1964.

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

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

I would like to attest firsthand to the possibility which exists in the type of structures we have at Union Station. In Chattanooga, Tenn., we have an old massive terminal referred to as the terminal station of Chattanooga for many years. I had the opportunity to be in the terminal station last week. Incidentally, it contains the largest masonry arch in the world, so you can visualize the type of structure we have there. It has been beautifully restored and decorated and can now accommodate as a commercial enterprise 1,400 persons who can dine there in rooms which can be separated for meeting purposes. There are beautiful gardens in the rear where tracks once

came up to the platform. There are old railroad cars for youngsters to view who have never had the opportunity of riding a passenger train.

We have spent \$2 million in private funds there for an enterprise which is referred to as the Chattanooga Choo-Choo.

I will say to you that this project can well be worth any amount of money which we put into it if we spend it prudently for the comfort and accommodation of the visitors who come to Washington, D.C.

Mr. Chairman, I certainly appreciate and support the work that the chairman of the committee and the ranking member, the gentleman from New York (Mr. GROVER) have done.

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

Mr. BAKER. I yield to the distinguished gentleman from Illinois.

Mr. GRAY. Mr. Chairman, I want to thank our distinguished colleague, the gentleman from Tennessee (Mr. BAKER) who serves so well on our committee, for his statement, and for the contributions that the gentleman has made as a member of the Committee on Public Works, and to say that he is a very valuable member of that committee.

Mr. BAKER. I thank the gentleman for his remarks.

AMENDMENT OFFERED BY MR. GROSS

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

The Clerk read as follows:

Amendment offered by Mr. Gross: On page 2, strike all of lines 4 through 15 and insert the following:

"(a). The Secretary shall exercise the authority under this subsection only if title to the Union Station Building and the airspace adjacent thereto is vested in the United States."

Mr. GROSS. Mr. Chairman I do not know whether the gentleman is still in the room—but I am not at all surprised at the remarks made by the gentleman from Illinois (Mr. DERWINSKI) when the gentleman remarked that this was only \$9 million, just a little dribble of the public's cash. I guess that trip he made to the United Nations as Ambassador really made a change in the gentleman. He has never been quite the same since.

I do not know how many coal miners in southern Illinois or the central part of Illinois, if there are any up there in the region of Chicago, it takes, paying the average income tax to put together \$9 million. It would be interesting to know, would it not? Does anyone have any idea?

I see the gentleman from Illinois is here. I am glad to note the gentleman's presence. Could the gentleman from Illinois enlighten me on that subject as to how many of the gentleman's taxpayers it takes, paying the average Federal income tax, to put together \$9 million, since it is such an infinitesimal amount of money?

Mr. DERWINSKI. Mr. Chairman, if the gentleman will yield, I understand that it is 3.5 cents, based on the normal congressional population.

But I may say to the gentleman from Iowa that my concern for my constitu-

ents also stems from the fact that many of them come into my office and complain about the problems that they face as tourists, and they especially grumble about the necessity on their part to direct lost constituents from Waterloo, Iowa.

Mr. GROSS. Mr. Chairman, I wonder if the gentleman from Illinois would support an amendment to the bill providing for cutting our contribution to the gentleman's favorite charity, the United Nations, to cut our contributions some \$9 million?

The last time on that, as I recall, the gentleman from Illinois was not about to tolerate any cut in the United States contribution from the taxpayers of this country, to that wonderful windbag known as the United Nations.

Mr. DERWINSKI. If the gentleman from Iowa will yield further, I am pleased to advise the gentleman from Iowa that the Secretary-General of the United Nations has no objection to this bill.

Mr. GROSS. I am not at all surprised when the gentleman said \$9 million was a mere drop in the bucket, and I gained from that that the gentleman is probably prepared to spend \$9 or \$10 or \$15 or \$20 million on this white elephant.

Mr. Chairman, the amendment that I have offered would strike the language on page 2, lines 4 through 15. I just happen to think that before we go any further with this thing we ought to have title to some of the property that we are putting money into. That is what this amendment does. Further, it takes out the \$8 million, wipes that out. After we have some kind of title to some part of the property so that we have some equity for what we put in it, then the gentleman from Illinois can come back and submit his bill for the \$8.6 million and some odd dollars in this bill. That is all the amendment does. It is simple, and it is in the interest of the taxpayers.

Now, I suspect that the Members will vote that down, too.

Mr. GRAY. Mr. Chairman, of necessity I rise in opposition to the amendment. If my memory serves me correctly, back in 1967 in colloquy we had here on the floor, the gentleman wanted assurances that we were not buying Union Station. Here today he is saying, Do not pay anything without coming back with a title.

Mr. GROSS. We should not put any money in it without a title; that is why.

Mr. GRAY. We already have a commitment for \$16 million. A contract has been awarded, so we are a little bit beyond that stage. The gentleman is saying, Come back here with a title to Union Station. In 25 years, without putting out a cent, the taxpayers of this country will own Union Station and all the land and the parking facility, and all they will be out will be \$3½ million per year. We have an option to buy in advance, but I do not think we want to put up \$19½ million cash to buy that station. We want to lease it.

The gentleman's amendment would simply say: Go pay for it now, and come back with a title, and that would mean \$19½ million of taxpayers' dollars and expenditures versus a modest \$8.6 million

in this bill. So I think the gentleman's amendment would do serious damage to the project and cause us to have to bust the budget, as it were, for \$19½ million, so I ask for a "no" vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. Gross).

The amendment was rejected.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 16, add the following:

Sec. 2. The National Visitor Center Facilities Act of 1968 (82 Stat. 43) is amended by revising section 104 to read as follows:

"Sec. 104. The Secretary is directed to utilize the authority under the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented (16 U.S.C. 1 et seq.), to provide interpretive transportation services between or in Federal areas within the District of Columbia and environs, including, but not limited to, transportation of visitors on, among, and between the Mall, the Ellipse, the National Visitor Center, John F. Kennedy Center for the Performing Arts, and East and West Potomac Park, and such other visitor facilities as may be established pursuant to this Act, and, with the concurrence of the Architect of the Capitol, to provide such services on, among, and between such areas and the United States Capitol Grounds. The Secretary shall determine that such services are desirable to facilitate visitation and to insure proper management and protection of such areas. Such interpretive transportation services shall, notwithstanding any other provision of law to the contrary, be deemed transportation by the United States and shall be under the sole and exclusive charge and control of the Secretary."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. EVANS of Colorado, 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. 5857) to amend the National Visitor Center Facilities Act of 1968, and for other purposes, pursuant to House Resolution 405, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

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

Mr. GROSS. 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 288, nays 75, not voting 69, as follows:

[Roll No. 166]

YEAS—288

| | | |
|-----------------|-----------------|----------------|
| Abdnor | Ford, | Mink |
| Abzug | William D. | Mitchell, N.Y. |
| Addabbo | Forsythe | Mizell |
| Anderson, | Frelinghuysen | Moakley |
| Calif. | Frenzel | Moorhead, Pa. |
| Anderson, Ill. | Frey | Morgan |
| Andrews, N.C. | Fröehlich | Moss |
| Andrews, | Fulton | Murphy, Ill. |
| N. Dak. | Gaydos | Natcher |
| Ashley | Gettys | Nelsen |
| Aspin | Gialmo | Nichols |
| Bafalis | Gibbons | Nix |
| Baker | Ginn | Obeys |
| Barrett | Gonzalez | O'Hara |
| Bell | Grasso | Parris |
| Bergland | Gray | Patman |
| Bevill | Green, Oreg. | Patten |
| Bieber | Green, Pa. | Pepper |
| Bingham | Griffiths | Perkins |
| Blackburn | Grover | Pettis |
| Blatnik | Gude | Peyser |
| Boggs | Guyer | Pickle |
| Boland | Hamilton | Pike |
| Bolling | Hammer- | Podell |
| Bowen | schmidt | Preyer |
| Brademas | Hanley | Pritchard |
| Brasco | Hanna | Quile |
| Breaux | Hanrahan | Quillen |
| Breckinridge | Hansen, Idaho | Rees |
| Brooks | Hansen, Wash. | Regula |
| Broomfield | Harrington | Reuss |
| Brotzman | Harvey | Rhodes |
| Brown, Calif. | Hastings | Riegle |
| Brown, Ohio | Hays | Rinaldo |
| Broyhill, Va. | Hechler, W. Va. | Roberts |
| Buchanan | Heckler, Mass. | Robinson, Va. |
| Burgener | Heinz | Robison, N.Y. |
| Burke, Fla. | Helstoski | Rodino |
| Burleson, Tex. | Henderson | Roe |
| Burlison, Mo. | Hicks | Rogers |
| Burton | Hillis | Roncallo, Wyo. |
| Butler | Hogan | Roncallo, N.Y. |
| Byron | Holifield | Rooney, Pa. |
| Carey, N.Y. | Holt | Rose |
| Casey, Tex. | Holtzman | Rosenthal |
| Cederberg | Horton | Roush |
| Chamberlain | Hosmer | Rousselot |
| Chappell | Howard | Roybal |
| Chisholm | Huber | Ruppe |
| Clark | Hungate | Ruth |
| Clausen, | Johnson, Calif. | Ryan |
| Don H. | Johnson, Colo. | St Germain |
| Clay | Johnson, Pa. | Sarasin |
| Cochran | Jones, Ala. | Sarbanes |
| Cohen | Jones, N.C. | Saylor |
| Conable | Jones, Tenn. | Sebelius |
| Conte | Jordan | Shipley |
| Corman | Karth | Shoup |
| Culver | Kazen | Shriver |
| Daniel, Robert | Keating | Shuster |
| W. J. | Kluczynski | Sikes |
| Daniels, | Koch | Sisk |
| Dominick V. | Kyros | Skubitz |
| Danielson | Lehman | Slack |
| Davis, Wis. | Lent | Smith, Iowa |
| de la Garza | Litton | Smith, N.Y. |
| Delaney | Long, La. | Staggers |
| Dellenback | McClory | Stanton, |
| Dellums | McDade | J. William |
| Denholm | McEwen | Stanton, |
| Dent | McFall | James V. |
| Derwinski | McKay | Stark |
| Donohue | McKinney | Steed |
| Dorn | Macdonald | Steele |
| Downing | Madden | Steiger, Wis. |
| Dulski | Madigan | Stephens |
| Duncan | Mahon | Stokes |
| du Pont | Mailliard | Stubblefield |
| Eckhardt | Mallory | Studds |
| Edwards, Ala. | Mann | Symington |
| Edwards, Calif. | Maraziti | Talcott |
| Ellberg | Mathias, Calif. | Taylor, Mo. |
| Erlenborn | Matsunaga | Taylor, N.C. |
| Eshleman | Mazzoli | Thompson, N.J. |
| Evans, Colo. | Meeds | Thomson, Wis. |
| Fascell | Melcher | Thornton |
| Findley | Metcalfe | Tiernan |
| Fish | Mezvisky | Udall |
| Flood | Miller | Ullman |
| Flowers | Mills, Ark. | Van Deerlin |
| Foley | Minish | Vander Jagt |

| | | |
|------------|-------------|-------------|
| Veysey | Williams | Wyllie |
| Waggonner | Wilson, Bob | Yates |
| Walsh | Wilson, | Yatron |
| Wampler | Charles H., | Young, S.C. |
| Ware | Calif. | Young, Tex. |
| Whalen | Wolf | Zablocki |
| Whitehurst | Wright | Zion |
| Whitten | Wyatt | Zwach |
| Widnall | Wydler | |

NAYS—75

| | | |
|--------------|---------------|----------------|
| Alexander | Hinshaw | O'Brien |
| Archer | Hudnut | Passman |
| Armstrong | Hutchinson | Poage |
| Ashbrook | Jarman | Price, Tex. |
| Beard | Jones, Okla. | Rangel |
| Bennett | Kemp | Runnels |
| Brinkley | Ketchum | Satterfield |
| Brown, Mich. | King | Scherle |
| Clancy | Kuykendall | Schneebeli |
| Clawson, Del | Landgrebe | Schroeder |
| Cleveland | Latta | Snyder |
| Collins | Long, Md. | Steelman |
| Conlan | Lott | Steiger, Ariz. |
| Conyers | Lujan | Symms |
| Crane | McCollister | Teague, Calif. |
| Daniel, Dan | McSpadden | Thone |
| Davis, S.C. | Martin, Nebr. | Towell, Nev. |
| Dennis | Martin, N.C. | Treen |
| Devine | Mathis, Ga. | Vanik |
| Drinan | Mayne | Vigorito |
| Fountain | Mitchell, Md. | Wyman |
| Gilman | Montgomery | Young, Alaska |
| Goodling | Moorhead, | Young, Fla. |
| Gross | Calif. | Young, Ga. |
| Gunter | Mosher | |
| Haley | Myers | |

NOT VOTING—69

| | | |
|----------------|-----------------|---------------|
| Adams | Ford, Gerald R. | Price, Ill. |
| Annunzio | Fraser | Railsback |
| Arends | Fuqua | Randall |
| Badillo | Goldwater | Rarick |
| Biaggi | Gubser | Reid |
| Bray | Harsha | Rooney, N.Y. |
| Broyhill, N.C. | Hawkins | Rostenkowski |
| Burke, Calif. | Hébert | Roy |
| Burke, Mass. | Hunt | Sandman |
| Camp | Ichord | Seiberling |
| Carney, Ohio | Kastenmeier | Spence |
| Carter | Landrum | Stratton |
| Collier | Leggett | Stuckey |
| Cotter | McCloskey | Sullivan |
| Coughlin | McCormack | Teague, Tex. |
| Cronin | Michel | Waldie |
| Davis, Ga. | Milford | White |
| Dickinson | Minshall, Ohio | Wiggins |
| Diggs | Mollohan | Wilson, |
| Dingell | Murphy, N.Y. | Charles, Tex. |
| Esch | Nedzi | Winn |
| Evins, Tenn. | O'Neill | Young, Ill. |
| Fisher | Owens | |
| Flynt | Powell, Ohio | |

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Annunzio for, with Mr. Rarick against.
Mr. O'Neill for, with Mr. Winn against.
Mrs. Burke of California for, with Mr. Spence against.

Mr. Esch for, with Mr. Powell of Ohio against.

Mr. Hébert for, with Mr. Michel against.
Mr. Rostenkowski for, with Mr. Hunt against.

Mr. Fraser for, with Mr. Bray against.
Mr. Hawkins for, with Mr. Cronin against.
Mr. Kastenmeier for, with Mr. Sandman against.

Mr. McCormack for, with Mr. Camp against.

Mr. Mollohan for, with Mr. Carter against.

Until further notice:

Mr. Murphy of New York with Mr. Gerald R. Ford.

Mr. Rooney of New York with Mr. Arends.
Mr. Fuqua with Mr. Broyhill of North Carolina.

Mr. Teague of Texas with Mr. Young of Illinois.

Mr. Cotter with Mr. Coughlin.
Mr. Davis of Georgia with Mr. Dickinson.

Mr. Waldie with Mr. Goldwater.
Mr. Charles Wilson of Texas with Mr. Wiggins.

Mr. Nedzi with Mr. Railsback.
Mr. Leggett with Mr. Gubser.
Mr. Diggs with Mr. Carney of Ohio.
Mr. Dingell with Mr. Badillo.
Mr. Flynt with Mr. Blaggi.
Mr. Randall with Mr. McCloskey.
Mr. Burke of Massachusetts with Mr. Collier.

Mr. Adams with Mr. Evins of Tennessee.

Mr. Milford with Mr. Fisher.
Mr. Ichord with Mr. Landrum.
Mr. Owens with Mr. Seiberling.
Mr. Reid with Mr. Stratton.
Mr. Roy with Mr. Stuckey.
Mrs. Sullivan with Mr. White.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BURKE of Massachusetts. Mr. Speaker, on Rollcall No. 166 I was inadvertently detained at the House Ways and Means Committee hearing on trade legislation. Had I been present I would have voted "yea."

PERSONAL EXPLANATION

Mr. BRECKINRIDGE. Mr. Speaker, I was on the House floor on Tuesday, May 22, when H.R. 7200 came up for a vote. I voted for it, although I had reservations about title II relating to interstate and intrastate rates. However, for some reason the computer failed to register my vote.

GENERAL LEAVE

Mr. GRAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

JOHN F. KENNEDY CENTER MAINTENANCE FUNDS

Mr. GRAY. 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. 5858) authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

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

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. 5858, with Mr. EVANS of Colorado 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 Illinois (Mr. GRAY)

will be recognized for 30 minutes, and the gentleman from New York (Mr. GROVER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. GRAY. Mr. Chairman, H.R. 5858 is a simple extension of an already existing law, the John F. Kennedy Center Act, to provide maintenance, security, information, interpretation, janitorial and all other services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts. This work is now being performed by the National Park Service; however, last year many Members expressed their wish that the authorization be for only 1 year. Therefore, the authority for the National Park Service to police and maintain the nonperforming arts functions at the JFK Center expires June 30, 1973. The bill before you would merely extend this authorization for 3 additional years. Our committee felt it inadvisable to give an open-ended authorization we would have some control over this important project, hence the 3-year authorization. The funds to pay for these services are in the President's budget and the Appropriations Committee is waiting for this authorization before they can mark up the \$2.4 million requested for this purpose.

Mr. Chairman, the Kennedy Center is the second highest visitation point in Washington. More than 25 thousand persons per day are going through the Center. This is exclusive of those attending the performing arts functions in the evening. We are treating this memorial to President Kennedy exactly in the same manner we are treating the other memorials in Washington such as the Washington Monument, Jefferson Memorial, Lincoln Memorial, et cetera. I strongly encourage my colleagues to support this bill requested by the administration.

We are treating this memorial to President Kennedy in exactly the same manner as we are treating the other memorials in Washington, such as the Washington Monument, the Jefferson Memorial, the Lincoln Memorial, et cetera.

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

Mr. Chairman, I rise in support of H.R. 5858, a bill authorizing appropriations for the National Park Service to carry out the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts. This bill, limited to 3 fiscal years, would authorize approximately \$2.4 million in fiscal year 1974, \$2.5 million in fiscal year 1975, and \$2.6 million in fiscal year 1976. The administration has requested this action. The appropriation would be a line-item request, so the Park Service will respond to annual congressional appropriation oversight.

Mr. Chairman, I concur in the remarks of my colleague, the gentleman from Illinois (Mr. GRAY), in his presentation of the basics of this legislation.

I had some reservations about the legislation in its conception some years ago, although I did support it. I can see now the productivity of the Center. The separation of the maintenance and the

security functions from the nonperforming and the performing arts functions, I think, is a satisfactory arrangement.

Mr. Chairman, I might say that the gentleman informed us that there were some 24,000 visitors a day. In April alone there were 254,652 visitors, in a short month, who went through the Kennedy Center. It is anticipated that this will increase, and the coordinators of the Kennedy Center will provide fine services for visitors.

In addition to that, I would like to point out that there are many special functions. For example, during the past year as many as 74,000 schoolchildren have attended daytime concerts at the Kennedy Center.

We expect this figure of visitors will rise to as many as two and one-half million visitors per year in the Kennedy Center. I think for the amount of money involved, when we consider that we had the construction and improvements made to the National Zoological Park to accommodate the pandas and other denizens of the jungle for over \$4 million, I think we have a good bargain here.

This bill would not allow any money to be spent on the performing arts functions at the Kennedy Center, and it would not allow any money to be spent on the building construction per se, but will allow money to be spent for security and maintenance of keeping the building open to the general public during daylight hours as a national monument.

Last year, Congress passed the Public Buildings Act of 1972, Public Law 92-313, which contained a 1-year authorization for the National Park Service to carry out the nonperforming arts functions of the John F. Kennedy Center. This national memorial to our late President, just as other memorials, required maintenance and protection. We feel that the National Park Service, since it has jurisdiction over the Washington Monument, the Jefferson Memorial, the Lincoln Memorial, and all other national monuments throughout this city and country, should be the custodian of this monument to the late President Kennedy. Since they have given exemplary service to other monuments, it should be the proper role of the Park Service to include the Kennedy Center in its jurisdiction. The Secretary of the Interior entered into an agreement with the board of trustees for these purposes. The experience has been successful.

The center is currently worth over \$70 million and visitation to the center surpassed 2.5 million visits last fiscal year, second only to the Capitol.

During the month of April alone, the Park Service estimates visitor count at 254,652—this does not include the thousands of theatergoers, nor does the figure cited above. As an example of the center's multipurpose aspect, approximately 26,000 people participated in inaugural activities during the 3-day period from January 18, through January 20.

When the center first opened, minor vandalism, or "souvenirism" left holes in the carpet and drapes, and resulted in many bathroom fixtures and doorknobs missing. The center needs additional minor repairs from time to time, all of which requires maintenance men. The

Department of Interior predicts that 80 employees would be required, including guards, Park Police officers, engineers, carpenters, plasterers, and the like.

The Kennedy Center board of trustees favor continuing this arrangement. The board will continue to reimburse the Interior Department of maintenance needs in connection with the performing arts functions.

I urge the enactment of this bill.

Mr. GRAY. Mr. Chairman, I yield such time as he may consume to our distinguished chairman, the gentleman from Minnesota (Mr. BLATNIK).

Mr. BLATNIK. Mr. Chairman, I rise in support of H.R. 5858. This legislation authorizes the Secretary of the Interior to continue for another 3 years the maintenance and other essential services that are involved in the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts.

A year ago, we authorized appropriations for this purpose for a term of only 1 year, fiscal year 1973, so that our Public Works Committee would be able to review the operation before granting a more extended authorization. We found this to be a very workable arrangement; it enabled us to take a good, long look at the operation and to familiarize ourselves with the necessary services—such things, in addition to maintenance, as security, information for visitors, guided tours, and interpreters for visitors from foreign lands. These are basically the same services provided for all other monuments here in the Nation's Capital, and I believe they are justified for the nonperforming arts activities of the Kennedy Center. The center, I am told, has become one of the most popular attractions in Washington, second only to the U.S. Capitol. About 2.5 million people come to visit the center each year—not counting those who attend the various performances staged there—and during the past year 74,000 school children attended daytime concerts there under the sponsorship of a number of arts organizations in the District of Columbia.

Mr. Chairman, this legislation is clearly in the national interest; it will enable us to maintain the center as a fitting memorial for millions of Americans and for visitors from all parts of the world. I urge passage of H.R. 5858.

Mr. GROVER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, I suppose I have been around here too long, because I well remember the start of this venture.

This one, too, was not supposed to cost the Federal Government any money. It started out as a plain cultural center to be built and maintained by private contributions and fell flat on its collective face. So Congress got into it, thanks to the Committee on Public Works and others, and the country's taxpayers now have close to \$50 million invested in the cultural center. In the meantime it was named the Kennedy Cultural Center following the death of President Kennedy, and again it fell flat on its financial face. The money still could not be raised by

popular subscription. So there is now close to \$50 million invested drained from the taxpayers and dumped into this so-called cultural center.

And the taxpayers of the country are apparently going to be called upon from now on until this thing folds to put up anywhere from \$2.4, \$2.5, and \$2.6 millions for the next 3 fiscal years, as I understand the report. And for what? For the hiring of building engineers, carpenters, plasterers, painters, gardeners, plumbers, electricians, and others.

I do not know whether, like the visitor center, Federal funds will be approved for baby sitters and interpreters before they get through. It will not surprise me if they get into that and thus increase the cost to the taxpayers.

In other words, there is to be 15 man years of seasonal personnel, whatever that means. I would like to hear some explanation as to why, for instance, the taxpayers of this country should be paying for gardeners. Moreover, this money is being turned over to the Department of the Interior which couldn't even manage the Bureau of Indian Affairs building last fall, and I doubt that they can do a better job with the cultural center.

Additionally, I seriously question financing this deal for 3 fiscal years. Why not limit it to 1 fiscal year and take a look at what has happened after spending \$2.4 million. Let's see how well the Department of the Interior handles this thing.

Mr. Chairman, I intend to offer an amendment to limit it to 1 fiscal year and cut the appropriation.

But I do not know why we should be contributing to this cultural center at all. I would hope somebody would provide a reasonable answer as to why we have to do that for the nonperforming arts. There is no way you can separate the nonperforming arts from the so-called performing arts in terms of the expenditure of this Federal money. But here we go again with a deal that was not supposed to cost the Government anything.

As a matter of fact, I have a newspaper clipping—I save things—and this clipping is getting a little on the yellow side. It is dated the 6th month, the 4th day of 1969, and it is from the Washington Star. It reads as follows:

The House Public Works Committee gave its approval today to the spending of \$20 million in added funds for the John F. Kennedy Center for the Performing Arts.

But in reporting out a bill by a vote of 22 to 6 to authorize the government's portion of the additional spending, the committee put the Center on notice that "this is it" for the Federal Government's financial participation.

So, here we go again, \$2.4 million in the next fiscal year, \$2.5 million in the 1975 fiscal year, and then \$2.6 million in the 1976 fiscal year, and the Lord only knows whether it will be in orbit in the 1977 fiscal year, or where it will be.

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

Mr. GRAY. Mr. Chairman, I yield myself 1 minute in order to answer the inquiries of the gentleman from Iowa (Mr. GROSS).

What the gentleman from Iowa is referring to was for more construction money. The gentleman from Iowa is talking about constructing the facilities that were completed.

This money, as I am sure the gentleman from Iowa knows, is needed for maintenance and security, and we are treating this monument the same as we treat the Smithsonian, the same as we treat the Washington Monument, the Lincoln Memorial, and the Jefferson Memorial. There is no construction requested in this bill.

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

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

Mr. GROSS. Mr. Chairman, I submit that the news story on this subject says nothing about construction. "This is it," it says.

Mr. GRAY. We were talking about construction at that time and if the gentleman from Iowa will read further on in that article he will see where that was for parking facilities, and that money is being repaid. That parking lot is filled every night, and the bonds should all be on schedule, and that money will be re-couped to the taxpayers.

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

Mr. GRAY. I will be delighted to yield to the gentleman from Iowa.

Mr. GROSS. How much of a cut is the ITT parking outfit, that famous ITT, how much of a cut are they taking out of it? How much does it get?

Mr. GRAY. In response to the gentleman from Iowa let me say that I have no idea what the percentage is. Our committee is not responsible for the operation of the performing arts functions at the facility.

Mr. GROSS. Will the gentleman yield further?

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

Mr. GROSS. That outfit is so flat on its face over there that it turned back the seats in the place, did they not, and they are now leasing them and paying a premium for that leasing?

Mr. GRAY. Is the gentleman from Iowa referring to the Kennedy Center itself?

Mr. GROSS. That is correct.

Mr. GRAY. Oh, no; it had over \$500,000 net profit the last fiscal year.

Mr. GROSS. I do not believe that is quite right.

Mr. GRAY. It is. The Center itself is paying for the performing arts because from these functions \$588,000 is being paid to the Center from the evening performances through the performing arts functions as they relate to police and maintenance costs.

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

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

Mr. Chairman, what we are talking about here is the daytime functions of the Center, that of keeping it open for the gentleman's constituents and my constituents, those who want to go there and visit the monument part, the nonperforming arts part.

Mr. GROSS. If the gentleman will yield further, all I am trying to say—and I will get those figures when I get back up there, and when I get some time under the 5-minute rule I will give them to the House, as best I can. But all I am trying to say is that if they were practicing good management in this cultural center they would have some money to do so, and without taking the money from the taxpayers of our country, and all of them. And a lot of them will never see this cultural center, and never will want to see it; they do not want to see it, but they are being hooked, they are being hooked to pay for it.

Mr. GRAY. Mr. Chairman, I think that my distinguished friend, the gentleman from Iowa (Mr. GROSS) is a little bit confused as to what we are doing here. We are not asking the taxpayers to pay 1 cent for the performing arts functions of the John F. Kennedy Center, the Center is paying it themselves, their light bills, their police costs, and their maintenance bills. What this authorization is for is to take care of our constituents, and if it were not for these tourists they would not be requesting these funds because the evening performances, starting at 8 o'clock, take care of their own expenses, and they would not have to have the police there in the daytime, and they would not have to have guards and maintenance men there in the daytime. They are doing it because 25,000 constituents are going down there and knocking at the door, and wanting to learn about this monument to President Kennedy.

The gentleman is commingling the two arguments of the performing arts with the nonperforming arts.

Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. THOMPSON).

Mr. THOMPSON of New Jersey. Mr. Chairman, I might say to my distinguished friend, the gentleman from Iowa, that it is a fact that he is apparently confused between the two functions of the Center. Three of the Members of the House who are trustees are in the Chamber: Mr. RONCALIO, Mr. FRELINGHUYSEN, and myself. Within the last 3 weeks we had a board meeting. I can attest to the fact that it was shown in our accounts—board meetings are very well attended—that the performing arts function of the Center has been spectacularly and unexpectedly, I might say, successful. It has had a net profit in excess of \$500,000.

I happen to be the original author of the legislation, and, with the senior Senator from Arkansas, the cosponsor of the legislation which made it the memorial to the late President Kennedy. We never expected ever that it would become the second greatest tourist attraction in the Nation's Capital. One need only go down to the Center each and every morning to see virtually innumerable buses of schoolchildren from the nearby communities within striking distance or driving distance going through.

As a matter of fact, following the last board meeting, the gentleman from Wyoming (Mr. RONCALIO) and I were headed back toward the Capitol when we saw not less than eight buses of young-

sters unloading to tour the memorial to President Kennedy.

The fact is that we never anticipated the actual wear and tear on the building. The volume of traffic is so heavy that the carpets have all had to be replaced in the Great Hall not less than twice, I believe. It is a spectacularly successful memorial. The moneys which this legislation called for are not in any sense at all to pay for a deficit for either parking or the performing arts. It is simply a matter of policing, a matter of guiding, and, incidentally, we have mostly volunteer guides. With respect to the gardeners, less gardening is done there than there is in the approach to the Pentagon. I suppose we could employ goats or other livestock, or sheep, to trim the grass, but we do not have that much grass. Certainly the place has to be kept up. It is a memorial.

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

Mr. THOMPSON of New Jersey. I yield to the gentleman from Iowa.

Mr. GROSS. That is the thing that is incomprehensible to me. This is a part of the maintenance of the place at which the performing arts can perform; is that not true? What do the plasterers plaster, and what do the electricians wire, and what do the gardeners garden if they do not contribute to the upkeep of the place; will the gentleman tell me?

Mr. THOMPSON of New Jersey. Unhappily, the police force was inadequate to begin with, and there has been a considerable amount of damage done to the building by tourists.

The plasterers, I assure the gentleman, are not plastered but are plastering. The gardeners are gardening. The guards are guarding. We cannot have a stream of thousands of people a day going through a national memorial without it being policed and protected.

Yes, indeed, in the evenings there are very few tourists, although they are not excluded. Tourists are not excluded at any time, but the fact is that during the day largely there are not performances except for occasional matinees. The Eisenhower Theater and the Concert Hall and the Opera Hall are nearly 100 percent utilized. There is more utilization of the performing arts part of the Kennedy Center than in any other theater in the United States today.

Not only that, but also youngsters who would otherwise never see a live performance are given the opportunity to do so through the voluntary contributions of the friends of the Kennedy Center. What I am saying in short is that we have two separate factors here. One is the performing arts, which is self-sustaining along with the garage; and second there is the memorial aspect of it which must be kept open for the public since it is as a nation's memorial to the late President and must be maintained as a national monument.

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

Mr. THOMPSON of New Jersey. I yield to the gentleman from California.

Mr. TEAGUE of California. Mr. Chairman, I understand the distinction the gentleman is making. I wonder if he or the gentleman from Illinois (Mr. GRAY)

has any information on the maintenance cost of the Lincoln Memorial and the Jefferson Memorial and the Washington Monument.

Mr. GRAY. Mr. Chairman, if the gentleman will yield, yes. We must remember this is a much larger facility than the others the gentleman from California mentions, but last year it cost \$631,900 to maintain the Washington Monument; it cost \$391,300 to maintain the Lincoln Memorial; and it cost \$341,000 to maintain the Jefferson Memorial. These are just outdoor monuments. There is another one which we should consider, which is a shocker. Last year we appropriated \$56,438,000 in guard and information services for the Smithsonian.

Mr. TEAGUE of California. That is \$56 million?

Mr. GRAY. That is \$56 million for the Smithsonian. Apparently \$2.4 million we are asking for the Kennedy Center would indicate there is no disparity here in any sense.

Mr. THOMPSON of New Jersey. Mr. Chairman, I thank the gentleman very much.

I urge the passage of this meritorious legislation.

Mr. GROVER. Mr. Chairman, I yield myself 1 minute.

I wish to stress the fact that the Smithsonian Institution's \$56 million was for salaries and expenses, and the appropriation for the total for the Smithsonian complex was \$78,805,000.

Mr. GRAY. Mr. Chairman, if the gentleman will yield, I am glad the gentleman brought that out. I was only talking about the expenses for salaries out of the \$78 million total, and \$9 million is just to set up museum programs each year. That is, they put up displays and different types of museum programs such as the Folk Festival and other things they have on the Mall. So I think we can say that \$2.4 million is not being extravagant in any sense for the Kennedy Center.

Mr. GROVER. I would repeat in contrast that for the Zoo and the Zoological Gardens then are appropriated more than \$4 million.

Mr. GRAY. That is correct.

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 second sentence of subsection (e) of section 6 of the John F. Kennedy Center Act (72 Stat. 1968), as amended, is amended to read as follows: "There are hereby authorized to be appropriated such sums as may be necessary for carrying out this subsection."

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

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

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On line 6, after the word "appropriated" insert: "only for the

fiscal years ending June 30, 1974, June 30, 1975, and June 30, 1976."

PARLIAMENTARY INQUIRY

Mr. SNYDER. Mr. Chairman, I offer a mischievous amendment.

The CHAIRMAN. The committee amendment is pending. Is this an amendment to the committee amendment?

Mr. SNYDER. It is to the bill.

The CHAIRMAN. There is an amendment pending.

Mr. SNYDER. Mr. Chairman, a parliamentary inquiry. If the committee amendment is adopted, is the parliamentary situation the same as awhile ago, that I would be precluded from offering this amendment?

The CHAIRMAN. After the committee amendment has been considered and disposed of, other amendments will be in order.

AMENDMENT OFFERED BY MR. GROSS TO THE COMMITTEE AMENDMENT

Mr. GROSS. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS to the Committee amendment: On page 1, line 5, after the colon, strike the remainder of the line and all of lines 6, 7, and 8, and insert the following: "There is hereby authorized to be appropriated not to exceed \$1,500,000 for the fiscal year ending June 30, 1974."

Mr. GROSS. Mr. Chairman, I admittedly have figures for 1972, the last figures I could get with respect to the costs of maintenance of memorials to three other Presidents in Washington, and they differ substantially from the figures the gentleman from Illinois (Mr. GRAY) just provided the House.

Mr. Chairman, my figures show that in fiscal year 1972, the cost of maintaining the Washington Monument was \$460,964.02; the Jefferson Memorial was \$58,585.81; and the Lincoln Memorial was \$126,729.94.

That is quite a substantial difference in contrast to the Kennedy Cultural Center, the memorial to one President. I believe every taxpayer in the country would concur in that. The proposal here being made to spend \$2,400,000 in the next fiscal year on—

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

Mr. GROSS. Yes; if the gentleman will not take all of my time.

Mr. GRAY. Mr. Chairman, I think I can clear up the discrepancy. This figure of \$631,900 for the Washington Monument came from the Committee on Appropriations. That is what is now in this fiscal 1974 budget. The gentleman is reading what they actually spent last year, but the figure I have is what is in the budget now pending before Congress at this time.

Mr. GROSS. Mr. Chairman, a little while ago I referred to the seating situation at the Cultural Center, and I have the General Accounting Office report at the desk.

Let me read again, this time from the Washington Post of the date of August 16, 1972, which is less than a year ago:

The center, according to the (GAO) report, purchased 5,803 auditorium seats from the

American Seating Co. for \$400,447. Because the center was unable to pay, it entered into a sale and leaseback arrangement with United States Leasing Corporation.

It sold the firm the seats for \$398,982 and agreed to rent them back for \$490,750 over six years.

So much for the seats. Quoting again: Carpets and wallscaping—

Whatever wallscaping is—

were purchased by the center for \$477,216 from Washington Carpet Sales Corp. on Oct. 15, 1971, according to the report, after the center had paid \$264,411 of its carpeting bill, it entered into a lease purchase agreement with the carpet company.

Mr. Chairman, I think this pretty well adds up to the fact that there has been a lot of mismanagement in this place. If they were doing as well as we have been led to believe, they ought to be taking care of their liabilities without raiding the U.S. Treasury.

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

Mr. GROSS. I will yield if I have time after I have spoken to this amendment.

Mr. Chairman, as far as the amendment is concerned, it really hurts to put even \$1,500,000 in the amendment, but that is what they got last year by way of maintenance for the nonperforming arts; \$1,500,000.

Mr. Chairman, I say leave it exactly where it is, limit the authorization to 1 year, come back here next year, tell us your story and if you can justify an increase you may get it. In my opinion you have not justified an increase here today and I am totally opposed to obligating the taxpayers now for \$2,500,000 in 1975 and \$2,600,000 in 1976. There is not a soul on this floor who can even guess at the financial situation of this Government in 1975-76.

I am not laboring under any illusion about what will happen to my amendment, because there is no sign of any disposition on the part of the Members of the House to save a cockeyed dime in behalf of the taxpayers of this country.

Mr. RONCALIO of Wyoming. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have been waiting for quite a few minutes to thoughtfully, I hope, throw some light onto this annual exercise of ours regarding the Kennedy Center for the Performing Arts.

Last year the able and tremendous Congressman from Iowa brought up many things that had to be improved, in order to make this a more efficient operation. We have begun these improvements.

We can report that the leasing was unfortunate, but when one is short on working capital and trying to complete the building of a monument, with tens of millions of dollars of private money and public money committed, a leaseback of provisions for a term, for immediate cash is not an unusual procedure. That is what happened at the Kennedy Center.

A subsidiary of I.T. & T., which runs parking facilities coast to coast, made a simple leaseback proposition, which is a basic discount arrangement very common to private industry, when one

needs cash. That was done. Similarly, it was done with respect to the seats.

We also had some criticism last year that public funds should not go into productions that run the risk of public acceptance, can lose money. Therefore, Kennedy Center Productions, Inc. was created and now has the responsibility for the theatrical production side, so we will not be asked to authorize money to pay for a loss for the great American novel put to a theater production.

This bill, let me say to its critics, authorizes appropriations for such functions as are nonperforming—not arts, but nonperforming functions, one of which in the past year or so was the function of one of the three balls for the inauguration of the President. Some 26,300 people enjoyed that function. It is altogether fitting and appropriate that the center be used for such functions.

Another one took some 26,000 people coming in at the same time that 74,000 schoolchildren attended daytime concerts, held at the halls. These were free for the children. Again an excellent nonperforming function.

The Park Service estimates that there have been more than 254,000 people, on a visitor count basis, at the Kennedy Center. This does not include the theatergoers in the evening, which falls into the performing arts part of assigning the costs.

They are conducting a regular tour for visitors, and they have facilities for special group tours available to Members of Congress and to organizations.

I do find more and more requests from my constituents for visits to the Kennedy Center for the Performing Arts, and particularly groups.

I will say to Members that what is still holding the first place—a heartening thing—is the FBI Building. The FBI tours still come first. The Kennedy Center is virtually passing the White House, when it comes to public memorials in this Nation's Capital.

If I might have the attention of the gentleman from Iowa, I hope the gentleman from Iowa (Mr. Gross) will appreciate the fact that the Board of Trustees is attempting to continue to correct some of the management shortcomings to which it has referred in earlier debates on this matter.

Give that board an opportunity to put the institution in an excellent condition. I believe we are moving in that direction. I can give assurance that the 3-year appropriation will help us through these difficult years. It should result in excellent management decisions and in the best interests of everyone in this Nation for this Center.

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

Mr. Chairman, I believe we should put this matter in a little different perspective. Without casting any aspersions at all on the management of the Kennedy Center, we felt that an outside Government agency should police and maintain this Center for all of the nonperforming arts functions.

The gentleman from Iowa keeps talking about the operation of the Center itself. This bill does not address itself to

that and should not address itself to that. This is why we selected the National Park Service to do this job as a national monument.

Putting it very simply, it costs \$2,-980,000 a year to provide electricity, to provide janitorial service and to provide guard services at the Kennedy Center.

We have tried to be fair by saying to the management at the Kennedy Center that we are not going to soak the taxpayers for all the costs of keeping up the Kennedy Center. So for nighttime operations you pay all the costs.

You pay your \$588,000 as your pro rata cost of maintaining that center, and the rest of it will be paid for in the public interest.

That is all this bill does.

This bill only addresses itself to those costs. So many of the arguments which have been heard here today are not germane, because we are not getting in any way into the debts or the obligations or the management of the Kennedy Center as a performing arts function.

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

Mr. GRAY. I will be delighted to yield to my friend, the gentleman from Iowa (Mr. Gross).

Mr. GROSS. Mr. Chairman, the gentleman well knows that this money complements the operation of the performing arts.

Mr. GRAY. I will inform my friend, the gentleman from Iowa (Mr. Gross). It does not.

Mr. Chairman, we delineate in the report itself, if the Members will read it, that the performing arts functions are charged \$588,000, and a check must be written to the Park Service for that amount, and it is being written. I am happy to report that the Kennedy Center is a profitable operation.

Mr. Chairman, the problem down there has been due to bad weather and some strikes, they built up several million dollars worth of back debts which they have had to absorb. Once they get out of the woods with those problems it will be a good operation.

But we do not attack that problem in any way, shape, or form.

I see my friend, the gentleman from New Jersey, who is on the board of trustees of the Kennedy Center, is on his feet, and I know that he will agree to this statement. They are proceeding with this matter in the Court of Claims in relation to some of their debts.

This is another matter and should not cause confusion; it has nothing to do with what the gentleman from Iowa (Mr. Gross) is alluding to.

Mr. GROSS. Mr. Chairman, will the gentleman yield for one more question?

Mr. GRAY. Yes; I yield to the gentleman from Iowa (Mr. Gross).

Mr. GROSS. Mr. Chairman, may I ask the gentleman, is this appropriation endorsed or has it been endorsed by the Nixon administration?

Mr. GRAY. Mr. Chairman, I would say to the gentleman who is addressing me now that the gentleman from Illinois, the chairman of the subcommittee, was requested on several occasions by the administration to pass this bill. It

was sent down to the Speaker and the Vice President and referred to our committee. This is not something that the Committee on Public Works has dreamed up.

Mr. GROSS. Well, is it endorsed by the Nixon administration?

Mr. GRAY. Oh, yes, it is in the President's budget, and the money is now awaiting appropriations by the subcommittee of the gentleman from Washington (Mrs. HANSEN) and she is very anxious to get this authorized and out of the way so that her bill can be marked up.

Mr. GROSS. May I ask the gentleman further, was the preceding bill dealing with the Visitor Center also endorsed by the Nixon administration?

Mr. GRAY. Most certainly, it was. It was endorsed, not only by the Nixon administration, but the previous administration, the Johnson administration, which was very much in favor of it. President Nixon sent a message to Congress in February of this year expressing the administration's support of the bill.

Mr. GROSS. If the gentleman will indulge me again, I would raise some question about that in regard to their priorities, when they are cutting back on agriculture and a lot of related programs to agriculture and at the same time requesting funds for this kind of an operation.

Mr. GRAY. Mr. Chairman, I will say to the Members that every time the gentleman from Iowa (Mr. GROSS) lands on his feet he is speaking on behalf of the taxpayers, and I am a little bit surprised that he is against the taxpayers on this particular measure for the Visitor Center, because it is certainly in their interests.

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

Mr. Chairman, as the gentleman from Illinois has said, I am one of several trustees from the House on the board of the Kennedy Center. I would like to begin by saying that I do not think any Member of Congress needs to be defensive about the amount of public money which we are putting up to cope with the memorial aspects of the Kennedy Center.

The committee report quite clearly points out the reasons for these expenditures.

The gentleman from Iowa has said, "Why is there need for plumbers? Why is there need for gardeners?" It is because the Federal Government has agreed as of last October to take over responsibility for the upkeep and maintenance of a national memorial to a late President. Quite obviously, we on the Board of Trustees of the Kennedy Center, who are responsible in one way or another for the performing activities, are only too glad to recognize the substantial contribution that is being made when money is appropriated for the upkeep and maintenance of the Center.

As the gentleman from Illinois pointed out, the Center is also making substantial contributions toward the obligations incurred as a result of the performing arts activities.

Quite obviously, a lot of problems that

the Center has faced over the years have come about because there has been insufficient money. The gentleman from Iowa tried to make something out of the fact that there was not enough money to pay for some of the equipment needed in the various theaters. Well, there was no alternative, because of the lack of funds, but to make alternative financial arrangements, in order, for instance, to have seats available so that the various theaters could begin to pay money. I am proud of the fact that so much progress has been made with a variety of problems.

If the Committee on Appropriations should think the request for funds from the Department of Interior is too great, they may appropriate less. However, I would hesitate to say that the expenses involved at this memorial can be handled with \$1.5 million this coming year, even though that may be all that was spent in the current fiscal year.

Mr. GROSS. Will the gentleman yield?

Mr. FRELINGHUYSEN. I will be glad to yield to the gentleman.

Mr. GROSS. We have three other memorials to Presidents in Washington and they are costing us each year a mere fraction of what this one memorial is going to cost. If you want a grandiose memorial for this one President, why do not the people who want it pay the bill?

Mr. FRELINGHUYSEN. Let me say to the gentleman a grandiose memorial could be a simple stone monument such as George Washington has. Yet even that takes very considerable sums of money to maintain, and it has nowhere near the complexity of the Kennedy Center. As other examples, the Jefferson Memorial and the Lincoln Memorial do not have to be heated.

Is the gentleman from Iowa proposing that the Kennedy Center memorial should be a cold, empty stone memorial because we cannot afford its upkeep and maintenance as a living memorial?

The fact of the matter is that the Kennedy Center is a different kind of memorial and of necessity it does involve certain expenses. I do not think we need to be defensive about that. The fact is that we assumed the responsibility for upkeep and maintenance with our eyes open. The fact is that a case has been made for the sum requested so as to meet this responsibility.

I hope we do not go through an annual exercise on an authorization for these expenses, as I believe a 3-year authorization is entirely appropriate. The Committee on Appropriations will keep tabs on the amount of money requested, and if there is any substantial change from year to year, they can watchdog it.

Mr. Chairman, I hope we will reject the amendment and accept the committee bill.

Mr. PEYSER. Will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman.

Mr. PEYSER. I support a continuation of this program and the congressional support of it, but I do have a serious question. I heard there is nothing in this legislation dealing with construc-

tion costs of the Kennedy Center. I also heard the chairman of the committee make reference to the fact that much was being done about solving the problems of construction costs. My understanding is there are 35 contractors and subcontractors who have not yet been paid. One of the major ones involved happens to be from my own district.

A year ago I spoke on the floor of the House inquiring as to what would happen to the settlement of these claims, and I was assured at that time they would be handled and there was no problem about it and everything would go along perfectly fine. Well, the claims have not been handled and they are still outstanding. I am frankly very anxious about what will happen.

Mr. FRELINGHUYSEN. I regret that there are still claims against the Center for unpaid bills. The truth is that some of those claims are in litigation now. However, there is no question but that this authorization does not attempt to pay those bills. I suppose the only immediate answer to the gentleman is another question. Should Congress be willing to consider having the Federal Government share in some of the additional costs in construction expenses? However, the gentleman from Illinois said, there was a promise made not to make such a request.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, at the request of Mr. PEYSER, Mr. FRELINGHUYSEN was allowed to proceed for 1 additional minute.)

Mr. FRELINGHUYSEN. I yield to the gentleman.

Mr. PEYSER. On that question the gentleman raised the point as to whether the Government would have to pay the bills finally. I am convinced that the Government is probably going to have to pay these bills, and I will support that. It is a construction effort that was made. You have contractors and companies that operated in good faith. There seems to be now the problem that we still, after several years, have companies who in effect are carrying the Center at this point. I do not see any reason for it. I think they are entitled to be paid.

Mr. FRELINGHUYSEN. I should be glad, I might say, to support a bill that would provide Federal money to help pay off these bills. However, I suppose there might be strenuous opposition to a further request for construction money, in view of the fact that the building has finally been built. There is unfortunately very little expression of concern about how to pay those bills.

Let me say the trustees of the Center are sitting on no major source of funds which might make it easy to pay those bills.

Mr. PEYSER. I was going to ask this: As a trustee does the gentleman see any way this could be handled in the Center?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GROSS) to the committee amendment.

The amendment to the committee amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. SNYDER

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

The Clerk read as follows:

Amendment offered by Mr. SNYDER: Page 1, after line 8 add a new section as follows: "(2) The Secretary of the Interior is directed to arrange wrestling matches in the Opera House or Concert Hall of the Center for the Performing Arts on each Wednesday night of each week provided (a) there are no other activities scheduled for said Opera House or Concert Hall on that Wednesday night and (2) that no wrestling matches have been scheduled for that Wednesday night at the R. F. Kennedy Memorial Stadium.

And number the preceding section accordingly.

POINT OF ORDER

Mr. GRAY. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. GRAY. I should like to have it explained.

Mr. SNYDER. Mr. Chairman, this is a matter I am very enthusiastic about, and so I will not get carried away, I ask unanimous consent that I be limited to 2 minutes instead of 5 minutes.

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

There was no objection.

Mr. SNYDER. Mr. Chairman, wrestling is a performing art, accordingly, this new language is both proper and sensible—as sensible, at least, as the taxpayers having had to pay for this Kennedy Center complex in the first place.

In the second place, Mr. Chairman, I am sure that my colleagues will agree that—at times when other "performing arts" do not occupy the Opera House or Concert Hall at the Center—the taxpayers should have the benefit of other activities to divert their attention. This would be especially beneficial in that the wrestling matches—surely, in their own way as poetic and artistic as many other "cultural" activities at the Center—would also help to defray some of the over \$7 million in costs in the present bill.

Now I do not want to give the impression that I am trying to upstage one of our other great cultural centers here in the district, the R. F. K. Stadium. That palatial and continuingly expensive forum, however, may be too full of parked cars to handle the wrestling crowd. On the other hand, Mr. Chairman, Mr. GRAY has indicated that there may be greyhound races at R. F. K. Nevertheless, with these two enormous buildings put at our disposal by the generous taxpayers, I think we have the obligation to provide attractive alternatives.

I myself enjoy wrestling, and I am sure that millions of Americans—the same Americans who are paying for these plush pleasure palaces—share my predilection. They have a right to this diversion—and to the added income which will help pay for the enormous outlays we are authorizing here.

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

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

Mr. GROSS. Mr. Chairman, I want to commend my friend the gentleman from Kentucky for his amendment. It might just produce enough revenue to take care of the gardeners, the plasterers, and the electricians, and what-have-you. But I also would like to know, does the Washington Board of Trade endorse this amendment?

Mr. SNYDER. I really do not know what the Washington Board of Trade endorsement is; I suppose we will find out as soon as the gentleman from Illinois speaks. He speaks for them quite often here.

POINT OF ORDER

Mr. GRAY. Mr. Chairman, reluctantly I must insist on my point of order. May I be heard?

The CHAIRMAN. The gentleman may be heard.

Mr. GRAY. Mr. Chairman, the gentleman from Kentucky offers an amendment that deals with the performing arts function of the John F. Kennedy Center. When we read this bill we see clearly it relates to the nonperforming arts functions. That is the purpose of the bill. Therefore in my opinion the amendment is not germane.

The CHAIRMAN (Mr. EVANS of Colorado). The Chair is ready to rule.

The pending bill authorizes appropriations solely for the nonperforming arts functions of the John F. Kennedy Center. The amendment, which would direct the Secretary of the Interior to arrange for specified performances at the Center, introduces an issue which is not within the purview of the pending bill.

The amendment is not germane to the bill, and the Chair therefore sustains the point of order.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. EVANS of Colorado, 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. 5858) authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes, pursuant to House Resolution 406, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

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

Mr. SNYDER. 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 260, nays 100, not voting 72, as follows:

[Roll No. 167]

YEAS—260

| | | |
|-----------------|-----------------|----------------|
| Abdnor | Grasso | Neisen |
| Abzug | Gray | Nix |
| Addabbo | Green, Oreg. | Obey |
| Anderson, | Green, Pa. | O'Hara |
| Calif. | Griffiths | Parris |
| Anderson, Ill. | Grover | Passman |
| Andrews, N.C. | Gude | Patman |
| Andrews, | Gunter | Patten |
| N. Dak. | Guyer | Pepper |
| Ashley | Hamilton | Perkins |
| Aspin | Hammer- | Pettis |
| Barrett | schmidt | Peyser |
| Bell | Hanley | Pickle |
| Bennett | Hanna | Pike |
| Bergland | Hansen, Idaho | Podell |
| Bingham | Hansen, Wash. | Preyer |
| Blatnik | Harrington | Pritchard |
| Boggs | Harvey | Quile |
| Boland | Hays | Rangel |
| Bolling | Hébert | Rees |
| Bowen | Hechler, W. Va. | Regula |
| Brademas | Heckler, Mass. | Reuss |
| Brasco | Heinz | Rhodes |
| Breaux | Helstoski | Riegle |
| Breckinridge | Hicks | Rinaldo |
| Brooks | Hillis | Robison, N.Y. |
| Brotzman | Hinshaw | Rodino |
| Brown, Calif. | Hogan | Roe |
| Broyhill, Va. | Holifield | Rogers |
| Buchanan | Holtzman | Roncallo, Wyo. |
| Burgener | Horton | Roncallo, N.Y. |
| Burke, Mass. | Howard | Rooney, Pa. |
| Burlison, Mo. | Hungate | Rose |
| Burton | Jarman | Rosenthal |
| Butler | Johnson, Calif. | Roush |
| Byron | Johnson, Colo. | Roybal |
| Carey, N.Y. | Johnson, Pa. | Ryan |
| Cederberg | Jones, Ala. | St Germain |
| Chappell | Jones, N.C. | Sarasin |
| Chisholm | Jones, Okla. | Sarbanes |
| Clark | Jones, Tenn. | Saylor |
| Clausen, | Jordan | Schneebeli |
| Don H. | Karth | Schroeder |
| Clay | Keating | Seiberling |
| Cleveland | Kluczynski | Shipley |
| Cochran | Koch | Sikes |
| Cohen | Kuykendall | Slack |
| Conte | Kyros | Smith, Iowa |
| Corman | Lehman | Smith, N.Y. |
| Culver | Lent | Staggers |
| Daniels, | Litton | Stanton, |
| Dominick V. | Long, La. | J. William |
| Danielson | McClary | Stanton, |
| Davis, S.C. | McDade | James V. |
| Davis, Wis. | McEwen | Stark |
| Delaney | McFall | Steed |
| Dellums | McKay | Steele |
| Dennis | McKinney | Steiger, Wis. |
| Donohue | McSpadden | Stevens |
| Dorn | Macdonald | Stokes |
| Drinan | Madden | Stubblefield |
| Dulski | Mahon | Studds |
| du Pont | Mailliard | Symington |
| Eckhardt | Mallory | Talcott |
| Edwards, Ala. | Mann | Taylor, N.C. |
| Edwards, Calif. | Maraziti | Teague, Calif. |
| Ellberg | Mathias, Calif. | Thompson, N.J. |
| Evans, Colo. | Matsunaga | Thompson, Wis. |
| Fascell | Mayne | Thone |
| Findley | Mazzoli | Thornton |
| Fish | Meeds | Tierman |
| Flood | Melcher | Van Deerlin |
| Flowers | Metcalfe | Vander Jagt |
| Foley | Mezvinsky | Vanik |
| Ford | Mills, Ark. | Veysey |
| William D. | Minish | Walsh |
| Forsythe | Mink | Wampler |
| Fountain | Mitchell, Md. | Whalen |
| Frelinghuysen | Mizell | Whitten |
| Frenzel | Moakley | Widnall |
| Fulton | Moorhead, Pa. | Williams |
| Gaydos | Morgan | Wilson, Bob |
| Gettys | Mosher | Wilson, |
| Gialmo | Moss | Charles H., |
| Gibbons | Murphy, Ill. | Calif. |
| Ginn | Natcher | Wolf |
| Gonzalez | Nedzi | Wright |

Wyatt
Wydler
Wyman

Yates
Yatron
Young, Ga.

Young, S.C.
Young, Tex.
Zablocki

NAYS—100

Alexander
Archer
Armstrong
Ashbrook
Bafalis
Baker
Beard
Bevill
Biestler
Blackburn
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Burke, Fla.
Burleson, Tex.
Casey, Tex.
Chamberlain
Clancy
Clawson, Del.
Collins
Conable
Conlan
Conyers
Crane
Daniel, Dan
Daniel, Robert
W. Jr.
Dellenback
Denholm
Derwinski
Devine
Duncan
Erlenborn

Eshleman
Frey
Froehlich
Gilman
Goodling
Gross
Haley
Hanrahan
Hastings
Holt
Hosmer
Huber
Hudnut
Hutchinson
Kazen
Kemp
Ketchum
King
Landgrebe
Latta
Long, Md.
Lott
Lujan
McCollister
Madigan
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Miller
Mitchell, N.Y.
Montgomery
Moorhead,
Calif.
Myers

Nichols
O'Brien
Poage
Price, Tex.
Quillen
Roberts
Robinson, Va.
Rousselot
Runnels
Ruppe
Ruth
Satterfield
Scherle
Sebellus
Shoup
Shriver
Shuster
Skubitz
Snyder
Steelman
Steiger, Ariz.
Symms
Taylor, Mo.
Towell, Nev.
Treen
Vigorito
Waggonner
Ware
Whitehurst
Wyle
Young, Alaska
Young, Fla.
Zion
Zwach

NOT VOTING—72

Adams
Annunzio
Arends
Badillo
Biaggi
Bray
Broyhill, N.C.
Burke, Calif.
Camp
Carney, Ohio
Carter
Collier
Cotter
Coughlin
Cronin
Davis, Ga.
de la Garza
Dent
Dickinson
Diggs
Dingell
Downing
Esch
Evins, Tenn.
Fisher

Flynt
Ford, Gerald R.
Fraser
Fuqua
Goldwater
Gubser
Harsha
Hawkins
Henderson
Hunt
Ichord
Kastenmeier
Landrum
Leggett
McCloskey
McCormack
Michel
Milford
Minshall, Ohio
Mollohan
Murphy, N.Y.
O'Neill
Owens
Powell, Ohio
Price, Ill.

Mr. Flynt with Mr. White.
Mr. Leggett with Mr. Randall.
Mr. Stratton with Mr. Udall.
Mr. Waldie with Mr. Stuckey.
Mr. Ullman with Mr. Young of Illinois.
Mr. Badillo with Mr. Ichord.
Mr. Biaggi with Mr. Owens.
Mr. de la Garza with Mr. Fisher.
Mr. Landrum with Mr. Price of Illinois.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GRAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

INTERNATIONAL CENTER FOR FOREIGN CHANCERIES AUTHORIZATION

Mr. GRAY. 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. 6830) to amend Public Law 90-553 authorizing an additional appropriation for an International Center for Foreign Chanceries.

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

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. 6830, with Mr. EVANS of Colorado 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 Illinois (Mr. GRAY) will be recognized for 30 minutes, and the gentleman from New York (Mr. GROVER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois.

Mr. GRAY. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, H.R. 6830 was reported from the House Committee on Public Works unanimously and would amend section 6 of the International Center Act (Public Law 90-553) and authorize an appropriation not to exceed \$2.2 million to allow the Secretary of State and the General Services Administration to initiate site development of the International Center for Foreign Chanceries.

Mr. Chairman, all of this money will be recouped to the Treasury plus approximately \$150,000 profit. The international center will be located on the old Bureau of Standards site with 14 sites comprising 10½ acres plus additional acreage being made available for the OAS Headquarters, open space and public streets. In total, there are 31.9 acres involved. The Department of State now has a contract for sale of 3 of the 14 sites to Israel, Singapore, and Finland. As an example, Israel

will pay \$602,320 for their site consisting of 48,189 square feet or a little over 1 acre. Mr. Chairman, this is \$12.50 per square foot which is certainly a good deal for the taxpayers. The Government will not only recoup all of this money, but will provide hundreds of new jobs through the construction of these chanceries, allow a more cohesive international community in Washington which will save the taxpayers a substantial amount of money through the executive protective service and at the same time utilize an area that has been allowed to deteriorate and for the most part lies dormant. I strongly encourage my colleagues to support this legislation. It has been requested by the Secretary of State and General Services Administration in behalf of the President who is responsible for foreign affairs.

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

Mr. Chairman, I rise in support of H.R. 6830, a bill to authorize \$2.2 million for partial development of the site for the International Center for Foreign Chanceries located in northwest Washington. The work included in this authorization would include demolishing the existing structures, reshaping the land contours, landscaping the public and common green areas, relocating and rebuilding public streets, services, water-mains, and the like. The area covered will include eight sites plus a common area, totaling 12 acres.

It appears now in negotiating with foreign governments that it would be a much better and more orderly procedure if we ourselves razed the buildings presently on the property and proceeded to put in the roads and drainage and sewers and from there on go on to a disposition of the various sites, as the gentleman from Illinois indicated, which will then be negotiated and title transferred and recoupment made without any loss to the country.

The Department of State requested this legislation earlier this year, citing a need for seed money in connection with the Chanceries Center, land area totalled 31 acres. When the original act was passed in October of 1968, Public Law 90-553, the Department of State and Congress agreed that the project would be self-liquidating and would require no appropriations. However, it became apparent to State and GSA that the purpose of the act could not be implemented without an initial appropriation for capitalization. Experience has shown that foreign governments will not enter into sales contracts and advance purchase price of lots until the United States has shown its firm commitment to the Center by commencing the site improvements and demonstrating that it has funds available to complete first-phase site development. Furthermore, no Government is willing to commit time and money to design and planning without knowing when it can take delivery of its cleared site. And, finally, sales of most lots in the first phase of development would have to take place before General Services Administration could finance improvements related to that phase, which cannot be done economically on a piecemeal basis.

So the bill was passed.

The Clerk announced the following pairs:

Mr. O'Neill with Mr. Gerald R. Ford.
Mr. Annunzio with Mr. Arends.
Mr. Hawkins with Mr. Rarick.
Mr. Roy with Mr. Downing.
Mrs. Burke of California with Mr. Winn.
Mr. Cotter with Mr. Camp.
Mr. Davis of Georgia with Mr. Bray.
Mr. Fraser with Mr. Minshall of Ohio.
Mr. Rooney of New York with Mr. Gubser.
Mr. Rostenkowski with Mr. Collier.
Mrs. Sullivan with Mr. Michel.
Mr. Teague of Texas with Mr. Dickinson.
Mr. Charles Wilson of Texas with Mr. Powell of Ohio.
Mr. Reid with Mr. Esch.
Mr. Sisk with Mr. Goldwater.
Mr. Henderson with Mr. Broyhill of North Carolina.
Mr. Kastenmeier with Mr. Harsha.
Mr. McCormack with Mr. McCloskey.
Mr. Mollohan with Mr. Carter.
Mr. Murphy of New York with Mr. Hunt.
Mr. Carney of Ohio with Mr. Cronin.
Mr. Dent with Mr. Coughlin.
Mr. Diggs with Mr. Milford.
Mr. Dingell with Mr. Rallsback.
Mr. Fuqua with Mr. Sandman.
Mr. Adams with Mr. Spence.
Mr. Evins of Tennessee with Mr. Wiggins.

We are assured that the project will be self-liquidating and will entail no departure from the requirement that the project must be self-liquidating.

Enactment of this proposed legislation at this time deserves our early attention in that it would enable the Department of State to complete sales to the Governments of Finland, Israel and Singapore, which are now pending. It is hoped that the Center will be substantially complete by the bi-centennial year.

I urge the enactment of this bill.

Mr. SMITH of New York. Mr. Chairman, will the gentleman yield?

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

Mr. SMITH of New York. Mr. Chairman, I do not think the chairman of the subcommittee stated that there had already been negotiated three pending sales, I think one to Singapore, one to Israel, and one to Finland. Did the hearings indicate that there was substantial interest on the part of foreign governments in buying sites at this International Center?

Mr. GROVER. That is correct.

Mr. GRAY. Would the gentleman from New York yield?

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

Mr. GRAY. I should be glad to answer that question.

I have just been informed by my staff that late this afternoon two additional countries have come forward, so this makes a total of five contracts that we have now, or contracts for purchase. The total cost of development of the 30-acre site is about \$5.4 million, we are only providing \$2.2 million here. The first \$2.2 million in sales comes back to the Government. When they sell additional sites they will make additional improvements. I like to refer to this bill as seed money. We are not going to put up the entire \$5.4 million. We will only put up the \$2.2 million. We will get that back, and after we spend all the money for improvements, there will be \$150,000 left over for the taxpayers.

Mr. SMITH of New York. Mr. Chairman, will the gentleman yield?

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

Mr. SMITH of New York. Do I understand correctly from the report the reason these sales have not gone through is because the foreign governments concerned want to be sure that we are going to go ahead with the site preparation?

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

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

Mr. GRAY. That is precisely correct. These improvements are designed to make the 31.9-acre tract out there salable, namely, to put in streets, sewers, and water mains, and other things required to make them improved lots. They insist we do that before they will buy the lots.

Mr. SMITH of New York. I thank the gentleman.

Mr. GROVER. Mr. Chairman, I reserve the balance of my time.

Mr. BLATNIK. Mr. Chairman, H.R. 6830 which I had the privilege of spon-

soring is indeed a tremendous step in the right direction of providing sorely needed chancery sites in the District of Columbia for foreign governments. The bill merely authorizes \$2.2 million for site development of the chancery section of the International Center. Any funds spent for this purpose will be reimbursed to the Treasury from the sale of the 14 chancery sites of which 3 sites already have contracts pending.

The cost of actual construction of chancery facilities will be borne by the purchasing governments.

This bill was unanimously reported out by the full Committee on Public Works and has the support of the administration and of Mayor Washington of the District of Columbia. The bill will create not only additional jobs, but also allow economic stimulation locally. The bill will also allow redevelopment of the old Bureau of Standards site to coordinate with the bicentennial year.

Mr. Chairman, the need for additional chancery sites is clear. Also clear is the responsibility of the United States to insure that the representatives of foreign governments can obtain adequate premises in the Nation's Capital for their official representation to the United States, therefore, it is highly fitting for the United States, as the host government, to provide this site which will bring together the OAS and foreign chanceries in the same area and will certainly demonstrate the importance which the United States places on foreign affairs relations.

I strongly urge my colleagues to support this legislation.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 6830

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 6 of Public Law 90-553 (82 Stat. 958), is hereby amended to read as follows:

"There is hereby authorized to be appropriated, without fiscal year limitation, not to exceed \$2,200,000 to carry out the purposes of section 5 of this Act: Provided, That such sums as may be appropriated hereunder shall be reimbursed to the Treasury from proceeds of the sale or lease of property to foreign governments and international organizations as provided for in the first section of this Act."

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

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

There was no objection.

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

Mr. Chairman, I should like to ask the gentleman from Illinois how much the countries that he mentioned—four or five of them, as I remember—have paid down on the leases or contracts that they have entered into?

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

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

Mr. GRAY. We have signed contracts—I have a copy here, if the gentleman would like to see it—between the countries of Finland, Israel, and Singapore. The execution of the contracts is contingent upon the good faith of our Government in making these improvements. So if this bill passes the House and Senate and is signed into law by the President, and the money becomes available, then the operational part of the contract goes forward.

In the case of Israel, they are paying about \$620,000 for 1 acre.

Mr. GROSS. The answer to the question is they have not paid anything down so far?

Mr. GRAY. We have not been in a position to sell them an improved site. They picked out a site out in a field. The \$2.2 million will allow us to tear down a building and put in the streets so we can get to that site. I am sure the gentleman will not expect Israel to pay \$620,000 for one acre unimproved.

What we have got to come together here with is a mutual understanding that we have the wherewithal to make the improvements before they are going to write us a check for \$620,000. But it is not just an idle gesture; we do have it in writing; and the money will not be expended for the improvements on the site unless we have the sale consummated.

Mr. GROSS. I do not know what I should expect from Israel, or any other country involved in this. I am not sure what should be expected, but there is nothing, then. They suffer no pecuniary loss if they say, "We do not like the width of the road or where you put the road," or something of that kind, and toss up the contract.

We are left holding the bag, are we not? If they have paid nothing down, there is no financial interest on their part.

Mr. GRAY. We will not make these improvements unless and until we have these signed contracts. We have enough now to go forward with the improvements, and this is the purpose of the bill. So I would say to my distinguished friend, we do not have to worry about our \$2.2 million and then having someone say they do not want the site. We are locking these up in advance with contracts before we commit the taxpayers.

Mr. GROSS. Exactly how would the government collect if those countries do not want to go through with their contracts?

Mr. GRAY. Let me say these countries have approached the Department of State with the idea that all of them would locate in an enclave together. They are very desirous to get in. We have only 14 sites, and we have 187 countries represented in Washington.

Mr. GROSS. I am talking about the whole financial deal. The gentleman can answer yes or no, whether we would be holding the bag or whether we would not be holding the bag. The truth of the matter is that there is no way we could collect if they did not want to pay. Is that not correct?

Mr. GRAY. If the gentleman will yield to me, I am sure the gentleman realizes there are only 14 sites comprising almost

an acre each, and 187 potential buyers. We are not going to have any trouble selling the lots. That is No. 1.

No. 2: I could not possibly conceive of the 14 countries giving me a commitment in writing, as I have, to buy a piece of property, and then all of a sudden saying they do not want it.

Mr. GROSS. We are having quite an experience with the United Nations these days, with foreign diplomats departing this country and leaving behind thousands of dollars of unpaid debts, telephone bills, and bills unpaid in the stores of New York. How do those who provide the goods and services collect? We make a collection agent in many instances of our Ambassadors in foreign countries.

The gentleman said something about the Executive or Federal security force, and that to keep the chanceries in one place would mean we would not need so many police in the new security force. I do not know why I ask this question, because in the past, when we got a firm answer from the committee with respect to some of these enterprises, we have found we did not get the right information, and we found that out a couple of times today.

I do not know why I should ask the question under those circumstances, but is the gentleman saying that if we get these embassies located together that we will not need the Federal security forces?

Mr. GRAY. Will the gentleman yield?

Mr. GROSS. I yield.

Mr. GRAY. The gentleman now addressing the gentleman from Iowa was the author of the Federal Protective Service Act. I am completely familiar with it. They have 888 policemen now guarding missions of foreign governments, which is the President's constitutional responsibility. It only makes sense if we have 14 embassies located in 14 different locations we have 14 different squad cars on three shifts, and all the patrolmen and everything else trying to police these embassies.

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

(By unanimous consent, Mr. Gross was allowed to proceed for 1 additional minute.)

Mr. GROSS. Mr. Chairman, I would just like to say I have not had an answer yet.

Mr. GRAY. I am trying to give it to the gentleman.

Mr. GROSS. Will there be an increase in the Federal Security Force?

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

Mr. GROSS. Yes, if I have the time.

Mr. GROVER. I am under the understanding, and perhaps the gentleman from Illinois will support my understanding, that the countries which will be moving in already have places in this country, and they are scattered around, and they are covered by our protective forces, so if we get them in this compound we may be able to reduce the number of forces.

Mr. GROSS. That is a nice theory, but it does not seem to work out. The gentleman has been around long enough to know that.

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

I would like to have the attention of my distinguished friend, the gentleman from Iowa; I am sure he would like to hear this.

Mr. Chairman, as of 10:45 this morning, the Committee on House Administration headed by the distinguished gentleman from Ohio (Mr. HAYS) and my Subcommittee on Police, eliminated 15 police positions here on the House side of the Capitol. That was today. I am sure the gentleman from Iowa will be delighted to hear that we are trying to save money wherever we can.

Mr. GROSS. Will the gentleman yield?

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

Mr. GROSS. I have seen more elevator operators on nice new self-automatic elevators, the latest word in automatic elevators, so I do not know whether they are accomplishing anything by taking away 15 police officers.

Mr. GRAY. Would the gentleman not agree that most of them are pretty?

Mr. GROSS. I wondered if the gentleman was going to introduce sex into this.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. EVANS of Colorado, 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. 6830), to amend Public Law 90-553 authorizing an additional appropriation for an International Center for Foreign Chanceries, pursuant to House Resolution 407, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 407, the Committee on Public Works is discharged from further consideration of the bill (S. 1235) to amend Public Law 90-553 authorizing an additional appropriation for an International Center for Foreign Chanceries.

The Clerk read the title of the Senate bill.

The Clerk read the Senate bill, as follows:

S. 1235

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 6 of Public Law 90-553 (82 Stat. 958) is hereby amended to read as follows:

"There is hereby authorized to be appropriated, without fiscal year limitation, not to exceed \$2,200,000 to carry out the purposes of section 5 of this Act: Provided, That such sums as may be appropriated hereunder shall be reimbursed to the Treasury from proceeds of the sale or lease of property to foreign governments and international organizations as provided for in the first section of this Act."

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 6830) was laid on the table.

GENERAL LEAVE

Mr. GRAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

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

There was no objection.

CONFERENCE REPORT ON S. 38, AIRPORT DEVELOPMENT ACCELERATION ACT

Mr. STAGGERS. Mr. Speaker, I call up the conference report on the bill (S. 38) to amend the Airport and Airway Development Act of 1970, as amended, to increase the U.S. share of allowable project costs under such act, to amend the Federal Aviation Act of 1958, as amended, to prohibit certain State taxation of persons in air commerce, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

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

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of May 24, 1973.)

Mr. STAGGERS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, does the gentleman plan to briefly tell us what transpired in the conference?

Mr. STAGGERS. I certainly do.

Mr. GROSS. And answer questions as to whether any and all amendments to the bill are germane?

Mr. STAGGERS. Yes, sir; I certainly do.

Mr. GROSS. Mr. Speaker, I withdraw my reservation.

Mr. STAGGERS. I can assure the gentleman that all agreements we made were germane to the bill.

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

There was no objection.

The SPEAKER. The gentleman from West Virginia is recognized for 1 hour.

Mr. STAGGERS. Mr. Speaker, the House and Senate conferees have approved a compromise version of the Airport Development Acceleration Act of 1973 which, in my opinion, follows closely the version this House passed by a vote of 386 to 16 on May 2.

The main purpose of this bill, as the Members recall, is to ban the so-called airport head tax. We had seven of these taxes when we considered this legislation last year. This year we have 44.

The House and Senate had six points of disagreement when we each passed our separate legislation.

First. The Senate increased the minimum annual authorization for airport development grants from \$280 million a year to \$420 million a year. The House voted to keep the authorization at existing levels of \$280 million a year. We agreed in conference on a minimum annual authorization of \$310 million. This is \$30 million more than the House version and \$110 million less than the Senate version.

Second. The conferees increased the long-term obligatory authority for 2 years, to allow an expenditure of \$310 million a year through 1975.

Third. The conferees agreed to the House version of raising the Federal share for airport development to 75 percent for all but the largest hub airports in the Nation. We leave discretionary authority within the Department of Transportation to make these grants of up to 75 percent Federal money. The existing law makes it mandatory to grant 50 percent Federal money, and the Senate version would have made it mandatory to grant 75 percent Federal money. We did not change the share formula for the largest hub airports.

Fourth. The Senate provision to include terminal facilities as eligible for Federal grants was omitted in conference.

Fifth. The Senate provision for a Sense of Congress resolution against the impoundment of funds by the President was stricken by the conferees.

Sixth. The conferees exempt three localities from the ban on head tax through the end of this year. We compromised on allowing Evansville, Ind., to be exempt. The Senate compromised by using our language to ban all head taxes after July 1 of this year except for three jurisdictions which are exempt through the end of the year.

I believe we have a good bill. While it is essentially the same as the one the President vetoed at the end of the session last year, I believe he will agree to this bill. It has bipartisan support in both Houses.

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

Mr. STAGGERS. I yield such time as he may consume to the ranking minority Member, the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Speaker, I rise in support of the conference agreement on S. 38, the Airport Development Acceleration Act of 1973.

The House amendment to S. 38 was passed by this body by an overwhelming vote of 386 to 16 on May 2. The purpose of the bill was twofold—to prohibit the imposition of head taxes or gross receipts taxes by airport operators or States, and at the same time to increase the Federal share of funding for airport projects in medium hub and smaller cities to alleviate the problems that these

cities have had in coming up with the local share.

The bill the House passed would have increased this Federal share from 50 to 75 percent for the medium and smaller hubs and would have retained minimum annual Federal expenditures at the existing law's level of \$280 million.

As you will recall, the conference bill which we sent to the President last year contained the same increase in the percentage Federal share, but also increased the minimum annual authorization to \$350 million. The bill was held at the White House without signature and a memorandum was returned to Congress indicating that this increase in obligatory authority was the basic reason for the President not accepting the bill. For this reason, the House retained in this year's bill the existing level of \$280 million.

The Senate, however, in repassing the measure returned to its original figure as included in the bill they passed last year, \$420 million. Additionally, the Senate would have made terminal facilities eligible for grants under ADAP, would have made the Federal share a mandatory obligation rather than a ceiling as was the case with the House bill, and would have included an anti-impoundment provision.

The bill which comes to the floor from the conference is in practically every detail the House bill. The House prevailed on the Senate to drop the terminal eligibility provisions, the mandatory Federal share, and the anti-impoundment provision.

The conferees did bend enough to raise the \$280 million to \$310 million per year for the next 2 years. This is more than a reasonable compromise and hardly even a saving of face for the Senate supporters of the much higher figure of \$420 million. It can and should be acceptable to the Executive. We who have been working on the bill feel that it should be accepted by the Executive and that no better bill can be reasonably expected. Should it be vetoed, I doubt if it would be sustained and I feel certain that most members of our committee and the conferees particularly will feel the same. If it is the intention of the Executive to have a confrontation, this is not the place to do it. There will be few to come to the defense of another attempt to scuttle this measure for what we believe to be questionable reasons.

I urge without reservation the adoption of the conference report.

Mr. STAGGERS. Mr. Speaker, I yield to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Speaker, I thank the gentleman from West Virginia (Mr. STAGGERS) for yielding.

Mr. Speaker, I wish to ask the gentleman whether there is anything in the conference report that would in any way affect the assurance which the gentleman gave me in the debate on H.R. 6388 to the effect that no funds under this Act shall be used for the reconversion or redevelopment of Floyd Bennett Field in Brooklyn, N.Y., for civilian aviation purposes in contravention of the Gateway National Park Act, Public Law 92-592?

Mr. STAGGERS. Mr. Speaker, I assure the gentlewoman from New York (Ms. HOLTZMAN) that this was not even brought up in the conference report, and there is no change between what developed on the floor of the House and what was encompassed in the conference report.

Ms. HOLTZMAN. I thank the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

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

There was no objection.

CREDIT SHOULD NOT DEPEND ON SEX

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

Mr. KOCH. Mr. Speaker, last summer it was established in hearings before the Commission on Consumer Finance that women experience widespread discrimination in applying for credit. Specifically, the Commission found: First, that single women have more trouble obtaining credit, especially mortgage credit, than single men; second, that creditors are often unwilling to extend credit to a married woman in her own name; third, that creditors are often unwilling to count the wife's income when a married couple applies for credit; fourth, that creditors generally require a woman who has credit to reapply for credit, usually in her husband's name, when she marries, while men do not have to reapply; and fifth, that women who are divorced or widowed have trouble reestablishing credit.

Today I am introducing what I believe to be the strongest and most comprehensive legislation yet developed prohibiting discrimination on account of sex or marital status against individuals seeking credit. This bill, the Equal Credit Act, would apply directly to all credit transactions; that is, to all forms of deferred payment of debt, whether they involve retail credit, mortgages, bank loans, credit cards, or simply the friendly grocer's monthly "trust."

The most important reason I say that the Equal Credit Act is the strongest among the bills so far introduced is that this act is the first, to my knowledge, to face squarely the problem of determining the individual's creditworthiness. All too often women are denied credit because "statistical tables" may indicate they are less likely than men to remain consistently employed over a period of time. Un-

fortunately, it is this approach that in practice has allowed irrelevant questions and outmoded customs to obscure the real changes that are now taking place in the position of women. In fact, in the Commission on Consumer Finance's hearings last summer, no evidence was introduced to suggest that women are worse credit risks than men—yet some banks still assume that women are bad credit risks.

More and more women these days are striving to maintain professional careers, and essential services such as day care programs are only beginning to be widely available to the working woman. To continue to rely on statistical tables is, in a sense, to lock women into the past, to fail to take into account the full potential of the changes in the position of women today. For this reason I have specified in my bill that—

With respect to a married couple or either spouse, any creditor of card issuer shall take into consideration the combined incomes of both spouses, if both spouses are obligated; and with respect to any individual, any creditor or card issuer may not rely on the probability or assumption that 1) the income of such individual may be diminished because of the sex or marital status of such individual, or 2) the rate of increase in the income of such individual may be affected by the sex or marital status of such individual.

In my judgment, this provision is the only realistic and meaningful way to guarantee women equality of access to credit.

In addition, the Equal Credit Act is the first bill yet introduced to apply to all credit cards, some of which under other bills would escape regulation because their "late payment fee" is not considered a "finance charge" under the Truth in Lending Act. That is to say that under pending legislation, not even such major credit cards as American Express or BankAmericard would be covered. By standing independently rather than as an amendment to the Truth in Lending Act, my bill avoids this loophole and defines the terms "credit" and "creditor" so broadly as to encompass all debt deferrals regardless of size.

Another virtue of the Equal Credit Act as a self-contained, independent piece of legislation is that its prohibitions would extend to cover nonconsumer credit, that is, credit for commercial, business, or securities purposes. Under the Truth in Lending Act, to which most equal credit bills are attached, these types of credit are listed as "exempted transactions." Thus any bill amending this act would be confirmed by the act's restricted jurisdiction. Under the definition of credit in my bill, even the buying of stocks on margin would be covered.

To extend the scope of this bill as widely as possible, I have made the administrative enforcement authority of the bill very broad. The Equal Credit Act would have to be enforced not only in the case of national banks, member banks of the Federal Reserve System, and FDIC insured banks, but also in the case of banks not insured by the FDIC. Similarly, nonfederally insured credit unions, as well as those federally insured, would be covered—as would all building and loan, savings and loan, or homestead

associations, whether or not they are members of the Federal Home Loan Bank Board.

Working women are an essential sector of our national economy; indeed, women now represent more than 40 percent of the Nation's total labor force and constitute 11.5 percent of the heads of families in the United States. Denying women access to the credit economy hurts the growth of our economy, as well as violates our system of justice and equality. Last summer's hearings demonstrated that it was prejudice, rather than business or economic principles, that constituted the basis of discrimination in credit against women. In many cases the woman works in order to give the family a decent standard of living, yet her income is often not counted toward the purchase of a home or toward a home improvement loan. Any prejudice-based denial of credit is reprehensible, and I hope my colleagues here in Congress will join in pressing for prompt enactment of this essential legislation.

RIEGLE CAUTIONS FIRMS ON SOUTH VIETNAM OIL DEVELOPMENT

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

Mr. RIEGLE. Mr. Speaker, I rise today to call attention to a recent item in the Wall Street Journal which indicated that the Government of South Vietnam has invited some 27 western oil companies to bid on offshore oil concessions.

According to the article, a consortium of 10 oil companies moved in 1969 to take control of then existing oil survey material—and have moved quietly since that time to measure the oil potential off the coast of South Vietnam.

Given the very fragile character of the South Vietnam Government—and the general instability of Southeast Asia generally, I would urge the oil companies to very carefully weigh the geopolitical realities before making any long-term investment decisions.

These geopolitical realities, I believe, make the long-run private investment prospects in South Vietnam and Southeast Asia highly speculative and I would urge great caution before any new private capital is committed.

I take the time to publicly express this concern because there may be a tendency for oil companies to assume that the United States stands ready to intervene again in South Vietnam should the situation become more unstable. The indications I have seen here in Congress are just the reverse—and that each passing hour make American Government re-intervention in Southeast Asia less and less likely.

More specifically, it would be a central error in judgment, I think, for private business firms to assume that the American Government could be drawn back into Southeast Asia in order to protect any projected new private investments—whether for oil or any other purpose.

I insert the copy of the Wall Street Journal article for the interest of my colleagues:

SOUTH VIETNAM ASKS 27 OIL FIRMS TO BID ON OFFSHORE RIGHTS

The government of South Vietnam invited 27 Western oil companies to bid on offshore concessions.

Among the companies are several of the big international concerns, including Gulf Oil Corp., Mobil Oil Corp., Texaco Inc. and the Royal Dutch-Shell Group.

Exxon and Mobil said they are studying the proposal, but don't know what they will do regarding their bid invitations. A Texaco spokesman also said, "A final decision hasn't yet been made as to whether Texaco will participate in such biddings."

One of the companies invited to submit bids, did not do so even though it filled out an "eligibility" questionnaire. South Vietnam sent questionnaires to more than 30 oil companies in 1971 in an effort to determine which concerns were capable of drilling offshore.

In Saigon, according to the Associated Press, government sources said they will put 30 blocks in the South China Sea up for bids. The sources said the 27 companies—American, French, British, Dutch, Japanese, Canadian and Australian—were asked to submit their bids before July 2. The sources indicated they expect the successful bidders to begin drilling early next year.

For years, government and business officials in Saigon have discussed the possibility a large supply of oil lies beneath South Vietnam's coastal waters. Government officials envision that oil might fuel South Vietnam's post-war economic recovery. The Saigon sources said the government thus wants to find out quickly about any oil reserves.

American oilmen said the waters to be bid on lie in a horseshoe shape around South Vietnam's southern tip. They have long been interested in that area.

In 1967, the United Nations undertook geological surveys in the Gulf of Siam and the South China Sea. Two years later, the surveys were taken over by a consortium of 10 oil companies. In 1969 and 1970, supported by the oil companies, a Houston geophysics concern conducted reconnaissance surveys on the South Vietnamese waters.

At the time, geologists concluded chances of finding oil were good but weren't certain. The oil companies, however, quietly dropped out of the picture after their interest became a national issue in the U.S. Antiwar factions in the U.S. accused the oil companies of "engineering" the war because of the alleged deposits off South Vietnam's shores.

In Saigon, sources said South Vietnam has surveyed the southern half of its offshore waters and hopes to survey the northern half by next year. The sources said 24 of the 27 companies invited to submit bids attended a meeting yesterday in Saigon.

The South Vietnamese government, the Saigon sources said, presented a model contract to the oil companies it selected to bid on the blocks. Terms and conditions also were outlined to avoid further negotiations with the winning bidders, the Saigon sources said.

Under the model contract, the AP reported, South Vietnam would receive 12.5% royalties on total production and a 55% tax on profit from the concessions.

Several of the oil companies confirmed their representatives had received tender documents and copies of the model contract in Saigon. But some of the companies, such as Hamilton Brothers Oil Co. of Denver, declined to discuss their bidding plans or their evaluation of the concessions "because of competition."

A spokesman for Sun Oil Co., one of the companies receiving invitations to bid, said: "We've read the literature, and it looks like there is potential there."

A WHITE HOUSE CONFERENCE ON THE HANDICAPPED

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

Mr. PATTEN. Mr. Speaker, the situation of the handicapped is one with which I am sure all Members of Congress are concerned. During the 92d and 93d Congresses, the House and the Senate overwhelmingly approved the vocational rehabilitation bill which, in both instances, was rejected by the President.

In light of this, and because of the great concern of this body for the improvement of the life of the handicapped person, I am introducing today a joint resolution calling for a White House Conference on the Handicapped.

Senator WILLIAMS of New Jersey is introducing the same resolution in his Chamber. It is hoped that this joint effort of the House will bring attention to the fact that the Congress of the United States, and the Nation itself, is prepared to make a genuine commitment to better the life of our country's handicapped.

Mr. Speaker, the following Members of the House of Representatives chose to join me as cosponsors of this joint resolution:

COSPONSORS OF JOINT RESOLUTION FOR A WHITE HOUSE CONFERENCE ON THE HANDICAPPED

Ms. Abzug of New York.
Mr. Bingham of New York.
Mr. Brown of California.
Mr. Carey of New York.
Ms. Chisholm of New York.
Mr. Davis of South Carolina.
Mr. Denholm of South Dakota.
Mr. Donohue of Massachusetts.
Mr. Ellberg of Pennsylvania.
Mr. Fish of New York.
Mr. Forsythe of New Jersey.
Mr. Fulton of Tennessee.
Mrs. Grasso of Connecticut.
Mr. Hanley of New York.
Mr. Harrington of Massachusetts.
Mr. Helstoski of New Jersey.
Mrs. Holt of Maryland.
Mr. Madden of Indiana.
Mr. Mayne of Iowa.
Mr. Matsunaga of Hawaii.
Mr. Mazzoli of Kentucky.
Mr. Melcher of Montana.
Mr. Moakley of Massachusetts.
Mr. Murphy of Illinois.
Mr. Myers of Indiana.
Mr. Podell of New York.
Mr. Rinaldo of New Jersey.
Mr. Roe of New Jersey.
Mr. Roncallo of New York.
Mr. Rosenthal of New York.
Mr. Roybal of California.
Mr. Sikes of Florida.
Mr. Vanik of Ohio.
Mr. Winn of Kansas.
Mr. Wolf of New York.
Mr. Won Pat of Guam.
Mr. Wyatt of Oregon.
Mr. Yatron of Pennsylvania.

Mr. Speaker, there are in the United States, according to surveys by the Public Health Service and the Social Security Administration, at least 22.6 million and probably over 30 million persons who are so disabled or handicapped as to limit in some way their ability to work or participate in other types of activity. Among these are at least 7 million handicapped children.

In this country, we have in recent

years achieved great success in securing a better life for larger and larger numbers of our population. This has not happened, to a great extent, for many of those 20 or 30 million handicapped. Many of these handicapped persons, both children and adults, have been denied the basic fundamental rights of our society that the rest of us take for granted.

There are millions of children, mentally or physically handicapped, who could benefit and grow with the aid of special educational services designed for their needs, but who have been denied such services because of lack of adequate facilities or trained personnel, or of finances. In 1971, a survey by the U.S. Office of Education found that of the slightly more than 7 million handicapped children under the age of 19, only 2.8 million were being served with special educational services.

Millions of handicapped adults who could hold jobs and support themselves if they could receive the right kind of training, counseling, and understanding find themselves unable to work because of the inadequacy or nonexistence of training and counseling programs or because of the lack of understanding of their needs and problems by employers and others. The Social Security Administration survey found that of the 5 million adults whose handicaps are serious enough to interfere with the kind of work they can do, only 43 percent were employed full time and 16 percent were employed part time. Of the 7 million less severely handicapped who can work full time but whose handicaps limit them somewhat, 63 percent were employed full time and 6 percent were employed part time. Only 2 percent of the 6 million severely handicapped were employed full time and 14 percent were employed part time.

Handicapped persons as they try to go about the everyday activities of life—to work, to study, to go shopping, or to perform other normal activities—find before them countless barriers. These are not only the barriers of prejudice and lack of understanding, but the barriers of architecture and transportation. Stairs, escalators, narrow or heavy doors, high counters, and drinking fountains—all these architectural barriers prove that those who design and build our world have little or no concern for the needs and problems of the handicapped. The difficulty of access to buses, taxis, and other modes of public transportation provides further evidence, if any is necessary, of the low level of concern we feel for the handicapped.

The handicapped have real grievances against the way their country has treated and is treating them. Despite the great success of the Education of the Handicapped program growing out of the Elementary and Secondary Education Act in reaching handicapped children with special education, there are still millions of children who have not been able to profit from such help. Although the vocational rehabilitation program over the past half century has restored more than 3 million handicapped men and women to productive employment, many millions more have not yet been reached.

We have done a lot, but we find that there is still a lot that we have left undone. For this reason, I think it is time we make a broad and deep study of our commitment to the handicapped and of the successes and failures of the programs our commitment has led us to establish.

For this reason, I am today introducing legislation to this end; a joint resolution authorizing and requesting the President to call, within 2 years, a White House Conference on the Handicapped. The Conference will develop recommendations for further research and action in the field of the handicapped.

In arriving at recommendations, the Conference will bring together representatives of Federal, State, and local governments, professional and lay people who are working in the various fields of the handicapped, and of the general public, including handicapped persons and parents of handicapped persons.

I feel a conference of this type will provide an unparalleled opportunity for this Nation to confront our neglect of the handicapped and to try to come up with methods to end this neglect once and for all.

Such a conference can have a great impact on public opinion concerning the handicapped. It can kick off a national campaign to guarantee equality for the handicapped. I hope my fellow Members of this House will come to the support of my joint resolution and of the handicapped of this Nation. The resolution follows:

H.J. RES. —

To express the sense of Congress that a White House Conference on the Handicapped be called by the President of the United States.

Whereas this Nation has achieved great and satisfying success in making possible a better quality of life for a large and increasing percentage of our population; and

Whereas the great benefits and fundamental rights of our society are often denied those who are mentally and physically handicapped; and

Whereas there are seven million handicapped children and countless numbers of handicapped adults; and

Whereas equality of opportunity, equal access to all aspects of society and equal rights of the handicapped is of critical importance to this Nation; and

Whereas the primary responsibility for meeting the challenge and problems of the handicapped has been that of the States and communities; and

Whereas all levels of government must necessarily share responsibility for developing opportunities for the handicapped; and it is therefore the policy of the Congress that the Federal Government shall work jointly with the States and their citizens, to develop recommendations and plans for action, consistent with the objectives of this resolution, which will serve the purposes of—

(1) providing educational, health, and diagnostic services for all children early in life so that handicapped conditions may be discovered and treated early;

(2) assuring that every handicapped person receives appropriately designed benefits of our educational system;

(3) assuring that the handicapped have available to them all special services and assistance they need to live a full and productive life;

(4) enabling handicapped persons to have equal and adequate access to all forms of

communication and transportation services and devices, especially in time of emergency;

(5) examining changes that technological innovation will make in the problems facing the handicapped;

(6) assuring handicapped persons equal opportunity with others to engage in gainful employment;

(7) enabling handicapped persons to have incomes sufficient for health and for participation in family and community life as self-respecting citizens;

(8) increasing research relating to all aspects of handicapping conditions;

(9) assuring close attention and evaluation to all aspects of diagnosis, evaluation, and placement of handicapped persons;

(10) assuring review and evaluation of all Federal programs in the area of the handicapped, and a close examination of the Federal role in order to plan for the future;

(11) promoting other related matters for the handicapped; and

Whereas, it is essential that recommendations be made to assure that all handicapped persons are able to live their lives in a manner as independent and self-reliant as possible, and that the complete integration of all the handicapped into normal community living, working, and service patterns be held as the final objective: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President of the United States is authorized and requested to call a White House Conference on the Handicapped within two years of the date of enactment of this joint resolution in order to develop recommendations for further research and action in the field of the handicapped, and to further the policies set forth in the preamble of this joint resolution. Such Conference shall be planned and conducted under the direction of the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") with the cooperation and assistance of such other Federal departments and agencies, including the assignment of personnel, as may be appropriate.

(b) For the purpose of arriving at facts and recommendations concerning the utilization of skills, experience, and energies and the improvement of the conditions of the handicapped, the Conference shall bring together representatives of Federal, State, and local governments, professional and lay people who are working in the fields of the handicapped, and of the general public, including handicapped persons and parents of handicapped persons.

(c) A final report of the White House Conference on the Handicapped shall be submitted to the President not later than one hundred and twenty days following the date on which the Conference is called and the findings and recommendations included therein shall be immediately made available to the public. The Secretary shall, within ninety days after the submission of such final report, transmit to the President and the Congress his recommendations for the administrative action and the legislation necessary to implement the recommendations contained in such report.

SEC. 2. In administering this joint resolution, the Secretary shall—

(a) request the cooperation and assistance of such other Federal departments and agencies as may be appropriate;

(b) render all reasonable assistance, including financial assistance, to the States in enabling them to organize and conduct conferences on the handicapped prior to the White House Conference on the Handicapped;

(c) prepare and make available background materials for the use of delegates to the White House Conference on the Handicapped as he may deem necessary;

(d) prepare and distribute interim reports

of the White House Conference on the Handicapped as may be exigent; and

(e) engage such handicapped persons and additional personnel as may be necessary without regard to the provisions of title 5, United States Code, governing appointments in the competitive civil service, and without regard to chapter 57 and subchapter 111 of chapter 53 of such title relating to classification and General Schedule pay rates in carrying out his functions under this joint resolution, the secretary shall employ handicapped persons.

SEC. 3. For the purpose of this joint resolution the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

SEC. 4. (a) The Secretary is authorized and directed to establish an Advisory Committee to the White House Conference on the Handicapped composed of twenty-eight members of whom not less than fifteen shall be handicapped or parents of handicapped persons.

(b) (1) Any member of the Advisory Committee who is otherwise employed by the Federal Government shall serve without compensation in addition to that received in his regular employment, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by him in the performance of his duties.

(2) Members of the Advisory Committee, other than those referred to in paragraph (1), shall receive compensation at rates not to exceed \$75 per day, for each day they are engaged in the performance of their duties as members of the Advisory Committee including traveltime and, while so engaged away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as the expenses authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(c) Such Advisory Committee shall cease to exist ninety days after the submission of the final report required by section 1(c).

SEC. 5. There is authorized to be appropriated to carry out this joint resolution \$2,000,000.

HOUSE CONCURRENT RESOLUTION 173—DECLINE OF AMERICAN FISHING INDUSTRY

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

Mr. TREEN. Mr. Speaker, on April 3 I introduced House Concurrent Resolution 173, which at that time had 22 sponsors. This resolution calls attention to a very serious situation: the decline of the American fishing industry from first place to seventh place among the fishing nations of the world.

It also calls attention to the fact that we have to import 60 percent of the seafood requirements of this Nation. The resolution declares it to be the policy of this Congress to afford all support necessary to strengthen and protect the fishing industry.

Mr. Speaker, since April 3 there has been much additional interest in this resolution, so I am reintroducing it today with 52 sponsors representing 22 States, Guam, and the Virgin Islands. This resolution has bipartisan support; there are 27 Democrat and 25 Republican sponsors.

Mr. Speaker, the need for foodstuffs throughout the world represents a tremendous opportunity for the United

States not only to use its land agriculture, but its sea agriculture, for improvement of our international posture.

Mr. Speaker, I urge consideration by the House of this important resolution the sponsors of which I list below and the text of which follows:

LIST OF COSPONSORS

Mr. Treen, Mr. Blackburn, Mr. Bowen, Mr. Burgener, Mr. Casey of Texas, Mr. Cohen, Mr. Robert W. Daniel, Jr., Mr. Dellenback, Mr. Derwinski, Mr. Downing, Mr. Drinan, Mr. Fisher, Mr. Harrington, Mr. Huber, Mr. Ketchum, Mr. Pritchard, Mr. Rarick, Mr. Sikes, Mr. Waggoner, Mr. Whitehurst, Mr. Won Pat, Mr. Young of Alaska, Mr. Anderson of California, Mr. Breaux, Mr. Burke of Massachusetts, Mr. Cronin, Mr. de Lugo, Mr. du Pont, Mr. Edwards of Alabama, Mr. Fuqua, Mr. Grover, Mr. Gunter, Mr. Haley, Mrs. Holt, Mr. Jones of North Carolina, Mr. Kemp, Mr. Kyros, Mr. Leggett, Mr. Long of Louisiana, Mr. Matsunaga, Mr. Moakley, Mr. Murphy of New York, Mr. Passman, Mr. Pepper, Mr. Podell, Mr. Sarasin, Mr. Stubblefield, Mr. Studds, Mr. Talcott, Mr. Teague of California, Mr. Wyatt and Mr. Young of South Carolina.

H. CON. RES. 173

Whereas the position of the United States in world fisheries has declined from first to seventh place among the major fishing nations;

Whereas there has been a continuing decline in domestic production of food fish and shellfish for the last five years;

Whereas our domestic fishing fleet in many areas has become obsolete and inefficient;

Whereas intensive foreign fishing along our coasts has brought about declines in stocks of a number of species with resulting economic hardship to local domestic fishermen dependent upon such stocks;

Whereas assistance to fishermen is very limited as contrasted to Federal aid to industrial, commercial, and agricultural interest;

Whereas United States fishermen cannot successfully compete against imported fish products in the market because a number of foreign fishing countries subsidize their fishing industry to a greater extent;

Whereas some 60 per centum of the seafood requirements of the United States is being supplied by imports;

Whereas the United States fisheries and fishing industry is a valuable natural resource supplying employment and income to thousands of people in all of our coastal States;

Whereas our fisheries are beset with almost unsurmountable production and economic problems; and

Whereas certain of our coastal stocks of fish are being decimated by foreign fishing fleets: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the policy of the Congress that our fishing industry be afforded all support necessary to have it strengthened, and all steps be taken to provide adequate protection for our coastal fisheries against excessive foreign fishing.

SEC. 2. The Congress also recognizes, encourages, and intends to support the key responsibilities of the several States for conservation and scientific management of fisheries resources within United States territorial waters; and in this context the Congress particularly commends Federal programs designed to improve coordinated protection, enhancement, and scientific management of all United States fisheries, both coastal and distant, including presently successful Federal aid programs under the Commercial Fisheries, Research and Development Act of 1964, and the newly developing Federal-State fisheries management programs.

INTRODUCTION OF THE MUTUAL DEVELOPMENT AND COOPERATION ACT

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

Mr. ZABLOCKI. Mr. Speaker, today 23 members of the Committee on Foreign Affairs—a bipartisan majority of that committee—are introducing new legislation which would reform and restructure the Foreign Assistance Act in order to make it more effective and enhance its chances of passage through Congress.

I believe this to be an historic initiative on the part of the Foreign Affairs Committee and an opportunity for the Congress to take the lead in reshaping foreign aid.

We have been working on this proposed legislation for more than a month. We have held a number of meetings to which all interested members of the Committee on Foreign Affairs have been invited.

Our objective was not—as I shall emphasize at greater length later—to sabotage or undercut the administration's proposed fiscal year 1974 aid legislation, which has been introduced upon request to the executive branch by the committee chairman, Dr. MORGAN.

Our proposal would not supersede the administration's bill but instead be offered as a series of amendments to that bill during committee markup. Those amendments would change the style and direction of U.S. economic assistance efforts. They would not affect the military and supporting assistance portions of the administration's program.

Among the Members of Congress—all from the Committee on Foreign Affairs—who already have indicated their support by agreeing to cosponsor the bill are: Mr. FRASER, Mr. FRELINGHUYSEN, Mr. FASCELL, Mr. FINDLEY, Mr. DIGGS, Mr. NIX, Mr. ROSENTHAL, Mr. HAMILTON, Mr. BINGHAM, Mr. WHALEN, Mr. BIESTER, Mr. WINN, Mr. REID, Mr. YATRON, Mr. HARRINGTON, Mr. RYAN, Mr. RIEGLE, Mr. CHARLES WILSON of Texas, Mr. GILMAN, Mr. VANDER JAGT, and Mr. WOLFF.

Our proposal amends the administration version in four respects:

First. It modifies the statement of policy by adding the following language:

Bilateral development aid should concentrate increasingly on sharing American technical expertise, farm commodities, and industrial goods to meet critical development problems, and less on large-scale capital transfers, which when made should be in association with contributions from other industrialized countries working together in a multilateral framework.

Future United States bilateral support for development should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries: food production, rural development and nutrition; population planning and health; education, public administration, and human resource development.

United States cooperation in development should be carried out to the maximum extent possible through the private sector, particularly those institutions which already have ties in the developing areas, such as

educational institutions, cooperatives, credit unions, and voluntary agencies.

Development planning must be the responsibility of each sovereign country. United States assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.

United States bilateral development assistance should give the highest priority to undertakings submitted by host governments which directly improve the lives of the poorest majority of people and their capacity to participate in the development of their countries.

United States development assistance should continue to be available through bilateral channels until it is clear that multilateral channels exist which can do the job with no loss of development momentum.

Second. In keeping with the new policy directions, it changes the name of the basic act to the "Mutual Development and Cooperation Act" and the name of the administering agency—now AID—to the Mutual Development and Cooperation Agency—MDCA.

Third. The bill provides for greater coordination of U.S. development activities and seeks to assure that the U.S. interest in development in low-income countries is taken into account in economic policies which affect development.

Fourth. It creates a new Export Development Credit Fund. The Fund would utilize repayment from outstanding loans to subsidize concessional loans to the low-income countries, thus aiding U.S. exporters and enabling countries to purchase goods and services needed for their development.

In summary, our proposal would do the following:

Focus the now much diminished bilateral aid on acute problem areas in order to encourage the developing countries to make it possible for the poorest majority of their people to participate in the development process;

Improve coordination of all U.S. activities that bear on development; and

Create a new facility to expand U.S. exports to the poorest countries with the further aim of providing additional resources to those countries at appropriate terms without increasing U.S. budgetary outlays.

Mr. Speaker, I believe this initiative is in the best tradition of congressional lawmaking. It embodies a bipartisan consensus on how future foreign aid programs should be structured.

I am inserting the text of the proposal into the RECORD at this point and urge the attention of my colleagues to it.

H.R. 8258

A bill to amend the Foreign Assistance Act of 1961, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Development and Cooperation Act of 1973".

MUTUAL DEVELOPMENT AND COOPERATION ACT

Sec. 2. The Foreign Assistance Act of 1961 is amended as follows:

(a) In the first section, strike out "The Foreign Assistance Act of 1961" and insert in lieu thereof "The Mutual Development and Cooperation Act of 1973".

(b) Strike out "Agency for International Development" each place it appears in such

Act and insert in lieu thereof in each such place "Mutual Development and Cooperation Agency".

POLICY; DEVELOPMENT ASSISTANCE AUTHORIZATIONS

Sec. 3. Chapter 1 of part 1 of the Foreign Assistance Act of 1961 is amended as follows:

(a) In the chapter heading, immediately after "Chapter 1—Policy" insert "; Development Assistance Authorizations".

(b) In section 102, relating to statement of policy, insert "(a)" immediately after "Statement of Policy.—", and at the end thereof add the following:

"(b) The Congress further finds and declares that, with the help of United States economic assistance, progress has been made in creating a base for the peaceful advance of the less developed countries. At the same time, the conditions which shaped the United States foreign assistance program in the past have changed. While the United States must continue to seek increased cooperation and mutually beneficial relations with other nations, our relations with the less developed countries must be revised to reflect the new realities. In restructuring our relationships with those countries, the President should place appropriate emphasis on the following criteria:

"(1) Bilateral development aid should concentrate increasingly on sharing American technical expertise, farm commodities, and industrial goods to meet critical development problems, and less on large-scale capital transfers, which when made should be in association with contributions from other industrialized countries working together in a multilateral framework.

"(2) Future United States bilateral support for development should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries: food production, rural development and nutrition; population planning and health; education, public administration, and human resource development.

"(3) United States cooperation in development should be carried out to the maximum extent possible through the private sector, particularly those institutions which already have ties in the developing areas, such as educational institutions, cooperatives, credit unions, and voluntary agencies.

"(4) Development planning must be the responsibility of each sovereign country. United States assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.

"(5) United States bilateral development assistance should give the highest priority to undertakings submitted by host governments which directly improve the lives of the poorest majority of people and their capacity to participate in the development of their countries.

"(6) United States development assistance should continue to be available through bilateral channels until it is clear that multilateral channels exist which can do the job with no loss of development momentum.

"(7) Under the policy guidance of the Secretary of State, the Mutual Development and Cooperation Agency should have the responsibility for coordinating all United States development-related activities. The Administrator of the Agency should advise the President on all United States actions affecting the development of the less-developed countries, and should keep the Congress informed on the major aspects of United States interests in the progress of those countries."

(c) At the end thereof, add the following new sections:

"Sec. 103. Food and Nutrition.—In order to prevent starvation, hunger and malnutri-

tion, and to provide basic services to the people living in rural areas and enhance their capacity for self-help, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for agriculture, rural development and nutrition. There is authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$300,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

"Sec. 104. Population Planning and Health.—In order to increase the opportunities and motivation for family planning, to reduce the rate of population growth, to prevent and combat disease, and to help provide health services for the great majority, the President is authorized to furnish assistance on such terms and conditions as he may determine, for population planning and health. There is authorized to be appropriated to the President for the purposes of this section, in addition to the funds otherwise available for such purposes, \$150,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

"Sec. 105. Education and Human Resource Development.—In order to reduce illiteracy, to extend basic education and to increase manpower training in skills related to development, the President is authorized to furnish assistance on such terms and conditions as he may determine, for education, public administration and human resource development. There is authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$115,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

"Sec. 106. Selected Development Problems.—The President is authorized to furnish assistance on such terms and conditions as he may determine, to help solve economic and social development problems in fields such as transportation and power, industry, urban development and export development. There is authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$93,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

"Sec. 107. Selected Countries and Organizations.—The President is authorized to furnish assistance on such terms and conditions as he may determine, in support of the general economy of recipient countries or for development programs conducted by private or international organizations. There is authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, \$60,000,000 for each of the fiscal years 1974 and 1975, which amounts are authorized to remain available until expended.

"Sec. 108. Application of Existing Provisions.—Assistance under this chapter shall be furnished in accordance with the provisions of titles I, II, VI, or X of chapter 2 of this part, and nothing in this chapter shall be construed to make inapplicable the restrictions, criteria, authorities or other provisions of this or any other Act in accordance with which assistance furnished under this chapter would otherwise have been provided.

"Sec. 109. Transfer of Funds.—Notwithstanding the preceding section, whenever the President determines it to be necessary for the purposes of this chapter, not to exceed 15 per centum of the funds made available for any provision of this chapter may be transferred to, and consolidated with, the

funds made available for any other provision of this chapter, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 25 per centum of the amount of funds made available for such provision."

DEVELOPMENT LOAN FUND

"Sec. 4. Section 203 of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended as follows:

(a) Strike out "the Mutual Security Act of 1954, as amended," and insert in lieu thereof "predecessor foreign assistance legislation".

(b) Strike out "for the fiscal year 1970, for the fiscal year 1971, for the fiscal year 1972, and for the fiscal year 1973" and insert in lieu thereof "for the fiscal years 1974 and 1975 for use for the purposes of chapter I of this part and part V of this Act and".

ADMINISTRATIVE PROVISIONS

Sec. 5. Chapter 2 of part III of the Foreign Assistance Act of 1961, relating to administrative provisions, is amended as follows:

(a) In section 638, relating to Peace Corps assistance, insert before the period at the end thereof "; or under part V of this Act".

(b) At the end thereof, add the following new section:

"Sec. 640B. Coordination.—(a) The President shall establish a system for coordination of United States policies and programs which affect United States interests in the development of low income countries. To that end, the President shall establish a Development Coordination Committee which shall advise him with respect to coordination of United States policies and programs affecting the development of the developing countries, including programs of bilateral and multilateral development assistance. The Committee shall include the Administrator, Mutual Development and Cooperation Agency, Chairman; the Under Secretary for Economic Affairs, Department of State; the Assistant Secretary for International Organization Affairs, Department of State; the Assistant Secretary for International Affairs, Department of the Treasury; the Assistant Secretary for International Affairs and Commodity Programs, Department of Agriculture; the Assistant Secretary for Domestic and International Business, Department of Commerce; the President, Export-Import Bank of the United States; the President, Overseas Private Investment Corporation; the Special Representative for Trade Negotiations, Executive Office of the President; and the Executive Director, Council on International Economic Policy.

"(b) The President shall prescribe appropriate procedures to assure coordination among representatives of the U.S. Government in each country, under the direction of the Chief of the U.S. Diplomatic Mission.

"(c) Programs authorized by this Act shall be undertaken with the foreign policy guidance of the Secretary of State.

"(d) The Chairman of the Development Coordination Committee shall report annually to the President and the Congress on United States actions affecting the development of the low income countries."

UNITED STATES EXPORT DEVELOPMENT CREDIT FUND

Sec. 6. The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new part:

"PART V

"Sec. 801. General Authority.—(a) In the interest of increasing United States exports to the lowest income countries, thereby contributing to high levels of employment and income in the United States and to the establishment and maintenance of long-range, growing export markets, while promoting development of such countries, the President

shall establish a fund, to be known as the 'United States Export Development Credit Fund', to be used by the President to carry out the authority contained in this part.

"(b) The President is authorized to provide extensions of credit and to refinance United States exporter credits, for the purpose of facilitating the sale of United States goods and services to the lowest income countries which advance their development. The provisions of Section 201 (d) of this Act shall apply to extensions of credit under this part. The authority contained in this part shall be used to extend credit in connection with the sale of goods and services which are of developmental character, with due regard for the objectives stated in section 102 (b) of this Act.

"(c) The receipts and disbursements of the Fund in the discharge of its functions shall be treated for purposes of the budget of the United States Government in the same fashion as the receipts and disbursements of the Export-Import Bank of the United States under section 2 (a) (2) of the Export-Import Bank Act of 1945, as amended.

"Sec. 802. Financing.—(a) As many hereafter be provided in annual appropriation Acts, the President is authorized to borrow from whatever source he deems appropriate, during the period from the enactment of this legislation through December 31, 1977, and to issue and sell such obligations as he determines necessary to carry out the purposes of this part, *Provided*, That the aggregate amount of such obligations outstanding at any one time shall not exceed one-fourth of the amount specified in section 7 of the Export-Import Bank Act of 1945, as amended. The dates of issuance, the maximum rates of interest and other terms and conditions of the obligations issued under this subsection will be determined by the Secretary of the Treasury with the approval of the President. Obligations issued under the authority of this section shall be obligations of the Government of the United States of America, and the full faith and credit of the United States of America is hereby pledged to the full payment of principal and interest thereon. For the purpose of any purchase of the obligations issued under this part, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the obligations issued under this part. The Secretary of the Treasury may, at any time, sell any of the obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of such obligations shall be treated as public debt transactions of the United States.

"(b) Except as otherwise provided in section 806, the amounts borrowed under subsection (a) of this section shall be paid into the Fund and used to carry out the purposes of this part. Any difference between the interest to be repaid on export credits made under this part and the interest paid by the Fund on obligations incurred under subsection (a) of this section shall be paid into the Fund out of receipts specified in section 203 of this Act or out of receipts from loans made pursuant to this part.

"(c) Receipts from loans made pursuant to this part are authorized to be made available for the purposes of this part. Such receipts and other funds made available for the purposes of this part shall remain available until expended.

"Sec. 803. Lending Ceiling and Termination.—(a) The United States Export Development Credit Fund shall not have outstanding at any one time loans in an aggregate amount in excess of one-fourth of the

amount specified in section 7 of the Export-Import Bank Act of 1945, as amended.

"(b) The United States Export Development Credit Fund shall continue to exercise its functions in connection with and in furtherance of its objectives and purposes until the close of business on December 31, 1977, but the provisions of this section shall not be construed as preventing the Fund from acquiring obligations prior to such date which mature subsequent to such date or from assuming prior to such date liability as acceptor of obligations which mature subsequent to such date or from issuing either prior or subsequent to such date, for purchase by the Secretary of the Treasury or any other purchasers, its obligations which mature subsequent to such date or from continuing as an agency of the United States and exercising any of its functions subsequent to such date for purposes of orderly liquidation, including the administration of its assets and the collection of any obligations held by the Fund.

"SEC. 804. Reports to the Congress.—The President shall transmit to the Congress semiannually a complete and detailed report of the operations of the United States Export Development Credit Fund. The report shall be as of the close of business of June 30 and December 31 of each year.

"SEC. 805. Administration of Fund.—The President shall establish a committee to advise him on the exercise of the functions conferred upon him by this part. The committee shall include the Secretary of Commerce, the Secretary of the Treasury, the Secretary of State, the President of the Export-Import Bank and the Administrator of the Mutual Development and Cooperation Agency.

"SEC. 806. Provision for Losses.—Ten percent of the amount authorized to be borrowed under subsection 803(a) shall be reserved and may be used to cover any losses incurred on loans extended under this part. Receipts specified in section 203 of this Act may also be paid into the Fund for the purpose of compensating the Fund for any such losses.

"SEC. 807. Export-Import Bank Powers.—Nothing in this part shall be construed as a limitation on the powers of the Export-Import Bank of the United States.

"SEC. 808. Prohibition on Loans for Defense Articles or Services.—The authority contained in this part shall not be used to extend credit in connection with the sale of defense articles or defense services. This provision may not be waived pursuant to section 614 of this Act or pursuant to any other provision of this or any other Act.

"SEC. 809. Definitions.—As used in this part—

"(a) 'Lowest income countries' means the poorer developing countries, with particular, but not exclusive, reference to countries in which, according to the latest available United Nations statistics, national product per capita is less than \$200 a year."

REFERENCES TO EXISTING ACT AND ADMINISTERING AGENCY

SEC. 7. All references to the Foreign Assistance Act of 1961, as amended, and to the Agency for International Development shall be deemed to be references also to the Mutual Development and Cooperation Act of 1973 and to the Mutual Development and Cooperation Agency, respectively. All references in the Mutual Development and Cooperation Act of 1973 to "this Act" or to any provisions thereof shall be deemed to be references also to the Foreign Assistance Act of 1961, as amended, or to the appropriate provisions thereof, and references to "the agency primarily responsible for administering part I" shall be deemed references also to the Agency for International Development. All references to the Mutual Development and Cooperation Act of 1973 and to the

Mutual Development and Cooperation Agency shall, where appropriate, be deemed references also to the Foreign Assistance Act of 1961, as amended, and to the Agency for International Development, respectively.

MULTINATIONAL CORPORATIONS

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania (Mr. GAYDOS) is recognized for 60 minutes.

Mr. GAYDOS. Mr. Speaker, in the great hue and cry over the Nation's present precarious position in international trade, our mounting deficits, our devaluations of the dollar and our pending confrontation with foreign competitors for world markets, a great deal of criticism has been directed toward the multinational corporations and the role they have played in bringing about the current situation.

These firms, with their globe encircling sphere of operations, have been accused of putting profits before patriotism, and of sacrificing American jobs on the altar of low labor costs abroad. The corporations have denied the charges. They contend they actually have created employment here, although some do admit that their foreign operations have resulted in replacing production workers in the United States with managerial, research, and service personnel.

However, it is not my intention to comment on this particular aspect of the problem. My colleague, Mr. DENT, is well prepared to handle it. Instead, I would like to direct my colleagues' attention at this time to two other matters involving multinationals. First: I would urge them not to concentrate exclusively on the American multinationals and forget about foreign multinationals. Second, I would ask my colleagues to pause for a moment to consider what effect these giants of business and industry could have on the lives of all people, and of all governments in the years to come.

For many years when people talked of multinational corporations, they automatically thought in terms of American-based plants which established subsidiary firms throughout the world. Multinationals and American corporations were synonymous, particularly in the years following World War II.

U.S. corporations were quick to recognize the potentially lucrative markets to be found in the ashes of foreign economies which had been shattered by the war and were ripe for the rebuilding. They saw the advantages of helping the reconstruction of those economies while at the same time enjoying lower production costs for goods shipped back to the United States.

In many cases, these corporations were encouraged by our Government to expand their overseas operations in order to assist the underdeveloped nations and also to acquire a needed source of raw materials. Our Government has gone so far as to insure most of these firms against any possible confiscatory action which might be taken by foreign authorities. This is done, of course, through the Overseas Private Insurance Corp., which is supported by the tax dollars of working Americans.

In the period between 1950 and 1970, the growth of American multinational corporations was rapid. The number of U.S. firms' foreign subsidiaries almost quadrupled, jumping from 2,300 to 8,000 over the 20-year period. In nearly the same length of time, the amount of direct overseas investments also soared, from \$11.8 billion in 1950 to \$86 billion in 1971.

It is not surprising then that most people linked the word "multinational" with the United States. What is surprising, however, is that few people are now aware of the growth of foreign multinationals and their increased interest in the past few years in locating in the United States.

According to the U.S. Department of Commerce, the value of foreign direct investments here jumped from \$7.4 billion in 1961 to \$13.7 billion in 1971, an increase of \$6.3 billion. However, the DOC notes the rate of increased growth was dramatic over the last 5 years of that decade.

From 1961 to 1966, the average growth was \$330 million a year or 4.1 percent at an annual rate. But, from 1966 to 1971, growth more than doubled, averaging \$930 million or an annual rate of 8.6 percent, DOC reported.

On February 18, 1973, an article in the Pittsburgh Press reported a University of Wisconsin economist as linking the second devaluation of the American dollar with a possible "grab" of U.S. companies by foreign investors.

Prof. Warren J. Bilkey was quoted as saying:

If the thought of a Japanese takeover of General Motors appears fantastic, just consider that foreign banks now own more than 10 billion dollars more than they did 10 days ago.

That was the result of the dollar devaluation.

Bilkey explained that it was unlikely Japan and Germany would lend the excess dollars to Russia and China to be used to buy products manufactured by Japanese and German workers. The strategy would boomerang because they soon would end up still holding the excess American dollars. If the Japanese and Germans used the dollars to buy Russian and Chinese raw materials, it would mean the two Communist countries then would be faced with the problem of getting rid of the devaluated American currency.

Professional Bilkey suggested Germany and Japan might more wisely use the money to buy American stock, adding that if either could buy enough stock in GM to gain control, it could then determine the worldwide investment policies of the corporation.

Frankly, although the idea expressed by the professor was intriguing, I personally thought the possibility rather remote. But, just 1 month later, Industry Week magazine ran an article stating Hitachi Metals America Ltd., a subsidiary of the Hitachi Group in Tokyo, had acquired 80.5-percent interest in a magnet manufacturing plant operated by General Electric Co. in Massachusetts.

Hitachi, until then, primarily engaged in importing Japanese products to the

United States, now says it intends to export products from its new plant. Regarding further U.S. investments, Kenji Takitani, president of Hitachi Metals America, was quoted as saying:

We have an aggressive, open-minded interest in U.S. ventures, large or small, at any time. We want to expand our roots in America.

In the same article *Industry Week* also reported Mitsubishi Heavy Industries Ltd. was interested in more direct investment in U.S. manufacturing, and Nippon Seiko Co., Tokyo, had started a joint venture with Hoover Ball & Bearing Co. in Michigan.

Just about the time the *Industry Week* article appeared, Mr. Harvey D. Shapiro wrote an excellent article on multinational corporations in the March 18 issue of the *New York Times* magazine. Entitled "Giants—Beyond Flag and Country," it is an extremely well-written analysis of the past and future of multinationals, and their effect on international economics and politics.

Mr. Shapiro discusses the growth of foreign multinational firms, noting Japan, for example, now has only \$4.5 billion in overseas direct investments. However, he pointed out now that the Japanese Government has relaxed controls on the export of capital, it is anticipated that Nation's foreign investments will total \$10 billion within the next few years.

I was particularly impressed with an observation of Mr. Shapiro's that while multinationals grow in number and in influence, they will further challenge the authority and jurisdiction of national governments. Mr. Shapiro observes that traditionally a state is responsible for what happens within its borders, but that multinationals require a free flow of goods, capital, and labor as though there were no borders. They look upon a state or states, not as a sovereign entity but as a sales territory. The question then becomes, as Mr. Shapiro so aptly puts it, "which is to govern? The law of the land or the law of supply and demand?"

George Ball, former Under Secretary of State, is quoted in the article as wondering how a national government can manage its domestic financial and economic policies if it cannot control the decisions of all factors within that econ-

omy. The point is made that multinational corporations have massive economic power and that economic power is political muscle as well.

This is a disturbing realization, especially when it is becoming increasingly evident that multinational corporations today are becoming ensnared in a web of allegiances to various governments which could become extremely sticky in years to come.

Frankly, I do not know now, how this developing problem can be solved, but I do know that I disagree quite strongly with the proposal put forth by Mr. Ball. He suggests a sort of economic United Nations, a supernational regulatory authority which will charter global firms, specify their rights and obligations and standardize the host government's regulations and taxes. I shudder at the thought of putting the fate of American citizens into the hands of such an authority, in view of what our experience with the United Nations has taught us as to where the loyalties of its members lie.

Nevertheless, it should be realized that the growing economic and political power of multinational corporations is a force which must be reckoned with. Already, these giants have reached a plateau where they can ignore trade unions, consumer groups and, in many cases, minor governmental bodies. It is not unrealistic to assume that if and when these modern-day giants decide to unite, and form their own set of rules and regulations, sovereign States will have little or nothing to say in the matter. I fear for the day when the Constitution of the United States is superseded by a sales contract.

Mr. Speaker, I include in the RECORD several published articles relating to the activities of multinational corporations today:

FOREIGN DIRECT INVESTMENTS IN THE UNITED STATES, 1962-71

The value of foreign direct investments in the United States increased from \$7.4 billion at yearend 1961 to \$13.7 billion at yearend 1971, according to the Bureau of Economic Analysis, a part of the Commerce Department's Social and Economic Statistics Administration. Historical data on foreign direct investments in the United States are presented and factors influencing such investments are investigated in an article that will appear in the February issue of BEA's

monthly magazine, the *Survey of Current Business*.

Here are the major findings of the article, "Foreign Direct Investments in the United States, 1962-71"—

The value of foreign direct investments in the United States increased \$6.3 billion in the 1962-71 period. Net capital inflows added \$2.6 billion while reinvested earnings contributed \$3.8 billion. The value of the foreign share of U.S. firms' assets was adjusted downward by \$100 million during the decade.

The rate of growth of foreign direct investments in the United States increased sharply after 1966: from yearend 1961 to yearend 1966, their average growth was \$330 million a year, or 4.1 percent at an annual rate; from yearend 1966 to yearend 1971, growth averaged \$930 million a year, an annual rate of 8.6 percent.

The value of foreign direct investments in U.S. manufacturing amounted to \$6.7 billion in 1971. That was 49 percent of total investment. Manufacturing's share in 1962 was 38 percent.

European countries held 73 percent of foreign direct investments in the United States at yearend 1971, compared with 69 percent at yearend 1962. Among individual countries, the United Kingdom has traditionally had the largest direct investments in the United States (\$4.4 billion in 1971).

Foreign earnings on direct investments in the United States increased from \$359 million to \$1,110 million from 1962 to 1971. Income paid to foreign parents rose from \$185 million to \$623 million over the same period.

The rate of return from foreign-owned manufacturing firms in the United States has historically been lower than that from all U.S. manufacturing firms. The gap has, however, been narrowing in recent years. In 1971, the rate of return from foreign-owned manufacturing firms in the United States was 8.7 percent, compared with 10.7 percent for all U.S. manufacturing firms. The rate of return from foreign-owned firms is based on a measure of benefits derived from the investments which adjusts earnings to include interest on intercompany debt but to exclude U.S. withholding taxes on common stock dividends. This measure of the foreign owners' return is most comparable to the rate of return from all manufacturing.

For full details, see "Foreign Direct Investments in the United States, 1962-71," in the February issue of the *Survey of Current Business*, the monthly magazine of the Bureau of Economic Analysis. The Survey is available from Field Offices of the Department of Commerce, or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at an annual subscription price of \$20, including weekly supplements; single copy, \$2.25.

TABLE 1.—VALUE OF FOREIGN DIRECT INVESTMENTS IN THE UNITED STATES AT YEAREND

(In millions of dollars)

| Line No. | Area and industry | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 * | 1971 |
|----------|---|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|
| 1 | Total..... | 7,612 | 7,944 | 8,363 | 8,797 | 9,054 | 9,923 | 10,815 | 11,818 | 13,270 | 13,704 |
| 2 | By area: | | | | | | | | | | |
| 3 | Canada..... | 2,064 | 2,183 | 2,284 | 2,388 | 2,439 | 2,575 | 2,659 | 2,834 | 3,117 | 3,339 |
| 4 | Europe..... | 5,247 | 5,492 | 5,820 | 6,076 | 6,274 | 7,005 | 7,750 | 8,510 | 9,554 | 10,077 |
| 5 | United Kingdom..... | 2,474 | 2,665 | 2,796 | 2,852 | 2,864 | 3,156 | 3,409 | 3,496 | 4,127 | 4,435 |
| 6 | European Economic Community..... | 1,675 | 1,728 | 1,841 | 1,975 | 2,144 | 2,405 | 2,790 | 3,306 | 3,555 | 3,757 |
| 7 | Belgium and Luxembourg..... | 158 | 161 | 175 | 175 | 193 | 228 | 273 | 309 | 338 | 341 |
| 8 | France..... | 183 | 182 | 197 | 200 | 215 | 265 | 288 | 319 | 286 | 315 |
| 9 | Germany..... | 152 | 149 | 156 | 209 | 247 | 318 | 387 | 617 | 680 | 767 |
| 10 | Italy..... | 100 | 102 | 82 | 87 | 87 | 86 | 92 | 95 | 100 | 109 |
| 11 | Netherlands..... | 1,082 | 1,134 | 1,231 | 1,304 | 1,402 | 1,508 | 1,750 | 1,966 | 2,151 | 2,225 |
| 12 | Other Western Europe..... | 1,098 | 1,099 | 1,183 | 1,249 | 1,266 | 1,444 | 1,551 | 1,708 | 1,872 | 1,886 |
| 13 | Sweden..... | 179 | 185 | 199 | 215 | 217 | 239 | 205 | 199 | 208 | 229 |
| 14 | Switzerland..... | 836 | 825 | 896 | 940 | 949 | 1,096 | 1,238 | 1,395 | 1,545 | 1,537 |
| 15 | Other..... | 83 | 89 | 88 | 94 | 100 | 109 | 108 | 114 | 119 | 120 |
| 16 | Japan..... | 112 | 104 | 72 | 118 | 103 | 108 | 181 | 176 | 229 | —174 |
| 17 | Latin America and other Western Hemisphere..... | 152 | 123 | 145 | 172 | 195 | 192 | 182 | 193 | 248 | 315 |
| 18 | Other..... | 37 | 42 | 42 | 43 | 43 | 43 | 43 | 105 | 121 | 146 |

| Line No. | Area and industry | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 ² | 1971 ³ |
|--------------|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------------------|-------------------|
| By industry: | | | | | | | | | | | |
| 18 | Petroleum..... | 1,419 | 1,513 | 1,612 | 1,710 | 1,740 | 1,885 | 2,261 | 2,493 | 2,992 | 3,113 |
| 19 | Manufacturing..... | 2,885 | 3,018 | 3,213 | 3,478 | 3,789 | 4,181 | 4,475 | 5,344 | 6,140 | 6,748 |
| 20 | Trade..... | 750 | 706 | 675 | 748 | 739 | 848 | 938 | 959 | 994 | 968 |
| 21 | Insurance and other finance..... | 1,943 | 2,045 | 2,181 | 2,169 | 2,072 | 2,193 | 2,305 | 2,189 | 2,256 | 2,352 |
| 22 | Other..... | 615 | 662 | 682 | 692 | 714 | 816 | 836 | 833 | 888 | 923 |

¹ The value of foreign direct investments is the sum of net capital inflows, valuation adjustments of the foreign share of assets held by U.S. affiliates of foreign firms, and the foreign share of reinvested earnings of incorporated U.S. affiliates.

³ Preliminary.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, International Investment Division.

TABLE 2. FOREIGN DIRECT INVESTMENTS IN THE UNITED STATES SELECTED DATA ITEMS

[In millions of dollars]

| Line No. | Area and industry | Earnings | | Reinvested earnings | | Interest, dividends, and branch earnings | | Net capital inflows | |
|--------------|---|----------|-------------------|---------------------|-------------------|--|-------------------|---------------------|-------------------|
| | | 1962 | 1971 ¹ | 1962 | 1971 ¹ | 1962 | 1971 ¹ | 1962 | 1971 ¹ |
| 1. | Total..... | 359 | 1,110 | 214 | 498 | 185 | 623 | 132 | -67 |
| By area: | | | | | | | | | |
| 2. | Canada..... | 90 | 218 | 56 | 137 | 48 | 88 | 43 | 85 |
| 3. | Europe..... | 267 | 757 | 159 | 292 | 132 | 466 | 62 | 229 |
| 4. | United Kingdom..... | 102 | 350 | 44 | 104 | 63 | 236 | 19 | 203 |
| 5. | European Economic Community..... | 105 | 274 | 75 | 140 | 40 | 134 | 46 | 61 |
| 6. | Belgium and Luxembourg..... | 2 | 22 | 2 | 11 | 4 | 3 | 7 | -17 |
| 7. | France..... | 4 | 21 | 2 | 11 | 4 | 10 | 7 | 18 |
| 8. | Germany..... | 6 | 55 | 3 | 39 | 4 | 19 | 31 | 48 |
| 9. | Italy..... | -10 | -1 | -11 | -4 | 3 | 5 | 22 | 13 |
| 10. | Netherlands..... | 103 | 176 | 79 | 75 | 25 | 97 | -19 | -1 |
| 11. | Other Western Europe..... | 60 | 133 | 40 | 49 | 30 | 96 | -3 | -35 |
| 12. | Sweden..... | 5 | 10 | 3 | 11 | 3 | 11 | 1 | 21 |
| 13. | Switzerland..... | 63 | 118 | 34 | 48 | 26 | 83 | -7 | -59 |
| 14. | Other..... | 1 | 5 | 3 | 1 | (2) | 2 | 3 | 3 |
| 15. | Japan..... | -3 | 92 | -4 | 53 | 4 | 40 | 24 | -456 |
| 16. | Latin America and other Western Hemisphere..... | 5 | 36 | 1 | 8 | 2 | 29 | 27 | 60 |
| 17. | Other..... | (5) | 8 | 2 | 7 | (5) | (2) | -24 | 16 |
| By industry: | | | | | | | | | |
| 18. | Petroleum..... | 126 | 203 | 116 | 78 | 14 | 116 | -22 | 43 |
| 19. | Manufacturing..... | 146 | 512 | 88 | 318 | 76 | 217 | 41 | 287 |
| 20. | Trade..... | 19 | 130 | 15 | 71 | 8 | 52 | 83 | -497 |
| 21. | Insurance..... | 52 | 185 | - | - | 56 | 185 | 36 | 81 |
| 22. | Other finance..... | 15 | 62 | -2 | 26 | 18 | 39 | 11 | -11 |
| 23. | Other..... | 1 | 18 | -3 | 5 | 13 | 14 | -17 | 30 |

¹ Preliminary.

² Less than \$500,000 (plus or minus).

Source: U.S. Department of Commerce, Bureau of Economic Analysis, International Investment Division.

JAPANESE FIRM BUYS GE's MAGNET FACILITY
Japanese investment in U. S. manufacturing continues to grow with one of the latest ventures involving Japan's second largest industrial combine and the General Electric Co.

Hitachi Metals America Ltd., White Plains, N. Y., a subsidiary of the Hitachi Group, Tokyo, acquired an 80.5% interest in GE's permanent magnet manufacturing plant at Edmore, Mich., to form a new company, Hitachi Magnetics Corp.

The Edmore plant, which has been operated as a department of GE's Chemical & Metallurgical Div., Pittsfield, Mass., manufactures products for the automotive, appliance, home entertainment, and electronics industries.

This is the first manufacturing venture in the U. S. for any company of the Hitachi Group, which has annual sales of more than \$4 billion. The Japanese firm also has an extensive overseas marketing operation and plans to export products from Hitachi Magnetics Corp.

Hitachi Metals America had been primarily engaged in importing goods into the U. S. prior to the Edmore plant acquisition, the company said, although it also operates a small metals fabricating plant in Pittsburgh.

Kenji Takitani, president, Hitachi Metals America, and chairman and chief executive officer, Hitachi Magnetics, said: "The new operation will expand the magnetic product lines and improve the existing technologies now carried on at the Edmore plant."

Hitachi Magnetics will expand its present product line by supplying a variety of ferrite magnets, considered one of the fastest growing segments of the industry. The GE plant had not been manufacturing the ferrite magnets. Hitachi also said that the product line "will encompass the full spectrum of com-

mercially made magnets: Alnico, ferrite, samarium cobalt, and Lodex."

"It is expected that the increase in exports will result in expanding employment at Edmore [which currently employs 600]," Mr. Takitani stated. "We hope to sell throughout the world."

Regarding further U. S. investment, Mr. Takitani said: "We have an aggressive, open-minded interest in U. S. ventures, large or small, at any time. We want to expand our roots in America."

Mitsubishi Heavy Industries Ltd. recently announced an interest in more direct investment in U. S. manufacturing, and Nippon Seiko Co., Tokyo, has started a joint venture with Hoover Ball & Bearing Co., Ann Arbor, Mich., to make antifriction bearings.

DEVALUATION MAY TRIGGER FOREIGN GRAB—U. S. COMPANIES VULNERABLE, ECONOMIST WARNS

MADISON, Wis.—One overlooked effect of the devaluation is that it will speed up foreign investments in business firms and may lead to foreign takeovers, a University of Wisconsin economist says.

"If the thought of a Japanese takeover of General Motors appears fantastic, just consider that foreign banks now own more than 10 billion more dollars than they did 10 days ago," said Prof. Warren J. Bilkey.

"The question now is what will Germany and Japan do with all the dollars they have soaked up recently?" Bilkey asked.

He said they could lend the dollars to Russia and China to be used to buy Japanese and German manufactured goods, but that would boomerang because they soon would have the dollars back on their hands.

If they could use the dollars to buy Russian and Chinese raw materials, that would

leave the two communist countries with the problem of getting rid of the dollars.

So Bilkey thinks it more likely the German and Japanese will use the money to buy American stocks.

If the Japanese should buy enough General Motors stock to get control of GM, Bilkey said, they then could determine GM's worldwide investment policies.

[From the New York Times Magazine, Mar. 18, 1973]

THE MULTINATIONALS—GIANTS BEYOND FLAG AND COUNTRY

(By Harvey D. Shapiro)

The meeting at the Palace of Versailles last March had all the trappings of a diplomatic congress. For three days the 90-odd delegates from nine nations held closed-door meetings to discuss international monetary problems, tariffs and foreign-investment restrictions, and they concluded with a joint communique setting forth their views. The delegates did not represent any governments, however. The participants included David Rockefeller, chairman of Chase Manhattan Bank, J. Kenneth Jamieson, chairman of Exxon Corporation, and Giovanni Agnelli of Fiat, as well as the top executives from such giant firms as I.B.M., Caterpillar Tractor and Imperial Chemical Industries. Altogether, the 50 European and 40 American executives represented multinational corporations with assets well over \$300-billion.

Both the setting and the substance of this meeting may be a commentary on the growing importance of multinational corporations and the questions they raise about the existing system of nation-states. A multinational corporation is one which not only sells in more than one country but also obtains its raw materials and capital, and produces its

goods, in several countries. Most important, it is, in some sense, managed from a global point of view.

According to recent estimates, the gross world product is valued at \$3-trillion, of which some \$450-billion, or 15 per cent, is produced by multinational corporations. This sector is growing at the rate of 10 per cent a year, faster than the economies of many nations, and Prof. Howard V. Perlmutter of the Wharton School has estimated that by 1985 some 300 giant multinational firms will produce more than half of the world's goods and services.

About 200 giant U.S.-based corporations are regarded as multinational, while some 3,600 additional American firms already have at least one foreign subsidiary. American-based firms account for nearly half of total multinational output, but many multinational corporations are based in Europe and Japan, including giants like Unilever and British Petroleum, and 500 or so smaller foreign firms have plants in the U.S.

This month the Senate Finance Subcommittee on International Trade, headed by Senator Abraham Ribicoff, is holding hearings to assess the impact of multinational corporations on the troubled American economy. Multinational firms have been accused of deepening the nation's trade deficit and participating in the currency speculations which helped produce two devaluations of the dollar. According to Burton Teague, a senior research associate at the business-sponsored Conference Board, "Many businessmen look at multinationals as a means of distributing the fruits of technology and managerial expertise throughout the globe, but American labor views them as exporting jobs, while some less developed countries see them as a new generation of exploiters." Political leaders aren't sure what to make of them, but this much seems certain: For the first time since the clash between the emerging nations and the medieval church was settled in favor of the nation-state, a powerful and unique new international entity has emerged in the world that is raising important political, social and legal questions.

Almost everybody knows Hershey bars come from Hershey, Pa., but where do Nestlé's chocolate bars come from? Well, these days they're made in Pereira, Colombia; Tempelhof, West Germany; Cacapava, Brazil, and Fulton, N.Y., as well as dozens of other places around the world. Though many U.S. shoppers think of Nestlé's as another little American chocolate maker, the Nestlé Company of White Plains, N.Y., is actually a subsidiary of Nestlé Alimentana, S.A. The name does not evoke an image of massive, many-tentacled power like that of I.B.M. or I.T.T. Nonetheless, the corporation is the 29th largest in the world in terms of sales, and ranks with Unilever as the largest of the food processors.

The firm had total income of \$4.2-billion last year, of which 53 per cent came from Europe, 33 per cent from the Americas, 11 per cent from Asia and 3 per cent from Africa. At headquarters in Vevey, Switzerland, on Lake Geneva, a cosmopolitan group of Nestlé executives orchestrates the activities of the firm's hundreds of subsidiaries, which operate 300 factories, maintain 677 sales offices and employ 110,000 people in 60 countries.

Nestlé Alimentana, a direct descendant of the baby-food business launched by Henri Nestlé in 1866, is now a holding company sitting atop a mind-boggling array of subsidiary companies which it has formed or acquired. It controls two other holding companies, Unilac, Inc., of Panama and Nestlé Holdings Ltd. of Nassau, and beneath this superstructure operates dozens of companies using the Nestlé name and selling Nestlé products such as Nescafé and Nesquik cocoa all over the world. It also controls, or is allied with dozens of other firms which don't

fly the Nestlé flag, like Libby, McNeil & Libby, the giant American canner, Bachmann Bakeries of the Netherlands and the United Milk Company of Thailand. These firms sell their products under hundreds of brand names, including such popular labels as Crosse & Blackwell soups and Deer Park Mountain Spring Water.

The actual production of the firm's coffees, chocolates, baby foods, dairy products and frozen foods is highly decentralized. Cocoa, coffee beans and other raw materials are bought in local markets by individual subsidiaries, and "we vary each product according to local tastes," says Gerard J. Gogniat, chairman of Nestlé's in White Plains. Nestlé companies make their soups thick and creamy in West Germany and thin, like bouillon, in Latin America.

While the products may be adapted locally, the recipes for marketing and operations are written in Vevey. Headquarters receives regular projections on sales and profits from the subsidiaries, along with plans on how they will achieve their goals, and the parent company takes an active part in developing marketing strategies, brand names and even packages to insure success in each market. Some 25 million foreigners visited Spain last year, and while many may have been mystified by the local food, Nestlé Alimentana made sure they could find their old friend Nescafé in a familiar package.

When new products, marketing techniques or technologies prove successful in one country, they are transmitted via the parent organization to other subsidiaries. And if a Nestlé affiliate should falter, the trouble shooters at Nestlé Products Technical Assistance Co. Ltd. (Nestec) will parachute onto the scene to straighten things out. Headquarters also keeps an eye on coffee and cocoa markets, where Nestlé is among the world's largest customers, and it scans global political and social developments. Are there threats in Chile? New markets opening in China? A shift to consumer goods in Eastern Europe? A bad cocoa crop in Ghana? A new taste for wine in the U.S.? From listening posts all over the world, reports flow into Vevey. Ultimately, headquarters also coordinates the massive flow of funds among the subsidiaries, lending money to some, drawing down profits from others, always keeping abreast of impending changes in currency exchange rates, and, some say, manipulating the over-all flow of funds to minimize the firm's worldwide tax burden and maximize profits.

Nestlé's top executives come from several countries, but they all seem to regard nation-states more like sales territories than sacred ties of blood and history. For example, Nestlé's U.S. chairman, Gerard Gogniat, who is also a director of Libby's is a native of Switzerland who joined Nestlé Alimentana in 1946. He moved 12 times over the next 20 years, rising through various executive positions with Nestlé affiliates in Canada, Latin America, Stamford, Conn., Vevey and Paris before coming to White Plains in 1966. This summer, the 47-year-old executive, who speaks softly—in five languages—will return to Vevey to become one of the parent company's seven top-level "general managers."

When Gogniat leaves White Plains, Nestlé president David E. Guerrant, an American, will become chief executive of the corporation while remaining chairman of Libby's. His successor as chief executive officer at Libby's was Douglas B. Wells, an American who joined Nestlé's in White Plains in 1949 and served tours of duty with Nestlé affiliates in New Zealand and South Africa before Vevey installed him as president of Libby's last July. To insure a steady crop of good Nestlé men, last fall the parent company converted an old hotel in Rive-Reine to house its International Training Center, at which Nestlé executives from around the world come to prepare for senior management roles. After a little post graduate train-

ing there, one suspects, they go forth to sell chocolates to the world with passports stamped "Swiss" or "French" or "American," but with an outlook marked simply "Nestlé."

The rise of multinational corporations like Nestlé Alimentana is rooted in the logic of economics. Growth is the *sine qua non* of capitalism: As firms saturate their local markets, they broaden their horizons and seek new markets. Instead of expanding existing plants to supply these new markets, it is often more economical to open new factories near them and to buy raw materials in the area. When a new market is in another country, political concerns may require this choice. There are often political dangers for a product labeled "imported," as the Japanese are finding out, but tariffs and quotas on imported goods don't apply to the same goods if they are produced domestically by foreign-owned corporations. So, as the Japanese economist Chiaki Nishiyama notes, "The higher trade barriers become, the more attractive it will be for foreign capital to go into that country for investment." And once a corporation invests in another country, like a person who buys a house in a community, the firm begins an involvement that broadens its interests and its outlook. In contrast to a firm which simply ships in some goods to be sold, a company which makes a direct investment in plant and equipment in another nation becomes an employer and taxpayer, citizen and political participant. It brings in not only goods, but technology and a way of life.

The extractive industries had no choice but to invest wherever natural resources were to be found; so firms like Anaconda, Exxon, British Petroleum and United Fruit were becoming multinational in the 19th century. Rising tariffs after World War I led many manufacturing companies abroad for the first time but this movement was slowed by the Depression and World War II. The development of truly multinational corporations began on a broad front in the late nineteenth-early twentieth centuries. The movement was led by American corporations which saw lucrative new markets in countries rebuilding their war-torn economies, as well as opportunities to produce cheaply abroad for sale at home. U.S. overseas direct investment increased from \$11.8-billion in 1950 to \$32-billion in 1960 and \$86-billion in 1971. Two-thirds of this postwar growth was in Western Europe, and most of that was concentrated in such fast-growing, nonextractive industries as chemicals, electronics, autos and computers. The number of foreign subsidiaries of U.S. firms increased from 2,300 in 1950 to more than 8,000 in 1970, while total foreign assets controlled reached \$125-billion.

In his 1967 book "The American Challenge," J. J. Servan-Schreiber warned of an impending takeover of the European economy by American-based multinationals. However, Servan-Schreiber sketched only part of the picture. The rise of the Common Market since 1958 has reduced European trade and investment barriers and permitted Americanized economies of scale, while government-encouraged mergers have created a number of trans-European firms that can generate surplus capital. As a result, an impressive number of European firms have been quietly expanding foreign operations recently.

In contrast to the early European investments in raw materials in colonial areas, the recent European foreign investment has been in the U.S., primarily in technologically so-

* "The American Challenge" was foreshadowed by Fred McKenzie's "The American Invaders," which warned: "The most serious aspect of the American industrial invasion lies in the fact that these newcomers have acquired control of every new industry created during the past 15 years." McKenzie's book was a best seller when it was published in London in 1902.

sophisticated industries such as chemicals and synthetic fibers, as well as consumer goods. These days, the manufacturers of such "all-American" products as 20-Mule Team Borax, Bic pens, Librium, Ovaltine and even Good Humor ice cream are owned by European companies. Two devaluations of the dollar, which have made investments in the U.S. relatively less expensive, serve to accelerate the trend.

Not only are European firms pulled here by the world's largest and richest market and by the sophisticated R. and D. community, they are also being forced to become multinational by competition from American-based multinational companies. Joseph Rubin of the international accounting firm of Alexander Grant, Tansley, Witt, explains: "In order to remain competitive, European firms in multinational industries have had to obtain a foothold in the world's largest market in order to dilute their over-all costs over a greater sales base and lower their per-unit costs."

Japanese companies are also belatedly becoming multinational. Despite its success as an exporter, Japan has only \$4.5-billion in overseas direct investments, mainly in raw materials in nearby, less-developed countries. Now that the Japanese Government has eased its stiff controls on the export of capital, however, foreign investment is likely to rise to \$10-billion by 1977. Some of this will flow to the U.S., but a significant amount is being directed toward Europe, where Japan's mushrooming export sales totaled \$1.6-billion last year and where the kind of protectionist rumblings that have endangered her American markets are beginning to be heard.

Dr. Peter Gabriel, the new dean of Boston University's College of Business Administration, predicts: "The L.D.C.'s [less developed countries] and the Eastern bloc [the Soviet Union, China and Eastern Europe] represent the biggest single growth area for multinational corporations in the remainder of this century." Gabriel, a former partner in McKinsey & Co., an international consulting firm, argues, "The needs of the Third World and the Eastern bloc countries for the resources and capabilities the multinationals possess are almost infinite, but the multinational involvement will be very different from that in the West."

Rising nationalism in the former colonial areas has fostered a suspicion of any new exploitation. Billions of dollars of investments have been expropriated in such countries as Algeria, Argentina, Indonesia and most recently, Chile. The oil-producing nations have been demanding not only a larger share of profits, but of ownership as well. And in 1970, the Andean Common Market countries stipulated that foreign companies had to turn over ownership of their operations to local control within 15 to 20 years.

"The era of the multinational corporation as a traditional direct investor in the L.D.C.'s is coming to an end," Gabriel says. Instead, firms which once sought 100 per cent ownership of foreign subsidiaries are becoming more flexible. For example, du Pont and American Cyanamid have accepted minority interests in Mexican ventures. Gabriel sees the management contract, in which firms "invest" their skills instead of their money, as an even more likely model for the future. T.W.A. has managed Ethiopian Airlines since World War II, for example, while Goodyear has agreed to operate two state-owned tire companies in Indonesia for a fee based on sales and profits.

Multinationals don't have any opportunities to acquire ownership interests in Eastern bloc countries, except for Rumania and Yugoslavia, but Dr. Gabriel argues these countries will increasingly seek management contracts with multinational firms to obtain the technology, managerial skills and capital they need to compete in the growing East-West trade. These days, a variety of firms have management contracts with the Soviet

Union, among them Fiat, which built the Togliatti auto factory in Russia for a reported \$50-million, as well as International Harvester and Renault, which have similar arrangements in Eastern Europe.

Some Eastern bloc countries are even developing their own state-owned multinational enterprises. The Soviet Union has a group of eight banks in Western Europe. In a joint venture with Belgian interests called Society Scaldia-Volga, the Russians have opened a small plant near Brussels where Volgas and Moskvitches are assembled largely for the Belgian market. Meanwhile, in October several oil-rich sheikdoms began talking about "downstream" investments in refineries or even gas stations; perhaps Europeans will soon be filling up with Faisal Supreme or Saudi Ethyl.

Whether as owners or managers, as senior or junior partners, multinational enterprises seem destined to continue expanding their role. Only such giants, or major governments, can now afford to develop new technologies and new products. Few institutions in the world, public or private, for example, could have mustered the \$5-billion I.B.M. spent to develop its 360 series of computers. Moreover, as multinational firms operate in more and more markets, Joseph Rubin points out, firms in one country must either acquire, or be acquired by, competitors in other nations, just as local and regional industries in the U.S. gradually were consolidated into a nationwide economy earlier in this century.

Earlier this year Carl A. Gerstacker, chairman of Dow Chemical, told the White House Conference on the Industrial World Ahead, "We appear to be moving in the direction of what will not really be multinational or international companies as we know them today, but what we might call 'anational' companies—companies without any nationality, belonging to all nationalities." European firms are leading the way in this. S.K.F., a Swedish ball-bearing manufacturer changed its "official language" on all memos and even conversation in its headquarters from Swedish to English, the *lingua franca* of multinational business. Royal Dutch-Shell and Unilever operate companies which, in each case, are controlled by a pair of holding companies, one based in England and the other in the Netherlands; their executives and employees are even more polyglot than their shareholders. Most American-based multinationals still tend to do 70 per cent of their business at home, but a few American firms are also submerging their nationalities. More and more firms are staffing overseas subsidiaries with local citizens, and foreigners have become executives and directors of such corporations as I.B.M., H. J. Heinz and Xerox; in addition, shares of G.E., du Pont, Ford, Kodak and Goodyear are sold on stock exchanges in Paris, Amsterdam, Brussels, and Frankfurt or Düsseldorf.

Paralleling the rise of more "anational" firms, the world's major banks have divided themselves into multinational consortia. The largest, Orion Bank Ltd., was founded in October, 1969, by Chase Manhattan, Royal Bank of Canada, Britain's National Westminster Bank, Westdeutsche Landesbank Girozentrale, Credito Italiano and Mitsubishi Bank. Orion is represented in more than 100 countries and headquartered in London, but it has no real "nationality."

Instantaneous global communications, the computer and the rise of professionally trained managers have made control of these far-flung enterprises feasible, though managerial styles vary from tightly controlled empires to loose confederations. When the Cummins Engine Company of Columbus, Ind., launched Kirloskar-Cummins Ltd. as a joint venture in India a decade ago, Cummins vice president George Thurston recalls, "All the machinery we brought in was based on the concept of a man standing at a machine while doing his work. But we learned

the Indian is much more content if he can squat, so we had to re-engineer the machinery and lower the controls so a guy could work squatting." Like many multinationals, Cummins has adopted Nestlé's approach of defining goals but leaving local managers some discretion in how to achieve them. However, the multinational headquarters almost always reserves for itself the tasks of long-range planning, research and development, and finance.

Because they introduce advanced technology and management on a large scale, the corporations have been telescoping the process of development in many countries. In the Third World, Nestlé is teaching new agricultural methods to its suppliers and new child-rearing and health-care practices to mothers to whom it hopes to sell baby food and dairy products. Ultimately, multinational companies "may be a more effective device than foreign trade in improving the standard of living in the L.D.C.'s," says Charles P. Kindleberger, professor of economics at M.I.T. He explains, "You didn't get an equalized standard of living and wage scale in the U.S. until capital moved out through the country, and national companies helped do this, though the populists hated these companies, especially the chain stores." Although multinational firms may move to an area because of its low wages, the firm's payroll may increase local income dramatically. When Cummins opened its Pooná, India, plant, George Thurston recalls, "We used to have three buses to pick up the workers. Now our biggest problem is parking space for their cars and bicycles. People have reached that economic level."

A free flow of goods, investments and technology may heighten worldwide productivity and economic efficiency in the long run, but such free movements could also lead to instability and painful dislocations. Higher living standards, moreover, require new styles of living. For instance, when Sears helped introduce mass merchandising in Mexico, its retail stores provided more varied goods and created new jobs and industries to supply the stores. But these stores, with their impersonal cash-and-carry operations, also replaced the social life that surrounded local markets. Thus, multinational corporations hasten and exacerbate the social changes that accompany development, and sometimes sow tensions which lead to their own expropriation.

While Third World nations would like to acquire the managerial expertise, capital markets and research facilities that come along with multinational headquarters, they are more likely—with their uneducated labor force, low wages and uncluttered land—to attract chemical plants, oil refineries and sprawling, messy, labor-intensive industries. This is particularly so, says Dr. John Hackett, executive vice president at Cummins Engine Company, because "countries like Brazil aren't nearly as concerned about ecology as the U.S. and Japan." Thus, as pollution legislation grows more stringent in the developed countries, multinational corporations are likely to tempt the less-developed nations with incomes approaching New York or Chicago—at the cost of looking and smelling like northern New Jersey or South Chicago.

Trade unions in the industrialized nations are, of course, concerned that the movement of plants to other countries will mean loss of jobs. However, American labor's claim that multinationals "export jobs" from the U.S. is challenged by Prof. Robert B. Stobaugh in a study financed by the U.S. Department of Commerce. Stobaugh and his associates at the Harvard Business School examined nine major overseas investments and concluded they created more jobs for U.S. workers than they eliminated; if these investments hadn't been made, the study asserted, America would have lost 600,000 jobs, since the firms would have been unable to compete successfully. However, the study noted that these

investments tended to "displace" production workers, while increasing managerial, research and service jobs.

Union leaders also worry that multinational companies can undermine collective bargaining by threatening to move rather than meet union demands. Henry Ford II, for example, told Prime Minister Edward Heath in 1971 that if striking workers at Ford's Dagenham, England, plant weren't tamed, the company might abandon the factory.

"International bargaining doesn't exist anywhere and I don't see how it can," says Gus Tyler, assistant president of the International Ladies Garment Workers. Garment workers making \$3 an hour in the U.S. and 16 cents an hour on Taiwan have little common ground for negotiating with an employer, Tyler says, so to help stanch the flow of jobs abroad American labor is relying for the present on legislation. The A.F.L.-C.I.O. supports the Burke-Hartke bill, which seeks to tighten control on foreign investment and restrict imports. "In the long run," Tyler admits, "we have to hope wage levels elsewhere will come up."

Perhaps they will, for in an economy dominated by multinational companies, all roads are supposed to lead to equilibrium. In theory, industry would gradually be moved from high-rent, cluttered areas to cheap, vacant land, thus evening out global land use, and global wages, interest and prices would all tend to become more equal. However, the uniformity resulting from thus tying together various national economies is a double-edged sword. Multinationals are making the world's business procedures, measures and standards more uniform, as goods are being made and used in widely varied settings. But they are also fostering a growing sameness in the world's major cities. "It's sad, but work habits are going to become the same everywhere," says Giorgio Della Seta, a vice president of the Pirelli Tire Corporation, who bemoans the decline of the long Italian lunch break. All the typewriters and radios and toys and underwear in the world sometimes seem to be made in the same Hong Kong factory. An effective marketing program demands that all British Petroleum stations look pretty much alike. McDonald's golden arches will soon be everywhere. And a Hilton is a Hilton.

This growing sameness applies to people as well. Professor Kindleberger sees multinationals as creating a new cadre of international managers who will be committed to the aggrandizement of their firms and to their own salaries and stock options, but to little else. Like the mobile American executives who shuttle among the bedroom suburbs outside the U.S. industrial centers, these international managers will be efficient and useful to be sure, but bland and interchangeable as well. They will be the merchants in the Global Village they're helping to create. They will, that is, unless they are checked by political forces.

The sovereignty of the state requires that it be responsible for all that occurs within its borders. But the multinational corporation requires a free flow of capital, goods, and labor as if there were no borders. Which is to govern: the law of the land or the law of supply and demand? Prof. Raymond Vernon, the director of Harvard's Center for International Affairs, argues this "asymmetry" between multinational corporations and nations can be tolerated only up to a point; the threat, as he sees it, is reflected in the title of his recent book about multinationals, "Sovereignty at Bay."

Business spokesmen often deny there is any conflict. Burton Teague of the Conference Board says, "I'm not convinced by any means that the multinational corporations are exercising political power. They make their decisions on the basis of hard, cold

business facts." True enough. The treasurers of many multinational firms acted like textbook examples of profit-maximizing managers when they began speculating in currencies in 1971. By all accounts, their movement out of dollars helped set off the worldwide monetary crisis that became a political issue in several countries and led to the first devaluation of the dollar and the revaluation of the yen. They also are said to have joined in the speculation that led to the second devaluation, though it is impossible to say which of the various types of currency speculators was most responsible for our recent troubles. Whatever their monetary role, it is clear that multinational corporations have economic power, and economic power is political power.

Multinational companies might have caused fewer problems in a 19th-century night-watchman state concerned only with maintaining order, but modern governments have assumed the obligation of managing the economy and promoting the general welfare. "How can a national government operate a domestic financial and economic policy when it can't control the decisions of all the factors within the economy?" George Ball, a senior partner at Lehman Brothers and a former Under Secretary of State, asks. In a democratic society, the government manipulates the environment in which economic decisions are made. But multinational companies inhabit a different environment. A central bank may raise interest rates to slow inflation, but a multinational corporation may borrow funds in a low-interest country. The Canadian Government may attempt to change its unemployment rate, but the nearly 50 per cent of Canada's manufacturing and mining companies controlled by U.S. firms may determine their hiring policies in response to American rather than Canadian economic policies. The U.S. seeks to maintain its military superiority on the basis of its sophisticated weaponry, yet companies like G.E. that build those weapons want to export their military technology through their subsidiaries in other nations.

One alternative is for a nation to lock the door on movements of capital and goods. By taking such a step, however, a country risks falling behind in economic and technological progress in the rest of the world. Despite General de Gaulle's opposition to the American challenge, the French Government found it had to permit G.E. to take over troubled Machines Bull, the principal French computer company. (Honeywell recently acquired it from G.E.) Although the auto industry is often a matter of national pride, France permitted Chrysler to acquire a 77 per cent interest in Simca. After U.S. investment was restricted by France in 1963, U.S. companies set up shop in other Common Market countries, ultimately forcing the Pompidou government to relax the restrictions in order to share in the jobs and income gained by its neighbors.

Whatever their benefits, though, multinational corporations cannot simply be left to their own devices. What's good for General Motors is not always good for the U.S., and even when it is, it may not also be good for the people of Norway, Brazil or other countries. Under chairman Harold Geneen, ITT has become a model of efficiency and "good management," but it has been accused of manipulating governments for its own purposes from Santiago to San Diego. The important decisions about the world's resources cannot be left solely to the profit-maximizing managers of multinational corporations because their calculations leave out the social costs of their actions. They won't pay for cleaning up their pollution or supporting their discarded workers unless someone makes them. The 19th-century experience with laissez-faire economics demonstrated that there must be a social and legal frame-

work to insure that corporations ultimately serve the public interest.

But multinational corporations have shaken off the traditional sources of countervailing power. They've outgrown trade unions, consumer groups, local and state governments. Currently, multinational corporations are responsible to both their home country and their host countries, and the jurisdictions are sometimes overlapping but often absent. The host governments' fear of losing the benefits of multinational operations leaves the companies with sufficient bargaining power to forestall regulation in many areas.

The traditional, good liberal, commonsense solution is clear: Global corporations should be responsible to a global regulatory authority. Despite the United Nations' impotence many still call for a multinational solution. George Ball, for example, proposes a treaty creating a supernational regulatory authority to charter multinational corporations and specify their rights and obligations, while also standardizing host government regulations and taxes. Such a treaty would begin with the developed nations—"The less-developed countries are too concerned with their nationalism right now," Ball says—and, like the International Monetary Fund or the General Agreement on Tariffs and Trade, it would gain signatories over time.

However, even if the dislocations caused by multinational companies were to be regulated by international agreement and cushioned by some form of financial assistance, many nations might still be reluctant to shift part of their economic fate out of their own hands. The less-developed countries may lead rather than follow the industrialized nations in dealing with multinationals, for the Third World is demonstrating that it can obtain many of the benefits multinational firms offer while retaining national control of its economy. Dr. Gabriel of Boston University foresees a growth in "bilateral relationships" in which corporations and governments will bargain over new and existing investments one by one. "Such a situation would resemble nothing so much as true capitalists in a free market, each seeking his own self-interest," he says. The result would be an untidy and uneven process, as corporations sought outlets for their capital and products and nations looked for corporations to fulfill their plans for national development. When those national aspirations didn't accord with the multinationals' plans—if India wants a steel industry or Norway wants fishermen—then the nation might create *ad hoc* or permanent subsidies and penalties to channel the economic landscape and persuade the multinational corporation to do its bidding.

Economic rationality demands that a nation be what it is best equipped to be, but politics holds the promise of being what a nation wants to be. There need not be a conflict, of course, but the nations of managers and researchers and financiers are more likely to accept their lot than those who seem destined to be the world's factory workers and hewers of wood and haulers of water. They may not maximize global economic efficiency that way, but as Professor Kindleberger says: "The political solution to the question of multinational corporations depends on what it is that people want to maximize."

Mr. BURKE of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Speaker, I would pose a question to the gentleman because he is making a very interesting statement. I was wondering if he had any explanation about what has just happened with the figures given out by the Department of Commerce on the subject of trade for the 30 days of

the month of April when the figures also reveal over \$10.2 billion of American money was sent overseas for the balance of payments for the first 3 months of this year. How was this miracle brought about?

How was this miracle brought about? I have been trying to find out but I do not seem to be able to get the right answers.

Mr. Speaker, I can understand if the figure was, say, \$500 or \$600 million or possibly \$600 or \$700 million, but we have had a deficit in the balance of trade for the past 10 months, and suddenly we have a shift of trade of \$3 billion in 30 days.

I was wondering how this figure was brought about and what the practice was that was entered into.

Mr. GAYDOS. Mr. Speaker, I can give the gentleman a specific response and a general response in answer to his question.

The specific response, I would say that would be generally and factually attributed to the fact that we just concluded an international agreement involving large exchanges of wheat, financed by this country through our international financing institutions, which did affect the immediate balance of payments which we are now experiencing, and shipping of these grains. Of course, that item is subject to specific answer, but generally I would have to say to the gentleman from Massachusetts that in response to this question, that there are many factors involved.

One factor is the FOB problem versus the CIF problem, the way we account our international trade.

Unfortunately, many Members of the House do not take the time to familiarize themselves with this disparity; the reason why we are one of two major countries in the world that do have that distinction in accounting for our balance of payments in trade; FOB distinguished from CIF.

Second, I can respond to the gentleman that it is mysterious. I have never been able to come across the answer why, when there is an international need or domestic need, we have figures immediately available, but yet when we have bad news, the figures seem to take an awful long time before they are computed, analyzed, and particularly before they are released for public consumption.

Again, to respond to the gentleman from Massachusetts, possibly these suggestions may help him in his dilemma. I would say the wheat trade, the grain trade deal was made, is one answer.

No. 2, it is between CIF and FOB. Three, this mysterious way of gathering facts and making them available to the public. I think in that area the possible solution lies.

Mr. BURKE of Massachusetts. Mr. Speaker, I thank the gentleman and I think he has done the best he can to answer my question.

It just seems strange to me that we should have over \$10,200,000,000 deficit of payments for 3 months, then suddenly we come up with a \$2,500,000,000 surplus in trade for 30 days in April. If the

deficits of payments continue, we will have a \$40 billion deficit in payments.

During the discussion of this trade before the Ways and Means Committee, we find these very beneficial figures appearing on the surface, yet with no real explanation as to how they were brought about. I can understand if the surplus was over a 12-month period based on the rate of imbalance of trade we have had in the past 24 months, but this is really a miracle.

It is a mystery miracle, and more than likely we might find out the trade bill voted upon by the House and the Senate and passed into law, but I hope we are not being misled.

Mr. Speaker, I am trying to get the explanation on this \$2,500,000,000 surplus in trade for 30 days during April of 1973, when we had over \$10 billion deficit in trade for the past 24 months.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. GAYDOS. Mr. Speaker, I would like to respond to the gentleman in this area. No. 1, I think the American public is not more aware of the facts involving international trade because basically and fundamentally it is not an interesting subject. Our people, and it is understandable, will read things more interesting to them. It is a complicated subject.

That is why my colleague, Mr. DENT, and I hope we can include the gentleman from Massachusetts, can get the solution to his inquiry. I think those who are unknowing and not familiar with the problem, if these people had more interest and more knowledge, they would not accept these figures based on a 30-day period so fast and so inaccurately.

They would then have an understanding of the problem and would know what the history has been over 6 months, 12 months, and years, and what the reasonable projections are, and would immediately discount that. Unfortunately, we come back to where the American public, not understanding this complicated subject matter, does not have the ability to discern between fiction and realistic and logical explanations.

Mr. BURKE of Massachusetts. What we need, in addition to truth in advertising and truth to the consumers, is a little bit of truth on the part of capital.

Mr. GAYDOS. I suggest that the gentleman's ideas are good ideas.

Mr. Speaker, I am happy to yield now to my colleague who has spent many years on this subject matter, whom I consider to be one of the foremost experts in this field, the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. I thank the gentleman.

Mr. Speaker, if Members want to know what is wrong with the whole situation on trade, and balances, and exports and imports, and the economics of the subject, just take a look around the House. That is what is wrong with it.

I am sure there are enough fertile brains in this Congress that if we were to have forums on this matter among the Membership of this House there might be a different solution found.

I want it clearly understood I have a great deal of confidence and faith in and

a very high personal regard for the man who has carried this onerous burden over a great number of years, the gentleman from Arkansas (Mr. WILBUR MILLS). I do not believe anybody could possibly have done any better than the gentleman from Arkansas (Mr. MILLS) has done, considering the fact that even from such a most important position as chairman of the Committee on Ways and Means, the blood and guts of the whole operation of the economy of this Nation, he has not been able to get certain facts as to the true picture from our own departments.

Never in all the years I have spent in governmental work, particularly in the legislative field, have I known of such a misrepresentation of facts and figures.

For years I stood on this floor and called attention to the CIF valuation of exports against the FOB valuation of imports. By rule of thumb the difference is about 25 percent.

To the gentleman from Massachusetts I might have made the statement that if we just take the differential in those two accounting systems we will find that the surplus is a myth.

Another thing is very interesting. How could we possibly under any set of circumstances have changed the balance from a little over \$3 billion in 1 month previous to \$2.5 billion plus in the next month following? That is not only an impossible human effort to accomplish but it is also impossible economically. The goods would be piled so high on foreign docks it would take them 2 years to work out from under.

We are not kidding ourselves. Today's subject of discussion focuses on the ever-increasing interest in this phenomena mentioned by the gentleman from Allegheny of the so-called multinational corporation. When they first entered upon the scene I was one of the Members of the House who called attention to what we were doing.

No nation can hold unto itself the distribution and consumption of goods and export away from itself the production of goods and survive. It cannot be done. I said so in 1962. I repeated it dozens of times on this floor. The Record bears me out.

No amount of cover-up can hide the fact that in 1962 we had 17 million plus manufacturing workers with approximately 167 million population, and today, with 208 million population in this Nation, we have fewer than 14 million production workers in the United States.

Oh, some say we need technical improvements, more productivity. No, that would only have been able to take care of the added needs of the 167 million population, because the personal individual consumption today is greater by volume and by value than at any time in the history of any known economy in the world.

There are three very good studies that each Member ought to read in addition to this, if they read my remarks, because I do not intend to go through the whole subject matter I have before me. I have great regard for the Chairman, as I said, and he has a half hour speech coming up.

Mr. Speaker, the ABC's of multinational corporations are in themselves one

of the most interesting phenomenon that has ever taken place in the civilized world. There is an interesting fact here that might interest all the Members.

We have had the opportunity to make a study and to get a report on the multinational productivity in dollar volume of multinationals operating in other than their domestic markets.

And is this not a strange thing? The expanding role of these multinationals in the world economy is a fact. It is estimated that the output by multinationals from their foreign-based plants is expanding at a rate twice that of the total world's output.

The United States had a \$927 billion output by its multinationals offshore. We go on down through and we read the total. That is greater than the total of the entire world's operations offshore in their own countries.

Mr. Speaker, this is not, of course, an exclusively American phenomena, because it is directed by a centralized group. In Russia it is called the Politburo; in this country it is called—and I say this without reservation—the Council for Foreign Relations, a group of about 1,500 men who have had control of the last six administrations, Democratic, Republican, or any other.

We find ourselves at this point in history where we were in every point in history in this country of ours. Jobs and tax justice have few if any competitors for top billing in the list of issues vital to the health and well-being of a nation. The performance of international trade in this Nation and the role of tax loopholes have encouraged planned subsidization and the export of American jobs, American technology and facilities.

I have had the privilege under the auspices of this great House of Representatives through resolutions passed to travel to almost every country in the world. Before that time and during this time, on my own, I have further added to that travel.

I have come before this House and have warned about foreign impact on certain industries, from what I have seen overseas.

Early in the sixties I came back again and said there are more miles of footers being laid in textile plants in Hong Kong than could be exhausted anywhere in the world except here in the United States. Although we have textile agreements, every person knows we have been switching from 50 percent cotton content or a hundred percent or 80 percent and we have shifted within the legal amounts of the cotton agreement by putting man-made fibers in as a blend and tripled and quadrupled and sometimes increased one thousand fold the yardage of textiles sent into the United States under so-called mutual and voluntary agreements.

Mr. Speaker, voluntary agreements have never worked. They will never work, because we deal in an atmosphere completely contrary to the concepts of what we call "business ethics" in the United States. There is only one motivation to trade now. In the early beginnings of man, trade was motivated by the needs of people, and nations would deal with each other in the products they needed from each other to survive—raw mate-

rials from their manufactured products, for their loomed products, and for other purposes.

Slowly, as the world expanded, colonies came into view and into the possession of the empires that formed these colonies for the production of raw materials and a market for finished goods. In fact, that was the seed of the revolution that created this Nation.

What have we become in essence? The producers of raw materials, the drawers of water from the well for foreign countries, and the importers of manufactured products item by item by item.

The only hope that this Nation has today is, if we will bury the old cliches, set aside the old theories, deny the illogical conclusions drawn by those who have one interest and one interest only; namely, commercial enterprise.

Trade today is a commercial enterprise. No one in his right mind in the early days would ever dream that ships would pass each other at sea carrying the same cargo. Now it has gone even further.

As one head of a large multinational corporation said, "I fear we will end up, if we continue the pace we are running at, with everybody carrying kumquats to Khartoum, whether they need them or can absorb them." And we are Khartoum and the kumquats are coming in awfully, awfully heavy.

We are finding ourselves in the position of being able to go into the largest outlets under a so-called discount enterprise system where you have to have the best sleuths in the world to find an American made product.

I understood this Nation had a law on its books that every imported item had to be marked indelibly with the country of origin; advertisements had to be well spelled out and plain to see where the product was produced.

I came before this Congress with an early bill on minimum wage and tried to impose the same restrictions on foreign products that we imposed on American products when we put the amendment into my bill in 1966 which said that no products could cross State lines in the United States unless they were produced under the provisions of the Fair Labor Standards Act. That was necessary because we had a \$1 million so-called commerce clause and companies producing less than \$1 million worth of goods were exempted from the act, so they were shipping in competition with larger companies that were restricted to the criteria of the act as passed by the Congress.

We found a very strange thing happening. You would not expect it to be so valuable to them that they would resort to this, but we found corporate entities doing more than \$1 million splitting up into smaller entities under \$1 million. So the only cure to make honest men honest again was to pass an amendment to the Fair Labor Standards Act.

What logic is there is the minds of Members of Congress that this is not just as justified for a multinational corporation operating in Mexico or operating in Canada or anywhere else in the world but specifically these two points when they can cross over the Rio Grande and produce the same product on one side as

they were producing on the other and be paid \$3.30 and get a tax break on their taxes themselves and then get a break on tariffs traveling both ways and compete in this country with home-bound industry?

Even Stan Rittenberg—who was the first man to lecture me against my position on trade—told me I did not know what I was talking about. In his study, which is very, very interesting, he said:

Foreign government policy on United States multinational corporations will be an important variable in determination of U.S. policy.

Our greatest trading partner is Canada. As such, now the Canadian economy has been a captive extension, they say, of the United States to the extent that economic decisions taken in Ottawa in large part complement those made in Washington. In the past little has been done to protect the Canadian economy from incoming investors or to buttress Canadian companies to enhance the competitors. This situation is changing.

The "Gray Report," a Cabinet Commission study under the direction of Herbert Gray, Minister of National Revenue, is expected to underline both Canada's desire for and apprehension of foreign investment. The official version of the report is expected to recommend introduction of a screening authority empowered to review foreign direct investment into the country.

I propose within the very near future to introduce in this House legislation that will limit foreign ownership of American enterprise and productivity. It is being done all over the world. In some places they are doing it by confiscation and expatriation.

The Japanese are now searching all over the United States for industry to buy, productions to buy. I will insert into the RECORD at the proper time an open letter to me, and probably to other Members of Congress asking me to screen my district to find companies in need of financial aid, to find companies that are willing to sell, and contact certain people in Boston, who they say are agents for the Japanese Government.

Why would they not? They have got billions of dollars floating American paper money. It is worth only \$1 here in the United States. They are already making money out of production, so now they want to come into the United States and make it out of distribution and consumption and keep it.

Today, as we all know, with the markup between a pair of shoes entering the United States until the time it gets onto an American pair of feet, we would never recognize the import price as it ends up as the so-called retail price. From my own knowledge, and as already told to this House, one can pick up a pair of shoes on contract in Greece, and delivered to the United States, for \$11.87, including tax, tariff, or customs, whatever one calls it—insurance—freight. That shoe is marked at a price universally within the United States at \$42.50 to \$55 a pair.

I bought a baseball in Haiti, an American League baseball, for 25 cents. What would a Member pay for it if he wanted

it and he did not have anywhere else to get it?

Mr. GAYDOS. Will my colleague yield to me?

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

Mr. GAYDOS. On that question what has happened to the argument that one hears uniformly throughout the country that foreign imports provide cheaper consumer products for the American buyer? What has happened? What about the shoe business? Do we have cheap shoes here because 40 percent of all shoes used in this country are foreign made? Do we have cheap shoes or expensive shoes?

Mr. DENT. It might interest the gentleman to know that I heard from a man who represented a company for a government that ships—and I think my colleague was with me. He said they sell shoes to Macy's in New York for \$38 a dozen. Those shoes are turned out to the public for an average of \$16 a pair.

Yes, when they first penetrate the market they start with an inferior product at a very low price. The American producer does not get too excited about it. But they put only a few items in each store, in each outlet, and those are gobbled up by somebody at a very low price. The next shipment comes in at a better quality and a higher price. Pretty soon, about the third shipment, the American producer awakens to the fact that he is facing a very fine product at a price he cannot compete with.

So the program goes into reverse. The American producer then starts to deteriorate his own quality to meet the price structure of a foreign product. As soon as that fails, he goes out of business, or he sells out to a conglomerate, or he is closed down in some instances so that the conglomerate can pick up the benefits of the poor people who have put their money into pension plans, or in other instances they move to a more modern plant.

But, as soon as an American producer cannot produce to meet the market, and it is true in electronics, in shoes, in baseballs, in baseball bats, in tennis shoes, and in thousands of American products, as soon as they cannot produce in sufficient quantity to meet the market, the minute that happens the price of the foreign product not only reaches but in many cases passes the American product's former price. That can be proved anywhere we want to.

For instance, in Yugoslavia I went into a Communist garment factory. There were 200,000 garments which were sent to the United States at a price of from \$14 to \$18, and which were sold at a price of \$98. That coincides with their own figures, and with my own figures in the foreign countries.

Mr. GAYDOS. Mr. Speaker, if the gentleman will yield, dealing with shirts and textiles, is it not true when my friend and I had a meeting with some representatives recently from Taiwan we were both informed that shirts selling in the New York stores at a rate of \$16 a shirt were bought from Taipei, and a diplomat involved admitted he had personal knowledge of it, at a cost of \$30 a dozen, and yet they were selling in this country

at almost \$17 a shirt? Is that not an average figure, and would that not also possibly substantiate the gentleman's argument that some imports do not necessarily result in low prices to the American consumers?

Mr. DENT. They only so result, as I said, until the foreign countries break into the market. That is the American concept of doing business. That is where they learned it. We have observed in a new town a company will come into a store and cut the existing costs until they get the existing establishment to cut down, and then the existing establishment goes out of business, and the new store goes sky high. It is just an American principle they have adopted.

I am going to insert into the Record at this time the tax situation on tax credits, DISC operations, and how the multinationals can operate year in and year out without paying 1 cent of Federal taxes to the U.S. Government, and can actually reduce their local domestic income tax by suffering losses for operating in South America and Central America.

The name of the game is money. The name of the shame is lost American jobs, unemployment, and \$100 billion of relief and welfare paid by the citizens of this Nation. We are the Nation that now has to subsidize almost every human want in this country of ours.

I confess to being one of those who put on the books the legislation—I did not know. They say it takes a rabbit 8 days, I believe, to open its eyes. Well, I was 7 days old for a long time, but finally I had my eyes opened, and I awakened to the fact that what I had handed to me by my father, an opportunity to earn a living in this country, I cannot for the shame of me and myself and my colleagues guarantee that I am going to be able to hand to my children and my grandchildren, that opportunity to earn a living.

I feel the population I have added to with my little family will condemn at least three of them to a jobless life on welfare, or worse. Believe me when I say to the few Members who are here, this is not a matter we can slough off. This is a new day, a new era. It is dog eat dog and fight, fight, fight for a world market which does not exist.

Every trade bill which has been passed since the infamous Kennedy bill, which I think is the worst, and I predicted on this floor the end result of the Kennedy bill, but I was a new voice, very timid. As I grow older and the situation becomes more desperate, my voice gets louder and stronger; my conviction more resolved. At least, the facts will be put into the Record where all can see.

We are in a desperate situation. Yesterday, the shame of the whole thing appeared when we voted almost unanimously to legalize the depreciation of the American dollar. I predicted that in 1962, for the record.

Why? Because, if the members will open their eyes wide, sight will come and they will see. We just cannot close down the only production facility in a community of 15,000 and expect it to survive. Oh, they survive for a little bit. In comes a trucking firm so that gives jobs and puts a stop to unemployment.

Let me give the Members another significant figure. In 1962, we had slightly less than 6 million governmental workers, State, local and Federal. In 1972 we had 14,245,000—107,000 more than there are industrial workers. When we couple that with service workers who depend upon the seed money of production on the farm, in mines, and in industry, we will find that every workingman in the country is carrying upon his back and shoulders two other workers in some other area.

It is an imbalance that cannot be maintained. It cannot and will not be maintained. The proof of it is that each and every year the debt gets larger. The hidden debts go out of sight.

Do the Members think for 1 minute that the \$480-odd billion we are supposed to own of the national debt of America covers the \$90 to \$100 billion we owe foreign countries? No nation has ever in the history of the world been able to divorce itself from hard specie coinage and currency and survive.

There is no limit to what one can do with paper money. A billion dollar loan by the United States ends up as a deposit in banks, who in turn deposit it less 5 to 15 percent for reserve, into the Federal Reserve System. The Federal Reserve System was created as an outrigger balance for a delicate canoe in rough water, but the canoe had to be there, because if the canoe, which is the body politic economic of this country, was not there, the outrigger would fall because the canoe carries the outrigger; but the outrigger in this instance is supposed to be carrying the canoe and it is not doing it.

We are sinking. Why are we sinking? Because the \$100 million we borrow gets into their hands through a check handed by the so-called Federal Reserve to the Federal Government; deposited in the banks of the Nation to meet the needs of the Government as they come up. They in turn subtract a little reserve and take it to the Federal Reserve, and they get, depending on whether it is short term or long term, from 5 to 40 times every dollar that they deposit, which they then loan to industry. So, today we face a situation where we have the debt that is not a debt of money spent, but it is a debt, my good friends, of the interest payments on the money we originally borrowed, the first million dollars we borrowed in 1928. We find ourselves in the peculiar position, the more we pay off, the more we owe.

The more we pay off the more we owe. Every time we borrow more money it is to pay bonds that are coming in, but it increases the interest. Today the interest we are paying is more than the budgets of 90 percent of the countries in the world.

It was said by Dave Wilkins many years ago that once one borrows money at interest one can pay the loan off but he will never pay the interest off. My dad learned that when he bought a little house many years ago. He ended up, after 20 some years, owing more money for the house than he paid for it, because he could just never get around to paying the interest. On the other way around,

sometimes people are able to pay the interest and not the principal.

Members of this body, my absent brothers, will not hear and will not listen. For some dozen or more years I have stood on this floor. I am glad a younger voice is following now, who will probably take up this very lonesome job of trying to bring at least another view of foreign trade.

Whether I am right or wrong only history will tell. The history of the past 10 years, if it is to be accepted from the records and not from my speeches, would be an indication of what is to come. Then I beg of this body and I beg of the chairman of the Committee on Ways and Means to use the most skillful scalpel ever in the hands of a man who can save this Nation, to cut out the disease that is in the proposal of the President. It will surely create more damage by far than was created heretofore.

If we can get down to a sound basis of trade, trade for use and not for abuse, there will be better relations in the world.

We have to do it. We cannot do it precipitately. We cannot go in and say, "Stop." We have to take the years to bring back our productivity and economy to a sound basis, as it took us to destroy it.

I propose to the Members of the House that we go item by item and quit playing one item off against another. I see no justice in closing my glass factories down and putting those men out of work so that the cotton growers can exist, or live, or prosper, which ever case it is. I see no value to trading wheat and closing down my rubber plants.

I see nowhere in the Bible that the Lord has anointed us to say which man shall have a livable job and which man shall not.

Every glassworker in this country put out of work, we put out of work.

Every shoemaker in this country put out of work, we put out of work.

Perhaps we can survive in an economy based on consumption and distribution, but I will guarantee my good colleagues that it will not work. If they want to see that it does not work, be my guest, let me take them to my district. I will take them to town after town.

I do not deal in big communities. My largest community is about 18,000. I have about four of the so-called cities under that yet. Then I have a number of townships. Every one of them has been affected by the blight of foreign trade.

It will not recover. It will never recover until the Congress quits listening to the voices of the siren and recognizes that trade is nothing but a commercial venture, that the production of goods will flow to the low-cost production area and that the shipment of goods and exports will go to the high-cost markets.

If the farm program is sound and in essence then there is a great soundness to the original program, then why do we not put all products in trade on a parity basis? Why do we not say we would include shoes and automobiles and all these other products where men work for a living, where towns and communities survive on that production? Take cotton. You cannot ship a bale of cotton in the United States for less than what

we ship a bale of cotton into some other country.

So let us say to the foreigners "you have all our money"—and I understand the President was ready a few months ago, when gold had gone up to \$50, to sell the \$8 or \$9 billion left out of the greatest stock of gold the world has ever seen.

I am going to leave with this thought to all the Members: I did not come from wealthy parents, but when my father got paid, in his day, if he had \$5 coming, he got a \$5 gold piece; if he had \$11 coming, he got a \$10 gold piece and a one dollar silver piece, and all of a sudden we outlawed the owning and holding and transferring and trading of gold in this country. We took our silver supply that took over a century to accumulate and dissipated it within a few short months. This was the silver supply that was necessary for the future, and the future is here.

What has happened? We were not allowed to own gold, and yet I can buy gold anywhere in the world if I have the money to buy it, not at a hundred dollars an ounce. But suppose we had been permitted to buy gold and we in this generation would have been able to balance whatever our assets were in our old age between stocks, bonds, and land holdings and gold. At least the gold would have somehow held a balance in relation to the depreciation of the securities.

Mr. Speaker, how many in this room now and how many in this room when it is full are going to be able to say to their children, "I am leaving you something of value. Other than the love that I have cherished for you, I am leaving something that I know will be helpful to you over the rough road ahead."

All right, we can leave some of the stocks and bonds on the market today. But is that security for them? That is all we can do in this country, because you cannot bury paper money; it deteriorates pretty fast.

So, Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. GAYDOS) for the opportunity of participating in this special order. In my days toward the end of the road, I am happy to see that somebody is taking up the cudgels.

Today's subject of discussion focuses on the ever increasing interest in the phenomena of the so-called multinational corporations—MNC's. Attention has been centered on the MNC's, particularly in light of their obviously expanding role in the world economy and their subsequent effect on world trade. It becomes additionally imperative to consider MNC's as forces gather to again saddle this country with a trade agreement that does not address itself to the problems at hand, much less those of the future.

Three very good studies covering many views and perspectives include one by Stanley Rutenberg, for the industrial union department of the AFL-CIO, entitled: "Needed: A Constructive Foreign Trade Policy"; another published by the Governmental Research Co. of Washington, D.C., in their document: "The Politics of Foreign Trade, Tax, and Investment Policy"; and finally one by Arnold Cantor, who has made a rather exhaustive survey of the inequities of the

tax program as it deals with MNC's and/or offshore American-owned production facilities. All highly recommended, I am submitting excerpts from each of these for the RECORD:

NEEDED: A CONSTRUCTIVE FOREIGN TRADE POLICY

(By Stanley Rutenberg)

Imports and Jobs: According to the report prepared by Stanley Rutenberg for the IUD: Between 1966 and 1969 U.S. foreign trade produced the equivalent of a new loss of half a million American jobs.

During this period, although the number of export-related jobs increased, the number of jobs required to produce imported goods increased at a faster rate. If this trend held true in 1970—as it probably did—jobs required to produce imported commodities which compete with American-made goods exceeded the number of jobs connected with the export trade last year; therefore, a new deficit existed in jobs related to foreign trade.

In manufacturing, a reversal has already taken place; by 1969 there was a net deficit of jobs in non-agricultural industries of 33,000 compared to a surplus of 328,000 only three years earlier.

Some industries are particularly hard hit. For example, employment of production workers in the consumer home entertainment electronics industry has declined from 128,600 to 96,600 since 1966, as imports continue to rise. Twenty-four thousand production jobs have been eliminated from the footwear industry since 1966.

Multinationals and Jobs: On the relationship of multinational corporations to U.S. unemployment, labor has found it difficult to determine aggregate figures. According to a report prepared by the AFL-CIO Maritime Trades Department (Feb. 1972), the impact of U.S.-based multinational corporations on domestic employment has resulted in "thousands of jobs . . . exported abroad." The report stated that while the federal government has yet to develop estimates on the total number of jobs lost, "we in the labor movement see U.S. production facilities shut down and moved abroad continually."

In a dispute with the Commerce Department over a recent government report which concluded that multinational employment in the U.S. was "nearly equal" to total U.S. employment gains, Rutenberg wrote in the Washington Post (March 26, 1972), "The basis for the government conclusion is a table in the report which purports to compare employment trends in the U.S. as a whole. What the table shows, however, is exactly the opposite from what the Department of Commerce says it shows. The table actually shows that employment in industries in which the multinationals are concentrated increased by only 6.6 per cent between 1965 and 1970 compared to a national gain of 16.9 per cent."

On the question of total jobs lost as a result of imports and the activities of multinational corporations, Ray Denison of the AFL-CIO legislative department has estimated the figure at one million between 1966 and 1971.

Adjustment Assistance: Most industry spokesmen, some government officials, and a number of economists have claimed that the solution to unemployment caused by imports or multinational activity lies in better, more comprehensive adjustment assistance programs. Labor's reaction to this "solution" is, in the words of Stanley Rutenberg, "Adjustment assistance is a flimflam. It does not and cannot meet the needs of those hurt by import competition. Furthermore, it does not meet—in fact, it diverts attention from—the real issues, that is, the maintenance of a strong economy and continuation of progressive social development."

Another labor spokesman, Howard Samuels, vice president of the Amalgamated Clothing

Workers, has written that, "At best, adjustment assistance provides only temporary relief for the worker whose job has been lost to imports, and even then only when dislocations can be measured in terms of an isolated factory or shop, or even in terms of a small industry, employing only a few thousand workers."

The unions claim that during the first seven years of the present adjustment assistance program, no such assistance was approved by the Tariff Commission. Since 1969 only about 10,000 workers have benefited from the program as a result of a reinterpretation of the law.

Other union spokesmen have been more blunt than either Rutenberg or Samuel; "we want jobs not handouts or welfare" has been their response to adjustment assistance.

LOSS OF JOBS AND THE MULTINATIONAL CORPORATIONS AS PRESENTED IN THE POLITICS OF FOREIGN TRADE, TAX, AND INVESTMENT POLICY

GOVERNMENT RESEARCH CO.,
Washington, D.C.

With the advent of the Burke-Hartke bill and the ITT affair in Chile, public attention is beginning to be focused on the multinational corporation (MNC), a term that was coined barely a decade ago. Most of the provisions of Burke-Hartke (quotas aside) are aimed primarily or exclusively at the MNC and labor's advocacy of the bill has singled out the "runaway" MNC as its chief target. This has provoked industry groups to impugn labor's motives by asserting that Burke-Hartke is simply the old wine of protectionism in new MNC bottles.

The expanding role of multinationals in the world economy is a fact. It is estimated that the output by MNC's from their foreign-based plants is expanding at a rate twice that of the total world output.

The impact can be seen from the following table on GNP and corporate volume:

| Country or corporation: | Amount |
|--|---------|
| 1. United States----- | \$927.6 |
| 2. Soviet Union----- | 478.0 |
| 3. Japan----- | 185.6 |
| 4. Federal Republic of Germany----- | 172.7 |
| 5. France----- | 138.0 |
| 6. Britain----- | 111.8 |
| 7. Italy----- | 87.3 |
| 8. Peoples Republic of China----- | 86.0 |
| 9. Canada----- | 75.0 |
| 10. India----- | 50.0 |
| 11. Poland----- | 46.1 |
| 12. German Democratic Republic----- | 39.7 |
| 13. Brazil----- | 33.7 |
| 14. Czechoslovakia----- | 32.5 |
| 15. Australia----- | 31.6 |
| 16. Mexico----- | 31.6 |
| 17. Spain----- | 30.7 |
| 18. Netherlands----- | 29.8 |
| 19. Sweden----- | 29.4 |
| 20. Belgium----- | 24.1 |
| 21. Argentina----- | 21.0 |
| 22. Switzerland----- | 19.6 |
| 23. General Motors (U.S.)----- | 18.8 |
| 24. Pakistan----- | 17.2 |
| 25. American Tel. & Tel. (U.S.)----- | 17.0 |
| 26. South Africa----- | 16.8 |
| 27. Standard Oil (N.J.) (U.S.)----- | 16.6 |
| 28. Ford Motor (U.S.)----- | 15.0 |
| 29. Denmark----- | 14.6 |
| 30. Austria----- | 13.2 |
| 31. Indonesia----- | 12.8 |
| 32. Royal Dutch/Shell (Anglo-Dutch)----- | 10.8 |
| 33. Norway----- | 10.1 |
| 34. Venezuela----- | 10.1 |
| 35. Iran----- | 9.9 |
| 36. Finland----- | 9.7 |
| 37. Sears Roebuck (U.S.)----- | 9.3 |
| 38. Greece----- | 9.0 |
| 39. General Electric (U.S.)----- | 8.7 |
| 40. Philippines----- | 8.5 |
| 41. Turkey----- | 8.2 |
| 42. Korea----- | 7.8 |

| | |
|---|-------|
| 43. IBM (U.S.)----- | \$7.5 |
| 44. Mobil Oil (U.S.)----- | 7.3 |
| 45. Chrysler (U.S.)----- | 7.0 |
| 46. Unilever (Anglo-Dutch)----- | 6.9 |
| 47. Thailand----- | 6.8 |
| 48. Colombia----- | 6.6 |
| 49. International Tel. & Tel. (U.S.)----- | 6.4 |
| 50. Chile----- | 6.3 |

Source: *Fortune*, Library of Congress.

While postwar MNC expansion is not exclusively an American phenomenon, the U.S. share of total foreign direct investment is roughly 60 per cent. Unless checked by national policies further MNC expansion will be accelerated by a significant counter-investment thrust into the U.S. market from European and Japanese firms during this decade. While foreign investment in the U.S., currently calculated at \$12 billion, appears small against the more than \$80 billion in U.S. foreign direct investment (FDI), a levelling effect seems certain.

UNKNOWN IMPACT

Although rhetoric abounds, no available data clearly shows the impact of the MNC. If new policy is to be made on the basis of data, at least three MNC effects must be established:

- 1) The movement of production to sources abroad;
- 2) The effect such movement has had on domestic employment and bargaining, and
- 3) Figures on import and export volumes which reflect intracorporate transfers—including transfers between non-subsidiary affiliates.

In addition, MNC's may be required to reveal their activities on a country-by-country basis to show their monetary flows across national boundaries. Such data would enable national leaders to assess more accurately the influences upon the implementation of economic policy.

FOREIGN PERSPECTIVES

Foreign government policy on U.S. MNC's will be an important variable in determination of U.S. policy. Recent Canadian response reflects awareness of the gradual decline U.S. MNC's have worked in that country's freedom to formulate independent policies. Canada is the largest U.S. trading partner and the largest outlet of U.S. foreign investment. As such, the Canadian economy is becoming a captive extension of the U.S. in the sense that economic decisions taken in Ottawa must in large part complement those in Washington.

In the past little was done to protect the Canadian economy from incoming investors, or to buttress Canadian companies to enhance their competitiveness. This situation may change. The "Gray Report", a Cabinet Commission study under the direction of Herbert Gray, Minister of National Revenue, is expected to underline both Canada's desire for and apprehension of foreign investment. The official version of the report is expected to recommend introduction of a screening authority empowered to review foreign direct investment into the country.

Europe has also been a heavy recipient of U.S. foreign investment. National independence in Europe is being challenged by the relative ease with which capital, goods and people can be moved from country to country. Since the competitive instinct of the MNC dictates that it seek the best returns available, a continent such as Europe must cooperate en-bloc or offer heavier and heavier incentives to incoming investment on an individual country basis.

With the adoption of an overall EEC industrial policy, pressures could be brought directly to bear on the multinationals. The EEC Commission has already warned of damaging implications for a common European industrial development policy if national concentration in industrial mergers and takeovers of companies by foreign firms are

allowed to continue. The European objective will be directed toward the removal of all intra-EEC legal, fiscal, and political barriers as a way by which to promote the development of truly multinational European companies.

Toward this goal, the Europeans have attempted to promote the merging of some of their largest companies in order to lay a basis for a reciprocal investment flow to the U.S. The European response to the MNC over the coming years will be to penetrate the U.S. market (as for example in the case of British Petroleum's takeover of part of Sinclair's East Coast distribution net).

While the Japanese have been enjoying a "miracle" economic growth of roughly 10 per cent annually—an increase of approximately double her economic rivals, the country has successfully closed herself off from almost all direct foreign investment. Japanese reluctance to allow an influx of investment stems from the genuinely unique character of her business environment.

Since 1964 the U.S. has been pressing hard for the Japanese to ease the way for foreign direct investment. Most other developed nations are standing behind the U.S. in this effort. Many companies want to strike back at their Japanese competitors on their own home market. From the perspective of the multinationals Japan offers an excellent base from which to penetrate markets beyond Japan, in Southeast Asia.

Beyond these differing views, however, there is general agreement that the greatest threat to sovereign political power by the multinational corporation is to be found in its inherently international nature and its mobility, rather than its size. Implicit in this mobility is the suggestion that if national governments desire to attract major new investments within their borders, they will have to become more sensitive to those issues which appear significant in the decision-making process within the corporate board rooms.

The third report on this many-faceted subject comes from Arnold Cantor.

What he has to say is a must reading for all Members of Congress:

TAX SUBSIDIES THAT EXPORT JOBS

Jobs and tax justice have few if any competitors for top billing on the list of issues vital to the health and well-being of the nation.

Bridging both is the dismal performance of the nation in international trade and the role tax loopholes have played in encouraging and subsidizing the export of American jobs, technology and production facilities.

The U.S. government now provides American corporations with over \$3 billion in tax subsidies for their foreign subsidiary operations. The result is that American workers lose their jobs, the economy loses part of its industrial base, the federal government loses revenue and the American taxpayer pays the freight.

The nation's position in world trade has been deteriorating dramatically since the early 1960s and this past year was the most disastrous. In 1971, for the first time since 1893, the nation experienced a trade deficit when Americans bought \$45.5 billion worth of merchandise imported from other countries, while only \$42.8 billion worth of U.S. goods were sold in foreign countries. For the current year, in all likelihood, the performance will be even worse. For the first six months of 1972, according to estimates of the President's Council of Economic Advisers, the trade deficit was \$3.6 billion. If that pace should continue, the deficit for this year will jump to over \$7 billion—more than double the 1971 gap.

The flood of imports in the face of the comparatively sluggish growth in exports obviously has consequences for U.S. employ-

ment. The AFL-CIO estimates that between 1966 and 1971, some 900,000 U.S. job opportunities were lost. Since the situation is getting progressively worse, tens of thousands of additional job opportunities are being wiped out.

The nation's failure on the international economic scene stems from a host of factors. Other nations manage their economies and provide direct and indirect barriers to trade. Powerful trading blocs, like the Common Market, have developed. Multinational corporations, loyal to no nation, have mushroomed. Vast amounts of American capital have gone abroad and American technology is being continually exported through the shifting of American industrial plants to other countries.

Among the results of these developments has been the dramatic shift in the composition of U.S. imports. Where once we imported primarily raw materials and manufactured products not available in the United States, now we import finished industrial products that directly compete with U.S.-made goods and of course with U.S. jobs.

Estimates show, for example, that in early 1971, imports of autos were 20 percent of the U.S. market, TV receivers over 30 percent, radios and tape recorders over 90 percent, glassware over 40 percent, sewing machines and calculating machines nearly 60 percent. And, all told, about three-fourths of imports are comparable to U.S.-produced goods. In contrast, in the 1950s, according to trade exports, only about 30 to 40 percent of a much smaller volume of imports were considered competitive with the U.S.-made products.

This new trading environment has little in common with the world of 20 or even 10 years ago. It cannot be handled by the policies, or the theories, developed at another time in a totally different world.

Unfortunately, the nation's income tax laws, which . . . income tax liability. As a result, the \$1,000 profit made abroad netted the federal government only \$370 compared to the \$427 tax payment it received from the Pennsylvania corporation.

In addition, two side effects are also important. First of all, the domestic firm with the \$1,000 profit has paid a combined (Pennsylvania and U.S.) income tax of \$537 or a rate of 53.7 percent. The firm operating abroad has paid a combined (foreign and U.S.) income tax of \$480 or a rate of 48 percent.

Secondly, from the domestic firm, the United States (Pennsylvania and federal) has received a total of \$537 in tax revenue. American tax receipts from the U.S. corporation operating overseas were only \$480.

Thus, the firm profiting abroad has the advantage of a lower tax rate, the United States has been deprived of badly needed tax revenue and of course the money invested and the jobs generated to produce the profit were not to be found in Pennsylvania.

What is more, the tax credit device provides an open invitation to a foreign government to tax or increase its taxes on the U.S. firm without changing the firm's total tax burden.

Going back to the same example, it works like this: If the foreign government taxed the U.S. firm's \$1,000 profit at the U.S. rate of 48 percent, the firm's total income taxes would be the same as it would if the foreign country only taxed at 11 percent. This is because the firm would receive full credit for the \$480 tax paid to the foreign government, completely washing out any U.S. income tax liability. The firm's total income tax burden is still the same \$480—it just wrote the check out to a different government. Again, in comparison, the company operating in Pennsylvania added \$537 to U.S. (state and federal) tax revenues, while the U.S. firm operating overseas did not pay even a penny to a U.S. government on its \$1,000 of income. As a re-

sult, the firm is unaffected, the Treasury and other U.S. taxpayers are losers and the foreign government's coffers are enriched.

The amount of foreign income tax credit a company can claim is limited to what its U.S. tax would be. If the foreign income tax rate should exceed the 48 percent U.S. rate, the excess cannot be credited. But there are ways to get around this, particularly for the larger multinational companies with operations in many countries.

First, under the so-called "overall limitation," a company can elect to lump all its foreign income together, in order to balance income from high-tax countries against income earned in low-tax countries. Thus if a firm operates only in a foreign country with a tax rate of 50 percent and repatriates \$1,000 in earnings, out of the \$500 foreign income tax payment it would be allowed to credit only \$480. There would be an "excess" credit of \$20. However, if the same firm also operated in a country with a 40 percent tax rate, it could lump together its income from both countries and receive full dollar-for-dollar credit against U.S. taxes.

What is more, if the "overall limitation" doesn't do the full job and the company should still have "excess credits," it can then resort to the "carryback" and "carryforward" provisions of the Internal Revenue Code.

Under these provisions a firm is allowed to "carry back" two years and "carry forward" five years any "excess credits." If the full foreign income tax is not wiped out in a particular year, the company can "save" the credits for use over the next five years or get a rebate on its previous two years' taxes.

Thus, the foreign tax credit:

Violates one of the basic concepts of tax equity, that of treating equal incomes equally, by saying that a certain form of income, because it's earned abroad, shall enjoy privileged status

amounts to a form of back-door foreign aid or no-strings-attached "revenue sharing" between the U.S. Treasury and a foreign government. Under the credit, the United States turns over its taxing authority to a foreign government. The U.S. government, in effect, says to the foreign government, "If you tax the company we won't and if you raise your taxes on the company, we'll reduce ours accordingly."

Again, it all adds up to U.S. tax dollars being used to subsidize the overseas activities of U.S. corporations.

The much publicized fact that U.S. Steel, the nation's 12th largest corporation, paid no federal income taxes in 1971—even though its net profits exceeded \$154 million—presents merely one clear and current example of the effect of the foreign tax preferences. According to the company's own financial report for 1971, its income tax payment, based on \$154.5 million of profits, should have been \$57.9 million. But the entire \$57.9 million was "offset by deferred tax credits" and, therefore, no federal income taxes had to be paid in 1971. The report goes on to explain that \$23.5 million of the \$57.9 million tax wash-out was due to the investment credit corporate giveaway—a corporate tax bonanza which was repealed as part of the reforms made in 1969 but put back into law by the Revenue Act of 1971. The remaining \$34.4 million was, in the main, washed out through the foreign tax deferral and credit loopholes.

On a similar note, U.S. Oil Week Magazine, after digging deeply into reports to the Securities and Exchange Commission by 18 major oil companies, showed that on a combined income of \$10.2 billion, these 18 companies paid \$633 million in federal income taxes—a rate of 6.7 percent. "Curiously, the figures show in many cases that the larger the company the smaller the tax percentage," the U.S. Oil Week article commented. "That's because the larger firms are involved abroad where royalties may sometimes

be treated as federal income taxes paid to foreign governments, thus becoming a tax credit against federal tax owed Uncle Sam," the article said.

It is ironic to note that the infamous oil depletion allowance has been defended traditionally as a tax incentive to encourage the search for domestic oil. Yet according to the U.S. Oil Week article, "Tax treatment of income earned abroad has encouraged the search for oil abroad at the expense of drilling at home."

The deferral and credit devices are the most significant of the foreign tax provision affecting U.S. jobs and U.S. tax justice. But there are others. There is the Western Hemisphere Trade Corporation gimmick which permits U.S.-owned corporations doing business outside the United States—but in the countries of North, Central and South America—to have their income taxed at a preferential 34 percent corporate tax rate. Special privileges also are available to corporations operating in so-called less developed countries, U.S. possessions, Taiwan and Hong Kong.

Finally, the list of tax preferences given American businesses with income from foreign operations is incomplete without the most recent addition to the group—the Domestic International Sales Corporation (DISC). The DISC arrangement was part of the package of the business tax giveaways contained in the Revenue Act of 1971. DISC is not in the same league as deferral and the credit in terms of revenue loss and business tax windfalls. It is, however, a shocking example of tax gimmickry and misguided, counter-productive approaches to the nation's international trade and investment problems.

The DISC provision permits corporations to spin off into export subsidiaries and defer taxes on half of these subsidiaries' profits.

The DISC proposal was offered under the guise of an incentive to companies to increase their exports. Ironically, it was justified on the basis that the tax deferral provisions in present law discriminate against U.S. production and investment. Therefore, according to DISC advocates, the same loophole should be extended to export profits.

Thus rather than put an end to existing preferences, the philosophy underlying DISC is that tax equity should be achieved through widening existing loopholes to make room for more participants.

With the exception of the DISC provision, which was totally without justification, most of the foreign tax preferences had some rational foundation for their enactment—at the time of their enactment.

Deferral, for example, came in 1909 when the corporate income tax began. At that time the corporate tax rate was 1 percent, the term multinational corporation hadn't been invented and there was little concern over the question of how to tax the overseas earnings of subsidiaries of U.S. corporations.

The foreign tax credit was enacted in 1918 in response to high wartime tax rates in the United States and abroad because other countries did not tax foreign source income. The Western Hemisphere Trade Corporation was introduced in 1942 as an attempt to help U.S. corporations compete with other foreign nations in Latin America. And the less developed nation preferences evolved 10 years ago as special exceptions to the Revenue Act of 1962, which made some reforms in the ways in which foreign source income was taxed.

But the world of 1972 is not that of 1909, 1918 or even 1962. Government policies are needed now to deal with the realities of today's world of international commerce.

Fortunately, legislation, which offers specific remedies for the nation's trade and investment problems has been introduced in Congress by Sen. Vance Hartke (D-Ind.)

and Rep. James Burke (D-Mass.). The Foreign Trade and Investment Act of 1972 would provide the much needed and long overdue reshaping of the tax, trade and other federal laws that have contributed to the international crisis which is costing American jobs and posing a constant and growing threat to the nation's economic health.

If enacted, the bill would be a giant step toward restoring a balance in international trade and investment, promoting a just tax structure and stemming the export of American jobs.

In introducing the bill, Hartke appropriately noted "Old remedies have not worked . . . The textbook theories of the 1930s and the 1940s no longer apply in today's world of international trade." The legislation is needed, he said, "to protect the best interests of America against the worst practices of international corporations."

The AFL-CIO Executive Council has urged enactment of the bill "in the interest of national economic security and the jobs of American workers."

"Adoption of the Burke-Hartke bill is a necessity to stop the special tax advantages and import privileges of American companies operating abroad," the council said. "The time has come for the U.S. government to end the disastrous conditions it is creating in the American economy through the award of undeserved tariff and tax privileges for runaway capital and technology. Should these disastrous practices not be halted immediately by the U.S. government, a crisis of tragic proportions can develop in this country."

The Burke-Hartke bill, for example, would provide government regulation of the export of American technology and capital. And it would set up a "sliding door" limitation on most imports, except those that are not produced here or are in short supply. These limitations would be related to the level of American production—annual import quotas, based on the number of items imported into the United States in 1965-1969, as a percentage of U.S. output. In that way, imports would be guaranteed a share of the American market and would be permitted to increase as U.S. production rises.

A key part of the bill is its tax provisions, which would put an end to the two major tax inducements for firms to move abroad.

The bill would eliminate the deferral privilege, thereby requiring firms to report and pay taxes on the earnings of their foreign subsidiaries when they are earned—the same way profits are treated on domestic income. And the bill would require firms to treat foreign income taxes as legitimate costs of doing business—just like state and local income taxes—thereby closing the foreign tax credit loophole.

The elimination of these tax loopholes would, of course, have an impact on those who have been able to take advantage of them. Indeed that is the purpose.

Spokesmen for the huge multinational corporations claim, however, that ending these privileges would unjustifiably increase the tax burden of U.S. corporations operating abroad and they go on to conclude that U.S. investment abroad would be substantially cut back. U.S. corporations would no longer be able to compete with foreign companies, the profit margins of American corporations would be adversely affected and American jobs would be lost.

Such reasoning assumes that when corporations invest abroad, the profits from such investments benefit the nation as much, if not more, than U.S. dollars invested in America.

The facts do not support such general conclusions. As a result of the unfettered actions of multinational corporations—and federal subsidies—the United States has become an exporter of capital and know-how. The benefits from such exports have been

shared, to too great a degree, between foreign countries and corporate stockholders. The benefits flowing to the great majority of Americans who depend on a job and a paycheck are becoming increasingly remote, while the costs are being felt day in and day out as America's position in world trade continues to deteriorate and jobs continue to be wiped out.

We are living in a world of nation states where other countries manage their economies and pursue trade and investment policies that are in their own interests. At the same time, American-based corporate giants operate with a great degree of freedom to pursue their individual interests. So far, U.S. policies have failed to respond to the fact that decisions which may appear rational for the profit margins of such corporations may be completely counter to the health and well-being of America. Rather, the U.S. government subsidizes these operations and, in many cases, these subsidies make it more profitable for companies to operate their plants in foreign countries than at home.

Putting an end to the privileged tax status enjoyed by American-based multinational corporations investing and profiting in foreign countries is not an attempt to discriminate, punish or penalize. Closing these loopholes would simply eliminate tax subsidies from the list of incentives that provoke corporate decisions to invest, profit and create jobs overseas.

Aside from the tax benefits enjoyed by MNC's, a conclusive argument can be made about the loss of American jobs in many communities that depend upon a single production facility. The situation is serious. While critics of that argument may point to the Tariff Commission and its ability to provide adjustment assistance to workers whose jobs have been determined to be affected by imports, it is interesting and shocking to find that, in fact, during the first 7 years of the adjustment assistance program, no assistance was provided. Since 1969, when the law was reinterpreted, only 10,000 workers have benefited. To emphasize the inadequacy of those Tariff Commission decisions, one need only to cite Ruttenberg:

Between 1966 and 1969, U.S. foreign trade produced the equivalent of a new loss of half a million American jobs.

In too many instances, MNC's and/or conglomerate type entities buy up local facilities for the specific purpose of closing them down. Sometimes the product is replaced by imports from foreign producers or foreign based American producers, while at other times, the production is moved to a larger, more efficient plant. On multiple occasions the closing of the facility results in a windfall for conglomerate type operations when corresponding action terminates the pension plan, leaving little or no alternatives to affected workers. It is no news to learn that workers affected by these mergers, or closures, even if fortunate enough to maintain employment, often lose all pension entitlements, particularly if their benefit is not yet vested.

The Burke-Hartke bill is affording the American people an opportunity to see what has previously been obscured—more specifically, the imposition and dire consequences of foreign imports on the American economy.

I trust that the Members of this honorable body will find time to understand that this is a new ball game, and that

the passage of a second trade round as proposed can be, in my opinion, the straw that breaks the camel's back, and endanger the very existence of our type of government.

Mr. GAYDOS. Mr. Speaker, I wish to thank my colleague and good friend and neighbor from Pennsylvania, Congressman DENT, who serves my adjoining congressional district, for his usual informed and factual dissertation and explanation. It is comparable to what he has been giving us over the last 10 years.

Mr. Speaker, in conclusion, I would like to remind my colleague that there is another possible response to our troubled friend, the gentleman from Massachusetts, regarding that turnaround in the balance of payments, as of last month.

I would seriously suggest that the conference the gentleman and I had might contain another answer for him, or possible answer, and that is that we were informed—and I am sure my colleague can authenticate this fact—we were informed that Nationalist China and its representatives have concluded as of this date the purchase in multimillion-dollar figures of cotton futures in this country. This is a matter of publication and is included in statistics.

I suggest again in response to my friend, the gentleman from Massachusetts, that that statistic might be a possible answer to why there is such a drastic turnaround. Again it appears to me to be the approach of the administration to make this change become a reality, and it may be an answer as to why that change occurred when money is made available statistically and yet the product is not even in being as yet.

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

Mr. GAYDOS. I yield to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, there is plenty of evidence in publications on the stands where everybody can read the story that everybody is trading with us, reducing exports to the United States, increasing imports that will not be needed for 2 to 3 years, in order that they can change around the balance, in order that this group become the "sucker" again for the international traders all over the world.

TRIBUTE TO HON. JAMES A. FARLEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CAREY) is recognized for 30 minutes.

Mr. CAREY of New York. Mr. Speaker, it is with the greatest personal pleasure that I have requested this special order honoring James Aloysius Farley. For today, May 30, 1973, we not only celebrate Jim's 85th birthday, but we honor him for his over 60 years of dedicated and selfless service to the American Government and people.

The Farley success story is now a legend in the annals of both business and politics. As a lad Jim ran errands, sold newspapers and helped out in the store-saloon his mother bought to keep the family together after Jim's father was killed in an accident. He worked as a

bookkeeper and then organized his own building supply firm. He entered politics in 1912 by becoming the first Democratic town clerk in Stony Point, N.Y., since 1894. Jim worked for the election and reelection of Al Smith as Governor of New York and served in various State posts during the Smith administrations.

Mr. Speaker, in order that published biographical materials, giving a more complete picture of Jim Farley's careers, might be included in the special order, I ask unanimous consent that an article from Current Biography and an excerpt from the book, "It's the Irish," be printed at this point in my remarks.

Mr. Speaker, Jim Farley's biography reads like a catalog of civic, personal, and domestic virtues. His service to his community, State, Nation, and church are a legend that any man, no matter how well endowed with mind, heart, and grit, would be hard pressed to approach. Jim Farley is, indeed "one of the giants."

But in this time when government and politics are in less than good repute, I think the best current lessons we can take from the Farley saga are the three H's—honesty, humor, and honor.

Jim's honesty is such that he ran himself broke serving his party and his Nation. The Postmaster General in those days made the princely sum of \$15,000. Today, I think that might just buy enough varnish to put one coat on the office of the PMG. In order to remain in government, Jim had to publish his political memoirs, "Behind the Ballots."

Finally, in a day when enriching oneself while holding high political office was much simpler, Jim was forced to return to industry in order to provide for his family's future. Jim never made a penny through the exercise of influence and as the chief political entrepreneur of several Roosevelt administrations, as well as chairman of the New York State and National Democratic Committees, he had plenty of influence at his disposal.

Jim's sense of humor and ability to find the good features as well as good side of many different kinds of people enabled him to bring together many factions in the party, the administration and the Nation. He lightened moments of stress during prewar Cabinet meetings and was able to smooth over, with humor diplomacy, conferences of politically explosive potential.

In this day of humorless efficiency and of administration officials gleefully going about the dismemberment of programs designed to help the little man in educating his children, preserving his and his family's health, and assisting him in securing his just rights, it is refreshing to look back on an efficient, dedicated, hardworking public official who was human, exercised humane compassion for his fellow man, and lightened his touch with the saving grace of humor.

Mr. Speaker, I have praised Jim Farley for never having made a dishonest dollar and having done this without being humorless. But to my mind the facet of his life and personality that have a most signal lesson for all in government is Jim Farley's honor.

"His word is his bond." If that is what Jim said, that is what he means. "His pledge once promised, is always kept." These are the descriptions one always hears in describing Jim Farley's honor.

Jim's honor was not a smug awareness of his own good qualities. It was not a Patrician aloofness. It was not an honor that took offense easily. Jim Farley's honor was a sense of knowing not only what was strictly honest, but what was fitting and proper. In the Roman Mass there is a beautiful phrase describing how proper it is to give thanks to God. The Latin, "Dignum et justum est, aequum et salutare" translates to "meet and just, right, and fitting." To me this best describes the moral sense of propriety, mixed with respect for himself and others, that is Jim Farley's sense of honor.

Mr. Speaker, I hope Americans and especially those of us in public life will learn from this man's sense of what is the honorable course of action. So many in Government today have forgotten that the style "honorable" is meant to signify not only that those who bear it should be treated with respect and deference, but that they have earned that respect by living lives of personal and professional honorableness. Those that truly merit the "Honorable" before their names are indeed kindred spirits and moral sons of the Honorable James Alloysius Farley.

Mr. Speaker, Shakespeare, in speaking of honor, would seem to be addressing Jim Farley in praise and all of us as teacher:

Honour travels in strait so narrow where one but goes abreast. Keep the path, for emulation hath a thousand sons that one by one pursue." (Troilus & Cressida III-3).

I include the following biography:

James Alloysius Farley was born in Grassy Point, Rockland County, New York, May 30, 1888, of Irish antecedents. His father was James Farley, a brick manufacturer and one of the few Democrats in the county; his mother was the former Ellen Goldrick. "I was born a Democrat and I expect to die a Democrat," Farley himself has been quoted as saying. At any rate, his political talents showed themselves early. At the advanced age of eight young Jim Farley was carrying a torch in a "Bryan-for-President" parade; by the time he had reached high school years he was known as "that friendly-as-a-pup Farley kid"—he was addressing nearly everyone in town by his first name.

When Farley was not quite ten his father was killed by a horse, and Mrs. Farley was left with a half-interest in a little schooner that carried bricks thirty miles down the Hudson to New York, a small insurance policy—and five sons. Jim ran errands and sold newspapers until his mother bought a small grocery and saloon with her last \$1,500. He then helped her in both ends of the business, and during the summers worked from 3:30 to 11 a.m. as a machine boy in Morrissey's brickyard for less than a dollar a day. Besides going to school he played a good deal of baseball. Nicknamed "Stretch" because he was the best first baseman the town had ever seen, he played on high school and semi-professional teams which won most of the local pennants. At the same time he managed to be a waltzing champion and a model young man who attended church regularly—he made and kept a confirmation vow to abstain from alcohol and tobacco.

When Farley was graduated from near-by Stony Point High School in 1905 he went to

New York City to study bookkeeping at the Packard Commercial School, then took a position as bookkeeper in the Merlino Keilholtz Paper Company in the same city, at a salary of \$8 a week. But his natural affability and his talent for remembering "what kind of a tree it was that little Johnny fell out of and which arm he broke" wouldn't let him remain a bookkeeper long. His next position was with the Universal Gypsum Company, for which he worked fifteen years as bookkeeper, company correspondent, and finally as salesman.

In the summer of 1912 he entered politics when he announced his candidacy for the town clerkship of Stony Point. While selling on the road in southern New York six days a week he sent postal cards to everyone he knew in Stony Point (meaning nearly everyone); and, though the Democrats had not held the post since the swing away from Cleveland in 1894, he won the election hands down. He then wrote "thank-you" notes to every voter in Stony Point, to those who had voted for him as well as those who hadn't—and he made himself as useful and agreeable as possible in his non-paying office. He refused the small fees to which the law entitled him for various services; he delivered marriage licenses personally; he sold hunting licenses from door to door on the Sunday before the hunting season opened. It was little wonder that he was re-elected three times to the town clerkship by rising majorities, nor that he was soon associating with the real leaders of the Democratic Party in New York State. One of the first to urge Al Smith to run for the governorship of the state in the fall of 1918 he had the pleasure of adding his delegate's vote in the nomination of Smith for that office and of seeing him elected. The Governor later appointed him one of the wardens in the ancient office of port warden for New York at a salary of \$5,000 a year. Farley describes the post (of inspecting cargoes on incoming boats for possible shifting or damage by water) as a sinecure: "I performed the duties of port warden for about a year, during which time it was evident to me that there was no real necessity for the place." In 1919 a Republican legislature abolished the office.

Farley then returned happily enough to his other labors; by this time he was chairman of the Rockland County Democratic Committee, and he was to serve as supervisor of Rockland County from 1920 to 1923. In April 1920 he was married to his childhood sweetheart, Elizabeth Finnegan, who, incidentally, has never been too interested in politics. In 1922 her husband engineered the renomination of Al Smith for Governor of New York over William Randolph Hearst, and was himself elected to the New York State Assembly. The following year he was defeated for re-election although nineteen bills he introduced to abolish the abuses of the "fee system" were enacted by the assembly. However, within a year Al Smith appointed him a member of the New York State Boxing Commission, a non-salaried position. Farley himself has said: "It wasn't very long until my idea about the new post's being a pleasant diversion was rudely shattered." Soon he was being severely criticized for a ruling on fouls and for allowing fights between boxers of mixed weights. He also came under fire for his liberal distribution of free fight tickets among personal and political friends. Such gifts, critics pointed out, did not impede his ascent in politics. During this time Farley was still sales manager of the Universal Gypsum Company; a few years later, however, he organized his own business of supplying lime and cement to contractors, which, after several mergers, became the General Building Supply Corporation. He remained its president until 1933.

All along Farley was increasingly active in politics. He remained chairman of the Rockland County Democratic Committee until 1929, and in 1928 became secretary of the

New York State Democratic Committee as well, helping to manage Franklin Delano Roosevelt's first campaign for Governor of New York. (He had first met Roosevelt in 1920 at a crowded reception in Manhattan, but their real acquaintanceship had begun at the Democratic National Convention of 1924, and Farley had been one of Roosevelt's chief admirers for some time.) In 1930, when Farley became chairman of the State Democratic Committee, Roosevelt was re-elected Governor by the unprecedented plurality of 725,001.

The day after the election Farley commented: "We have elected . . . the man who will be the next President of the United States," and he immediately set about to make his prophecy come true. Concentrating on the personal contact, in 1931 he made a whirlwind tour of eighteen states, renewing old acquaintanceships, winning new friends, and persuading everyone he met that "there is magic in the name of Roosevelt." Roosevelt's pre-nomination campaign was actually launched at the 1931 Elks' convention in Seattle. From that time until the convention Farley worked in conjunction with the late Louis McHenry Howe as organizer and "field man" for Roosevelt, his particular methods of contacting party workers being the personal letter, the long-distance telephone call, the handshake.

At the 1932 convention, when Farley was the Roosevelt floor leader, Roosevelt had a heavy majority from the first. The voting seemed hopelessly deadlocked, however, until Farley made a deal that swung the Texas and California delegations, pledged to John Nance Garner, to his candidate. Garner received the nomination for Vice-President as a result; Farley took over the chairmanship of the Democratic National Committee, which badly needed the streamlining that he gave it. He added to his reputation not only as a master politician but as a political prophet when he announced before the November 1932 elections that the Democrats would win by a plurality of 7,500,000 votes. He was off the mark by only 300,000.

Appointed Postmaster General by President Roosevelt, Farley continued to hold his posts as New York State Democratic chairman and National Democratic chairman. He soon became the chief target of Republican criticism, although he could never have been classed as a rabid New Dealer: he was, purely and simply, a Democrat. His yardstick for job-hunters in Washington was "party loyalty," and those who had been for Roosevelt before the 1932 convention found themselves particularly solid in his good graces. What is more, he delayed in awarding patronage until he saw how Congressmen voted on the essential part of the Roosevelt legislative program.

Opponents of the New Deal therefore attacked him as a "spoilsmen," though there were others to point out that Farley had not invented the patronage system, and, according to *Look*, all he introduced into it was "a more efficient card-index system." Both the Administration and Farley were criticized when, following the cancellation of the air-mail contracts with commercial lines and the subsequent flying of air mail by the Army, ten Army fliers were killed. He was, too, the target of criticism for presenting specimen sheets of stamps to Democratic bigwigs, a criticism that came also from some of Roosevelt's friends. In the face of such attacks, however, Farley remained cheerful and silent.

In August 1936 Postmaster General Farley took a leave of absence without pay in order to manage Roosevelt's second Presidential campaign—and he maintained his reputation as a prophet when, five days before the election, he forecast that Roosevelt would carry every state except Maine and Vermont. Early in 1938, when his memoirs, *Behind the Ballots*, appeared, he and the President were apparently still on excellent terms. Already,

however, he was beginning to become annoyed by Tommy Corcoran, "something of a program writer for the New Deal"—and other irritations came thick and fast. The Supreme Court reorganization bill was something on which he had nothing whatsoever to say. The party purge that followed was a bad political mistake, in his opinion: wasn't a Democrat a Democrat? Roosevelt consulted him less and less in his dealings with Congress, and, according to some sources, discouraged him from becoming a candidate for Governor of New York State. Whatever Farley's feeling may have been, by the latter part of the year one writer was already reporting that Farley and Garner had signed a secret pact under which they would attempt to control the 1940 convention and keep either Roosevelt, or anyone picked by him, from getting the nomination.

Farley's visits to the White House became less frequent, and although there was no open break with the President, it was bruited about that Farley, was opposed to a third term. It was also said that Farley himself had Presidential—or, at least, Vice-Presidential—aspirations. Then, in March 1940, Ernest K. Lindley reported in his column that Roosevelt had told an unnamed Democrat that he would not run for a third term unless Germany overran England; that Hull was his candidate; and that Farley was unacceptable as the Vice-Presidential nominee because some might think the Democrats "were using Cordell Hull as a stalking horse for the Pope."

Shortly afterward Roosevelt himself stated that the column had been made up out of whole cloth, but it was too late: the next day Farley announced that his own name would be presented to the Democratic National Convention in Chicago—"and that's that." Talk of a Hull-Farley ticket revived; there were signs of overtures from Vice-President Garner's friends for an alliance with Farley; and Farley himself made a "speech-making, hand-shaking, post-office dedicating" tour of the country.

Even before the 1940 Democratic National Convention it became obvious that the President, who had remained publicly non-committal on the issue, would permit himself to be drafted for a third term. In 1937 Farley had said of Roosevelt: "While the breath in my body lingers, I will try to assist him in all he does"; but now he apparently felt himself betrayed. According to Charlie Michelson, he had misunderstood Roosevelt's reluctance to run again as a pledge that he would not be a candidate.

In any case, Farley permitted his own name to go before the convention as a Presidential candidate (it was put up by Carter Glass), and gained a total of 72 and a fraction votes on the roll call. Roosevelt having won renomination by 946 and a fraction votes, Farley moved that the nomination be made by acclamation, but shortly after the convention he resigned both as chairman of the Democratic National Committee and as Postmaster General. This was ostensibly in order to become new board chairman of the Coca-Cola Export Company, but the move was interpreted by some as a dignified protest against the "third termites."

Farley's one-time critics, who had begun to see his good qualities as soon as he had lined up with the Roosevelt-must-go clique, immediately sympathized with him as one who had put principle and country above party, and who had been mistreated by Roosevelt. Farley himself, never sympathetic with party bolters (he had criticized his former friend Al Smith for teaming up with the Liberty League in 1932), announced that he was supporting the Democratic ticket, but conducted "only a perfunctory" campaign for Roosevelt in 1940.

His record as chairman of the State Democratic Committee from that time on was not one of undiminished success. In 1941 he

backed William O'Dwyer, the Democratic nominee, in an unsuccessful bid for the mayoralty of New York. In 1942 he was successful in getting the Democratic nomination for Governor of New York for his candidate, John J. Bennett, against the opposition of Roosevelt, who was supporting James Mead; but the voters replied by electing the Republican candidate, Thomas E. Dewey. During 1943 Farley made many business trips in which he found time to talk with anti-Roosevelt Democrats all over the country, but particularly in the South. A "Byrd-for-President" campaign seemed to be shaping up there. Then, in the fall of 1943, the Republicans installed Joe R. Hanley as Lieutenant Governor of New York over the Democratic candidate, Lieutenant General William N. Haskell (retired). Farley saw Hanley's election as a sign that "the people are tired of being kicked around," and pointed to a "definite trend against the National Administration"; but New Dealers charged that he had not made "even the most elementary Democratic campaign efforts on behalf of Haskell." By April 1944 the O'Connell Democratic machine in Albany was attempting to oust him as chairman of the State Democratic Committee, but the move was not supported in Washington, and he was re-elected unanimously.

Farley resigned his chairmanship in June 1944, stating that business interests required his whole attention. This came as a surprise to those who had expected him to wait until after the Democratic National Convention. Although he could not have made his opposition to a fourth term for Roosevelt more evident, Democrats of all shades of opinion, 1,500 in number, attended a testimonial dinner in his honor the next month. No one assumed that he would entirely disappear from politics—and he did not. Later in July he was at the Democratic convention, telling reporters that he was not candidate for either nomination. His own half-votes, however, went to Alben Barkley for Vice-President and to Harry F. Byrd for President; and Farley himself received two half-votes for the Presidential nomination from two of his intimate friends in the New York delegation. Although he announced after Roosevelt's nomination that he would support the Democratic ticket as usual, Mrs. Farley was by this time frankly avowing her support of Dewey.

Farley continued to be active in both national and international affairs. In September, along with John Foster Dulles, Alfred E. Smith, Sumner Wells, and other distinguished citizens, he signed an appeal for a clean Presidential campaign—a public request to all candidates to discourage the injection of religious and racial animosities into the campaign: "Such conduct is un-American . . . divides our people and betrays one of the cherished ideals for which we struggle." In October he acted as chairman of the celebration held in New York City in honor of the thirty-third birthday of the Chinese Republic. At that time he paid tribute to the late Wendell Willkie for the service Willkie had rendered in strengthening the bond between the United States and China. A month later Farley spoke before the convention of the Alabama State Chamber of Commerce, stressing the need for more industry in the South to balance the agricultural production. And in December 1944, speaking at the twenty-sixth annual Guadalupe Day of the Mexico Pilgrims organization, Farley admonished Americans to drop the tendency "to talk down" to their Latin-American neighbors, but rather "to cement the ties between nations with true friendship."

Many things have been said for and against Farley, but there are some points on which both friend and foe agree. One is his phenomenal memory—a memory for names, faces, and personal details that has helped

to win friends and influence people in a large way. Another is his dependability: "his pledge, once promised, is always kept . . . favor for favor, deed for deed." A third is his honesty. He made an annual \$15,000 as Postmaster General, but was in debt when he left the office because he insisted that his General Building Supply Corporation, in which he still had a business interest, should not solicit orders where his influence would count and should reject all public business offered. If he had not received \$65,000 for his memoirs when they were serialized in the *American Magazine* he would have been even more badly off. And a fourth quality is his affability. "I like people," Farley himself says, and boasts that he has 100,000 friends. He usually manages to stay on good terms personally with even his greatest political enemies, and he has always been universally popular with the press because he will quip or talk as seriously with a *Daily Worker* or New York *Herald Tribune* reporter as with representatives of more friendly newspapers.

Farley "has the look of what people living in the rural areas of the Boston diocese call a 'city Irishman.' Big, strapping [he is over six feet two], his bald head possessing an incredible shine, he has been marked by the metropolis in his manner, his bearing, his speech." According to the *American Mercury* in 1937, "He looks like a musical comedy butter-and-egg-man ripening for apoplexy, yet he bows the backs of five stenographers a day with his dictation orgies, sees sometimes as many as 200 visitors, and walks the occasional short corridor distances he has to negotiate between fast elevators, trains, and automobiles at a pace roughly equivalent to that of a championship football team charging into the Rose Bowl." "A lifelong non-smoking teetotaler," he consumes large quantities of milk, ice cream, chewing gum, and peppermint drops. He is also a model family man, although his wife and three children (Elizabeth, Ann, James A.) have always complained that they don't see enough of him; and he is a born "joiner"—a big man in the Elks, Redmen, Eagles, and Knights of Columbus. In all these things he is typically American, too.

IT'S THE IRISH

Successful Irish-American politicians or appointees have included James F. Byrnes, head of the Office of War Mobilization under Roosevelt, Secretary of State and Supreme Court Justice under Truman; Admiral of the Fleet William D. Leahy, Roosevelt's personal chief-of-staff; Pat Brown, Governor of California; Major General Patrick J. Hurley, Secretary of War under Hoover, and Ambassador to China in the 1940's. And, of course, there's the epitome of the Irish politicians, James Aloysius Farley, now a Coca-Cola executive.

James Aloysius was born in Grassy Point, New York, in 1888. Jim recalls that when he went to visit his father's people, in a town called Verplanck's Point, only a few miles away, he couldn't understand why all the Catholic Irish there were Republicans. He said:

"I couldn't understand how a Catholic could be a Republican because in the community where I was born and raised all the Catholics were Democrats. As a matter of fact, in Grassy Point we had difficulty finding enough Republicans to man the election boards."

Jim says he eventually learned that a Peekskill politician was helping the Catholic Irish get jobs in the local brickyard and enrolling them in the Republican party. As Jim says, the Irish largely voted as a bloc in the interests of self-protection, but they also sought the protective coloration of the dominant party. "In Boston," Jim says, "they

became Democrats because there were Democrats in Boston. But in Philadelphia politics 'was dominated by the Republicans, and in a large measure they became Republicans.'"

Jim began his political career by getting himself elected district committeeman. He recalls that the other two members of the town committee were at odds. "They were not on speaking terms and they couldn't agree on who would be the chairman, secretary, or the treasurer of the town committee. Neither one of them would vote for the other, so they elected me to all three positions. So I started from there and I was elected town clerk and served eight years. Finally, supervisor. Went to the New York State Assembly one year, and now you know the rest of it."

"The rest of it" is one of America's great success stories: Farley became head of the New York State Democratic Committee in 1930 and two years later successfully pushed the presidential nomination of Franklin Delano Roosevelt. Becoming chairman of the National Committee, Farley managed FDR's presidential campaign with equal success and landed up in the cabinet as Postmaster General. He dropped out to mastermind Roosevelt's 1936 campaign after which he stepped back into his old cabinet job. By 1940, Jim had accumulated some presidential aspirations of his own, and when Roosevelt decided he wanted the job again, Jim dropped out of the cabinet, and shed his party chairmanship.

It took twenty years for someone else to bring to reality the dream Jim had nurtured—to become the first Catholic Irish President. However, John Fitzgerald Kennedy was by no means the first man with Irish blood to take up residence in the White House. Andrew Jackson, James K. Polk, James Buchanan, Andrew Johnson, Chester A. Arthur, William McKinley, William Howard Taft, Woodrow Wilson, Grover Cleveland, Calvin Coolidge, and Harry Truman were mostly or partly of Irish descent.

GENERAL LEAVE

Mr. CAREY of New York. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks at this point in the RECORD concerning the birthday of James Farley of New York.

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

There was no objection.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. CAREY of New York. I yield to my colleague from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, today we honor a great American and the Nation's most prominent politician of all time, James Aloysius Farley, who was born in Grassy Point, N.Y., 85 years ago today.

Jim Farley's name is legend in American political history. When he embarked on his coast-to-coast tour on behalf of Franklin Delano Roosevelt in 1931, few Americans gave Roosevelt more than a fighting chance to capture the Democratic Presidential nomination in 1932. Yet this remarkable political organizer helped put Roosevelt in the White House, and his indefatigable energy, green-inked letters, and phenomenal memory for names enshrined him as America's greatest politician.

My colleague from New York (Mr. CAREY) and many others are detailing

the known facts about Jim Farley's political greatness. I would just like to add a few very personal stories to illustrate the noble characteristics of this big and very human man. His book entitled "Behind the Ballots," first inspired me to take more than a passing interest in politics. His later autobiography, "Jim Farley's Story," was also an inspiration to countless citizens interested in the political process.

While a young instructor at Columbia College in 1939, I recall the vivid impression which Jim Farley's description of the 1932 Democratic National Convention made on me. In his book, "Behind the Ballots," Farley casually mentioned an arrangement he had set up in Chicago to enable the then Governor Roosevelt to talk by telephone to groups of delegates from various States who were attending the Chicago convention. An amplifier was hooked up to the telephone so that the delegates could hear Roosevelt's voice long-distance. When I read this account, I could not sleep that night, and immediately went to the telephone company the next day and asked to have them install such an amplifier in my political science classroom at Columbia. Then I rushed down to the Hotel Biltmore, brashly asked for an audience with Jim Farley, and pleaded with him to talk to my class in "political parties" via amplified telephone.

Jim Farley was intrigued with the idea, and immediately agreed. The class was absolutely spellbound, and many students came to the front of the room to ask Mr. Farley questions over the phone. Although he was heavily engaged as Postmaster General and chairman of the Democratic National Committee, Mr. Farley then agreed to visit my class at Columbia in person some time during the spring of 1940.

On the day he was to appear, I went to meet him at his Park Avenue apartment. It was a great thrill for a young instructor to get into his long, black limousine with the official insignia emblazoned on the door, ride through Central Park and up to Morningside Heights, and see the surprised glances of recognition as we paused at stop lights and the people waved with great warmth at this big, bald-headed, ruddy-cheeked political leader.

The class itself was an outstanding experience, and contained some great lessons in practical information on politics. These were overshadowed by a traumatic incident which shook my composure, and also revealed the depths of human feeling and unselfish spirit in Jim Farley's character. He welcomed questions from the students, and prefaced his first answer with the observation:

To be completely frank, my answers must be off-the-record.

It was early April 1940. Speculation was running high throughout the Nation on whether President Roosevelt would run for a third term. So one eager Columbia College student popped the natural question: "Do you think Roosevelt will run for a third term?" Without batting an eye, Farley leveled his glance

at his young questioner and responded that he did not think Roosevelt would run for a third term and that he had advised him against it.

There was a visible stir in the room. It was hot news. Within minutes of the final class bell, while Jim Farley was riding downtown to his office, the whole campus erupted with buzzing groups of students excitedly saying: "Did you hear what Jim Farley told Doc HECHLER's class about the third term?"

I tried to warn as many of my students I could reach that Farley's remarks were off the record. My worst fears were realized the next morning when the New York Herald-Tribune ran a streamer headline that "Farley Predicts Roosevelt Will not Run." I was mortified at what I regarded as a breach of confidence. After a brief and emotionally bitter statement dismissing my class the next day, I dejectedly went to my office and locked the door. I telephoned Jim Farley, almost in tears, to apologize. The reaction was a tonic I will never forget.

He started off breezily—

Say, Ken, I've been trying to reach you all morning. I thought you might be worried about that newspaper article. But if I were you, I wouldn't let a newspaper article get you down. You know, tomorrow it will be all over and things will look brighter. Nothing is as dead as yesterday's newspaper, remember that!

Here was a great and busy man, overwhelmed with many weighty problems, yet he took time off to restore my shattered confidence. Not only that, but he wrote me a quick letter to read to the next class, indicating he would like to return and talk with the class. He did, and also visited my classes at Barnard College in both 1940 and 1941, and later at Princeton University.

That is just a small incident in a long and varied career, but it is indicative of the bigness of the man whose 85th birthday we honor today.

As for his political acumen, well, let me relate another personalized incident. At Columbia University, where I was working toward a master's degree in 1936, I persuaded my advisors to allow me to write my thesis on the subject "Will Roosevelt Be Reelected?" It was a very long and hard job to put together a 350-page analysis, but it was a lot of fun. The last chapter was just one word: "Yes." Fortunately, I got my M.A. degree in June, prior to the November election, but Mr. Farley, of course, came into my thesis. In making my State-by-State analysis, I remarked that surely one should not swallow Democratic National Chairman Jim Farley's prediction that Roosevelt would sweep every State but Maine and Vermont. Once again, Jim Farley's political acumen shone through. He had carefully, truthfully, and accurately analyzed the political situation and had given his boss and the Nation the fruits of his knowledge.

James Aloysius Farley's 85th birthday is the occasion to recall that here is a national political leader who ennobles the profession of politics. His reputation for truth, integrity, dedication, and character shine forth as a beacon to all who enter the political arena. He never en-

gaged in self-deception and applied to the art of politics boundless energy, remarkable organizing ability, and did it in a way which uplifted the entire profession.

Truly, as we salute Jim Farley on his 85th birthday, we can say with pride: He is a big man, with a big heart, and character to match his bigness.

Mr. ALBERT. Mr. Speaker, I am happy to extend birthday greetings to a longtime friend and great American patriot and statesman, James Farley. Jim Farley is one of the last of those dynamic private entrepreneurs who understood his civic responsibility and worked hard for his country and his party. He built a Democratic Party that elected and reelected one of our Nation's greatest Presidents. He contributed to the thought and substance of the New Deal by his activities in behalf of Franklin Delano Roosevelt. He has had the remarkable ability to maintain close and easy communication with the many, many people he has worked with and known throughout the years. He has worked hard and he has been loyal to his concepts and his personal friendships throughout his life. He has received many degrees, many rewards, and many honors. He well deserves the accolades which we all extend to him today. My congratulations for a lifetime of achievement to which he has just added 1 more year. We wish many happy returns on his birthday and many, many more.

Mr. SIKES. Today, Mr. Speaker, marks the 85th anniversary of the birth of one of America's truly great leaders, James A. Farley of New York.

Jim Farley is perhaps the best known example of how a man can rise through the political system from precinct work to State chairman of his party, and then to national chairman, Presidential campaign manager, and Postmaster General of the Nation.

Through his rise to positions of power and influence, Jim Farley was always a gentleman, highly respected, and genuinely admired by people in and out of his political party.

He now lives in retirement in New York City, but he has never ceased to make his advice and wisdom available to those who seek it. And it has been sought by Presidents and by precinct workers through 60 years he has served his Nation.

Those of us who know and admire Jim Farley are pleased and honored to be able to spread upon the record of this body, our expressions of good will on the occasion of his 85th birthday.

I wish him happiness and good health for many years to come. He is indeed a legend in his own time. He is a great American.

Mrs. GRASSO. Mr. Speaker, I would like to join my colleagues today in expressing warm birthday wishes to Jim Farley on his 85th birthday. In his more than 60 years in public life in both business and politics, Jim Farley has proven himself to be a statesman and a great American.

He has earned the lasting respect of those who have come in contact with him. His long and devoted service to this

Nation has demonstrated his special dedication and commitment to our national ideals. As chairman of the New York State Democratic Committee, chairman of the Democratic National Committee, Presidential campaign manager, and Postmaster General, Jim Farley performed most admirably as both a dedicated leader of his party and a concerned public servant.

My congratulations and very best wishes to Jim Farley on reaching the milestone of his 85th birthday.

Mr. RONCALIO of Wyoming. Mr. Speaker, I appreciate the gentleman from New York yielding to me, so that I might join his many friends in Congress in conveying to Jim Farley the congratulations and best wishes of his many friends and admirers in the State of Wyoming.

In 1933, upon the election of President Franklin Roosevelt, Postmaster General James Farley brought to Washington from Cheyenne, Wyo., a young assistant, Joseph C. O'Mahoney. Assistant Postmaster General Joe O'Mahoney served in that capacity until December of that year when Wyoming's incumbent Democratic Senator from Sheridan, Wyo., John B. Kendrick, died in office.

Wyoming Gov. Leslie Miller then appointed Joe O'Mahoney to the U.S. Senate to serve out the remainder of the term of Senator Kendrick until the next general election, at which time Wyoming's voters returned Joe O'Mahoney to the Senate for the full Kendrick term.

It is interesting to note that in this way O'Mahoney, in fact, became a successor to the man who first befriended him as a youngster. O'Mahoney came to Wyoming from Chelsea, Mass., as a raw-boned youth looking for opportunity. John Kendrick gave Joe O'Mahoney a job and, in 1917, Joe O'Mahoney came to Washington as a clerk on Kendrick's staff, studied at Georgetown Law School, and returned to Wyoming in 1920 to practice law and engage in its political life.

The third Wyoming Democrat of national importance at the time was Tracy S. McCracken, then the publisher of the Wyoming Eagle and a close friend of incumbent Gov. Leslie Miller and young Joe O'Mahoney. Each of these three men had served in various capacities in the Democratic Party, and together with their friend, the late John D. Clark, were pretty much the four men who managed to keep the Democratic Party solvent and alive in those early and difficult days in a State which was not only predominantly Republican, but also insurmountably Republican in its economic life and voting habits.

To what little this has changed in the decades that followed is due largely to the works of Jim Farley and of the dedication that he gave the Democratic Party. We are happy to recognize him today and to give him many happy returns of the day. I know that friends who have met him in Wyoming and who hold his friendship and tremendous record of service to his Nation in the highest esteem will be happy to join me in these felicitations today.

They will include Robert S. McCracken,

publisher, Cheyenne Newspapers, Inc., and Bernie Horton of the Wyoming Eagle, both of whom have interviewed and visited with Jim Farley over the years, either in Wyoming or at Democratic national conventions during the many years Tracy McCracken was the national committeeman of Wyoming for the Democratic Party.

At Casper, Wyo., Robert R. Rose, one-time Under Secretary of the Interior; Mr. Milt Coffman, one-time high party official; Mrs. Lina Burwell, former national committeewoman; and Mr. D. G. Richardson, publisher of the Rock Springs Rocket, are among the many who will take pride in recognizing this day for the great Jim Farley.

Happy Birthday Jim!

Mr. THONE. Mr. Speaker, as one who has high regard for most politicians, I appreciate the opportunity to help enhance the reputation of politics by saluting one of the greatest masters of that art—James A. Farley.

Even though we are members of different political parties, I briefly met Mr. Farley on two occasions and had the opportunity to observe his genuine interest in people. He was known for being able to call thousands and thousands of people throughout the country by their name. Sure, he kept file cards so he could refresh his memory on the people of an area before he revisited it. How much better it is to have a politician who cares enough about people to do some work to get their names right than it is to have a politician who thinks he has so much charm that all he has to do is smile and wave at everyone. Mr. Farley has been one of the great teachers of the effectiveness of person-to-person politics.

Jim Farley built a reputation as one who could be relied upon for what he said. Recently, he stated:

May I say to you very humbly that I never lied to anyone in my life. In my judgment, the only thing a politician has to offer is his word.

One of the best ways of reminding the public of the honor in politics is to quote from a message written in the 18th century that Jim Farley always carries in his wallet. It states:

Politics is the most hazardous of all professions. There is no other in which a man can hope to do so much good to his fellow creatures—and neither is there any which, by a mere loss of nerve, he may do as widespread harm.

There is not another in which he may so easily lose his own soul, nor is there another in which a positive and strict veracity is so difficult. But danger is the inseparable companion of honor.

With all its temptations and degradations that beset man, politics is still the noblest career any man can choose.

It is a pleasure to salute one of the noblest men in the noblest career—James A. Farley.

Mr. BENNETT. Mr. Speaker, one of the great Democrats I first met in my youth was Jim Farley. He is also one of the greatest Democrats and one of the greatest Americans I have ever met. It is a pleasure today to congratulate him on his 85th birthday and to thank him for the inspiration of his friendship and his

tremendous leadership for the betterment of our country. We are all deeply his debtors.

Mr. PICKLE. Mr. Speaker, I am proud to join with my colleague, the Honorable HUGH CAREY of New York, in saluting one of New York's finest, Jim Farley.

In looking back over the history of this Nation, there are certain individuals that receive what in my books is a highest accolade.

This high accolade is "He served with distinction."

Jim Farley served his country with distinction.

And, today, on his 85th year of life, he can still give the sage advice so needed in the delicate task of running a democracy.

Public service is not just holding office. It is true that the officeholder is most known by the public. The officeholder is also in the majority of cases a hard worker.

But there are others in public service. There are those men and women who give their time and life to walking with the officeholder, to giving the counsel that makes for a better America.

Jim Farley is such a man.

As Postmaster General to President Franklin Roosevelt, as chairman of the New York State Democratic Committee and the National Democratic Committee, as Presidential campaign manager, and respected businessman, Jim Farley conducted himself with the integrity, with the highest dedication to democratic principles.

Jim Farley was a great friend of President Lyndon Johnson, who loved him and respected him. Mr. Johnson came to Washington during the New Deal days of President Roosevelt. He became a friend of Jim Farley then, and over 35 years they remained stalwart friends. All through the years, Mr. Farley gave loyalty and wise counsel to President Johnson. He visited President Johnson here in the White House, and he was an honored guest at the L.B.J. Ranch in Texas many times. These two great men loved each other. I have personally witnessed the affection that President Johnson had for Mr. Farley and I think all America loves and respects Mr. Jim Farley, one of the most fabulous men America has ever produced.

America is a better place, because of Jim Farley.

Mr. Speaker, I want to convey my best to Mr. Farley today, and I wish him many more birthdays.

Mr. FLOOD. Mr. Speaker, as a Member of Congress, as a lifelong member of the Democratic Party, and as one of the thousands who have been privileged to know him and call him their friend, I extend my own birthday greetings to the Honorable Jim Farley of New York.

I first met this distinguished gentleman 45 years ago in Houston, Tex.

It was the 1928 Democratic National Convention, the second party conclave which I attended. He was doing then what he did best in his admirable career, he was being a politician.

Four years later I met him in Chicago, and he was doing again what he has

always done best, he was being a politician. The cause was the same—to elect a Democratic President, but there was a new leader for this crusade, Franklin Delano Roosevelt.

Jim Farley ran that campaign from the start, and helped make the decision which would change the course of the history in the 20th century. He was the leader of the Presidential Palace Guard, the Keeper of the Keys, and the Master of the Court.

He served his country as Postmaster General for 8 years. He was ever-attendant and always at the call of his President.

In the years to come I came to know Jim Farley, and I came to realize what an unique master of our political system Jim Farley truly is.

In the years when I first came to Congress, I lived at the Mayflower Hotel. The mezzanine of that grand hotel was the home for the Democratic National Committee. Jim Farley was the head of our party's national organization in the days when our party prospered under Presidents Roosevelt and Truman. He gave the party width and breadth, and he revolutionized political organization in the democratic form of government.

Jim Farley is a great American, one of the alltime great Democrats, faithful churchman, a proud resident of New York, and a believer in his fellow man.

As he observes his 85th birthday, hail and robust, I cannot help but reflect on his historical contribution to Presidential politics. His role was a role of leadership with integrity that seemingly is wanted in certain areas of the contemporary American political spectrum.

To Mr. Farley—Ad multos annos.

Mr. STAGGERS. Mr. Speaker—

A thousand, thousand voices,
From night to dawn, from dawn to night,
Have cried the passion of their choices
To orb your name and keep it bright.—Benet

To be a cause, a motive force behind great events, is a career to which relatively few men aspire. It is an attribute which borders on the divine. In this century, on this continent, no one has played that role so skillfully and so effectively as the Honorable James A. Farley. It is fitting that we should honor him today for what he has meant to America and to the world.

Time moves so fast, and yet so much history has been crowded into the last 50 years that the attention span of humanity has been put to the test to hold it all in memory. In retrospect, the America of 1930 is a strange, almost an alien country. Statesmen, warriors, philosophers, industrialists, scientists, have taken their place on the stage of events, and have played their respective parts with honor, or with dishonor, as the case may be. Back of what they have achieved and what has endured is in large part the vision and the manipulative and constructive skill of Jim Farley. Is it possible to believe that if there had been no Jim Farley, there would have been none of the scientific and economic and social progress of the last half century? I think it is. It is the experience of history that

a very few men have preponderant control over the course of human affairs. What they have willed and what they have wrought draws the multitude on with irresistible force, and things become what they would not have become otherwise.

It is important that the records be made clear as to achievements of the Honorable James Farley. Only in that way can the future understand why power and influence has fallen so definitely into the hands of the United States in the era in which we now live. His vision was clear. His skill in materializing vision was unmatched. His work ought to live. It will live as long as we keep the mind and the character of Jim Farley in the position these have earned among the beneficent forces of our times.

My sincere congratulations and best wishes that Mr. Farley may enjoy many more years of the affection and high regard of his fellows.

Mr. NIX. Mr. Speaker, I pay this tribute to Jim Farley who today celebrates his 85th birthday. He has slowed down a bit by a heart attack, but he still manages to keep in touch with those he has known throughout the years. Jim just keeps rolling along, a survivor of a past political era. There are few men alive today who can claim more friends. The zest for living which this man exemplifies is nothing short of miraculous.

Jim Farley was one of the greatest political strategists that this country has known in this century. Twice, in 1931 and again in 1935, he had masterminded the Franklin D. Roosevelt campaigns. He served honorably and with distinction as Postmaster General in the Roosevelt Cabinet.

Many phases of Jim Farley's political career were impressive because politics was his great love. He was renowned for a remarkable memory for names. It was said that he knew 50,000 persons by their first names. In all the years that Jim Farley occupied the limelight in the field of politics, he was never charged with doubledealing, betrayal of friends or any other unsavory device. He has an affinity for people, and his affection, loyalty, and outflowing friendship have been returned in the same generous abundance. No words of mine can adequately picture the ebullient spirit, the infinite compassion, or the glowing personal warmth of Jim Farley.

To Jim Farley, I extend my warmest congratulations and I hope the good Lord preserves you for many more years.

Mr. FULTON. Mr. Speaker, it is with great pleasure that I join my colleagues in paying tribute to Mr. Jim Farley on the occasion of his 85th birthday.

Though he is still considered and remembered by many as one of the Nation's master politicians of this century his real contribution to this Nation is more profound. For while he is certainly an eminent practitioner of the art of politics his contribution lies in the way he practiced that art over the years to build one of the strongest, positive, and successful political movements.

Mr. Farley has known success in a number of fields, but it is in the science of politics which he mastered so well that his mark will be left indelibly cast.

His life has been full and I wish him many, many more years of fulfillment and happiness.

Mr. JOHNSON of California. Mr. Speaker, it is with a great deal of pride and affection that I join my colleagues in paying tribute to Jim Farley, who is today celebrating his 85th birthday.

I not only want to wish him a very happy birthday—on this his very own special day—but I also want to congratulate and thank him for his loyal, dedicated service over the past 60 years to the Democratic Party and to our great Nation.

Jim Farley, in my opinion, rose to the heights of political activity and maintained that position with honor and integrity. He represents the strength of political morality in the administration of government.

As we all know, Jim served in many ways, as Postmaster General, as National Chairman of the Democratic Party, as Presidential campaign manager, and in all positions in which he was requested to serve. In addition he was an internationally known and respected businessman. He was never too busy with his business activities that he could not serve his country, the American people and the Democratic Party. All one had to do was ask.

I am proud to have worked with Jim Farley, and to have had the privilege of knowing one of the most able, conscientious, dedicated, and honest representatives of the Democratic Party. He represents all that is good in our democratic system of government.

Mr. HELSTOSKI. Mr. Speaker, I rise today to join my colleagues commemorating the 85th birthday of James A. Farley. Jim relied on personal contact and his famed memory during his more than 60 years of service to America. It is only fitting that we rely on our memories of Jim on this special day.

From the first, Jim Farley celebrated politics and life in the Democratic Party. He has often declared that he "was born a Democrat, and expects to die a Democrat." His dedicated service to the people and his party, have gained him many friends and international respect. His dependability, honesty, and affability have served men like Gov. Al Smith of New York and President Franklin D. Roosevelt, and have graced the offices of the Postmaster General and the Chairman of the Democratic National Committee.

America has been well served by Jim Farley during his 85 years of life. I am certain my colleagues join me in wishing him many, many more years to enjoy the honors he so richly deserves. Happy birthday Jim.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I would like to join my colleagues in extending congratulations today to James A. Farley on the occasion of his 85th birthday.

Mr. Farley has had a long and distinguished career as an active Democrat. Successful first in the construction business, he went on to serve the Democratic Party in such roles as political adviser, party official, fundraiser, Presidential campaign manager, and Postmaster General.

While Democrats particularly owe Mr. Farley their gratitude, all citizens can look back at the period of his activity as one of bitter political battles, but honorably fought.

I extend my best wishes to Mr. Farley on his birthday and hope he will enjoy continued health and long life.

Mr. CONTE. Mr. Speaker, I join with my colleagues today in offering birthday greetings to a fine gentleman and public servant Jim Farley.

Jim Farley has packed more living into his 85 years than any dozen more "mortal" men. His career in public service took him a long way, from the town clerkship of Stony Point, N.Y., to the highest levels of political policymaking and to positions of great responsibility in the Federal Government.

The list of his accomplishments is long and illustrious. His dedicated service to the American people transcends party bounds. He served all of the people with distinction as our Postmaster General from 1933 until 1940.

His work with charitable and religious organizations is legend. His talents in the business world are renowned.

I am delighted to extend a warm "Happy Birthday" to Jim Farley and wish him many happy returns of the day.

Mr. BOLAND. Mr. Speaker, I want to join with my good friend and colleague from New York, Congressman HUGH CAREY, in extending best wishes to a revered and respected elder-statesman, Jim Farley, on his 85th birthday.

This is indeed a sentimental occasion for all of us who started our public careers in the mid-1930's when Jim Farley had reached the pinnacle.

He had achieved fame as a national figure with the election of Franklin Delano Roosevelt to the Presidency in 1932, and as Postmaster General in the Roosevelt Cabinet for 8 years.

Long before attaining Cabinet rank, Jim Farley was active in business and local politics, served as clerk in his hometown, and became New York State Democratic Chairman before assuming the chairmanship of the National Committee in the 1930's.

Jim Farley is a warm-hearted internationally known and respected businessman-statesman, who has contributed 60 years of dedicated service to his country and organizations seeking to foster America's national goals.

I take this opportunity to wish Jim Farley a happy birthday and best wishes for many more years of good health and happiness.

Mr. RHODES. Mr. Speaker, it pleases me to join my colleagues today in a special tribute to the Honorable James A. Farley.

Jim Farley is a great American who has been on the political scene for many, many years, and has made many contributions, not only to the Democratic Party, but to the country as well. For this, all Americans of every party are grateful to him. On the occasion of his 85th birthday, I am glad to have this opportunity to extend to Jim Farley my warm and sincere congratulations.

Mr. DULSKI. Mr. Speaker, it is a pleasure to join today in offering hearti-

est best wishes to James A. Farley on the occasion of his 85th birthday.

If ever a man deserved the epithet "Mr. Democrat," Jim Farley is that man. He has said, "I was born a Democrat and I expect to die a Democrat," and his party loyalty has been unswerving in triumphs and personal defeats.

From the age of 8, when he participated in a parade for Presidential Candidate Bryan, he worked for party goals, though he never held high elective office himself. From town clerk, through county, State, and National Democratic Party Chairman, as campaign manager for Franklin Roosevelt from Governor to President, as Postmaster General of the United States, and in a variety of other offices and positions, Jim Farley served his country and the public as well as his party.

His personal code did not allow profiting by position, so he worked in private business to support his family.

Now retired after more than 30 years with Coca-Cola and serving as honorary chairman of that company, Jim Farley has every right to contemplate his long and distinguished career.

Examples of his keen interest in people and the events they shape, as well as his renowned memory for names and faces, are still quoted.

Mr. Speaker, the 85th birthday of Jim Farley is an event of note. May he enjoy it to the fullest, and may he have many, many happy returns.

OUR AMERICAN SYSTEM OF GOVERNMENT TRADE, PRICES, AND WAGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. MILLS) is recognized for 60 minutes.

Mr. MILLS. Mr. Speaker, on this occasion, I shall address the House only briefly. It is my earnest hope, however, that these words will, in some measure, be deserving of—and will receive—the attention of a wider community than my able colleagues on Capitol Hill.

Our American system is inherently a system of confidence. The political system, the economic system, the social system—all those vital components of the total system—are so designed and so structured that their successful performance flows from that same essential source of confidence.

It is to this reality that my remarks now are directed.

By virtue of my position as chairman of this body's Committee on Ways and Means, I am acutely cognizant of the interrelationships between the public sector and the private sector in the economic realm. Those relationships are by no means limited merely to formal actions, such as enactment of legislation or issuance of executive orders. The successful functioning of our economic system is contingent upon the total climate—upon the sense of confidence, or lack of confidence, engendered by all that is said or unsaid, done or undone, perceived or not perceived.

In this context, there are, I believe, several concerns which need to be addressed forthrightly—concerns arising principally, although not exclusively, from the impact upon our system of what is commonly referred to as the Watergate.

This is not the time or place to say more of the specifics or surmises about Watergate. On the basis of what is known and established about this reprehensible business, Members on both sides of the aisle think alike and speak alike in deploring and condemning this offensive aberration in the conduct of our national affairs. Among those who revere and cherish our American form of government, there is no occasion for—and no room for—partisanship in rooting out the sources of Watergate and in insulating our system from the possibility for its recurrence.

What does need to concern us now are the inferences some are making about the effect of Watergate upon the functioning of our total system—particularly upon our economic system.

Stated simply, both abroad and at home, there are some who assume that the effect of this present period is crisis in the orderly functioning of the American political system. Furthermore, on the basis of that assumption, projections are casually made that the ultimate end must and will be a state of paralysis for the Government of the United States.

I speak today to say, as strongly as I can, that such is not and will not be the case. Any who proceed on these superficial premises—any at home, any abroad, who decide to sell America short—will discover in the not-too-distant future that they made the mistake of their lives and fortunes.

This is not said idly. On many occasions, during my long tenure here, I have seen—as other Members have seen—national leaders trying to convey across the oceans the simple fact that the American system is unlike other systems. It is not organized as other systems are organized; it does not function as others function. As the history of this century has demonstrated time and again, the American system has corrective powers and curative powers uniquely its own.

What we see—or should see—in operation today is a system functioning at its best, curing and correcting itself, purging itself, holding true to its course.

The courts are functioning. The grand juries are functioning. The Congress is functioning. The conscience of the American people is functioning powerfully.

Far from being a system in or at the edge of crisis, this system today is more accurately past the crisis and moving out of the valley. We have been confronted by the challenge and everything now occurring confirms the great truth that both the American people and their American system are more than equal to that challenge.

In this perspective, then, it is unrealistic and wholly out of proportion to dwell on the prospect that we may be heading for paralysis.

Certainly, at the moment, there may

be a state of shock within some quarters of this system's executive branch. But let no one in this land or in other lands forget the significance of this system's design. The executive branch is not—and was never intended to be—the sum of the Government of the United States. It is here in these Chambers, here on this Hill, that the people of the United States are represented; it is here that their voices are heard and heeded; it is here now that the voices of the American people are being heard saying, "Get America moving again."

That, if I may use the term, is the "bottom line" of what I come to say.

The American people have endured a trying month of surprise and shock. Yet I know, as every Member of this House knows, the reaction of the people is not one of dejection, demoralization, or capitulation. Rather, the mood is just the opposite. On every hand, the people are saying, loud and clear, "Let us get moving again."

That message, as I interpret it, is loud, clear, and unmistakable for all who are concerned with the vital elements of confidence in our economic system—for financial decisionmakers, for individual investors and, I might add, for ourselves in this Congress.

Nothing about the public response to the traumas of recent days suggests, even remotely, a society about to come apart or to sink into a morass of disillusionment or disarray. The exact opposite is true. As always in the past, an adverse climate is only serving to unite the American people and to forge among the new steel of a new resolve that their public sector must and will give an accounting of itself worthy of the Nation's needs.

The time for that accounting to begin is not after 1976, or after 1974, or after the August recess—the time for it to begin is no later than after the first bell of this working day.

What I am saying is this. In the period to which we have been brought, it is no longer acceptable leadership to continue repeating the whines and whimpers about the feebleness of our political, social, and economic institutions—or about our powerlessness in the face of those institutions' decline.

These times demand—and these great people we all serve demand—far more of their elected leadership than pontification about the "sickness" of this society or about the loss of that society's standards, values, or directions. I believe the American people are sick to the gills of all this self-debasement—they want, and we must give them, positive, wholesome and confident leadership in both what we do and what we say.

Let me bring this down to the realities of our economic position.

First, we have the strongest economy in the world. It is vital. It is progressive. It has demonstrated—and continues every day to demonstrate—a greater capacity for providing greater real income and wealth for a greater number of people than any other economy in the history of man.

Second, that economy has made—and

continues to make—enormous gains. Just the past year it has provided an increase of 2.7 million additional jobs at higher average real wages than any place or any time ever.

Third, over the past year, the average output of the American worker increased by almost 5 percent. The economy added \$61 billion in real output—and that additional output is more than the total output of most of the nations of the world.

Fourth, the American economy now provides a total of \$605 billion in real, disposable personal income, an average of \$2,882 per person.

Fifth, corporate profits before taxes are at an alltime high, running during the first quarter of 1973 to \$62.3 billion. Furthermore, this economy is shipping abroad over \$50 billion a year in exports of merchandise and our exports total more than the production of most of the world's nations.

Sixth, furthermore, the economy, I am confident, will continue to expand strongly during this year. While the pace may not equal the excessive rate of advance for the past two quarters, and there may be some rough spots, make no mistake: the expansion is going to be broadly based and vigorous.

Now, whatever else this may be, it is not a predicate for any sort of panic. Certainly, it is not, in any sense, a premise for doubt or diminished confidence.

Investors, whether institutional or individual, simply cannot ignore that the inventory of our economic strength is endless.

We have the largest and most efficient markets for our production of any nation in the world.

U.S. business is more successful in responding to changes in costs and demands, given the chance, than business anywhere else.

We have the largest, most diversified, and most efficient markets for channeling our savings into their most productive uses of any nation in the world, and these markets every year are enriched by the inventiveness and innovations of our financial institutions.

The U.S. economy provides larger and more diversified opportunities for new business than any other economy in the world.

While we have had several months of disturbing inflation—and may have more—none of the basic institutions of our economy are going to collapse under the current inflationary pressure. This present inflation did not develop because our economy does not operate efficiently. It is the result, instead, of a number of adverse circumstances, the combined impact of which has been a tremendous but temporary surge in prices. Acts of God and nature have had much to do with the inflationary push—not just acts of man. But let us face it, bad public policy—acts of men—must bear much of the blame. What we must ourselves resolve to do, and what the people demand we do, is to make certain that good public policy brings this inflation to a halt.

From midsummer of 1971 until the first of this year, we had the opportunity to use wage and price controls to give

us the breather we needed to put our fiscal and monetary affairs in order. We did not take advantage of that opportunity. Instead, we acted as if those controls permitted us to indulge ourselves in a fiscal and monetary orgy. We had the fastest growth in our money supply in a year's time we have ever experienced. I do not care what brand of economics you prefer, you cannot have the supply of money go up by almost 10 percent in 9 months without getting an upward rush in prices afterwards. To a major extent that money expansion resulted from deliberately running up Government spending ahead of the increase in revenues, to the tune of an \$18 billion deficit in calendar 1972. We wasted on a fiscal-monetary policy binge the respite which wage and price controls could have given us.

We know for a dead certainty that we don't need fiscal and monetary profligacy to have a strong, steadily growing economy. We know we must bring those excesses to an end. We must do so, and I say to all who may be listening: we are going to do so.

If we needed a wage-price freeze on August 15, 1971, to give us the time to get the economy on a strong, noninflationary growth course, the need today is even stronger. Strong and effective controls are not going to undo the natural or the manmade root causes of this inflation, and let us not indulge again in the fantasy that controls alone, themselves, no matter how stringent, will give a solid, continuing base for price-level stability. But the system must have time—time to allow the stabilizing effects of the slower and steadier growth of our money supply of recent months to begin to work on prices, interest rates, and expectations here and abroad as to the more solid, steadier expansion of our economy.

We need time to allow the Congress to complete its works in setting up the machinery for control of government spending. Make no mistake, the Congress cannot leave to others the full authority and responsibility for the decisions that shape the economy and determine its growth. Given time, the congressional machinery will allow the Congress to take a firm grip on decisions about how much the Government is to spend as well as on what, and to make those decisions efficiently.

The need now is time for solid achievements, not for showmanship gimmicks. We cannot expect substantial accomplishments overnight. To get that time, we need a hold, a firm, ironclad hold on prices and wages. We gave the President the authority to impose that hold. He must use that authority, now.

On this, let me be perfectly clear. For all that has happened in recent days, the President of the United States is, in no way, rendered powerless. He can—and, I say with utmost respect for the office, he must—act with purpose and dispatch to restore the order, coherence and authority of the Executive establishment.

The people rightfully expect agencies as critical as the Federal Bureau of In-

vestigation and the Securities and Exchange Commission to have qualified, permanent leadership at the helm. The talent for such positions has not suddenly become nonexistent; it can be found and put in place. That must be done as evidence to the Nation and the world that the Executive is not isolating itself from reality.

But I am not here to instruct the Executive. I am here to speak only as a Member of this body. In that capacity, I remind myself and all present that the Congress cannot indulge itself in the luxury of recrimination if we are to do our job.

We have many problems at hand the solutions for which are the joint responsibility of the administration and the Congress. We are going to have to get down to business. Now.

No. 1, we must bring inflation to a halt. Wishing will not make it go away. A temporary, hard hold on prices and wages, immediately enforced, will give us the opportunity to bring fiscal and monetary policy more closely into line with the requirements of strong, steady growth.

The single most important thing we can do here is to get control of public spending. We must establish the machinery for well thought out decisions on the budget total as well as its composition. We may dispute among ourselves about spending priorities, but we must agree that total government spending is held down to levels that are consistent with stable prices.

In the international monetary field, we must forego idle threats without forgetting our basic bargaining tool—we are the most productive economy in the world and the world's biggest single market. And we cannot be satisfied with more patchwork arrangements.

If we are to have an effectively operating international exchange system, all nations will have to abide by its rules. Successive devaluation of the dollar in response to speculative pressure originating in the lack of determination by other nations to abide by the rules is not the answer. And the other nations must learn that the United States is not going to continue bail-out operations by one devaluation after another.

We will not be able to negotiate successfully if our price level continues to soar. A hard hold on prices and wages is essential to strengthen the U.S. position.

We will also have to slow down price increases drastically if our trade negotiations are to be successful. It is fundamental that strong, continuing improvement in our balance of trade requires us to accelerate productivity advances throughout the economy. But we cannot attain a steeper gain in the trend growth of productivity overnight. In the meantime, we must sponge up the price increases spurring from excessive monetary expansion.

In our own backyard, we have much to do. We have undertaken a program of tax reform. We are going to make our tax system fairer and simpler. But we are not going to use tax reform as a coverup for penalizing saving by individuals or businesses. If ever there was a time for

the tax system to encourage saving, this is it. We are not going to turn into a yo-yo those tax provisions we need to get the investment the Nation requires. We are not going to turn the investment credit on and off and we are not going to tinker with our depreciation provisions. And we are not going to treat the legitimate returns on saving as second-class income by taxing it more heavily than we now do. We are going to prevent ordinary income from being turned into capital gains, but we are not going to turn real capital gains into ordinary income.

We need tax provisions which assure every individual that his saving efforts will be amply rewarded, not frustrated by taxation. We are not going to wind up with a tax system that meets the purist standards of academicians but shuts off the wellsprings of economic progress—personal and business savings. We are going to simplify our estate and gift taxes and close the escape hatches that allow huge amounts of property to pass tax free from one generation to another. But we are not going to have the Government confiscate half or more of the estates people manage to build for their families. We are seeking in every aspect of taxation improvements to make the system fairer, simpler, and less repressive of saving, enterprise, and growth.

We have to gear our public policies to preventing abuse of our environment. We must not try, however, to buy an ideal environment at the cost of severe cutbacks in production and employment.

We have to be responsive to the demands of consumers and investors for protection against a handful of unscrupulous businesses. We must be certain that in doing so we do not put legitimate businesses—the overwhelming majority of our business population—into a bureaucratic straight jacket.

We are going to have to develop, at long last, a coherent, integrated viable energy policy. We are going to have to submit existing policies, including the regulatory policies of the FPC, to the most searching and critical scrutiny. We must be done with name calling and unfounded charges of monopolization as the occasion for curbing the growth of our entire energy industry. It will be small comfort to the urban consumer facing further price increases for produce because farmers cannot get the fuel supplies they need for planting and harvesting to know that the price of unavailable gas has been artificially held down to protect his interests against the thousands of so-called monopolists who explore for and produce natural gas.

The list of problems we have to deal with—many of them of our own making—is long. Our responsibilities are heavy. But we have going for us, in seeking solutions to these problems, an incredible inventory of assets—the strongest, most diversified, most productive, most efficient economy in the world. It is an economy which draws its strength from all of us. It is great because we have been bold and venture-some, because we have rejected in the past, as we must now, the doomsayers who have us on our way to hell in a hand basket.

We are not going to solve our problems overnight. Only small children believe in the fantasy of instant fix. And we must not waste our time on gimmicky solutions, on knee-jerk reactions to tough problems. We must, instead, proceed deliberately and firmly, sensibly guided by solid principles, to enduring solutions. We have the resources to do so. What we need now is the spirit to use our strength wisely.

In other words, what I am saying comes down to this: First, all about our land, its strengths, its assets, the will of its people, justifies confidence in its future, short term and long term. Secondly, though, the situation in which we now find ourselves requires of us, in this Congress, a kind of response that will inspire from all people, at home and abroad, a new birth of confidence in the resiliency, durability, and strength of a system where power lies, always and finally, with the people.

Mr. SCHNEEBELI. Mr. Speaker, I want to congratulate my chairman (Mr. MILLS) for the excellent statement he has made and with which I concur entirely. What he has said and what he proposes need to be said. Certainly our economic problems are bipartisan in nature and I am happy that the chairman has put aside politics and asks us to address ourselves to these problems with concerted action. I thank the gentleman from Arkansas for his meaningful and important contribution to our economic improvement.

Mr. BURLESON of Texas. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I will be glad to yield to my colleague, the gentleman from Texas (Mr. BURLESON).

Mr. BURLESON of Texas. Mr. Speaker, will the gentleman yield?

Mr. Speaker, the distinguished gentleman from Arkansas, chairman of the Ways and Means Committee on which I have the privilege of serving, has, in his inimitable, scholarly manner, spoken with knowledge and understanding of crucial issues of the present time.

What he has said needs to be heard and heeded. I hope his words will lend some soothing balm to edgy nerves in many parts of the economy.

Mr. Speaker, you have referred to the development of resources to meet our energy shortage. You will recall that when Secretary of the Treasury, Mr. Shultz, and Under Secretary Hickman testified before our Ways and Means Committee, the proposal was made to only allow intangible drilling costs against production already in being or against that income from a successful operation.

They also proposed that intangible drilling costs in this regard be rolled back to April 30.

The effect of this proposal has been to restrict and in fact, dry up the high risk capital necessary for exploration.

Losses incurred in exploration operations may be charged to unrelated income, as I understand the proposal but a successful venture would cause the investor to wait 5, 10 years and even longer in more expensive operations, to get the benefit of any chargeoff.

Now Mr. Speaker, I cannot believe our committee is going to approve any such suggestion but nevertheless, it is at this very time having a disastrous effect on raising needed capital for oil and gas exploration and unless there is an abandonment of that position, effort to get more exploration for greatly needed new sources of oil and gas will be self-defeating.

Mr. MILLS of Arkansas. Under the circumstances, when we face a very serious crisis, really, in our total fuels and energy picture, and we have the prospect of having to import ever-increasing amounts of oil and gas abroad, I doubt that the committee will look with favor on any retrenchment from present incentives to get people to go out and find oil and gas in the United States. I am not willing, as far as I am concerned, to do anything to stop them in their exploration and development of oil and gas outside the United States. If we are going to have to buy it from somebody, I would much rather have two or three markets from which we could buy it if we need it in the remainder of this century than have to buy all of it from the Middle East. That is why I am so much interested in trying to have trade with Russia. I think the U.S.S.R. will be able to supply us with large amounts of gas and oil. I think we will find along the shorelines of other areas of the world additional oil and gas.

Why do we want to stop Americans from exploring and developing either here or outside the United States? We know it is available. To discourage our own citizens from such exploration and development does not make sense.

Mr. BURLESON of Texas. I appreciate the gentleman's statement.

Mr. CONABLE. Will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman.

Mr. CONABLE. I would like to say the reassurance to be found in every corner of the chairman's fine address is, I think, something from which we can take confidence in the future of this body and the role we can play in getting the country moving again. It is the kind of statesmanship we have come to expect from the chairman over many years of experience.

I suspect the distinguished chairman and I would disagree about some of the details of his suggestions for ways out of our present economies difficulties, but I think it is terribly important that a man of his stature has stood here before us and before the Nation and listed the economic assets of this great country. As he said, we have reasons for gratitude and for assurance that we are going to continue to move ahead and solve our problems.

He has struck a note which is important for us to remember at this time in suggesting that the Congress has a more significant role when there has been some faltering on the executive level and uncertainty about the impact of Watergate on Presidential influence.

I would hate to see the Congress step back from its determination to reform its own processes so that we can address fiscal policy more effectively rather than re-

turning to games as usual, frequently our approach to fiscal policy in the past.

We can all have great confidence in this body as long as people like the gentleman from Arkansas continue to express such a positive note, a signpost pointing the way out of this psychological and economic uncertainty in which we seem to be wallowing.

The committee over which the gentleman presides, and on which I have the honor to serve as well, has a tremendously important role to play over the next few months. I am pleased that the gentleman expressed again his determination to go ahead with a constructive tax reform bill. I think what we do in trade is equally important, and starting with the attitudes that the gentleman has expressed here today, I do not see how we can fail to improve the situation in which the country finds itself with the kind of support that the gentleman's determination deserves from the rest of the Congress.

Mr. MILLS of Arkansas. I thank my friend, the gentleman from New York.

Let me just add one word. There may be, and I am sure there are, others in the field of economics more qualified than I am, but roughly looking at the situation purely and simply from the point of view of economics, it would be unwise to change to the type of control that I have suggested on wages and prices. But I would caution those who are looking at the problem simply and solely from the point of view of economics that we cannot do that actually, because that position overlooks the psychology of the American consumer. That position also overlooks the very politics that makes us what we are. The two things that concern me about it are that inflation brings about a lack of confidence in our future that I think is most important that we possess right now; and politically the housewife, I understand, is becoming quite provoked at most of us for allowing the price of everything she buys to be higher in the succeeding week over what it was in the present week.

So I say politically and psychologically I make my case rather than to get into the argument with the economists over purely economic reasons for doing this or that.

Mr. CONABLE. If the gentleman would yield further to me, I should like to acknowledge that economics is not a science.

Mr. MILLS of Arkansas. It is not.

Mr. CONABLE. And certainly there is no shrewder psychologist in this Congress than the gentleman in the well at the present time. I think that is why it has been so important for him to say what he has said today. I should like to thank him for the confidence he has expressed.

Mr. MILLS of Arkansas. I thank the gentleman from New York.

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

Mr. MILLS of Arkansas. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. If the gentleman would yield just briefly, I do not want to miss this opportunity of complimenting him for the address he has just

made. It is a message that was needed. It was one that was needed to be delivered to the Members of the House, to the people here at home in this country, and to those abroad. It contains certain truisms about our governmental system and our economic posture, and maybe some intentions of the Congress and the committees in the Congress that are important enough that they need to be recalled to the people at this time, after going through an emotional binge for about a month.

I know of no one in the Congress who could give them more validity or call more forcefully to the attention of the people than the distinguished gentleman from Arkansas, the distinguished chairman of the Committee on Ways and Means, my good friend, and I commend him for this contribution in reminding us what the governmental facts of life in this Nation are.

Mr. MILLS of Arkansas. I thank the gentleman from Arkansas.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. MILLS of Arkansas. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, I also should like to commend the gentleman from Arkansas for his cogent, thoughtful, and penetrating analysis of our economic and political systems.

So far as tax reforms are concerned, Mr. Speaker, I think in the nature of our economic and political system both that we do not have to bend over backward in order to protect the producer interests in this Nation. We do have to exert a little extra, and added effort, in order to protect the millions of American taxpayers who still resent the fact that those who can afford the lawyers and the accountants to find the loopholes in our tax systems are able to escape the payment of taxes. The average salaried individual in this Nation shoulders the burden of what should be paid by those who can afford to pay.

I trust that in framing the tax reform legislation this year the chairman in his usual wisdom and fairness will pursue this question, listening not only to those who are here every day pressing and lobbying for the protection of what they already have, but also that he will be trying to achieve a greater fairness for millions of Americans who now resent, even more than Watergate, the unfairness in our tax system.

Mr. MILLS of Arkansas. They do that because they perhaps have been misled somewhat by a great many speeches made last year that I, in part, regret were made. It is our responsibility to make the law as fair as it can be made, and that is what I have said repeatedly, and what I want to see done.

As I said in the statement I made, we can make it as pure as the academicians would have us make it, but I could not assure the gentleman that the economy would not go into a tailspin almost overnight in doing it. What I am saying is we must tell our taxpayers that in our pursuit of fairness we can go only so far without coming directly into contact and conflict with some other great national objective. We could have a very equitable bill, as I said earlier, but we

might not have the growth we want. We could have a very equitable bill, but we might sacrifice all of our colleges and universities and many other institutions that are somewhat dependent upon our tax laws for support.

Wherever we look we come into conflict with some other national objective. I am saying in my speech that one of the greatest needs we have is the accumulation of more capital savings. I am radical. I have almost talked myself into the position where I could let everybody else in the United States accumulate \$50,000 in a nest egg, from investments, from interest, from capital gains, and other ways, before I would put any tax on them, and then I would put a tax on what they make after that.

I think it would do more to establish in the minds and hearts of the people a feeling of Americanism that many of us remember we created with respect to the homeowners. Many years ago when we adopted a provision to allow them to deduct interest on mortgages, we did that because we wanted more people to own homes, and because we said they would be better citizens and better Americans if they owned a piece of America. I think if they owned a piece of capital to the extent I am talking about, they would be even stronger for our system.

True, there are wages withheld before the individual ever gets his money. The tax is taken out. But that individual should also be reminded of the fact his tax overall, as a percentage of his income, is less here than it is in any other industrialized country in the world. The overall effective rate is about 20 percent, which is less—and I am talking only about Federal taxes—than what his fellow workers pay in any other industrialized country in the world.

We do not tell the taxpayer what we ought to tell him on some occasions. I think we mislead him.

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

Mr. MILLS of Arkansas. I yield to the gentleman from Indiana (Mr. LANDGREBE).

Mr. LANDGREBE. Mr. Speaker, I, too, would like to join others in thanking the gentleman in the well for bringing this message of inspiration. At this particular moment in history, I do not think there is anyone in Government who could have said it better and said it with more appeal to the rank-and-file Members of this Congress about turning our thoughts and our attention to moving America ahead.

Mr. Speaker, I certainly want to congratulate the gentleman from Arkansas and thank him. Of course, on some of the details we will disagree, but generally speaking, it was a tremendously statesmanlike statement.

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

Mr. MILLS of Arkansas. I yield to the gentleman from Florida (Mr. ROGERS).

Mr. ROGERS. Mr. Speaker, I also would like to join my colleagues in commending the gentleman for a very excellent and very timely statement.

Furthermore, I think it is important that someone of the stature of the gen-

tleman who chairs the Ways and Means Committee of this great body makes such a statement, because the Members of this body have great respect for him. But more importantly, I think the people of this Nation know that he speaks with great thought, with great experience, and they accept the words of the gentleman.

Mr. Speaker, I think the time that we have been going through now, certainly one who is respected in Government as much as any one man I know of, man or woman, I think it is important that this be said.

Mr. Speaker, I commend the gentleman for his contribution at this time.

Mr. MILLS of Arkansas. Mr. Speaker, I thank my friend. I thank all the Members of the House.

GENERAL LEAVE

Mr. THORNTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the special order by the gentleman from Arkansas (Mr. MILLS).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

REINSTITUTE CERTAIN PERMANENT SOIL AND WATER CONSERVING PRACTICES

The SPEAKER. Under a previous order of the House, the gentleman from Kansas (Mr. SEBELIUS) is recognized for 5 minutes.

Mr. SEBELIUS. Mr. Speaker, today I introduced a bill that will reinstate established, permanent conservation practices on a cost-sharing basis in our rural areas. My good friend and distinguished colleague, Senator ROBERT DOLE, the author of this proposal, introduced this same legislation in the Senate today.

It is most appropriate that this bill is being introduced during the observance of Soil Stewardship Week whose theme is: "Consider These Changing Challenges."

Ever since President Truman's administration, the rural environmental assistance program—formerly ACP—has been a favorite target for budgetcutting and there has been abuse in administration of this program. However, to eliminate the REAP program because of the limited abuse does not represent an answer both from the standpoint of cost or of conservation.

The benefits of established soil and water conservation practices on a permanent basis, as outlined in this new legislation, is especially important as we face a potential food shortage with dramatic increases in population and limited land resources. We must be good stewards of our available cultivated acreage and restore depleted acres.

This legislation would establish that commitment in the interests of both farmers and consumers. The legislation would provide the same vehicle that prompted over 1 million farmers to annually invest their own limited re-

sources—many times far in excess of Federal funds—to build terraces, construct diversion dams and institute pollution abatement practices to halt the flow of waste and sediment into our streams.

Without the investment incentives of the REAP cost-sharing programs many farmers, whose average income is still less than 85 percent of the median income of wage earners in the nonfarm sector, will bypass costly conservation measures. This will not only complicate our efforts to clean up our environment, it will have long range implications for our food supply. This problem also has a direct bearing on the cost of living and our balance of payments; so important to the stability of our domestic economy.

Let us consider the possibility of what kind of problems we will face if the housewife cannot find the food the consumer prefers on the counter. The answer to the food price dilemma rests with productivity and with fair prices for farm products. This, in turn, is determined in part from the conservation and wise use of our natural resources. That is what the REAP program is all about and why rural spokesmen will point out that a program of this type does not represent a cost but an investment—an investment that benefits both the farmer and the consumer.

Since prior legislation to restore funds for existing REAP authority has reached an impasse, I urge my colleagues to act promptly on this bill which will restore just those worthwhile permanent practices that are so important to rural and urban America.

The bill reads as follows:

H.R. 8254

A bill to amend section 8(b) of the Soil Conservation and Domestic Allotment Act as amended to reinstitute certain permanent soil- and water-conserving practices under such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second paragraph of section 8(b) of the Soil Conservation and Domestic Allotment Act as amended is amended to read as follows:

"Notwithstanding any other provision of law, payments made pursuant to the authority granted under this Act shall be made only for the construction of permanent dams, terraces, ponds, waterways, and other soil-conserving facilities and measures of a similar type that are permanent in nature (including measures to establish permanent erosion control cover), and which are approved by the Soil Conservation District and the appropriate county committee. No payment under this section shall exceed an amount equal to fifty per centum of the total cost of the facility, excluding the cost of the land. Payments under this section may be made in periodic installments as construction is complete."

NEW TERMS OF OFFICE FOR THE PRESIDENT AND MEMBERS OF CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, today I am introducing a resolution to amend the Constitution to provide new terms of of-

fice for the President and Members of Congress.

The President would be limited to a single 6-year term under this proposal. A new triennial Federal election cycle would replace the current biennial cycle. House Members would be elected every 3 years. Senators would retain their current 6-year terms but half of them would be elected at every triennial election.

A SINGLE 6-YEAR TERM FOR THE PRESIDENT

If nothing else, the Watergate affair has pointed up the dangers of White House preoccupation with election year politics.

We now know that the upper echelons of the White House staff were totally absorbed in the President's reelection campaign during the months leading up to November 1972.

On a public level, at least, the reelection campaign was the responsibility of a nongovernmental organization, the Committee To Re-Elect the President. But the Watergate hearings have shown that CREP was little more than a "front" for a small group of Presidential aides who had ultimate control over virtually all campaign activities.

It is an oversimplification to say that Watergate would not have occurred if President Nixon had not been running for reelection. But clearly, the temptation to use the apparatus of the Federal Government for purely political purposes would have been lessened considerably if the White House staff had not found it necessary to mobilize all available resources to aid the Nixon reelection effort.

President Nixon recognized this problem, himself, when he suggested on May 16 that consideration be given to a constitutional amendment limiting the President to a single 6-year term.

Probably the most succinct argument in favor of a single Presidential term was put forward by Senator GEORGE AIKEN in a statement on the Senate floor during the early months of the 92d Congress. Senator AIKEN said at that time that—

The amendment would allow a President to devote himself entirely to the problems of the nation and would free him from the millstone of partisan politics. A single term would allow a President to wear at all times his "presidential hat" and forget for a while that he also owns a "politicians hat."

Senator AIKEN contended that no President can give his best to the Nation or maintain our prestige in the world as long as he is constantly being fired upon by those whose main objective is to keep him from being reelected.

This is not to say that the President should cease being a political leader—even in the partisan sense.

During his single term, the President would be the chief spokesman for his party and the chief advocate for its programs. While he would be unable to succeed himself, he would have some interest in seeing that his programs were moved forward after his term in office and that his party continued to hold the White House. But he would be working to perpetuate his party and his programs rather than his personal position of power.

In recent years, we have seen that a first term President's program is de-

veloped in large part to meet his own reelection needs.

In the case of President Nixon's domestic program, for example his basic policy interests were not revealed until the start of his second term. Why did we have to wait 4 years to discover the Nixon administration's real views about the Great Society programs? Mainly because the President knew that his basically conservative orientation towards social issues, if fully revealed too soon, might harm his reelection chances.

If the circumstances were reversed, we might have found ourselves with a Democratic President who attempted to camouflage his liberal orientation for 4 years until he was sure that his liberal policies would not damage him politically.

By giving the President one term and extending it to 6 years, we would be providing him with enough time to develop a program and see it take hold. Given the complexities of national public policy issues, 4 years is not enough time to work up new programs and then test them to see if they really work. Even if a first term President is lucky enough to see the major elements of his legislative program adopted during his first 2 years in office, the next election campaign is already upon him before the programs have begun to have an impact.

A single Presidential term might also help to strengthen our political party system.

With the exception of Eisenhower years, the party in power in recent times has been dominated almost totally by the man who occupies the White House. This was true of the Johnson administration and it is certainly true of the Nixon administration.

A first term President views his party almost solely in terms of his own reelection needs. Other party objectives, including the election of party members to Congress and to State and local office, clearly rank near the bottom of the White House's political agenda.

If a President is freed from the need to concern himself with his own reelection, he will not be tempted to take personal control of his party's organization—unless he wants to hand pick his successor, a risky business at best.

Once the Presidential election is over, it will be the new President's political party, not the Chief Executive himself, that must begin to think about and plan for the next election. This is as it should be. Political campaigns are the proper business of political parties. They should not become the preoccupation of the White House.

Obviously, a single term will not, in itself, purify and reform Presidential politics. There may still be political sabotage and campaign spending abuses. But at least the chances are less that the power of the presidency will be used for these negative purposes.

In drafting a constitutional amendment providing for a single 6-year term, we have encountered a practical problem. Unless the amendment is ratified during the next 2 years—a very unlikely possibility—it will become entangled in the 1976 campaign if it applies

to President Nixon's successor. And after 1976, it will be difficult if not impossible to limit the term of a President who has been elected under the current system.

For this reason, the amendment does not take effect until 1984, thus giving the next President the opportunity to serve two 4-year terms, as he can do now under the 22d amendment.

A 3-YEAR TERM FOR HOUSE MEMBERS

The establishment of a 6-year Presidential term gives us an opportunity to deal with another significant though less serious problem, the term of office for Members of the House of Representatives.

This is not a new issue. It has been with us since the Constitutional Convention. Then, the debate raged between those who thought that annual terms were essential to a democratic system, and others like James Madison who advocated a 3-year term so House Members would have enough time to learn about problems of the various States.

Madison's views sound surprisingly contemporary to many current Members of the House. He was sure that Congressmen would spend much of a 1-year term traveling back and forth between their districts and the U.S. Capitol. Even with a 2-year term, Madison was convinced that "none of the Representatives who wished to be reelected would remain very long at the seat of Government."

The 2-year term was finally written into the Constitution as a compromise between the advocates of annual elections and those like Madison who wanted 3-year terms in the interest of a more effective legislative process.

There is nothing magic in the number 2, as President Johnson said in a 1966 message to Congress. He proposed at that time a 4-year House term, saying that it was necessary in light of the complex legislative demands placed on the House of Representatives.

In the first Congress, 142 bills were introduced resulting in 108 public laws. The 92d Congress, by comparison, introduced over 17,000 bills, 607 of which were enacted into law. House Members are now required to be knowledgeable about the broad range of public policy issues—from the complexities of welfare legislation to the intricacies of military weapons systems.

After serving five terms in the House, I am convinced that 2 years is not enough time for a Member to fulfill his legislative responsibilities before he must face the voters again.

In an earlier period, Congress was able to adjourn in the spring of election years, thus enabling House Members to spend the summer and fall campaigning in their districts.

Even with the new streamlined House procedures, sessions are now likely to extend late into the fall every year. The competing political and legislative pressures on the incumbent during the pre-election months make it difficult for him to be either an effective legislator or an effective campaigner.

A 6-year Presidential term would let us ease this problem somewhat by extending the House term from 2 to 3 years. This extra year, I am convinced, would

help to improve the legislative effectiveness of Congressmen without at the same time weakening their ties to their constituents.

We have dealt with one other institutional problem in this amendment—seniority. Under the provisions of the amendment, Congress would have the option of setting a mandatory retirement age for its Members and limiting the number of terms they could serve. Service in either House could not be limited to less than 18 years, however, and the mandatory retirement could not be set below the age of 70.

A NEW ELECTION CYCLE FOR THE SENATE

The new 3-year term for the House poses a special problem for the Senate. It would be possible to retain the current election cycle for the Senate, a third of its Members elected every 2 years, but this would require two additional Federal elections during each 6-year Presidential term when only Senators would be chosen.

In order to eliminate the two "Senate only" elections, we have established a new election cycle for the Senate—half its membership elected every 3 years—in order to conform with the new term for the House. Senators would continue to serve 6-year terms, as they do now.

We have provided the following system for phasing in this new cycle. Those States that elect a Senator for a regular term in 1984 would proceed with the senatorial election under the current system. The second Senator from the State would be elected at the new 1987 mid-Presidential term election. This means that some incumbent Senators running in 1987 would have their terms shortened by 1 year. Others would have their terms extended by 1 year.

Following the 1987 election, all Senators would be back on 6-year cycle, with half of them up for reelection in 1990 and the other half in 1993.

CONCLUSION

This amendment represents an admittedly long-range solution to problems as current as today's headlines. But if we are to alter institutional arrangements that are nearly 190 years old, we must do so with great care.

A 6-year term for the President and a 3-year term for the House will do much, I feel, to improve the effectiveness of both branches of Government. Neither change can and will be made, however, unless we can deal with these structural issues separately from the battles that now occupy the center stage of the political arena.

A copy of the resolution is reprinted below:

HOUSE JOINT RESOLUTION 588

Joint resolution proposing an amendment to the Constitution of the United States to alter the process of election of U.S. Senators, Members of the House of Representatives, and the President of the United States

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of

three-fourths of the several States by December 31, 1983.

"ARTICLE —

"SECTION 1. (a) The President and Vice President of the United States shall each hold office during a term of six years.

(b) No person shall be elected to the office of the President more than once.

SEC. 2. The House of Representatives shall be composed of Members chosen every third year by the people of the several States.

SEC. 3. Congress may by law limit service in the Senate and the House of Representatives based on age but no age limitation shall bar service under 70 years of age, or by length of service which shall be not less than 18 years in each House, and the law shall be uniform as to both Houses.

SEC. 4. This article shall be effective with respect to those offices to be filled for a regular term in the general election of 1984 and thereafter, and a person once elected to the Presidency prior thereto may be elected to such office again, but a person who could not be elected to the office of President in 1984 or thereafter under the Twenty-Second Article of Amendment to the Constitution of the United States shall continue to be ineligible for such office.

Those States which (without regard to this Article of Amendment) would have elected a Senator for a regular term in 1984 shall elect a Senator in that year for a six-year term and the second Senator from each such State shall be elected in 1987 (in lieu of 1986 or 1988, as the case may be) for a six-year term, with the immediately preceding term for each such office extended or shortened accordingly. Any State which (without regard to this Article of Amendment) would not have elected a Senator for a regular term in 1984 shall elect a Senator in 1987 (in lieu of 1986) for a six-year term with the immediately preceding term for each such office extended accordingly; and the second Senator from each such State shall be elected in 1990 (in lieu of 1988) for a six-year term with the immediately preceding term for each such office being extended accordingly.

UNDER COVER OF "NATIONAL SECURITY"

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, it becomes more clear each day that the administration equates national security with Nixon security. The plan approved by Mr. Nixon in 1970 for domestic spying, burglary, interception of mail, wiretapping, and other forms of political harassment apparently was implemented despite the objections of the late J. Edgar Hoover. Organizations such as the Vietnam Veterans Against the War, the Black Panthers and many new left groups were to be under surveillance with no regard to the legality of the processes used.

Incredibly, foreign nations' embassies were included in the plan, even that of our friendly neighbor Canada. The motive here, it appears, was to learn the extent of aid provided to American draft resisters by the Canadian Government. It appears that the Chilean Embassy actually was burglarized under this false and alien concept of national security.

This Nation is fortunate that the spy ring was broken last year. It is terrify-

ing to contemplate the kind of thorough intimidation and repression that might have been carried on, had these police state methods continued.

New York's Daily News today gives details that are revolting to any true concept of patriotism:

NIXON'S 1970 DOMESTIC SPYING BARE

(By James Wieghart and Frank Van Riper)

WASHINGTON, May 29.—Despite President Nixon's insistence that a 1970 plan for widespread domestic spying never went into effect, THE NEWS learned today that elements of the program—dubbed by sources "a blueprint for a police state"—actually were implemented over the objections of the late FBI director J. Edgar Hoover.

Secret documents, taken from the White House by fired presidential counsel John W. Dean 3d and provided to Senate investigators by the federal judge, laid bare a plan for domestic snooping that included burglary, wiretapping, interception of mail, harassment by tax officials, surveillance of political activist groups and others thought to be a threat to the Nixon administration.

Even the Washington embassies of friendly nations like Canada were targeted for illegal operations, it was said.

Along with a break in at the Chilean Embassy, allegedly carried out by administration operatives, plans were laid to break into the Canadian Embassy to determine what aid, if any, the Canadian government was providing to American draft resisters.

Last Tuesday, in his most recent statement on the Watergate scandal, President Nixon revealed that a scenario for domestic spying was developed in response to widespread antiwar violence in 1970. The plan, Nixon said, included "authorization for surreptitious entry—breaking and entering, in effect—on specific categories of targets in specified situations related to national security."

However, five days after the plan was approved by Nixon's domestic and foreign intelligence chiefs, Nixon said, Hoover refused to go along with it and the plan was never implemented. Nixon cited the plan and other reputed "national security" operations as reason for his actions in limiting the scope of the federal Watergate inquiry. Nixon said at the time that had it not been for his action, the Central Intelligence Agency and other national security operations—unrelated to Watergate—might have been revealed.

A NIXON DISCLAIMER

Critics contended, however, that Nixon's statements were meant to cloak, under national security, illegal, politically motivated actions of White House political spies whose operations are now coming to light in the wake of Watergate.

Despite Nixon's disclaimer last Tuesday that "I did not authorize, nor do I have any knowledge of, any illegal activity" pursued under the allegedly scrapped 1970 plan, it now appears that at least some of the operation went into effect.

One area the Senate probers are investigating involves charges that Guy Goodwin, chief trial attorney for the Internal Security Division of the Justice Department, used grand jury powers to investigate the political "new left" around the country.

Goodwin reportedly played a key role in the grand jury indictments and unsuccessful federal prosecution of both the Berrigan brothers and Daniel Ellsberg. Both proceedings were viewed by the left as "political" trials.

Along this line, Senate probers are now investigating the roles of three men who held

key posts in the Justice Department's Internal Security Division and who are said to have known that political and other intelligence was being given to the Nixon reelection committee through convicted Watergate spy James W. McCord Jr., then security chief for the reelection effort.

The three men are former Assistant Attorney General Robert C. Mardian, then chief of the Internal Security Division; Mardian's chief deputy, A. William Olson, and McCord's alleged contact, John Martin, chief of the division's evaluation and planning section.

As related to the News, the secret domestic spying plan, spirited out of the White House by John Dean 3d, apparently to buy him leniency from Watergate prosecutors, included the following:

A broad mandate to spy on virtually all left-wing groups in the United States, including the Black Panthers, the Weathermen, Students for a Democratic Society, Vietnam Veterans Against the War, and others. Foreign intelligence would be supplied from the CIA, the National Security Agency and the Defense Intelligence Agency.

Plans for illegal break-ins and bugging of embassies, including those of Canada and Chile. Such operations also appeared aimed at a broad range of radical groups, including but not limited to black nationalists and Communists.

Infiltration, use of informers and illegal interceptions of mail beyond the authority of postal inspectors to monitor mail suspected of promoting fraud or of being obscene.

Internal Revenue Service audits both to harass and spy on dissidents.

THREE OFFICES HIT

Spokesmen for the Canadian and Chilean embassies had no formal comment on the White House spy plan. However, Andre Rojas, press attache for the Chilean Embassy, said that the break-in, believed carried out between May 14 and 15, of last year, hit three offices: those of then Ambassador Orlando Letelier, First Secretary for Political Affairs Fernando Bachleat, and his own. Only a few things were stolen. Rodas said, a transistor radio and an electric shaver among them. It appears now that the items were taken to make the break-in look like a common burglary rather than a political intelligence raid.

The Watergate panel, which resumes hearings June 5, is expected to go deeply into the role of the justice department in allegedly transmitting political intelligence to the Nixon reelection committee.

Investigators on the staff of Sen. Lowell P. Weicker (R-Conn.) believe that under Mardian, a unit of the Internal Security Division, set up by former Attorney General Ramsey Clark to transmit unclassified information on racial and other unrest to local police officials, was used as a cover to transmit political intelligence to the Nixon campaign.

THE HIGHER EDUCATION OF WOMEN—AN ADDRESS BY CONGRESSMAN JOHN BRADEMAS

(Mrs. GRIFFITHS asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. GRIFFITHS. Mr. Speaker, I insert in the RECORD the text of an address on "The Higher Education of Women," delivered by our distinguished colleague, Congressman JOHN BRADEMAS of Indiana, on May 5, 1973, at the college alumnae luncheon at Hood College, Frederick, Md.

The text of Mr. BRADEMAS' thoughtful address follows:

THE HIGHER EDUCATION OF WOMEN

(By Congressman JOHN BRADEMAS)

I am, for several reasons, delighted to be with you here today at Hood College.

In the first place, your invitation affords me the opportunity to renew my acquaintance with your distinguished new president, Ross Pritchard, whom I first came to know during the years of his outstanding service with the Peace Corps.

And I am glad to be here, too, with the blessings of one of your loveliest alumnae, whom I have known for more years than either she or I will admit, and my fellow Hellenes, Marina Zazanis.

But most of all, I am happy to be at Hood today because of the chance to talk to you about our common interest, education, and more particularly still, the higher education of women.

That I am single, male, and a Member of Congress does not, I hope, disqualify me in your eyes from discussing this subject.

When I first read over the list of classes holding reunions here this weekend, I realized that the two classes to whose members we do special honor today—the 50th anniversary class, of 1923, and the 25th anniversary class, of 1948—represent two distinct phases in the march toward greater participation of women in our society.

Members of the Class of 1923 entered college just one year before ratification of the Nineteenth Amendment, which gave women the right to vote. While some of you were in high school, therefore, the subject of suffrage for women must have come up during many a dinner table conversation.

Indeed, that you, the members of that class, decided to go to college, let alone complete your baccalaureate, indicates the extent to which your far-seeing families were already persuaded that women should receive higher education.

And so, whether or not your college degree has meant a professional career or some other less tangible benefit, you are to be congratulated on having had the courage to act on your belief in the need for your own education.

The Class of '23 was also the second post-war class, and no doubt the desire to prevent another carnage such as that of World War I was another factor motivating you to go to college.

Our other, equally honored, guests today—the Class of 1948—were, on the other hand, part of a generation which responded to the end of the even more devastating World War II by marrying and staying home to have large families.

Historians are divided on what to make of the fact that during World War II women held an astonishing range of jobs which men could not perform because they were in the armed forces. But when the war ended, instead of capitalizing on being accepted in previously male-only occupations, women returned to the home, some perhaps more eagerly than others. For, of course, it was also true that men returning from the war reclaimed their jobs.

THE WOMEN'S MOVEMENT

Nevertheless, both these times in our past are marked by similar achievements by women—one in the political sphere, one in the socio-economic sphere—separated though those achievements were by a quarter of a century. A brief summary of the origin of the women's movement may demonstrate a certain parallel in these two kinds of accomplishments.

The women's movement began, of course, in the 1830's and 1840's among women fight-

ing for the abolition of slavery and suddenly noticing that their own position was considerably less than free.

Many of these women abolitionists who became feminists were therefore stunned to hear themselves denounced by male abolitionists who saw no parallel at all between slaves and wives. Some few male abolitionists, however, like Horace Greeley, were sympathetic with the goal of women's suffrage and urged the feminists to trim their sails to that single purpose, but to wait until the slaves were freed.

Women leaders, among them the formidable Elizabeth Cady Stanton, were thereby faced with two equally bitter choices: 1) either win whatever small male support was obtainable by seeking suffrage alone and giving up their claims to full social, political and economic equality; or 2) incur opposition from those same males who, of course, controlled the press and all avenues to political power.

The result was a split in the movement. Stanton and Susan B. Anthony formed the National Woman Suffrage Association to continue to advance a wide range of reforms, including the right to vote.

More conservative Bostonians, including Lucy Stone and Julia Ward Howe, formed the American Woman Suffrage Association to fight only for the ballot.

No one can tell the extent to which that split in purposes delayed for more than a century other gains for women. Even then, from the time of the first suffrage convention in Seneca Falls, New York, in 1848, seventy-two years passed before women got the vote.

Then, too, by the late 19th and early 20th century, a different kind of woman had been drawn to the suffrage movement. Women such as Carrie Chapman Catt were more interested in plain political power than basic human rights, as Elizabeth Cady Stanton was.

But Stanton was labelled "radical" and Catt was called "sensible." More women flocked to be called "sensible," and of course more men approved the moderate position.

No wonder, then, that the movement disbanded in 1919 when its single goal was achieved.

Indeed, when World War I began, some of the most prominent feminists, who were also pacifists, were persuaded to put aside not only their drive for the vote but also their opposition to the war. Perhaps they believed that they could thereby show that they really were "one of the boys," and that, by pitching in, they would be rewarded with the vote.

Well, women got the vote, but not without suffering indignities in the process.

Historians might therefore have been able to predict that the economic and social gains women achieved during World War II would be abandoned in a way similar to that with which rank and file suffragists returned to hearth and children when the 19th Amendment was ratified.

The decade following that year whose graduates we honor—the fifties—was a relatively quiet time politically, as will be remembered by some of the other classes holding reunions this weekend: the classes of '56, '57, '58, and '59.

Four years later, however, the bullets that killed John Kennedy carved out a path for social and political upheavals of which now, ten years later, we have not yet seen the end.

One upheaval, which I think will not subside this time until it succeeds, is that interconnected series of legal, moral, political, social, and economic actions known collectively as the women's movement.

Now I did not come here today to persuade

those of you who are not already feminists to join up. I am glad, however, to count myself among those who support greater educational and economic opportunities for every woman who seeks them.

I am told that few women believe that men can be feminists. But surely it is possible for men to champion the feminist cause—that is, equality of treatment for women.

THE EQUAL RIGHTS AMENDMENT

In a word, the women's movement is nothing if it is not a movement for equality. And that is why I am puzzled when I hear some women oppose ratification of the Equal Rights Amendment, envisioning as they do spectres of marching female armies and alimony payments to former husbands.

Such fears are misplaced. The Equal Rights Amendment, often called the ERA, and championed by my distinguished colleague in Congress, the Honorable Martha W. Griffiths, will not force women to take jobs they do not want; it will, however, help forge a genuine equality in the kinds of work opportunities available to everyone.

ERA will not force women to work longer hours than they wish; it will, however, enable them to work overtime if they need the extra money, and be paid for it at the same rate that men are.

The Equal Rights Amendment, in other words, does not require women to do what they do not wish to do, just as the Nineteenth Amendment does not require women to vote if they do not wish to.

But just as the Nineteenth Amendment prohibits restraints on voting, if those restraints are based on a person's sex, so the Equal Rights Amendment prohibits restraints on any action under the law, if those restraints are based on a person's sex.

The Nineteenth Amendment reads:

"The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex."

The Equal Rights Amendment reads:

"Equality of rights under the law shall not be denied or abridged by the United States or any State on account of sex."

Fortunately, this audience was educated in a state which has already ratified the Equal Rights Amendment, thereby counting itself among the 30 states which have thus far ratified ERA since Congress overwhelmingly approved it on March 31, 1972.

All this brings me to the place I never really leave (Congress), and the work we do there (legislation), and a subject in which you and I share an abiding interest (education), and I must add, women.

THE HIGHER EDUCATION ACT OF 1972

For less than a year ago, Congress approved major Federal legislation which, in part, directly affects the education of women. I speak of the Education Amendments of 1972, often cited as the Higher Education Act of 1972.

Title IX of this Act quite simply prohibits sex discrimination in all federally assisted education programs. That word "all" is literal. "All institutions" includes public and private preschools, elementary and secondary schools, and institutions of vocational, professional, undergraduate and graduate education, so long as the institutions received Federal funds, whether through grants, loans, or contracts.

In brief, once a female student is admitted to an educational institution which received Federal funds, she is entitled, without exception, to every privilege and opportunity to which a man is entitled.

I must, however, make clear that the 1972 law has certain provisions exempting some institutions from discriminating in their ad-

missions policy. For the Act exempts from the provision prohibiting discrimination in admissions private undergraduate institutions of higher education, such as Hood. I understand, nevertheless, that Hood's 80th commencement in two weeks will be an historic occasion because four men will be the first men to receive a Hood diploma. But so far as Federal law is concerned, Hood may remain a women's college no matter how many men it chooses to admit.

Other institutions which the 1972 Education Amendments exempt from the admissions provision are: single-sex public undergraduate institutions; elementary and secondary schools other than vocational schools; schools in transition from single-sex to coeducation; religious institutions; and military schools.

Apart from the two latter kinds of institutions, the anti-discrimination provisions apply even to institutions with admissions policies of which have been exempted.

So here is something to tell your daughters; that wherever they attend college, if they believe themselves discriminated against in any aspect of their educational life, there are procedures which now—by law—enable them to air their grievances and, hopefully, to have them corrected.

WOMEN'S STUDIES

Title IX has perhaps unlocked another door which had been opened only a crack, and then only on sufferance. I refer to the topic of women in the curriculum, "women's studies."

Just as programs concerned with various minority groups (Black Studies, Indian Studies) have found their way into the curriculum, aimed at correcting misconceptions about the group studied and thereby changing attitudes of faculty as well as students, so programs concerned with women's studies deserve the same serious attention in higher education.

In October, 1971, the first Midwest Conference on Women's Studies was held at Alverno College in Milwaukee. The Conference issued a policy statement in which 104 participants, from almost every major university and college in the Midwest, concurred.

The Alverno College statement urged that women's studies be considered a legitimate academic enterprise at every level of education. It declared that new research and the reinterpretation of old research about women deserve institutional support and funding.

In December, 1970, the Modern Language Association's Commission on the Status of Women listed over 110 courses in its first Guide to Current Female Studies; the following year, over 600 courses.

In the field of English and Literature, for example, here are some courses that deal with the role, contributions, images and treatment of women:

"Literary Perspectives on Women" (Johns Hopkins)

"Female Archetypes" (Goucher College)

"Daughters and Ducats (The Examination of Women as Chattel in the 18th and 19th centuries)" (Mount Holyoke College)

The New Guide to Current Female Studies, published by Know, Inc., in Pittsburgh, a women's free press, lists 80 courses with a history base taught in colleges throughout the country and 85 with a social science base.

Sometimes such courses are taught by a team, with two or more teachers in different fields sharing one course.

For example, Cornell has a course called "The Evolution of Female Personality: History and Aspects." Lectures cover such topics as the legal status of women, biological differences between men and women, history of women, women's image in the arts, future perspectives in utopian literature, cross-cultural analysis, prostitution, power play in family life, urbanization, the influence of

architecture and planning, the black woman's struggle, and new life styles.

As more and more women become aware of the way in which history books have ignored their legitimate technological, scientific and social contributions, while emphasizing their relationships as wives or mistresses of male historical figures, they have begun to demand that publishers revise textbooks, history books and anthologies.

Children's books in particular have come under attack as a consequence of this new female self-awareness. Instead of stories about neatly dressed Jane sitting quietly on the ground and applauding rowdy Stephen as he swings from a high branch of a tree, Jane now climbs the tree along with Stephen.

In sum, to the extent that a liberal arts education aims to develop the full capacities of an individual, women's studies can be viewed as a crucial part of liberal learning in helping women examine themselves as women, and, I may add, in helping men understand women, and themselves.

Hopefully, therefore, by helping end discrimination against women in the subject matter they, as well as men, are taught, Title IX of the Higher Education Act can help assure women the equality of educational opportunity to which our democracy should aspire.

Equality of opportunity for women in education, however, would be a mockery unless there were also equality of opportunity for women to make use of their education in a career, if they choose to pursue one.

Let me pause a moment here to lay to rest another myth about women: that an education is "wasted" on them because they do not pursue a career but simply marry, stay home, and have children.

In 1969, under the auspices of the Carnegie Corporation and the Russell Sage Foundation, Dr. Helen Astin, a prominent social psychologist, investigated the careers of women who had received their doctorates in 1957 and 1958, in her book. Dr. Astin discovered that ten years later 91% of women Ph. D's were working, 81% full-time; that 79% of them had not interrupted their careers since receiving their degrees, although 55% of them had married.

So much for women's education being a waste of time.

WOMEN AND THE RHODES SCHOLARSHIP

I might, by the way, here interject a word about another instance of the increasing concern in this country about women's access to higher education. For I spent all of last week at my old college at Oxford in England and while there, I talked to the Warden of Rhodes House, Sir Edgar Williams, about the expressions of interest on the part of a number of women in the United States that the Rhodes Scholarships be open to women as well as men.

Because Cecil Rhodes' will, which has provided the funds for these scholarships over the past half century, is incorporated into an Act of Parliament, the issue of discrimination against women is not solely in the hands of the Rhodes Trustees.

But the law suit brought by a woman student at the University of Minnesota whose attempt to apply for a Rhodes was rejected will certainly bring this question to the attention of both the Rhodes Trust and the United States Department of Health, Education and Welfare in a very direct way.

My own judgment—and it is based on no specific information—is that the day will not be long when woman will be attending Rhodes Scholar reunions with men. My Oxford college, by the way, Brasenose, is admitting women next year.

DISCRIMINATION IN EMPLOYMENT

Yet, as I have already suggested, education for women is not enough. Let me then say something about discrimination in em-

ployment, and of some recent legislation in Congress which addresses this problem for all women.

The Equal Pay Act of 1963, which was an amendment to minimum wage laws, prohibits discrimination on the basis of sex in the payment of wages (including overtime wages and all fringe benefits) for equal work on jobs that require equal skill, effort and responsibility. From the time it took effect, in June, 1964, until June, 1972, 108,000 employees recovered \$44.5 million in wages which had not been paid to them on an equal basis with men.

The Equal Pay Act was, however, concerned only with equal pay, and not with equal opportunity, hiring, firing, promotion, seniority, or conditions of employment. And it excluded certain classes of employees.

The Higher Education Act of 1972, however, extended coverage of the Equal Pay Act to most of those employees previously excluded. Thus, all executive, administrative, and professional employees, including teachers, and outside salespersons, are now guaranteed equal pay for substantially equal work. And there are well established procedures for hearing complaints and awarding back pay.

But migrant and domestic workers are not covered, a serious omission. For 98% of the 1.5 million domestic workers in our country are women, and 80% of them have incomes below \$2,000.

Then, too, passage alone of a Federal law does not guarantee that it is everywhere obeyed. For example, women sales workers earn only 42.8% of the wages male sales workers earn. And the Washington Post carried a report only a few days ago showing that women working full-time on the faculties of our universities earn an average of \$3,500 less than their male counterparts.

So I must encourage you to take advantage of the law which was passed to help you obtain your right to equal pay with men.

Another important piece of legislation enacted last year is the Equal Employment Opportunity Act of 1972. This Act extends coverage of title VII of the 1964 Civil Rights Act, which prohibits discrimination in employment based on sex, as well as on race, color, religion and national origin, to State and local government employees and employees of non-religious educational institutions.

Before enactment of this law, the Equal Employment Opportunity Commission had the power only to conciliate when complaints were filed; it now has the power to file charges in Federal district courts to seek court orders.

The Equal Employment Opportunity Commission, called the EEOC, has issued guidelines which bar certain employment practices. Hiring, for example, cannot be based on stereotyped characterization of the sexes; jobs cannot be classified as "men's" or "women's." There is, however, a bona fide occupational qualification which must be interpreted very strictly: it is legal to advertise for a female actress to play a female part, but it is not legal to advertise for female secretaries because that assumes that only women can do secretarial work.

The EEOC also prohibits the following practices as illegal under the Act:

Employers cannot refuse to hire women with pre-school age children unless they refuse to hire men with pre-school age children;

There cannot be separate pension plans based on sex, even though actual figures may show that women live longer on the average;

Nor can there be separate seniority lists for male and female employees;

And an employer must treat a woman's pregnancy as a disability: she may not be fired or forced to resign at any specified month in her pregnancy.

If you work, therefore, and if you have

been subjected to any of these actions, you can obtain a complaint form from the EEOC, which will then investigate the matter for you. The Commission notes that since it came into existence, 20-25% of the complaints it hears concern sex discrimination.

If you are a Federal employee, or work in a company or other organization which has Federal contracts or subcontracts, you are also covered by antidiscrimination provisions.

In the first instance, of being a Federal employee, you are protected by Executive Order 11478 and also by Title VII of the Civil Rights Act as amended by the Equal Employment Opportunity Act. Your appeal here is to the U.S. Civil Service Commission, if you have grounds for a sex discrimination complaint.

In the second instance, of being employed by a company having Federal contracts or subcontracts, Executive Order 11246 (amended by E.O. 11375) protects you by prohibiting discrimination in employment, upgrading, transfer, recruitment or recruitment advertising, termination, rates of pay, and selection for training. Your company falls under this Order if it has a Federal contract in the amount of \$10,000. The Office of Federal Contract Compliance of the Department of Labor administers the order and handles complaints.

Moreover, Revised Order No. 4, dated January, 1970, requires government contractors with 50 or more employees and a contract of \$50,000 or more to take "affirmative action."

AFFIRMATIVE ACTION

Now here we come to a phrase that is heard more and more these days, particularly with respect to the hiring of female university faculty.

"Affirmative Action" means that an institution is required to make "good faith" efforts to correct deficiencies in its employment of women at all levels of hiring. An institution can no longer say, "Well, there are no qualified women to fill the high-level administrative jobs we have open," or "... to fill our ranks of full professors."

Such institutions are now required to show that they took specific steps to locate qualified women, that they interviewed those women, that those women were distinctly inferior to men with comparable qualification, and, in some cases, to show that offers of employment were made to women who turned them down before similar offers could be made to men.

Patterns of sex discrimination in employment are now being made visible with greater frequency.

For example, the same HEW study which showed the differential between male and female faculty salaries also pointed out that 25.5% of males became full professors, while only 9.7% of females hold that rank. On the other hand, only half the junior ranks of instructor and assistant professor are filled by men, while 75% of the women hold these ranks.

And when we examine the percentage of women in professional and managerial occupations in the United States, we find that only 3.5% of the lawyers are women, 2% of the dentists, 7% of the physicians, and 1% of the engineers. In other countries, however, these statistics are stood on their head.

In Sweden, 24% of the lawyers are women. In Denmark, 70% of the dentists are women. In Russia, 75% of the physicians are women.

Now, it can hardly be argued that women in those countries have different genes from women in the United States.

In short, it's not a question of ability but of opportunity.

And opportunity, of course, includes not only the removal of discriminatory practices by law but also the strict enforcement of the law and, more than anything, changes in the attitudes of the men who control access to jobs and to professional education.

STILL MUCH TO BE DONE

Now I have spoken to you today—in some detail but I hope at not too great length—about the many educational and employment opportunities Congress has provided in seeking to assure genuine equality for women and men in our society.

But there is still much to be done.

Representative Patsy Mink, my distinguished colleague from Hawaii, has introduced the Women's Educational Equity Act during this session. Its purpose is to encourage new curricula for women, such as those I described when I spoke of women's studies.

The Comprehensive Child Development Act, of which I was chief sponsor in the House in the last Congress, was vetoed by President Nixon. Its purpose is twofold: to provide day-care and other services for the 8,000,000 young children of working mothers (for present facilities can accommodate less than 700,000 children); and to provide opportunities for healthful and stimulating development for all American children in the first five years of life. If you want to know more of this legislation I refer you to an excellent article in the current issue of *Ms.* by Maureen Orth, a former member of my subcommittee staff, and now an associate editor of *Newsweek* magazine, entitled "The American Child Care Disgrace."

Bella Abzug, the articulate Member of Congress from New York, introduced various bills connected with banking and credit legislation last year with the purpose of ending discrimination against women in matters of credit.

Pension reform, welfare reform, fair labor standards, health insurance, tax reform—no topic comes before Congress which does not have some crucial impact on the lives of women. These topics therefore deserve your study and, when you find sound legislation that fills the specific needs of women, your support.

Indeed, the principal reason that Congress has been roused to open new doors to American women is the hard work done by dedicated women—attorneys, physicians, accountants, psychologists, physicists, professors, historians, and by untold numbers of nonprofessional women as well.

In his inaugural address last year as sixth President of Hood College, Doctor Pritchard set forth three convictions of his which, he said, related directly to the mission of Hood College.

He said he had a strong predisposition to change, a continuing belief in participation, and a commitment to community.

I suggest to you, the alumnae and friends of Hood College, that the actions taken by the Congress of the United States in the last few years—and those I believe we shall continue to take—will, hopefully, strengthen the opportunities for the women of America to make their full contribution to the constructive change, the wider participation and the healthier community of which President Pritchard spoke.

For these three goals surely ought to be the goals of all the people of our society, both men and women.

IS THERE REALLY A GAS SHORTAGE?

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, there may be danger of a serious energy crisis brought about by oil and natural gas shortages. The predictions, many of them from official sources, are alarming and this is helping to create an atmosphere of crisis.

It is doubtful that anyone really knows how serious the problem is or will become. Ours is a highly industrial society which requires constantly increasing fuel supplies. In ever-increasing amounts, America requires light and heat or air-conditioning for its homes, electricity and natural gas and coal for industry and for municipal requirements, and a constantly greater volume of petroleum products for its automobiles and trucks. The basic problem here is that the United States has about 6 percent of the world's population and uses almost one-third of the energy which is consumed around the globe.

It is true that shortages have appeared. Thus far they have not been crippling, but this situation may worsen. We are heavily dependent upon Mideast oil and the Arab States have learned that they can extract more dollars from the Western powers by threats to shut down the supply. There are also those who feel the oil companies are taking advantage of the present situation to force prices up. New discoveries have been made, some of them in our own country, which should have relieved some of the pressure. But there also is a problem of obtaining deliveries, for instance from the promising Alaska oil fields.

The administration has taken steps to increase America's sources of fuel and to conserve existing supplies. Actions already taken include the removal of quantitative controls on oil imports and allowing considerably more leasing authority for oil exploration on the Continental Shelf. New ways are also being sought to expand and use the great resources of coal in this country. For years its use has declined as other fuels were substituted. While present methods of mining and using coal often pose environmental problems, this extensive source of energy cannot be overlooked. Cleaner and more efficient ways of extracting and burning all types of this fuel are now being sought and should be encouraged.

Nuclear energy, along with water power, is an alternative to petroleum, natural gas and coal for producing electricity. There are 30 nuclear powerplants in operation around the United States, but nuclear energy has not lived up to its earlier promise. Ninety percent of the energy we consume still comes from the three fossil fuels—oil, gas, or coal. Obviously there is room for nuclear expansion and some experts believe half of America's electrical production will be generated through nuclear power by the end of the century.

These proposals offer help for the future but they promise little for today's problems. Much can be accomplished by conservation of fuels and steps are being taken to arouse the consciousness of the people to the need for more careful utilization of fuel supplies. Stronger steps may be required from Government to focus attention on the problem and to insure cooperation by individuals and by industry, or the situation may, indeed, get badly out of hand. It is possible, though not likely, that fuel shortages may paralyze our Nation's transportation and industrial programs. Gas and

fuel rationing undoubtedly would be imposed to prevent a dangerous deterioration in the situation.

In any event it is clear that an energy crisis must not be allowed to develop when solutions are available. There are many who feel, and I agree, that the situation already warrants more vigorous action by the administration and by Congress than it has received. There should be consideration now of legislation which will help to insure continued exploration, to encourage production in new areas, to provide investment credits for modernization of facilities, and possibly the relaxation of regulations which hamper the availability of fuel supplies.

ADDRESS OF ASSISTANT SECRETARY OF STATE JOSEPH J. SISCO—25TH ANNIVERSARY OF ISRAEL

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, the Honorable Joseph J. Sisco, Assistant Secretary of State for Near Eastern and South Asian Affairs, delivered a very informative and significant address at the Sheraton Park Hotel the evening of May 7 at the celebration of Israel's 25th anniversary. Mr. Sisco has been outstanding in his handling of some of the most delicate international affairs; namely, the troubled situation in the Middle East and he has done so with the respect and confidence of both sides in the controversy. He is able, dedicated to his work, persistent but always fair and honorable in his dealings so that he inspires the trust of those with whom he works and those with whom he negotiates.

While I may not agree with everything Mr. Sisco said, his address is a very important declaration of the American policy and the American point of view about some of the critical issues facing our Nation and the world today. Secretary Sisco's able address will be informative to the Congress and to all those who read this RECORD. I am very much pleased, therefore, to include it in full in the body of the RECORD immediately following my remarks:

REMARKS BY THE HONORABLE JOSEPH J. SISCO AT THE CELEBRATION OF ISRAEL'S 25TH ANNIVERSARY

It is a great honor for me to participate in this celebration of Israel's 25th anniversary—a day of joy, of remembrance; a day of sobriety, yet a day of hope and renewed dedication.

In this twenty-fifth year of Israel's independence, much is being said—and rightly so—about the accomplishments of this remarkable state and its remarkable people. The second World War accelerated the striving of many people for national independence and changed the map of our world in ways few could have imagined when that war began. In one sense, Israel is simply one of the many young states that have swelled the membership of the United Nations from 51 when it was originally founded to 132 today.

But in another sense, Israel is unique

among the new states of the world. There were many, well before the beginning of this century who *did* envisage its creation. And for millennia, before the phenomenon of the modern nation state appeared on the historical scene, Jews everywhere kept alive the vision of their nationhood.

In our century, out of the horrors of the holocaust, the vision of those generations of men and women was transformed into the reality of the State of Israel. Israel could not have come into being and survived had it not been for the indomitable will of its people for existence and independence. At the same time, on this twenty-fifth anniversary, it is fitting to recall also the role of others.

First, the partition decision and subsequent admission of Israel to United Nations membership have become an important part of the juridical foundations of the state. The United Nations itself is only three years older than the State of Israel. And their histories have been intertwined for the past quarter of a century—occasionally for the better and particularly in recent years too often for the worse. Secondly, while Israel with some justification has often felt it stood alone, the support of other nations—above all that of the United States—has been indispensable at critical moments to Israel's creation, growth and survival. That support draws in the first instance on the help and faith of the Diaspora, but its base is far broader than that.

As these opening remarks suggest, I believe that this is an occasion for standing back from the preoccupations of the moment, from the crises and headlines and tragedies and hopes of today—a time for a sober look at the past 25 years to see what lessons they teach us for the next 25.

First, Israel had to feel strong and secure and confident of its survival before it could think about tomorrow and the day after tomorrow. Israel lived so many of its first twenty-five years with an abiding sense of insecurity that some have not yet become accustomed to the fact that Israel today is strong, is secure and is confident of its survival. Moreover, there is no doubt that the support of the United States, both material and moral, has made a major contribution to the strength of Israel. That support and that strength have been a principal deterrent to renewed hostilities in the area. I am confident that the United States will remain steadfast in its support for Israel's security.

Foreign Minister Eban has recently alluded to Israel's strength in this way:

"It is of course a fact that we are still the target of perils and threats, but it is also a fact that Israel is, in the last resort, a strong and solid reality. Strong and solid in its capacities of defense: strong in the inspiration of its heritage and faith; strong in its economic resources; strong in the support that it receives from the Jewish people; strong in its science and learning, strong in the overall balance of its links with governments and peoples across the world. True, all these elements of strength and solidity are relative and not absolute, but they are impressive in relation to the resources and capacity of all our adversaries."

At the same time, I believe it is appropriate here to express a few words of caution to our Israeli friends—words expressed in the spirit of friendship and mutual confidence between us, which permit us to speak frankly, and without suspicions of ulterior motives. I would suggest that while Israel's strength must be maintained, the next 25 years present a corollary challenge. Again, I want to borrow the words of Israel's Foreign Minister:

"... A confident and balanced national style is perfectly reconcilable with an alert security consciousness and a rational and firm

political line. The problem is how to put the emphasis on freedom, tolerance, equality, social justice, spiritual and intellectual creativity and human brotherhood, as the salient characteristics of a strong and confident Israeli society . . ."

There is a second point regarding the past 25 years which I believe is worth making and this relates to both Israel and its Arab neighbors. For most of the past 25 years, both have held seemingly irreconcilable perceptions of what their respective national interests required with respect to the other. Before 1967, the Arab world, with few exceptions was unanimous in believing that its national interest required the elimination of the State of Israel.

Before 1967, Israel believed its national interest required above all Arab recognition of its sovereignty and its right to exist in peace and was prepared to accept something like the armistice lines of 1949 as its recognized international boundaries. Since 1967, while there are still Arab voices calling for the disappearance of Israel, there are many others in the Arab world who now perceive their national interest as compatible with the existence of a sovereign Israel. I believe that for most Arabs Israel's existence is no longer the principal issue, and this is a major positive element in the Middle East today. Unfortunately, while the gap on the question of existence and coexistence of Israel has narrowed, the gap on the question of borders has widened. Since 1967 while Israelis have not agreed among themselves on what the boundaries of the state should be, they are generally agreed that those boundaries should be substantially different from the Armistice lines. Sadat, in turn, insists that they can be no changes in his borders, "not an inch of territory" he repeats time and again.

There is a third lesson of the past. This relates to the vision of both sides, which has often been clouded by the myths of the past which have persisted in obscuring the realities of the present.

Before 1967, each side's perception of the other was compounded in part, at least, on some form of myth. To the Arabs, Israel did not exist as dynamic, evolving reality. It was, in their words, "occupied Palestine" and referred to as such. Arabs tended to think of Israel and its society as frozen in the patterns of 1947, as a state which would be made to disappear someday, leaving no trace on the land. Israel was seen as on the verge of collapse from internal decay, an artificial entity propped up by others which would not withstand the tide of history.

The Israeli counterpart of this myth before 1967 was its perception of a monolithic Arab world, strife-torn and backward. All Arabs were perceived as essentially the same, and there was little understanding of the sense of a Palestine-Arab identity in the Middle East which distinguished the Palestine Arabs from the Arabs of Lebanon, of Syria or Trans-Jordan or the Peninsula.

In the aftermath of the 1967 war the increasing interaction of Arabs and Israelis, in Gaza, in the occupied West Bank and across the Jordan River began a process of breaking down these myths which each had held of the other. This is an essentially healthy process and one of the positive by-products of the war.

But other myths have arisen and persist. There is the myth—now accepted as a reality in much of the Arab world—that the Six Day War was the result of unprovoked Israeli aggression.

There is the myth—believed still by many even though now discounted by some Arab leaders—that units of the U.S. Air Force participated on Israel's side in the Six Day War. This myth has recently arisen in a new

form in the "big lie" charging that the CIA and the American Embassy in Beirut were parties to the recent Israeli raid in Lebanon.

On the Israeli side, there is the myth that the Six Day War was the result of a calculated Arab plan to launch a war of destruction against Israel. In my view, the most plausible explanation is that the Six Day War resulted from improvised actions and reactions by each side. Combined with each side's perception and suspicion of the other's intentions, the cumulative weight of these actions and reactions made inevitable a war neither side deliberately sought at that time.

Next, there is the myth that security is solely a function of the physical location of territorial boundaries. Again I refer to the Israeli Foreign Minister, who put it much more eloquently than I can, "The question of boundaries is one of the components of peace and not its sole condition. The balance of forces, the spirit and resourcefulness of our defenders, the application of science to the reinforcement of the economy, the strength of our international ties, these are all factors of equal weight. Without them our security would be undermined, no matter what boundaries we were to establish. The problem is not merely how to define our own historic rights, but how to bring them into harmony with the rights of others and with our own right to peace."

Another myth, of which we have heard much lately in the Arab world, is that peace can be achieved by going to war. Certainly the lessons of the last three wars between Arabs and Israelis prove just the opposite.

Finally, there is the myth that peace can be made by proxy—that powers not party to the conflict, acting independently or through the United Nations, can somehow substitute for negotiations between the parties themselves. This has not been the case in any of the successful negotiations of international disputes in recent history, and the Middle East is no exception. The United Nations and outside powers can play a responsible role in encouraging the parties to get a negotiating process started. But they cannot be part of the process itself. When they seek to substitute their views for the positions of the parties directly concerned or openly advocate the positions of one party, they do not further progress. They inhibit it.

All of this suggests a fourth lesson, and I believe it is the principal lesson to be learned from the past. The history of the Arab-Israeli problem is a history of lost opportunities. So often opportunities have slipped through the fingers of those concerned—slipped through their fingers just when they thought they could grasp them. At such moments, the opportunities were all the more precious because they seemed near enough to be seen but too far off to be tasted.

Perhaps the greatest opportunity came after the Six Day War in 1967. In November of that year the United Nations Security Council was able to agree unanimously on a set of principles embodied in its Resolution 242 and accepted by the principal parties to the conflict, which laid a new foundation for a peaceful settlement.

It is well to recall that at that time the Security Council did not label one side or the other as an aggressor in the 1967 War. Rather than looking backward and seeking to apportion blame, it looked forward and sought to build a better future.

Moreover, the Security Council did not call for unconditional Israeli withdrawal to the armistice lines as had been the case at the time of the 1956 War. Rather, it called for "withdrawal from territories occupied" in the 1967 war as part of a package settlement in which the parties would agree to respect each other's right to live in peace within se-

cure and recognized boundaries. The Security Council resolution established principles, it did not establish borders or define precisely the obligations of peace and security.

And, moreover, the United Nations recognized that a settlement could not be imposed from outside. Instead, it established the principle that peace should be based upon agreement between the parties to the conflict.

These were principles for which the United States fought hard and successfully in the deliberations of the United Nations. They remain the essential framework for peace in the area, and if the Security Council departs from these principles any future prospects for negotiations between the parties will have been seriously jeopardized.

Why have so many opportunities been missed since the adoption of the November 1967 Security Council Resolution? If we had the complete answer to that question, perhaps our efforts in the cause of Middle East peace would have been more successful over the years. But I do believe I know part of the answer. Neither side, Arab or Israel, has collectively defined its goals in terms of what economists like to call the "opportunity costs" of achieving those goals—in other words, in terms of what it is willing to forego in the process. To be sure, there are Arabs who still say today: We want peace but only when Israel as a Jewish State is no more. There are Israelis who say: We want peace but only if we can also keep the occupied territories.

But these are statements of individuals or political groupings, not the positions of Governments. There is no broadly agreed consensus on either side as to what the acceptable trade-offs might be. Unfortunately, states seem to follow the patterns of human nature—the desire to have it both ways, to have their cake and eat it too, to keep their options open.

In this sixth year since 1967 of no/war and no/peace, I believe it is time for the parties to begin to choose options, to establish priorities, to decide what is most important and what it will cost, and to decide whether it is worth the price. I do not say that this or any other opportunity that may come along is the last one in history, but I do believe that the cost of each missed opportunity in the Middle East is becoming progressively higher than the previous one.

As we stand back and view the Middle East in the perspective of time, what do we see today? We see a situation that every rational person knows in his innermost thoughts is not normal, not stable and not durable. True, the world has lived with many such situations and, when the balance of power is properly maintained, such situations can last for a surprisingly long time. But need they? And isn't the cost in the end often greater than it would have been if both sides had seized the opportunities and taken the risks necessary to resolve conflicts sooner?

We have a 33 month old ceasefire in the context of a reduced likelihood of a Soviet-American confrontation. However, the cycle of violence continues and has taken an appalling toll of life.

The Security Council on April 21 took a small step forward in facing up to this pressing problem. The resolution which was passed, while very far from the balanced outcome we sought, condemned terrorist violence for the first time. For the first time, the Security Council has recognized that terrorism is part of the problem and not simply an irrelevant by-product.

The question now is: Where do we go from here? How do we at long last begin to build on the framework for peace contained in Security Council Resolution 242; on the cease-

fire along the Suez Canal negotiated by the United States; on the stability in Jordan and the efforts to find a new stability in Lebanon; on the widely shared desire to develop further the mutually beneficial relations between high-energy consuming countries and the oil-producing nations of the Middle East?

In this connection, there has been much speculation of late as to whether the so-called energy crisis is going to lead to changes in our Middle East policy. In my view, this is the wrong way to pose the question. The question is whether our policy of seeking to promote a peaceful settlement through negotiations between the parties is going to succeed, so that there will be no temptation for some to seek to politicize the energy problem, to their own detriment as much as to the detriment of others.

For its part, the United States is continuing to press the search for answers. The present no/war, no/peace situation is unstable and unsatisfactory. As a beginning, it would be well to build on the present ceasefire. A ceasefire on public statements of ultimate and rigid positions; a ceasefire on inflammatory rhetoric; a ceasefire on violence of all kinds from whatever source. Just as we called on the parties in 1970, on the eve of the U.S.-initiated ceasefire, to stop shooting and start talking. Today we urge they stop shouting and start listening.

We need—the world badly needs—a period of calm and quiet diplomacy in the Middle East. For our part, we began that process during what President Nixon has described as this Middle East month. We had useful discussions with the leaders of Jordan and Israel and with a senior adviser to the President of Egypt. That continuing process has been complicated by the recent kaleidoscope of violent events but it has not been stopped. We intend to carry it forward through diplomatic channels. We intend to continue urging on the parties the need for getting negotiations started and to continue exploring with them ways to do this. The principal parties concerned have said they want to keep the doors of diplomacy open and we intend to take them at their word.

It would not be realistic to think, after so many years of effort, that there lurks somewhere, waiting to be discovered, a magic formula which could suddenly solve the Arab-Israeli problem in a single dramatic stroke. A way must be found in the first instance to reconcile Egyptian sovereignty and Israeli security needs. In our judgment, the chasm on an overall settlement is too broad to bridge in one jump. But practical step-by-step progress is feasible, beginning with negotiations on an agreement for some Israeli withdrawal in Sinai, the reopening of the Suez Canal and an extended ceasefire. I am convinced an interim Suez Canal agreement would not and should not become an end in itself, but would lead to increasingly productive negotiations on the larger issues. These also include the Jordanian-Israeli aspects of the settlement and the need to meet the legitimate concerns of the Palestinians. It is in the context of such active negotiations between the parties that the United States can be most helpful.

The President has said we will give high priority to moving the Middle East situation toward a settlement. Since we set that course four years ago, we have had some notable successes as well as some temporary setbacks. We see no reason to change course or diminish our efforts. I can assure you we do not intend to do so. Opportunities for diplomacy still prevail in 1973. Israel needs peace, its neighbors need peace, and the world needs peace. I would hope that we will not look back several years hence and conclude that the present period was another in the tragic catalogue of lost opportunities.

ISRAEL'S 25TH ANNIVERSARY

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on the evening of May 7 at the Sheraton Park Hotel upon the celebration of Israel's 25th anniversary, His Excellency Simcha Dinitz, Israel's Ambassador to the United States, delivered a very significant and moving address. Although a new ambassador to the United States from Israel, Ambassador Dinitz has a long and distinguished record of service to his country in its foreign affairs. He is learned, able, dedicated to his country and its service, but he is also one of the able and learned men on the world scene today. As Israel's spokesman in the United States he will command the respect and the esteem of our Government and our people. I am sure the able address of the distinguished ambassador will be of particular interest to the Congress and to our fellow countrymen. Mr. Speaker, I include in the RECORD following these remarks:

REMARKS BY HIS EXCELLENCY SIMCHA DINITZ,
ISRAEL AMBASSADOR TO THE UNITED STATES

I cannot think of a warmer, more meaningful way to commence my public appearances in this capital than to be with you tonight, and I thank you very much for inviting me.

Before I left for the United States, many friends gave me advice. Some friends gave more than one piece of advice just to be sure that at least one of them would work out. And among the advice I received was a suggestion from a very distinguished person in Israel: Think fast like Sisco and speak as little as Barbour.

Now, I ask you, my dear friends, how can you do these two things together in one evening when you have to follow both of them?

So with your permission, I will try, as Israel has always tried, to find the golden mean. Something between our experience in the past, which taught us self-reliance, and our hope for the future, which we hope will teach us that in the great partnership that has emerged over the last 25 years which you, Mr. Sisco, and you, Ambassador Barbour had so much to do with, that in this great partnership between Israel and the United States we can find together a road to a true and lasting peace.

Now 25 years is an age too mature to excuse foolishness but yet young enough to dream. Young enough to aspire for those things that to some, at times, look unattainable, and yet for us are the central core of our life and existence.

There is nothing more coveted for the government of Israel and for the people of Israel than the attainment of peace, true and lasting peace, peace with security.

We can enumerate many achievements on our 25th anniversary. We have brought into our shores a million and a half refugees, from the death camps of Europe, from the ghettos of the Arab lands and recently from behind the Iron Curtain of the Soviet Union. So far it is just a small crack in the iron wall, but we are praying and we are working for this crack to open wide so that many of our brothers, all of them who wish, will come and join us in Israel. One and a half million people from 107 different lands, speaking 70 different tongues, and now spread all over the country in hundreds of new settlements. These people who were the refugees of the second World War, of Arab persecution, are now raising food, developing industry, contributing to scientific and educational strides

and helping to absorb many more newcomers. This is the story of Israel.

If we look at the field of education, we remember that, only 25 short years ago when Israel was reestablished, there were only two universities. Today we have seven institutions of higher learning in Israel spread all the way from Haifa in the north to the Negev in the south. And while in 1948 we had 100,000 children going to school, today 1,000,000 Israeli boys and girls go to school. This, too, my friends, is the story of Israel.

It has not only been the story of a brave nation, fighting for its life and security; it has also been the story of a nation trying to achieve the heights of democracy, of education, of technology, of know-how, of a better life, of a more decent society, while at the same time it had to protect its very life and existence.

But, as Assistant Secretary of State Sisco rightly said, 25 years is not only a period for self-gratification and for looking at the achievements of the past; it is also a period to examine the future, to see what was achieved, what was not, and why not. And the most important thing for us—peace—was not achieved.

We have won every single war that was launched upon us. But we have not won peace. The reason is simple. While it takes one to declare war, it takes at least two to make peace. And if today, after a quarter of a century, I stand before you as a representative of a country still beleaguered, still besieged, still without peace, it is not due to a lack of desire, not due to lack of effort on our part. For 25 years we have extended our hand of friendship to our Arab neighbors and pleaded for peace. This hand remains extended to the present day without response, to the great sorrow of the government of Israel and to the great sorrow of the government of the United States.

My friends, there is only one way to start on the road to peace: This is to stop talking in terms of myths and to begin to talk in terms of realities.

There was never an opportunity that presented itself—and was missed by us. After every war we had to fight, the Arabs converted the situation from a platform for meaningful negotiations into a jumping board for preparation of a new war.

In '49 we signed armistice agreements with the Arab countries. These Armistice Agreements, which outlawed the use of force and were supposed to be the preliminary for the establishment of a true and lasting peace, were used by the Arabs to justify years of terror, sabotage, boycott and blockade, leading to the Sinai Campaign. And again in '56 and '57, after they agreed to the arrangements that were made under the auspices of the United Nations—with the great contribution of the United States—they only used the 1957 arrangements to prepare for the 1967 war.

For us, 1967 was not a myth. For us it was a somber reality. It was a somber reality in the days that preceded it. Six years ago, on our Independence Day in 1967, our soldiers were marching in one of those so-called "military parades" that have not hurt a soul yet. At the same time Nasser conducted another parade in the streets of Cairo. He was parading his tanks, and he was sending his planes and his people into the Sinai Desert, 100,000 strong. For what? To serenade Israel? To send her greetings on her anniversary? No. To threaten the very life and existence of Israel. And in case any one of you doubted it, he said so himself. He said so over the radio. He said so over the television. You people could have seen it better than we—we did not have television in Israel at that time. The whole world could see it.

And then we had to take our children from school and send them to fill sacks with sand to fortify the houses and the schools. We dug

trenches. But we also prepared to dig graves in the public parks to bury the dead, because we did not yet know what the price would be. We knew we would win because we had no choice. But we did not know what the price of this victory would be. That, my friends, was no myth: that was sober reality.

And when we won that war, the first declaration that came from Israel was, "All right. Let us sit and negotiate. Let us sit and negotiate not as a conqueror and a vanquished, but as equals, without preconditions, without dictating to you what the terms are."

We were on the Suez Canal. We could have been, as you all know, at the gates of Cairo. But that was not our purpose. We do not believe that the Middle East should be a place in which there is no room for Arab states, just as we firmly believe that the Middle East should be a place where a Jewish state can exist in safety. We said to our Arab neighbors and to Egypt primarily, "Let us negotiate as equals." And the answer came from Khartoum: "No peace, no negotiations, no recognition."

We have been waiting ever since. Our ears are attuned and our minds are open and our hands extended, but all that we have heard from the other side—sometimes explicitly and sometimes implicitly—is a call for doing away with Israel.

From Egypt we hear two things: "We first want you to withdraw to the 1967 borders, and then we want you to restore the legitimate right of the Palestine people."

The difference between this and a call to do away with Israel is just a matter of semantics. It makes very little difference to Israel whether it will be destroyed in one stage or in two different stages. First, we are to go back to the 1967 lines and then wait for the Arafat-type solution. He comforts us, proclaiming that we do not all have to be destroyed. All Jews who came to Palestine before 1917 will be allowed to stay under the benevolent regime of the democratic Palestine of Arafat. For this we thank him very much. If we are to live in a minority, may we have at least the freedom of choice of who will be the ruler of this country under which we have to live as a minority. And I can assure you that Arafat will not be our first choice.

So as a result of this, we have had six years of no negotiations. But let it be clear. The government of Israel has said—and we can repeat it today on the 25th anniversary of Israel: Just as we were ready in '48 and '49 and '56 and '57 and '67, so we are ready in 1973 to enter immediately into peace negotiations with the Arab countries on an overall settlement without any preconditions on either side. Our Arab neighbors expect us to commit ourselves in advance to withdraw to the '67 lines and then accept the Palestinians back as an independent state in Israel. If this is the request, I ask, what is there to negotiate? Or may I ask with whom is there to negotiate? What will be left of Israel under such conditions?

In February 1971, President Sadat came with a different proposal. He said, "We suggest a partial agreement, an interim agreement, for the opening of the Suez Canal before peace." This was not simple for us, because as long as there is no peace, there is no better defense line than the Suez Canal. Nevertheless, the government of Israel agreed to the suggestion to open the Suez Canal. After several months of negotiations with the friendly government of the United States, we agreed to accept the good offices of the United States in this regard. We waited for these proximity talks to begin. But what happened? A few days ago, on the first of May, President Sadat informs the world that he is asking the Russians not to fall into the American trap and agree to the opening of the Suez Canal. Now I ask you, why was this hailed as a contribution when Sadat proposed

it in '71 and is referred to as a trap the moment Israel and the United States accept it? It leads me to believe—and I say this not with glee, but with sadness and real concern—that what Sadat is after is not negotiations with Israel in any real form, but rather the capitulation of Israel. That accommodating we are not prepared to be.

Even as I stand here before you tonight, we hear more sabre-rattling from Cairo. Again we hear that, as Nasser was before, Sadat now is frustrated. And we have to ask ourselves, "What is he frustrated about? What is the cause of this frustration?" President Sadat is frustrated because the poor man wanted to destroy Israel and we did not let him. He is frustrated because Israel is not prepared to surrender to him politically what he did not succeed in obtaining militarily. Why do we have to come to the negotiating table, yielding all the points in advance, accepting his preconditions, surrendering to his demands? Because he is frustrated?

I suggest to you, my dear friends, that real peace can never be achieved either by surrendering to blackmail or by satisfying frustrations. Peace can only be achieved when those who fought each other will talk to each other if they are to live with each other. Any other formula, any other framework is misleading. It will be destroyed when the first ill-wind blows. And no one—not Israel, not the United States, not any free and peace-loving country in the world—wants to see another fragile arrangement in the Middle East; wants to see another edifice which will collapse the moment our neighbors feel that they are strong enough to destroy it.

We are passing through a very interesting period in international relations. Everybody talks to everybody else. The Chinese talk, the Russians talk, the Vietnamese talk, the Koreans talk, the Europeans talk. There is only one place in the world where talks are considered taboo, where negotiations are considered a sin. There is only one place in the world where leaders are still thinking in terms of barren and fruitless wars instead of thinking of dialogue.

If we are to advance peace, we must do things. First and foremost, we must see that Israel is strong—not only strong enough to win wars, but strong enough to deter them. Strong enough so that launching a war will not be worthwhile for any Arab leader; strong enough so that the very fact of Israel's indestructibility will not make it a target for another war. Only a strong Israel can be a partner for negotiation; an Israel that you can destroy is not worth talking to. So the first element for peace is a strong Israel. And I am very happy that I can say on this platform tonight, in the presence of our good friends in the Administration and members of Congress, and you, friends of Israel, that the strength of Israel is to a large extent due to the wonderful understanding and partnership that we have developed with this government and with this people.

Another prerequisite of peace is that all the parties of the Middle East know that nobody from the outside is going to pull the chestnuts out of the fire for them. No new formula, no different framework, no new mechanism will do the trick. Only when the people in the area realize that they are responsible for their own future—it is they who have to live with each other, it is they who have to reason with each other—only when this is accepted will we begin to see the beginning of the road to peace. What we need is not a new framework, but a different frame of mind.

What we need is for the people of the Middle East to talk to each other. We do not insist right away on direct talks. If direct talks are taboo, we are prepared to start in an indirect way. But a dialogue, a discussion, a build-up of mutual trust must begin some-

where or it will not begin at all. This is the way that we can advance to peace.

I say this not without hope. The trouble with our neighbors is that they always looked for alibis or excuses, for myths to replace reality. Sometimes it is the UN, another time it is the U.S., sometimes it is the Soviet Union, on other occasions it is the elections in America and then it is the oil crisis. I suggest to you that there is no greater crisis in the world than a crisis of a people who refuse to face reality. The contribution of peace-loving people in the world cannot be greater than to make people face reality, because this is the beginning of a process of peace.

I believe this process has begun. It has begun largely due to the great understanding that exists today between the government of Israel and the government of the United States and the American people. I believe that this process will continue.

Our job in the attainment of peace is not yet done. Our minds must always be open, our hands always extended, our ears always attuned to whatever voice comes from the other side of the border. If it is a voice of peace, we will gladly reciprocate. If, God forbid, it is the voice of war, we will know how to handle this too.

But with Israel's strength, with the realization that negotiation is the only way to peace, with the understanding between us and the American government and the partnership between us and the great majority of the American people—that great partnership that contributed so much to what has been achieved until now—I believe that we can go forward to peace and not backward to hostilities.

The following day, Ambassador Dinitz addressed the annual congressional luncheon sponsored by the American Israel Public Affairs Committee marking Israel's 25th anniversary and honoring the Israel ambassador.

Ambassador Dinitz took the opportunity to thank the two Houses of Congress for their solid support for Israel over the last quarter of a century:

"We are a people with a short geography but a very long memory, and we will never forget the first aid voted by Congress which facilitated the young state not only to stand on its feet but to absorb hundreds of thousands of homeless Jews scattered in the death camps of Europe and in the darkness of Arab lands. We will never forget your overwhelming support as recently demonstrated by both Houses of Congress to abolish restrictions on emigration of Russian Jews. We will never forget your support in helping make Israel a viable state, one that can defend itself, one that has never requested a single foreign soldier to shed his blood for its life and liberty.

"And just as we have benefitted from your support in the past, we ask you now to continue to help us to convert the present situation into one of permanent peace and security."

On the same occasion a distinguished and dedicated former U.S. Ambassador to Israel, the Honorable Walworth Barbour, also spoke. Ambassador Barbour rendered many years of able and effective service as U.S. Ambassador to Israel. He was there during troubled times and he was always an able spokesman of our country and a creditable representative of our policy. Because of the eminent quality of his service he enjoyed the esteem and respect of the government and the people of Israel and he won the gratitude of his own Government. I think my colleagues will profit from reading the statement of this

knowledgeable ambassador in respect to the critical area of the Middle East:

REMARKS BY THE HONORABLE WALWORTH BARBOUR

I received a most cordial invitation from the American Israel Public Affairs Committee to attend this magnificent observance of the 25th anniversary of the State of Israel. The second sentence of the invitation said, "We know you have the reputation of only saying about three words." I think this was meant as a compliment; at least I'll take it that way.

I will, however, presume on your patience for only two sentences.

Mr. Sisco has made a profound and moving analysis of Israel-American relations and there is no one who could do any better.

My own feelings after 11 years in Israel can be boiled down to two sentences or can take 11 years to tell, and they have deepened as the 11 years went on.

The relations between the United States and Israel are based on fundamental similarities of our two states to an extent greater than political exigencies or other more mundane matters might dictate. We are both pioneer states. We both proclaimed our existence in the face of odds which looked overwhelming. We both maintained and continue, somehow, to maintain our existence.

You Israelis have had great success in doing this for 25 years. I think that as we go together into the future and work together, separately, or in combination with others, our mutual interests will work toward the achievement of that great goal of peace in the Middle East and peace for mankind.

AMENDMENT TO H.R. 7724 WOULD BAN LIVE FETUS RESEARCH

(Mr. RONCALLO of New York asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALLO of New York. Mr. Speaker, when the bill H.R. 7724, the "National Biomedical Research Fellowship, Traineeship, and Training Act of 1973," is considered, I plan to offer an amendment which would specifically forbid HEW to conduct or support research on live fetuses.

I cause to have printed at this point in the RECORD the text of my amendment to insure its consideration under rule XXIII, clause 6, of the Rules of the House. The text follows:

AMENDMENT TO H.R. 7724, AS REPORTED—OFFERED BY MR. RONCALLO OF NEW YORK

Page 10, line 18, insert "(a)" after "Sec. 456."; strike out the close quotation marks in line 22; and after line 22 insert the following:

"(b) The Secretary may not conduct or support research in the United States or abroad on a human fetus which is outside the womb of its mother and which is alive with a beating heart."

GENERAL HAIG: WILL HE MEASURE UP?

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, one of the outstanding general officers in World War II was the late Gen. Lucian K. Truscott, who had a brilliant career in the European Theater of Operations. General Truscott commanded

the 3d Army after the untimely death of Gen. George Patton, and also commanded the 5th Army.

The grandson of General Truscott, Lucian K. Truscott IV, was a cadet at the U.S. Military Academy during the period when Gen. Alexander M. Haig, Jr., was third regimental commander and deputy commandant of cadets. From his personal knowledge, Mr. Truscott has written a very cogent article which originally appeared in the May 17, 1973, issue of the *Village Voice*, the text of which follows:

THE LONG GRAY PAST OF NIXON'S NEW HALDEMAN: MR. T. & COLONEL HAIG

(By Lucian K. Truscott IV)

Among cadets in the Third Regiment at West Point in the fall of 1967, he was a popular if enigmatic figure. He was often seen striding through the area of New South Barracks; ever present at his side was Sergeant Major Theodore Dobol, one of the most distinguished and highly decorated non-commissioned officers in the Army. His hat cocked back slightly on a head of thinning, graying hair, he would grin and pop snappy, confident salutes at cadets as they passed. He seemed to know everyone by a nickname he assigned at first glance, and his voice would crack the air like a horsewhip: "How's it going, Mr. T.? What's your excuse today?" There was a visceral inclination to want to stop and talk with the new Third Regimental Commander. He was the kind of officer who aroused one's curiosity as surely and finally as the bugles and drums of the Hellcats would arouse one from the sack the next morning at Reveille.

The appointment last week of General Alexander M. "Al" Haig, Jr., to be "interim" replacement for the hastily deposed White House chief of staff, H. R. "Bob" Haldeman, has been seen as the leading edge of a Nixon attempt to infuse integrity into an administration racked by scandal and overrun with thieves, liars, cheats, and political peeping-toms. Despite his meteoric rise to rank and power, (a four-star general at 48, having skipped the three-star rank entirely, he was a colonel a scant four years ago), not much is known about the man other than that he has been Deputy Assistant for National Security Affairs (Kissinger's Kissinger, says the *New York Times*) and Army Vice Chief of Staff. At High Noon in a tense and frightened White House, "Al" Haig has become the keeper of the keys to Nixon's chastity belt. He is the "gatekeeper," in control of scheduling and information flow to the President. And yet the unspoken question today about Haig is the same one asked at West Point by cadets seven years ago, the same asked about Haldeman four years ago: who the hell is he?

Haig was my regimental commander at West Point in 1967-1968. He became Deputy Commandant of Cadets in the fall of 1968. Though my personal contact with him was limited, it was of such a nature that I got a unique glimpse of a man in flux, a man who was as raw and cunning as he was charming and charismatic.

Colonel Haig had that second nature of a born leader which made him seem to exude a perfect mixture of ego and humility. "Military bearing" it was called at West Point, a trait which had the odd power of attraction at the same time it kept one slightly off-balance. There was a certain stillness in the air behind Haig's walk, as if the molecules he passed through had been burned, ionized, leaving a faint scent of power. This was not something one understood about Haig, but rather smelled with one's ego, for only the psychic nose could detect such a presence. One was always kept guessing, for there was more to this man than his style, which was polished and magnetic.

It makes me laugh today to read press descriptions of Haig as being unlike the "military prototype," more like a college professor or a diplomat than an Army general. If "bright, articulate" are the first words off the lips of those seeking to describe Haig today, back then, among cadets in the Third Regiment, it was "tough, professional." There was no officer at West Point during the time Haig was there who was seen by cadets as more of a gut-level soldier's soldier than Colonel Haig.

Yet Haig's charisma and leadership ability go only a short distance toward explaining the man. He was exacting in what at West Point was called "attention to detail." The first action he took upon joining the Third Regiment was to put out an order that every cadet in the regiment would march with his fingers cocked squarely at the second knuckle, thumb running stiffly along the index finger pointing "like an arrow" to the ground, elbows rigidly locked. Haig was present at nearly every regimental formation during those early weeks in the fall of 1967, a pair of yellow gloves in his left hand, slapped against his trouser leg as he walked, or struck sharply into his right palm as he made a point in addressing one of the cadet commanders. He was like a ghost at those formations, an omnipresent conscience constantly correcting anyone found with an elbow breaking, a finger uncured from the second knuckle, a thumb unpointed arrow-like toward the ground.

We were warned time and time again that Haig would attend every formation until he was satisfied that the Third Regiment down to the last Plebe could march as he wanted. In conversation one day he would admit that this was simply his way to make his presence felt in the consciousness of every cadet during every one of his waking hours. "If they can get that hand straight, that elbow stiff," he explained, "then all the rest of it falls into place. Every directive becomes second nature. It's my way of putting my signature on a unit." In other words, his "hang-ups," as they were often seen by cadets, were in reality leadership gimmicks. Unsurprisingly, they worked.

But Haig had other pet peeves, among them a compulsive desire to "keep everything within the regiment." If at all possible, Haig wanted all problems dealt with on as low a unit level as possible, a desire which on its face seemed logical enough. It was not until later that I would see this compulsion of Haig's for what it was: an almost maniacal desire to keep anything which he felt would reflect badly upon his command from his superiors. If a skill at covering up is a prerequisite to duty in the White House, Haig comes well prepared. For he was involved in at least three major cover-ups while at West Point.

The first involved seven sophomore cadets in the Third Regiment who were implicated in a marijuana investigation in 1967. One cadet was "eliminated," as it was said, for having been caught with the evil weed in his possession. The other seven, who came to be known as the "Magnificent Seven," or "Mag Seven" for short, supposedly knew that the first had marijuana, though it could never be established that any of them smoked it with him. In fact, all seven denied having smoked with the expelled cadet. Partially because no real evidence could be produced to solidly implicate the Mag Seven, and partially because Haig did not want it to become known that the Third Regiment was a hotbed of potheads, the Mag Seven were never formally punished under the established disciplinary system. None were awarded demerits, punishment tours, or time to be served in confinement to their rooms. Instead, their 30-day summer leave was summarily revoked, and they were instructed to lie—in direct violation of the Honor Code—to their parents about the rea-

son for their not being able to return home for leave during the summer. The Mag Seven were instructed to inform their parents that they had been assigned "extra duty" because of a shortage of cadets for the summer detail during Beast Barracks, the summer training for Plebes. In the process of the marijuana "investigation," they were threatened with expulsion from the Academy and generally frightened into going along with the summary revocation of summer leave. The reason for this extraordinary arbitrary punishment, one of the Mag Seven told me, was that neither Haig or his superiors at the Academy wanted it to become known at the Pentagon that the Third Regiment harbored a bunch of junkies and perverts. Had they been punished through normal disciplinary channels, reports would have had to be filed at Department of the Army level, thus alerting the Pentagon to the existence of the Third Regiment potheads.

The irony here is that marijuana use in the Third Regiment at that time was widespread. I personally knew of at least 40 cadets who regularly used the stuff. More seriously, there was also extensive abuse of the drug Darvon, which was given out in great quantities by Academy doctors as a headache and cold remedy. Jack Anderson has reported that the chemical makeup of Darvon is similar to that of methadone, and in the Third Regiment it was well known that a half-dozen Darvons along with a little booze was a good high, a truth to which I can attest. In fact, in my company several guys used to eat Darvons and drink vanilla extract to get high. This practice, however, came to an abrupt halt when one guy was found passed out in his own puke in a phone booth.

The second cover-up Haig had a hand in involved the entire Plebe class in my company, H-3, in May of 1968. An extensive cheating ring was uncovered among the Plebes, who numbered about 30 in the company, and an investigation was begun through the cadet honor committee. It rapidly unfolded that nearly every Plebe in the company was either cheating or had knowledge of the practice among his classmates—which under the Honor Code was tantamount to cheating itself. It was a scandalous situation, and it didn't take long for the officers to get involved.

Somewhere around the late part of May, after 10 to 12 Plebes had been kicked out for honor violations, it was determined that it would be very bad for one company in the regiment to be minus an entire class of cadets, so the investigation was quickly drawn to a close. At a late-night "honor meeting," it was explained to company H-3 that all of those who were "actively involved" in the cheating ring had been gotten rid of, and the rest, well, they were just Plebes, and it could be presumed that they did not completely understand the full ramifications of the Honor Code, a relaxing of the rules which I had never seen before and would never see again. We were given to understand that they had received intensive "training" on the code and could be expected to abide by it now. Then we were told to keep the whole thing quiet. No one wanted the word to get out that the Third Regiment housed a nest of cheaters and tolerators. Over all of this Colonel Haig presided with something less than glee.

The third cover-up Haig played a part in, the starring role as it would turn out, had its roots in the spring of 1968 when a classmate and I decided we would complain to the Department of the Army's Inspector General about the regulation at West Point which required attendance at chapel each Sunday, either Protestant non-denominational, Catholic, or Jewish. We considered that the regulation was a violation of the establishment clause of the First Amendment, and after nearly three years of com-

pulsive religious force-feeding, were simply fed up with what was known as "mandatory chapel."

We secured an appointment with the tactical officer, and he sent us up to see Colonel Haig. The colonel greeted us informally, as was his custom. "Mr. T., how's it goin'," he said, and addressed the other cadet similarly. "What's on your mind? Sit down. Let's have it." All eagerness, helpful, good ole buddy Colonel Haig.

We told him what was on our minds, and Haig frowned, then smiled. "Tell you what I'm going to do, men," he said cheerfully. "I'm going to do you a big favor. I'm going to send you on back down to the company and forget this ever happened. You see, if you go forward with this request (to see the I. G.) you can only hurt yourselves, and I don't want to see that happen. We need good men like you down there. Got a tough year ahead."

We explained that all we wanted to do was see the I. G., which a notice on every company bulletin board in the corps said was our right. Haig said no, we'd better not—the regulation was bigger than us, we'd be getting ourselves in trouble. This, in all our innocence, we did not understand, though we accepted the advice unquestioningly. Colonel Haig, after all, was looking out for our best welfare. So we went packing back down to H-3.

Early in September four of us in H-3 requested that chapel "donations" which we had discovered were arbitrarily deducted from our pay be returned to us. Later we sent requests up through channels to meet with the Department of the Army Inspector General when he visited West Point. This time there was an edge of precocious glee on our actions. We had begun to sense that mandatory chapel was a sacred cow, and the notion was a titillating one. We could be the guys who knocked off chapel! Still, we played innocent.

Then we started getting "called in." On many occasions we were asked to resign from the Academy, the rationale being that if we didn't like the regulation, we should leave. We very idealistically replied that we didn't want to break the regulation, we just wanted to change it. The new Third Regimental Commander, Colonel Marion C. Ross, threatened us with court martial if we didn't stop being "troublemakers."

Finally, in late October, I was called in to see Colonel Haig, now Deputy Com. Once again he was informal, almost jovial, calling me "Mr. T.," inviting me to sit down. Haig's office was a great wood-paneled vault-like chamber in the old Brigade Headquarters building, which has since been torn down. His desk was at the far end of the room, windows on two sides, and Haig sat behind it in his shirtsleeves, his tie loosened and askew.

He told me he'd been awfully busy, but recently it had come to his attention that his old friend Mr. T. had been involved in several "questionable activities," and he wanted to "do (me) the favor" of checking things out with me before he took any action. Notes about the "questionable activities" were laid before him on the desk, and he read each off as if it were a charge. Had I been involved in the publication of a certain underground newspaper which had surfaced recently at West Point? No. Did I know who put it out? Yes. Did I at one time "challenge the authority of the First Captain" in the Mess Hall? No. Then what were the circumstances of this felonious charge? I explained them. He seemed satisfied, even relieved to find out that Mr. T. was clean. He was still informal, joking and laughing off the "questionable activities" as faulty rumors once they were explained.

Finally he held up a familiar sheaf of paperwork and asked, "Know what this is, Mr. T.?" Yes, it was the collection of requests which had been in the mill since September.

I had been wondering what had happened to them. "Well," said Haig, "I'm going to do you another favor, Mr. T. See this green memorandum slip here?"

Yes, I saw it.

"I'm going to attach this green memorandum slip to these requests and fire them back on down to you in H-3 first thing tomorrow morning, that's what I'm going to do. Do you a favor. What do you think of that?"

I didn't think much of it and asked him why he didn't simply let the requests go through channels as we had been told they would do, and which regulations required.

"Because if these go up, Mr. T., you'll leave the Commandant with no recourse but to eliminate you, all four of you from the Academy. Do you understand that? You're boxing him in, Mr. T., leaving him no other choice."

I opined that it seemed to me that the Commandant had two choices, not one: he could either approve the requests or deny them. Elimination from the Academy, it seemed to me, didn't come into things.

At that point, Haig began to get agitated. He tightened his tie. His face lost the glow of Colonel Haig, friend of Mr. T., and took on a new cast. "Look, Truscott, take my word for it. You had better get your buddies together and take these requests when they come back down to you tomorrow morning and tear them up and forget them. I know you've been garnering support down there. I know what's behind these requests. You're going after chapel again, even after I warned you last year."

I told Haig that I hadn't "garnered" support, that the other three cadets had come to me. And I said that before he sent the requests back via "green memo-routing slips" he might check with the cadet chaplains, all of them had assured me that they wanted no part of any money that was taken against a cadet's will.

Haig stood up and pulled on his uniform coat, slowly buttoning its front. "I've tried to play ball with you, Truscott. I warned you last year, and I warned you again this year. I've protected you as long as I'm going to. I've tried to play ball, but you absolutely refuse. This is the end. You'd better watch your step from here on out, young man, because you're treading on some dangerous ground."

I stood up as Haig walked around the side of his desk, straightening and re-straightening the bottom edge of his uniform coat. "Sir," I said, "I've tried to play ball with you, too. But if this is the way you want to play it, then I guess that's the way it's got to be."

Haig exploded, driving himself across the blue carpet until he was inches from my face. His fists were clenched and one of them was raised next to my head.

"You little bastard," he seethed between gritted teeth. "I will personally see you out of here one way or another. Now get out of here. Get out of my sight. The next time I see you, it will be the front gate to West Point, going out."

I left. At no time had there been any discussion on either mandatory chapel or mandatory chapel donations on their merits. Haig was unconcerned about the possible constitutional aspects; it did not matter to him in the least that the law would eventually mandate that the money be returned to us. The question we had raised the year before and again in the fall about the apparent discrepancy where officers "sworn to uphold the Constitution" also implemented a policy which on its face was unconstitutional probably never entered his mind. What mattered was that four cadets were apparently ready to go to the wall on an issue, the resolution of which he saw as a blemish on his career, an embarrassment. If we are allowed to "go forward," it would appear to the Commandant, to the Superintendent, and eventually at Department of the Army level that he, Haig, had been unable to stop the same

upstarts he had so handily salted away the year before.

In classical fashion, he distilled the four to one, me, and operated on the theory that if he scared me off, the others would follow. But the primary advantage to dealing with a single cadet was that anything said in his presence alone, such as the threat to "see (me) out of here," could never be substantiated.

In weeks following, Haig carried out a one-man campaign to stop us through stopping me. A charge of a supposed honor violation which no cadet honor representative right up to the First Captain himself (the highest ranking cadet in the corps) could find any substance to or substantiation for was pulled out of nowhere by Haig. In mid-November, I was suddenly informed that proceedings to "eliminate" me for lack of "aptitude for the military service" had been initiated against me. Over Navy weekend in late November my room was ransacked and papers of a "subversive nature" was confiscated. Several of these "subversive" papers were copies of letters to Daniel Wolf, editor of this newspaper.

Also in late November my father, a colonel and West Pointer also, got in on the act. During a visit he made to West Point I and the other three cadets explained to him in detail what had been going on, and he met with the company tactical officer, Colonel Ross, and Colonel Haig. Haig repeated the charges of "questionable activities" he had appeared to have been satisfied about in October. He charged me with having told "half-truths," which under the cadet honor code are equivalent to outright lies. And he denied ever having threatened me, though it became obvious to my father, as it was to me, that Haig was behind the sudden attempt to "eliminate" me on aptitude.

In mid-December, just before Haig left West Point for the White House, he got in his last little dig. I was on the staff of the Student Conference on United States Affairs, a yearly forum held at the Academy, and had been for four years. The day before it was to meet in 1968, my name was dropped from the list of cadets excused from class in order to administer the conference, something I had done for two years previously and which was especially important that year as I headed up the committee charged with setting up the entire conference. The day the list came out minus my name, I stormed over to the Social Science Department and asked my committee sponsor, a major what was up.

"Surely you must know," he replied dejectedly. I asked him if he was going to do anything to see that my name was put back on the list, for if he didn't I was effectively removed from my committee chairmanship. He said he had already been to see the officer in charge of the list and he had said he had no authority to change my status. I asked the major if he would find out who did have the authority. He did. It was Haig. I asked the major if he planned to do anything to see that I was able to take part in the conference I had spent six months setting up. He said that feelings at Brigade Headquarters were "running so high" that were he to do anything at that point it would "ruin" (his) career. He was married, he said, with a couple of kids. He hoped I understood. I did.

Mandatory chapel attendance at all four service academies has been ended by a Federal Court of Appeals decision. The Nixon court refused nine to nothing to hear a government appeal of the decision. The pattern of behavior on the part of the authorities at West Point in dealing with the four of us in 1968 was instrumental in defeating various contentions the government sought to make during its case.

In 1969 I was stationed at Fort Carson, Colorado, with the Fifth Mechanized Infan-

try Division, whose commander was General Bernard Rogers, former Commandant of Cadets during 1967-1969. I spoke with General Rogers about my experiences with Colonel Haig, his Deputy Commandant. Rogers knew absolutely nothing about what Haig had been doing in the office next to his. He had no idea there had been such a brouhaha over the requests Haig had sought to dispose of with a "green memorouting slip" and said that when they finally reached him he dealt with them routinely. He had no idea the aptitude "elimination" proceedings had been initiated against me. (They were later dropped as suddenly as they had appeared.) He had no idea Haig had been trying to insulate him by trying to scare us off, eventually threatening that the Commandant (Rogers), in Haig's words, would have "no choice" but to "eliminate" us if our requests appeared on his desk. Rogers told me that he was quite frankly flabbergasted to hear what Haig had carried off without his knowing it. Haig, he said, had always appeared to be "completely loyal," but my description of his actions with respect to the chapel business had given him a new perspective on the rapidly rising young star.

If Kissinger understands power best in the abstract, Haig is his perfect complement, obsessed with its use in the man-to-man, army-to-army, nation-to-nation sense. It was Haig, after all, whom Kissinger sent to Saigon just before the final signing of the "peace" agreement to make sure Thieu would stay in line. Lord only knows what went on behind those closed doors.

Haig is the ultimate action/reaction, stimulus/response addict, a believer in total logic, a distruster of what he must see to be the frailties of lesser men: ideology, morality, a sense of the inevitability of one's death, the acceptance of sin and redemption, in short all those qualities which gave man a context in which to live, a reason for being. For Haig, all that is necessary is the action. The more direct, the better. For Haig, power is the simple establishment of authority by any means necessary. If some extraneous moral consideration gets in your way, step over it. If the stated goal of a policy (such as requiring attendance at chapel in order that cadets be morally prepared to lead) seems to be compromised, forget it. At one point in his discussions with my father, when he denied having threatened me, Haig said that he hoped "this won't degenerate into a pissing contest." When he was asked to explain the statement, he said that the institution was much larger than any individual, and that if "personalities" were dragged in I only would "suffer."

In some ways, Colonel Haig was right about "Mr. T." My suitability to become an officer was questionable. He told my father I was "way beyond being a hippie," by which he meant I was a dangerous radical. By any conventional political definition of radical, he was wrong. But to the extent that I would use marijuana at West Point and fail to consider the implications of my actions once I became a commander and was charged with enforcing the law, to the extent that I was a hot-headed young punk, he was right. Within the strictures of the system, I was eager to push everything right to the limit, and to Haig, that was dangerous in a radical way.

Eventually I came to take a ratty delight in disrupting the norm, in digging beneath the surface of the Academy—as much in curiosity as in concern—at the organ which made it live. I had a deep-seated distrust of authority which had its roots in my having grown up in a strict Army family, the son of a West Pointer, the grandson of a four-star general. This was complemented by the fact that I saw the mandatory chapel cause as "right" and the establishment's frightened response (particularly Haig's) as "wrong."

If that amounts to a rough definition of dissent against the system, then I guess I was a dissident, a questionable candidate for a commission in a position of authority and responsibility within the system against which I rebelled.

What is most interesting here is that Haig, with all the right perceptions about my aptitude, with all the obvious indicators before him, was unable to cope with me and the three other cadets. The moral overtones to our position, and its psychological undertones, instead of pointing the way for Haig, stood as a roadblock he was never able to pass. Once he had locked horns with me, on my terms, there was for him no turning back. We were committed to play out our roles in a mutual drive further and further up against our respective walls.

Two major forces mesh in an instructive way in Haig. The first is the perfect malleability of his personality. He was willing to go to any length to achieve his ends. Finally he was willing to lie to cover up his actions. At West Point, where control over the lives of others is at its most absolute, the most totalitarian imaginable, the need for a code of honor is just as absolute. For in a strange way the code of honor takes the place of the protection a normal citizen enjoys through his civil liberties. Lying is the final insult to the code, the final breakdown in the tenuous system of protections it provided.

The other force was the peculiar anxiety Haig exhibited in fearing what would happen should he fail to stop Truscott at his level. Haig went to every length to conceal from General Rogers, the Commandant, not only his actions, but those we took as well. He also protected himself at every turn, insuring that nothing he did could be substantiated by a second source. Colonel Ross, the regimental commander, met with and threatened all four of us; but not Colonel Haig.

These forces were able to mesh as neatly as they did in Haig because he did not have a center. There was never a core off which his various selves had to bounce. He is the abominable no-man, a man for whom the only true authority, inner or outer, is the Action, a man who is forever Without.

Haig was used regularly by Nixon for fact-finding trips to Southeast Asia. He made a dozen such trips. Haig has said, "Usually the trip is at a juncture in the situation which requires a personal assessment for the President." It is probable that Nixon's decisions to invade Cambodia and Laos, to resume bombing North Vietnam, to mine Haiphong harbor, to carpet-bomb Hanoi last Christmas, and to continue to bomb Cambodia after the signing of the Paris "peace" accord were all based at least in part on information provided by General Alexander M. Haig. Yet there is the sense that if Nixon had made it clear that there was to be no bombing and peace at any price, Haig would have returned from Vietnam with "facts" which would have supported the "operative" policy, as it is said in the White House. If Haig is in fact the first of the so-called "new, modern generals," as it has been said, then it is safe to assume that the Pentagon will be run in the future by men who are totally utilitarian, totally functional—wind-vanes which blow in the direction of the prevailing political wind.

The comparison with Haldeman is a necessary one. Has Nixon in fact appointed as his chief of staff the vaunted "Kissinger's Kissinger," or is he getting instead Haldeman's Haldeman? Haldeman can be assumed to have had as a center at least his dedication to Richard M. Nixon. And though Haig is obviously seen as completely loyal to the President, there is in my mind at least some question as to whether Haig can duplicate even that trait of dubious distinction.

But there is a syndrome here, and we have

seen it carried to its logical conclusion in the White House complicity in planning and covering up the Watergate bugging, campaign espionage, and sabotage operations. The scandalous mess was a paranoid reaction to a stimulus, however weak, whose major threat was its moral underpinnings. The White House has so far gone to every conceivable length to continue the cover-up. With Haig riding shotgun for Nixon, if past performance is any guide, we can expect more of the same. And I would go further to predict that Haig, if anything, is better at it than Haldeman.

DENNIS KASUM—INDIVIDUALIST FIRST CLASS

(Mr. SYMMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SYMMS. Mr. Speaker, in these days of increasing collectivism, and increasing emphasis on the necessity of obtaining a higher education in order to make a successful contribution to the world, it is instructive to study a person who is making a significant contribution, and who has never been to college.

This article taken from the Owyhee Nugget, one of Idaho's outstanding weekly newspapers, is a profile of one of those people who is still appearing in this country, and making great contributions without the benefit of college. Dennis Kasum, a resident of Idaho, articulates better than most, the philosophy that has made this country great.

I have included some personal profile material to give a better picture of the man, but for those who feel that more government is the solution to our Nation's problems, I specially urge an examination of the philosophy set forth at the end of the article.

[From the Owyhee (Idaho) Nugget, Mar. 15, 1973]

DENNIS M. KASUM—DISTRIBUTOR OF HAPPINESS—PROGRESS—PROSPERITY

(EDITOR'S NOTE.—We publish the following article taken from "The Empire Builders," official publication of "KAS-COM," (Kasum Communications, Inc.), with head offices at Boise, Idaho and branch offices at Cincinnati, Ohio, Fort Mitchell, Kentucky, and Hackensack, New Jersey.

The article is about our friend, Dennis M. Kasum, president of "KAS-COM," his life, and how he built his present multi-million dollar business.

The story of Dennis M. Kasum, is the story of an "Empire Builder." The philosophy of Dennis M. Kasum should help everyone. We hope many of our young people will read this article, be inspired, so they, too, can be "Empire Builders." This is the proof that it can still happen today—with an idea and work!

We have had business dealings with Dennis Kasum for over twenty years—he has worked—and his word has been his bond.)

I was born when they still had horse wagons delivering the milk and picking up the garbage and delivering beer to the beer tavern in Milwaukee. But that was the end of an era. It was 1934. Now in the last third of the century I find myself living with a set of values that came out of pre-depression America. These values still work.

My father came from Southeastern Europe. He spoke English but never read or wrote English very well, and he worked most of his life as a crane operator in the steel foundries. My mother came off the

farm in Northern Wisconsin—she was born in 1898—went to the big city of Chicago, an unheard of thing for single ladies at that time, and got her degree in nursing. She was a sort of liberated, very advanced woman for her time, and she sparked our entire family with progressive ways. My father was the arch conservative. They both had pretty simple country people type of values and maybe that explains my own sense of values.

I went to private religious academies in Wisconsin and that is where my education stopped, just short of graduation from high school.

Q. What did you do when you got out of high school or quit?

A. I was a pre-beatnik beatnik. I guess that means I was a beatnik before anybody had a word for it. I did the golden triangle—San Francisco, Mexico City, New York, before Jack Kerouac wrote "On The Road" in which the nation discovered the beatnik variety of expatriates.

I spent some time writing in Taxco. I wore sandals. At that time long hair was not popular, even among the beat variety, which didn't yet know it was a beat generation. I wore a beret. I ran around with a goatee—all the pictures have long since been burned . . .

Then there was the Canada experience—when I went to British Columbia to homestead. We settled a day's walk on snowshoes from our post office. A day's work meant 14 to 15 hours. We were about 400 miles from the nearest neon sign. I've seen it 67 below and 103 above in the same place. That is a range of 170 degrees.

Q. What did you do to make a living? What did you do to eat?

A. I did some trapping; did some writing; I was trying to build the ranch really. There was a lot more going out than coming in. I'd saved some money for the occasion. Finally I needed some more money to finish the place, so I came out and went into commercial fishing and that was the year the salmon disappeared for three years. I wound up very, very broke. That was also the end of the Canadian adventure.

Canada is where I learned that there isn't any good escape. I'd intended to build my own little world and I was going to live in my own little world and the rest of the world could go hang. I thought it could be done. It can't. There are tremendous benefits to civilization. In the wilderness I found myself spending almost every waking hour just trying to survive. I did very little writing or anything else creative. When you spend a couple of weeks sleeping in snowbanks chasing wild horses for a few bucks or when you spend some time on a trap line and you're sleeping out and it is like 30 below or worse, you don't think creative thoughts. Even washday becomes a big project because you spend all day hauling water up by the tub full from the lake. And that is all you do all day. You've only got seven days a week and if you take up one whole day just washing clothes . . . I think people who have a notion about getting off into the wilderness should be warned what it is really like. You are going to spend all of your time just surviving. If that is what you want, fine.

In Canada I found that it was too hard to civilize the wilderness. So I decided that maybe I ought to do this the other way around—maybe I ought to civilize myself and live in civilization. So that is the track I finally took. I worked much better, and I've been on that program ever since. I can't get enthused anymore about either being a revolutionary world-changer or about riding out from the world. Now I just want to carve out my own piece of world and keep sane and happy with my family in what is sometimes a rather insane world. I think it is working—I think this is what I was looking for.

David, have you ever read the book, Dr. Zhivago?

A. No, I haven't.

Well Dave, I think that Zhivago was one of the most moving books for me at the time that it came out. It certainly shaped much of my thinking. At one point in the book where Zhivago has been captured by the Red guerillas who called themselves the Forest Brotherhood he was serving as their unit doctor in the Siberian wilderness. Liberius, the head of the Forest Brotherhood, has Zhivago in his tent and is making him sleep in there day and night so that he can indoctrinate him as much as possible in Communism. So finally Zhivago gets disgusted and says "Look, you people are so great on slogans, but there are some slogans you have forgotten—you can lead a horse to water, but you can't make him drink." He goes on to say "Just talking about this great new world of yours has already cost so many oceans of blood that I doubt if all the good that you can ever do will ever be enough to wipe it out. You expect me to be grateful for liberating me. Sure you have liberated me—from my wife, from my profession, from my practice . . . and everything that I love. Have you ever stopped to think that maybe some people don't want to be liberated?" I think the lesson there is that if you want to liberate yourself, fine, but maybe you just better leave other people alone. Maybe they don't want to be liberated. This is something the revolutionaries don't ever think about. I know that personally. I sometimes get damn tired of people trying to liberate me. I can liberate myself if and when I want to.

Q. Why did you pick advertising, why magazines, why telephone sales, why this company?

A. Well, Dave, I believe that even to a romanticist like me, the most romantic sound in the world is the sound of the dinner bell—because that is where everything starts. Until you have a full stomach nothing else is possible. I learned that sleeping in snow banks. I learned that when I was hungry. You can't create, you can't enjoy anything more than . . . you can have the joy of putting one foot in front of another, you can have the joy of taking a deep breath and getting a natural pine scent from the forest around you, you can have these little joys . . . but the joy of creating, of using your mind to create something or the enjoyment of the creation of another man or the enjoyment of the mind of another man . . . no, you can't enjoy these until you have a full night's sleep, a full stomach and have generally set aside your basic comfort. You can talk to hungry Koreans or hungry Vietnamese to find out just how creative they feel without a full stomach or washed bodies. In the advertising field we work to satisfy the basic needs of people. Years ago when I first went into business my business card simply said "Dennis M. Kasum, Distributor of Happiness, Progress and Prosperity." What people do with this is their own business.

So I think that sometimes you can create more benefits for people to satisfy their basic human hungers, and then, let them take it from there to make something out of it.

Q. Did you ever read "Zorba the Greek"?

A. Yes.

Remember the place where Zorba is talking to the guy who is writing the book—it is written in first person—and he says "Some people make their food into manure, some people turn their food into work and good humor. Still a few others turn their food into God." He goes on to say "I'm not quite yet like the last variety, but I'm certainly not the first." In the advertising business we help to furnish the food that people eat and the products they consume. Whether they turn that food into manure or whether they turn it into some form of great creativity . . . I think that is entirely up to them.

Q. What does it take to advance in KAS-COM, what are you looking for in employees for management material?

A. I look for intelligence and basic energy level. In some fields experience is more important than others but, all other things being equal intelligence and high basic energy level are key factors.

I am afraid that I don't pay too much attention to formal education. A guy I knew in the service got blown off a tank in World War II and lost his arm. Yet, he plays golf in the low 80's. With two good arms I've always had a hard time breaking 100. His explanation was "Well, Kas, I found that one arm and the right attitude will beat two arms and the wrong attitude every time." I feel the same way about education; a basic education and the right attitude will beat a high level education and the wrong attitude every time. However, if you can find a person with a high level education and a good attitude, so much the better.

I'm interested in how much drive a man or woman has, how much do they really want to accomplish, what their personal goals and ambitions are. You've got to find a person's hot button—the thing that turns him on. Then, if you can find a way to tie what we want as a company to what he wants or she wants as an individual, we certainly have a match. I think that people have to be self-motivated. It's almost impossible to motivate other people. You see, it takes years to put a person together to what they are when they walk in our door and say "Here I am KAS-COM or Design and Lithography, I'm ready to go to work for you." At that moment they are whole people and in the next few weeks or the next few months or perhaps even the next few years we are not going to be able to change them substantially. So we are not out to change people—we are out to accept them as they are and to help them use their talents to the fullest for both their benefit and ours. We are still small enough so that you don't have to have too much luck to be noticed in our company. In some of the big corporations you almost have to go on some kind of campaign to get someone to notice you—it's not that bad here. There is such a demand for people at the top that if you have ambition you almost get sucked in by the vacuum. I don't mean to imply that we don't have great people at the top because we do have the very best. It is just that in an expanding company you always need more. Competition for jobs at the lower level is much harder and heavier than it is at jobs at the highest levels. At the lower levels there are more people willing to fill the jobs. At the high levels there are so few people who really want to take on that much responsibility. It takes more than just the knowledge of business to hold a top job in this company—it takes more than just being qualified from the standpoint of what you can do—you have to really want to do things—there has to be something during you from inside. You almost have to be a little out of round, a little wacky to go for high responsibility in any corporation. I don't recall the humorist that said "One of the most difficult problems in life is getting out of a warm bed into a cold room." But most people really don't want to get out of the warm bed into the cold room—you have to have something driving from inside to want to do it.

My advice to anyone who really wants to advance inside KAS-COM is don't ask for permission to perform. When you see something that needs to be done do it. Care. Your supervisor will very quickly be able to spot you because you will be standing head and shoulders above everyone else. And don't forget that he's looking for someone who can help him do his job better. So before very long you'll find him tapping you on the shoulder regularly for special assignments. Sooner or later the guy that handles those special assignments well in addition to his regular work is going to get tapped for advancement.

A third category of question I want to ask

you concerns personal things. I've already asked you a couple of them because I thought I was running out of tape. I want to know what you do when you are not down here running this place, what you do in your spare time? What are your interests? I understand that you are a connoisseur of sorts.

We have an awfully good library developing in our home. Somehow we never got around to buying a TV set. Instead we talk to each other and read. All the kids enjoy reading very much. I know that we miss some things on TV but I'm more interested in our kids getting acquainted with some of the other things in life besides being entertained. We have quite a collection of art books and art studies that we enjoy.

Q. What artists do you admire most?

A. May I name several? I think that Vincent Van Gogh is one that I favor heavily over all. I like Monet and the impressionists. I think that Rembrandt's handling of light is utterly fantastic. I like Hopper. Probably the greatest on the contemporary scene that I like but can't afford is Andrew Wyeth. We have one of his prints in the Cincinnati apartment. But as long as Wyeth gets \$80,000 and up for his paintings I think I am just going to have to be satisfied with prints. We are frequently contributing to local artists. Even in a difficult year like 1972 we added several paintings by local artists to our company art collection. In Boise we have paintings by Auth and Nicely. We are trying to invest in good art as an investment that can also be enjoyed by all employees. We have a Frank Myers original in the Cincinnati Office and a Weintraub in New Jersey. As we open new offices one of our hopes is to budget a larger and ever larger percentage of the total cost of these offices to original art.

Other areas—music. I don't like music that strikes me more as pure noise. I favor the classic forms of jazz. I think progressive jazz is one of the classic forms and it is nice to see progressive jazz coming back again. I think we are going to see it "in" again sometime in the next 5 to 10 years. I think we'll see Dixieland revived. It has its own sound and one thing we have too little of right now is unique sound. There are too many things sounding too similar.

The "fun" things that I do—I enjoy flying. I have my private, commercial, multi-engine and instrument licenses and ratings but I am still working on my instructor's rating so that I can teach my own boys to fly. Recently I started getting involved in aerobatics. If aerobatics ever dulls I'd like to try air-racing. I like shooting very much, both trap shooting and rifle shooting. I have my own hand loading stuff for all the gauges and calibers that I use.

Q. What is your favorite spectator sport?

A. The only spectator sport—and it's not really a sport—that I am interested in is bullfighting, and then it has to be as a spectator only, although it wasn't always that way. I spent part of my teens in Mexico and La Corrida was one of the things I got involved in. I was on the beach in Mazatlan when a fellow by the name of Guillermo Gonzales took me under his wing and started teaching me to become a matador. He was a breeder of fighting bulls in the State of Aguascalientes. When the Mexican government discovered that I had overstayed my welcome in the country they escorted me to the border. It's probably just as well that my career as a matador ended right there. It was a lot of fun. I got knocked around more than I care to remember but the rest of it was fun. I still follow it. It is not so much a sport as it is an art. It is not intended to be fair to the bull. It is a real life drama done on stage. It is a ballet with death waiting for you if you don't bring it off right. I know that most Americans don't

think too much of bullfighting. It is not part of our life style. Perhaps few people who are not Spanish or Portuguese understand it very well. When it is done well it is most enjoyable. When it is not done well it is very, very bad.

Q. What are you doing in writing? Have you just given it up?

A. I decided to stop serious writing until I was past 30 and had developed enough of a philosophy that I didn't have to change my mind from one day to the next. This has since happened on both counts. There are finally enough concretes so that I have a philosophy and everyday the things that I do inside that day are done within that philosophy. It is not a philosophy that laughs at me for taking it seriously. Frequently the philosophies that you study in college are nothing more than parlor games. Mine is not one of these. It demands to be taken seriously. A person isn't going to get very far very fast without a pretty firm philosophy to follow. You can't live on the range of the moment and if you try to do it you are quickly dead. You've got to look out there ahead as far as you can possibly see and deal with your entire life as a whole. This requires a philosophy.

Q. What is your philosophy?

A. It can be summarized in one sentence—"I believe there is no legitimate conflict of interest among men." It is to my interest to see that you have everything that you should from me, everything that you've earned from me, and it is to your best interest to see that I have everything that I deserve from you, always. When you look at your life over the long period of time things look a lot different than they do on the stage of the moment. According to the pragmatist it may be all right to steal as long as it works. But if you look at your life beyond the range of the moment you get an entirely different picture. I think that it was Barnum who said "There's a sucker born every minute." And the biggest sucker is the guy who is looking for something for nothing. Anybody who has that kind of larceny in his heart is just waiting to be taken. The guy who is trying to get something that he doesn't have coming is a mark. The biggest safeguard that a person has to keep from getting taken is to keep the game honest.

There are two sides to the coin of honesty. The one side is not to accept, not to demand, not to receive the unearned. The other side is not to grant the unearned or the undeserved. In other words don't help someone fake it because you are doing them a disservice when you do. And you are doing yourself a disservice because when you get involved in helping other people to fake it, pretty soon you start wondering what is real and what is not real and then you may very well start faking it yourself—and that gets rough in a hurry.

I think that civilization has so much to offer because it allows each of us to specialize. If we are to have civilization it requires the existence of government. We must have criminal and civil law and we must give up our right to the use of retaliatory force and place that right in the hands of the government. A country is merely a philosophy with geographic boundaries. If you have a good philosophy, a good way of life, you want to protect it and you want to prevent other people from taking over your way of life and changing it. So you need a government also to provide not only an internal police force but an external police force or army. Other than these areas I don't think we need government for very many things. I think the last great step forward in civilization came with the separation of church and state. I think the next great step forward will come with the separation of government and economics. You see, we have never had capital-

ism in the world. At first the so called capitalist, or industrialist, controlled a lot of government and as a consequence the market was not free because the government is the repository of the use of physical force. Any time the government does anything at all it is always with a threat behind it, "Look, if you don't go along with what I say we'll force you to do it." But the market place must remain free.

A business must approach you and say, "Well, we will sell this at so much. Do you want to buy it or not?" And you can say, "Yes," or "No," and that is all you have to say about it. Unless a business has some kind of government backing or pull they cannot use physical force to usurp the right of an individual to make up his own mind about something. In some countries, we have a reversal of roles in which the people, not the industrialist, but the people at large have this kind of power over everybody else. They can enslave anybody that they please just by sheer weight of numbers. As long as you are with the majority, you can make the minorities your slaves. This is not right either. In our country today we have the sort of situation that can only be described as Gang Warfare. It takes a gang to get something through Congress. If you have a big enough gang you can ram it through either as a lobbying gang or as a block vote. But one man in the cause of justice can't go to Congress and say, "We should do this." Congress says, "What is your name, fellow; who do you represent; how many votes? How much of an industrial lobby to support me with campaign funds next time I run for re-election? What? Just yourself? Well, I'm sorry. We can't do anything for you." And this is pretty much the way it works. As you get more involved in some of these things as we have in the last couple of years we've discovered how frequently justice has nothing to do with it. I think that the only answer is a totally unregulated economy.

I'm not going to get Jefferson's quote right but it is something like this and it is engraved around the rotunda of the Jefferson Memorial in Washington, D.C., "I swear an eternal hatred to all that enslave the mind of man." Jefferson is probably the philosophical father of our country. And his ideas, his philosophies, are things we are still working on, still striving to reach. I think we will reach this kind of greatness if we keep trying. I think that we will develop new philosophies and that we will bring forth new great men who will help our country in the difficult periods that lie ahead. There are all kinds of revolutions. Some of them are bloody and some of them are without blood. The ones without blood may take a little longer but they will not cost quite so much.

Q. Do you think there is a need in the country now or in the future relating to this company for philosophies like Mark Twain's?

A. I think his philosophy might have laughed at him. He takes a rather dim view of man's self-importance. There are a lot of pompous people walking around thinking that they are the most important thing in this world. Twain took a rather dim view of that and tried to put man in perspective to the world, to nature, to God. I take people seriously and I like people who take themselves seriously.

I've been amused by many of the works of Mark Twain and I think that he is one of the first real American writers. Before Mark Twain we just had people copying European literary styles. But I don't agree with his philosophy in that area. Let me explain.

When I was a kid growing up I was told that there were only two philosophies a man could have. Either you had to be a Friedrich Nietzsche type of superman and trample all over other people or you had to subscribe to the alternate altruistic philosophy of casting your bread upon the waters. I couldn't

seem to get enthusiastic about either philosophy. I'd go beachcombing before I'd try to get ahead by trampling over other people. On the other hand I have no intention of working my backside off casting my bread upon the waters, then skulking up and down like a charity bastard waiting in line for something to come back to me. It wasn't until just about my 31st birthday that I discovered the concept of rational self-interest as opposed to selfishness.

The concept of rational self-interest made it clear to me that I should be interested in myself because one of the things I wanted to do most was to survive—I wanted to live—to be alive and to stay alive as long as I possibly could. Without consciousness—if you don't value consciousness—what other values are possible? That is one of the axioms or concretes of my personal philosophy. So consciousness, life itself is a primary value. Another primary value is happiness. I believe that happiness is the mental equivalent of physical good health. That glow of mental and emotional well-being, that feeling of happiness, tells you that all is right just as a physical glow of good health tells you that your body is operating properly and is in good condition. I think that happiness has got to be a primary value because if a person's life is miserable—if he is unhappy through life and therefore emotionally sick and things are wrong—then to what purpose or of what use can his life be?

Why would a man wish to be conscious for 105 years if every moment of that consciousness was misery and unhappiness? So I think that the three things that all men strive for regardless of their race, creed, or color are life, happiness, and physical health. All other values are derivatives of these. This being the case I think that people had better take their lives seriously.

In the ancient Egyptian culture you notice that all the statuary is virtually two dimensional. Man is never shown in motion. He always looks like his joints are rigid. Then, if you hunt through ruins on Crete, as Bonnie and I both have, you find in the Mycenaean civilization that the statuary of man begins to take the third dimension. Finally in the Greek classic period you find man portrayed as a God.

I believe that in this life, without reference to any other, man can attain all he will ever know of God. There may be other lives. I don't know. But I do know that I have this life and I intend to enjoy every last minute of it.—The Empire Builders, Copyright 1973, published by permission of Kasum Communications, Inc.

AGNEW SPEAKS OUT

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, Evans and Novak, in their syndicated column published last Sunday in the Washington Post, reported on the alleged dissatisfaction of conservative Republican Congressmen with Vice President SPIRO T. AGNEW's recent public remarks on Watergate. Actually, the Vice President has repeatedly cited the significant achievements of the Nixon administration in both domestic and foreign affairs and has cautioned the public—and Republicans in particular—against allowing the furor surrounding Watergate to obscure the merits of the Republican position on other great issues facing the country today.

The Evans and Novak column made specific reference to a speech the Vice

President delivered before a luncheon meeting of the "Bull Elephants" Republican congressional staff organization at the Capitol Hill Club on May 21, 1973.

While I was not present at that meeting, I have examined the full text of the Vice President's statement, which was released to the press. Not only do I personally find the tone of the remarks appropriate and altogether unobjectionable, I also feel the Vice President's observations on the durability of Republican principles, temporary crises notwithstanding, were valid ones with which every thoughtful person will agree.

For the benefit of those of my colleagues who may not yet have had the chance to hear or read this very valuable statement in its entirety, I would like to include at this point in the RECORD the full text of the Vice President's "Bull Elephants" address:

ADDRESS BY THE VICE PRESIDENT OF THE UNITED STATES, BULL ELEPHANTS LUNCHEON, WASHINGTON, D.C., MAY 21, 1973.

This is not the easiest time to be a high-profile Republican in Washington.

But it may well be the best time for Republican partisans to give evidence, in every appropriate way, of our Party pride and loyalty.

There are times when people momentarily lose a sight of what would otherwise be obvious, and when to remind them of the obvious is not to belabor it. This is such a time.

No matter when or how each of us in this room came to join the Republican Party, I am sure that each of us did so because we sensed that the Party's historic ideals, and its approaches to solving the major problems of the day, offered the best hope of accomplishing, quite simply, the greatest good for the greatest number.

The Republican Party's record of service to the States, the Nation, and the Nation's communities is a legitimate source of pride to us all. The philosophical underpinnings of that record are not so shallow or wispy that the sensation of the moment warrants a retreat from the battle to implement our philosophy through positive and progressive programs for the achievement of our major national goals.

I am as proud of my Republican identification today as I was last year, or four years ago, or twenty years ago. And I know all of you share this sense of pride.

You who work on the Hill have every reason to be proud of the contribution which you have made, year in and year out, this year as in prior years, to the shaping of the Nation's laws.

The Republican contingent in Congress has worked determinedly and constructively to protect the public interest by promoting legislation that is needed, opposing legislation that is not. And, with the help of like-thinking friends on the other side of the aisle, you have achieved a degree of success in this regard that often leaves one wondering who is in the majority and who is in the minority.

The American people have been well served by the Republican Members of Congress and by their supporting minority staff members. You merit and will continue to receive the support and appreciation of those of our citizens who demand efficient and fiscally responsible Government, a strong national defense and a deep commitment to reversing the continued flow of power to Washington.

It is understandable that those of us who are subjected to the incessant drumbeat of publicity given to Watergate tend to feel coerced by the seeming weight of it all and to grope anew each day for ever stronger words of condemnation and dissociation from the alleged and insinuated wrongdoing, lest we be thought to protest too little.

But I believe it is important that we not be stamped into protesting entirely too much. Republicans must not allow the content of their speeches, statements and even private conversations to be controlled by those who are literally obsessed with one subject, some of whom do now and always did wish our Party nothing but ill.

Some people in this town, in and out of Government, never wanted Richard Nixon to become President. They will never be satisfied with him and this would be true whether or not Watergate had ever happened. Some people do not subscribe to either the President's or the Republican Party's goals in such areas as revitalization of the Federal system through the return of resources, responsibilities and initiative to our States and localities, or the maintenance of a strong national defense and a strong bargaining position vis-a-vis those other nations with whom we must from time to time negotiate on matters affecting our vital national interests.

Presidential accomplishment under Richard Nixon has been formidable; Presidential initiative under Richard Nixon has been unprecedented. Richard Nixon has advanced the United States by discarding the conventional utopian rhetoric for solid, pragmatic action. As a result, other nations, allies and adversaries, know where we stand and respect our positions.

It is time Republicans resume talking about the underlying merits of the issues before the Congress. We have the programs. We have the policies. And we are prepared to offer real and imaginative solutions to the real—as opposed to the manufactured—problems of our times. It is time, gentlemen, that we went back to work.

THE JOHN W. McCORMACK AWARD OF EXCELLENCE

(Mr. ALBERT (at the request of Mr. STUBBS) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ALBERT. Mr. Speaker, on Wednesday, May 23, 1973, the John W. McCormack Award of Excellence was presented to the outstanding employee of the House for 1972 in an impressive ceremony attended by Speaker McCormack. The recipient of the 1972 award was Robert M. Menaugh, the House's first and only superintendent of the Radio-Television Gallery. I have known Bob for 27 years, and I can personally attest to the excellent work he has done and the high standards he has set for the Radio-TV Gallery. His spirit of dedication and cooperation is unsurpassed. Bob has the difficult job of serving two masters: Members of the House and representatives of the broadcast news media. However, Bob has earned the deep respect and friendship of both.

We in the House have depended on Bob Menaugh for so much for so long that his name is synonymous with the Radio-TV Gallery which he helped establish in 1939. I am sure all Members of the House join with me in congratulating Bob Menaugh for his outstanding service to the House of Representatives.

At this point I would like to include a transcript of the John W. McCormack Award ceremony honoring Bob Menaugh and a news item broadcast by correspondent Joseph McCaffrey.

JOHN W. MCCORMACK AWARD OF EXCELLENCE PRESENTATION—KENNETH HARDING, SERGEANT AT ARMS, PRESIDING MAY 23, 1973

Mr. HARDING. Mr. Speaker McCormack, Mr. Speaker Albert, Majority Leader O'Neill, our good chaplain, ladies and gentlemen. On behalf of the selection Committee, it is once again my honor to welcome all of you to this happy ceremony. First of all, Speaker McCormack, it is so nice to have you with us again. All of us share a very special feeling of warmth and love for you. Thank you for coming home, sir.

Each year the committee takes on the task of finding that one person—that one person out of over 10,000 employees who best represents the high standards that have been established for the person chosen as the recipient of the John W. McCormack Award for Excellence. It is truly an awesome responsibility to make that determination—but still an assignment that each member of the committee considers a great privilege to be a part of. Today, we are fortunate to have with us two previous recipients of this honor—and I am sure we can all agree that they were and are true winners in every sense of the word—Lew Deschler for 1970. Turner Robertson for 1971.

Mr. Speaker, the Committee has scored again for 1972. The man chosen is a product of the great State of Indiana and has served the House of Representatives for over 40 years—his contributions have been many and his devotion to the Country and the Congress have been outstanding. Others this morning will tell of his accomplishments. When you hear the remarks, I'm sure you will all agree that the right choice has once again been made. Now, Speaker McCormack, will you kindly present the plaque to the winner of 1972, the Honorable Robert McCormack Menaugh.

Speaker MCCORMACK. Bob, I'm very happy to be with you on this occasion—meet my old colleagues and friends. I'm particularly pleased to execute this part of this sweet and warm gathering and event.

To begin with, I am deeply touched by the action of the employees of establishing this annual award of excellence in my honor—I'm glad while I am alive. I'm particularly pleased to present this to you and for you to be included with the other two alumni—the recipients of the award—and you richly deserve it. Your relationship with myself has been very close, very close. And also with Speaker Albert. And you've done a grand job up there. You certainly got a lot of space out of me that very few could have got. I congratulate you on that. For that alone you are entitled to this award.

Mr. HARDING. Before Bob responds, Speaker Albert, would you like to say a few words, please?

Speaker ALBERT. Mr. Speaker, Bob and friends. I want to join Speaker McCormack in congratulating Bob Menaugh in being the third on what is going to be one of the most illustrious lists you can put together in the Capitol either with Members or employees or officers of the House. You have earned this distinction and you certainly join two very illustrious predecessors. I'm happy that this award is made in the name of John McCormack because I believe John did as much if not more for the employees of the House as any Speaker in the history of the House. He was always mindful of their welfare . . . time and again almost unnoticed by other people. I have heard him say to Chairmen of Committees who were handling bills—Don't our own people get a part of this . . . ? Are we taking care of our own, too? and John, that shows the attachment which you had for the employees of the House and I know the considerations which you had for them is reflected in the love which they all had for you.

I'm glad the award is going to Bob Menaugh. I don't know how John found any extra room; that's the biggest problem I have. If you think that impoundment and the Vietnam War are problems, you ought to try and get rooms for the Members that want them here. It's the most difficult I think I ever undertook. But, I'm glad it went to Robert Menaugh, for here we have a great institution—the Radio and TV Gallery. The Radio and TV Gallery is Robert Menaugh. He set it up, he is the only person that was born with it and is still here, actively participating in it.

And he has run it through all the years. I have never had a complaint, not one from one single representative of that great branch or those two great branches of the media about his work. I have only compliments about the work of Bob Menaugh. In doing that, he certainly rendered great service to the House, to his fellow employees and to the Members. Bob, I thank you and I congratulate you.

Mr. HARDING. Now I'm going to ask Ray Madden to speak on behalf of the entire Indiana delegation.

Mr. MADDEN. Thank you, Ken. Mr. Speaker, both former and present. I shouldn't say both ancient and modern. On behalf of the great State of Indiana, and I am now going to make a special inclusion there and put the Republicans in with the Democrats in Indiana, in congratulating Bob here because his name is well known back in the State of Indiana . . . as one of the great news men of that state and we've had some great ones over the years.

I remember when during my 31 years here now, John, Mr. Speaker, I got acquainted with Bob. He was a big help to me when I came here and ever since. I see a number of the newsboys here . . . and they are an invaluable help to all Members of Congress, whether they are new Members or old Members. If it weren't for the newspaper profession, I think most of the Congressmen who come down here—if they had to depend on their own lot—they wouldn't last very long. With the help of a few friendly news people they can get the word back home to the people that their representatives down here are accomplishing something, whether you are misrepresented or not I don't know. But never the less, it helps at home.

Bob, I know everyone in Indiana is proud of you in receiving this great award from the former Speaker. There have been so many great things said about our former Speaker. We're all glad to see him back here, and I think he'll go down in history as probably one of the most outstanding Speakers in our history. John McCormack, now, I'm going to limit that because Carl has still got a long time to go. He may pass you before my words are outlawed as to your standing. But, we certainly are happy to see our former Speaker and I want to congratulate him for originating this great prize which I know the news media people greatly appreciate, as well as the Members of Congress and the people of Indiana. Congratulations Bob.

Mr. HARDING. And now we'll have a few words from Bob Menaugh. Bob.

Mr. MENAUGH. Mr. Speaker, I want to thank the nominating committee that bestowed this plaque. I'm supposed to know all the things that are going on around here, but I didn't know that this committee was considering my selection.

There is a tradition around here that short speeches are always the best, so I will quit while I am ahead and revise and extend my remarks. Thank you all.

Mr. HARDING. We do have Mrs. Menaugh with us today. We are very proud of your husband.

Mrs. MENAUGH. Thank you.

OUTSTANDING HOUSE EMPLOYEE HONORED

(By Joseph McCaffrey)

Later this morning, to be exact at 10:30, a fine public servant will be paid tribute, and a deserved tribute it is.

These are the days when men and women who work in government are under suspicion, there is a distrust of our government. The stars and stripes feeling we used to have, for example, during World War II—if you are that old—has long faded into an echo.

But today, at a small ceremony, attended by a small number of people, one of the finest men I have ever known with the government will be given the honor as the outstanding employee of the House of Representatives for 1972.

His name is Robert Menaugh, and he is known to radio and television men and women from Maine to Hawaii, from Miami to Anchorage.

Today, Bob Menaugh will receive the John W. McCormack Award, and it will be presented by the former Speaker himself, in person.

Bob Menaugh has been a Capitol employee 40 years. He was the man who established the Radio Gallery in the infancy of this business, and he is still the man in charge.

Bob Menaugh, the man from Indiana, is one of the finest men I have had the honor to know . . . and for forty years he has proved that there are outstanding people serving in government. He is one of them. Today is his day.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SPENCE (at the request of Mr. GERALD R. FORD), for the week of May 29, on account of official business.

Mr. BRAY (at the request of Mr. GERALD R. FORD), for May 29 through June 4, on account of official business.

Mr. DICKINSON (at the request of Mr. GERALD R. FORD) for the week of May 29, 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. MILLS of Arkansas, for 1 hour, today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. HUBER) and to revise and extend their remarks and include extraneous matter:)

Mr. LANDGREBE, for 1 hour, on May 31.

Mr. KEMP, for 15 minutes, today.

Mr. SEBELIUS, for 5 minutes, today.

(The following Members (at the request of Mr. STUDDS) and to revise and extend their remarks and include extraneous matter:)

Mr. FRASER, for 5 minutes, today.

Ms. ABZUG, for 10 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. REUSS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mrs. GRIFFITHS and to include extra-

leous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost \$312.50.

Mr. HECHLER of West Virginia and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost \$467.50.

Mr. SYMMS and to include extraneous matter notwithstanding the fact it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost \$425.

Mr. GAYDOS and to include extraneous matter notwithstanding the fact it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost \$807.50.

Mr. ZABLOCKI in two instances and to include extraneous matter.

(The following Members (at the request of Mr. HUBER) and to include extraneous matter:)

Mr. LENT in three instances.

Mr. ERLÉNBOEN.

Mr. FINDLEY.

Mr. QUIE.

Mr. BELL in two instances.

Mr. PRICE of Texas.

Mr. HOSMER in three instances.

Mr. ZWACH.

Mr. BROTZMAN.

Mr. SHRIVER.

Mr. BAKER.

Mr. McCLORY in two instances.

Mr. KEMP.

Mr. ASHBROOK in three instances.

Mr. HINSHAW.

Mr. WYMAN in two instances.

(The following Members (at the request of Mr. STUBBS) and to include extraneous matter:)

Mr. WOLFF in two instances.

Mr. ROYBAL in two instances.

Mrs. BURKE of California in 10 instances.

Mr. PICKLE in 10 instances.

Mr. RANGEL in 11 instances.

Mr. BENNETT in two instances.

Mr. YATES.

Mr. CHARLES H. WILSON of California.

Mr. STARK in 10 instances.

Mr. DELLUMS in 10 instances.

Mr. ADDABO in two instances.

Mr. BURKE of Massachusetts.

Mr. HUNGATE.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. DOWNING.

Mr. HÉBERT in two instances.

Mr. RODINO.

Mr. REUSS.

Mr. ST GERMAIN.

Mr. CASEY of Texas.

Mr. KARTH in two instances.

(The following Members (at the request of Mr. MILLS of Arkansas) and to include extraneous matter:)

Mr. KOCH.

Mr. ANDERSON of California in four instances.

Mr. EDWARDS of California.

ADJOURNMENT

Mr. THORNTON. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 3 minutes p.m.) the House adjourned until tomorrow, Thursday, May 31, 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:

972. A letter from the Assistant Secretary of Defense (Manpower and Reserve Affairs), transmitting a report on statutory limitations on the numbers of officers serving in the various commissioned grades of the Armed Forces, pursuant to section 2 of Public Law 92-561; to the Committee on Armed Services.

973. A letter from the Secretary of Commerce, transmitting a special report on export control, pursuant to section 4(b)(4) of the Export Administration Act of 1969, as amended by Public Law 92-412; to the Committee on Banking and Currency.

974. A letter from the Acting Assistant Secretary of State for Congressional Relations, transmitting the texts of International Labor Organization Convention No. 128 and ILO Recommendation No. 131 concerning Invalidity, Old-Age and Survivors' Benefits, pursuant to article 19 of the Constitution of the ILO (H. Doc. No. 93-107); to the Committee on Foreign Affairs and ordered to be printed.

975. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend Reorganization Plan No. 2 of 1973; to the Committee on Government Operations.

976. A letter from the Librarian of Congress, transmitting the Annual Report of the Library of Congress, including the Copyright Office, for fiscal year 1972, and the Annual Report of the Library of Congress Trust Fund Board, pursuant to 2 U.S.C. 139 and 163, respectively; to the Committee on House Administration.

977. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication entitled "Statistics of Publicly Owned Electric Utilities in the United States, 1971"; to the Committee on Interstate and Foreign Commerce.

978. A letter from the Vice Chairman, U.S. Commission on Civil Rights, transmitting a report on the problems of Southwest Indians, as part of a nationwide study of civil rights problems of American Indians, pursuant to Public Law 85-315; to the Committee on the Judiciary.

979. A letter from the National Executive Secretary of the Navy Club of the United States of America, transmitting a report on the proceedings of the national convention of the club during September 1972, together with a report of the examination of the financial status, pursuant to 36 U.S.C. 1103; to the Committee on the Judiciary.

RECEIVED FROM THE COMPTROLLER GENERAL

980. A letter from the Comptroller General of the United States, transmitting a list of the reports issued or released by the General Accounting Office during April 1973, pursuant to 31 U.S.C. 1174; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of the rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HENDERSON: Committee on Post Office and Civil Service. H.R. 5094. A bill to amend title 5, United States Code, to provide for the reclassification of positions of deputy U.S. marshal, and for other purposes; with amendment (Rept. No. 93-235). Referred to the Committee of the Whole House on the State of the Union.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 415. Resolution providing for the consideration of H.R. 6458. A bill to amend the Public Health Service Act to authorize assistance for planning, development and initial operation, research, and training projects for systems for the effective provision of health care services under emergency conditions; (Rept. No. 93-236). Referred to the House Calendar.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 416. Resolution providing for the consideration of H.R. 7357. A bill to amend section 5(1)(1) of the Railroad Retirement Act of 1937 to simplify administration of the act; and to amend section 226(e) of the Social Security Act to extend kidney disease medicare coverage to railroad employees, their spouses, and their dependent children; and for other purposes; (Rept. No. 93-237). Referred to the House Calendar.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 417. Resolution providing for the consideration of H.R. 7724. A bill to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes; (Rept. No. 93-238). Referred to the House Calendar.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 418. Resolution providing for the consideration of H.R. 7806. A bill to extend through fiscal year 1974 certain expiring appropriations authorizations in the Public Health Service Act, the Community Mental Health Centers Act, and the Developmental Disabilities Services and Facilities Construction Act, and for other purposes; (Rept. No. 93-239). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 419. Resolution providing for the consideration of 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. 93-240). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLS of Arkansas:

H.R. 8213. A bill to amend the Social Security Act to extend for 1 year authorities for special project grants for maternal and child health, for social work training programs, and for temporary assistance to U.S. citizens returned from foreign countries; to the Committee on Ways and Means.

H.R. 8214. A bill to amend sections 112, 692, 6013, and 7508 of the Internal Revenue Code of 1954 for the relief of certain members of the Armed Forces of the United States returning from the Vietnam conflict combat zone, and for other purposes; to the Committee on Ways and Means.

H.R. 8215. A bill to provide for the suspension of duty on certain copying shoe lathes until the close of June 30, 1976; to the Committee on Ways and Means.

H.R. 8216. A bill to amend the Internal Revenue Code of 1954 to permit the authorization of means other than stamps on containers of distilled spirits as evidence of tax payment; to the Committee on Ways and Means.

H.R. 8217. A bill to exempt from duty certain equipment and repairs for vessels operated by or for any agency of the United States where the entries were made in connection with vessels arriving before January 5, 1971; to the Committee on Ways and Means.

H.R. 8218. A bill to amend the Internal Revenue Code of 1954 to permit charges for certain services; to the Committee on Ways and Means.

H.R. 8219. A bill to amend the International Organizations Immunities Act to authorize the President to extend certain privileges and immunities to the Organization of African Unity; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 8220. A bill to provide for the continued operation of the Public Health Service hospitals; to the Committee on Interstate and Foreign Commerce.

By Mr. ABDNOR:

H.R. 8221. A bill to amend the Flood Control Act of June 28, 1938, as amended and supplemented to provide for emergency bank stabilization works in that reach of the Missouri River between Fort Randall and Sioux City, Iowa; to the Committee on Public Works.

By Mr. ANDERSON of California:

H.R. 8222. A bill relating to the reduction of civilian personnel at military installations in the United States and the closing of military installations in the United States; to the Committee on Armed Services.

H.R. 8223. A bill relating to the authority of the Administrator of Veterans' Affairs to readjust the schedule of ratings for the disabilities of veterans; to the construction, alteration, and acquisition of hospitals and domiciliary facilities; to the closing of hospital and domiciliary facilities and regional offices; and to the transfer of real property under the jurisdiction or control of the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. BAKER:

H.R. 8224. A bill to amend the National Labor Relations Act to make certain limitations on penalties levied by a labor organization upon its members, and for other purposes; to the Committee on Education and Labor.

By Mr. BENNETT:

H.R. 8225. A bill to amend chapter 313 of title 18 of the United States Code to improve the system dealing with mental defectives charged with offenses against the United States; to the Committee on the Judiciary.

By Mr. BROTZMAN:

H.R. 8226. A bill to strengthen and improve the private retirement system by establishing minimum standards for participation in and for vesting of benefits under pension and profit-sharing retirement plans, by allowing deductions to individuals for their contributions to retirement plans, by increasing contribution limitations for self-employed individuals and shareholder-employees of electing small business corporations, by imposing an excise tax on prohibited transactions, and for other purposes; to the Committee on Ways and Means.

By Mr. CLANCY:

H.R. 8227. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 8228. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; to the Committee on Ways and Means.

By Mr. DENHOLM:

H.R. 8229. A bill to declare that certain federally owned land is held by the United States in trust for the Sisseton-Wahpeton Sioux Tribe of the Lake Traverse Indian Reservation in North and South Dakota; to

the Committee on Interior and Insular Affairs.

H.R. 8230. A bill to authorize the Sisseton and Wahpeton Sioux Tribe of the Lake Traverse Reservation to consolidate its landholding in North Dakota and South Dakota, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DOWNING:

H.R. 8231. A bill to amend title II of the Social Security Act to eliminate the requirement that the 20 quarters of coverage which a fully insured individual generally needs in order to qualify for disability insurance benefits and the disability freeze must have been earned during a specified 40-quarter period; to the Committee on Ways and Means.

By Mr. DOWNING (for himself and Mr. GINN):

H.R. 8232. A bill to direct the Secretary of Health, Education, and Welfare to continue to operate and maintain the hospitals and other health care delivery facilities of the Public Health Service to assure that persons entitled to care and treatment at such facilities will continue to receive care and treatment there; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER:

H.R. 8233. A bill to revise the Welfare and Pension Plans Disclosure Act; to the Committee on Education and Labor.

H.R. 8234. A bill to revise the Welfare and Pension Plan Disclosure Act; to the Committee on Education and Labor.

By Mr. FRASER (for himself, Mr. DIGGS, Mr. CORMAN, Mr. ADDABBO, Mr. YATES, Mr. MOAKLEY, and Mr. REUSS):

H.R. 8235. 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. FREY:

H.R. 8236. A bill to amend title IV of the National Housing Act, to prohibit a mutual savings and loan association from converting into a stock savings and loan institution; to the Committee on Banking and Currency.

By Mr. FREY (for himself and Mr. HARVEY):

H.R. 8237. A bill to require the Secretary of Transportation to take into consideration the public interest in the freedom of movement of surface land transportation when prescribing rules and regulations to govern the opening of drawbridges across the navigable rivers and other waters of the United States; to authorize the Secretary of Transportation to assess a civil penalty for any violation of such regulations; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FREY (for himself and Mr. LEHMAN):

H.R. 8238. A bill to require the Secretary of Transportation to take into consideration the public interest in the freedom of movement of surface land transportation when prescribing rules and regulations to govern the opening of drawbridges across the navigable rivers and other waters of the United States; to authorize the Secretary of Transportation to assess a civil penalty for any violation of such regulations; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRINGTON (for himself, Mr. BURTON, Mr. DONOHUE, and Mr. DRINAN):

H.R. 8239. A bill to establish a New England Regional Commission, and for related purposes; to the Committee on Public Works.

By Mrs. HECKLER of Massachusetts:

H.R. 8240. A bill to amend title 39 and title 18, United States Code, to provide for licensing and protection of distinctive designs, legends, and insignia of the U.S. Postal Serv-

ice; to the Committee on Post Office and Civil Service.

By Mr. HILLIS:

H.R. 8241. A bill to establish a program of nutrition education for children as a part of the national school lunch and child nutrition programs and to amend the National School Lunch and Child Nutrition Acts for purposes related to strengthening the existing child nutrition programs; to the Committee on Education and Labor.

H.R. 8242. A bill to provide that respect for an individual's right not to participate in abortions contrary to that individual's conscience be a requirement for hospital eligibility for Federal financial assistance and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 8243. A bill to provide for improved labor-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 8244. A bill to amend the tariff and trade laws of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. HOLIFIELD (for himself, Mr. HORTON, and Mr. FRUQUA):

H.R. 8245. A bill to amend Reorganization Plan No. 2 of 1973; to the Committee on Government Operations.

By Mr. KOCH:

H.R. 8246. A bill to prohibit discrimination on account of sex or marital status against individuals seeking credit; to the Committee on Banking and Currency.

By Mr. LUJAN:

H.R. 8247. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for employers who employ members of the hard-core unemployed; to the Committee on Ways and Means.

By Mr. MATHIS of Georgia:

H.R. 8248. A bill to extend through fiscal year 1974 the expiring appropriations authorizations in the Public Health Service Act, the Community Mental Health Centers Act, and the Developmental Disabilities Services and Facilities Construction Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLS of Arkansas:

H.R. 8249. A bill relating to the duties of the Joint Committee on Internal Revenue Taxation; to the Committee on Ways and Means.

By Mr. REES (for himself and Mr. DIGGS):

H.R. 8250. A bill to authorize certain programs and activities of the Government of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. RINALDO:

H.R. 8251. A bill to amend the Immigration and Nationality Act to transfer to the Secretary of State the powers, duties, and functions of consular officers relating to the granting or refusal of visas; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 8252. A bill to amend the Federal Meat Inspection Act to prohibit the sale for human consumption of meat from horses, mules, and other equines; to the Committee on Agriculture.

By Mr. ROE:

H.R. 8253. A bill to encourage the movement in interstate and foreign commerce of recycled and recyclable materials; to reduce the quantities of solid waste materials in commerce which cannot be recycled or do not contain available recycled materials; and to protect our domestic resources against shortages or inflationary pressures caused by export of recycled or recyclable materials; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SEBELIUS:

H.R. 8254. A bill to amend section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, to reinstitute certain permanent soil- and water-conserving prac-

tices under such act; to the Committee on Agriculture.

By Mr. STAGGERS (for himself and Mr. DEVINE):

H.R. 8255. A bill to amend the Federal Trade Commission Act, as amended, to deal with unfair competition in imports and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 8256. A bill to amend the Investment Company Act of 1940 to provide for the registration and regulation of domestic investment companies organized for the sale of their securities to foreigners; to the Committee on Interstate and Foreign Commerce.

H.R. 8257. A bill to amend section 14 of the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. ZABLOCKI (for himself, Mr. FRASER, Mr. FRELINGHUYSEN, Mr. FASCELL, Mr. FINDLEY, Mr. DIGGS, Mr. NIX, Mr. ROSENTHAL, Mr. HAMILTON, Mr. BINGHAM, Mr. WHALEN, Mr. BIES-TER, Mr. WINN, Mr. REID, Mr. YATRON, Mr. HARRINGTON, Mr. RYAN, Mr. RIEGLE, Mr. CHARLES WILSON of Texas, Mr. WOLFF, Mr. VANDER JAGT, Mr. GILMAN, and Mr. BUCHANAN):

H.R. 8258. A bill to amend the Foreign Assistance Act of 1961, and for other purposes; to the Committee on Foreign Affairs.

By Mr. QUILLEN:

H.R. 8259. 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. SHOUP:

H.R. 8260. A bill to amend the Social Security Act to provide for medical, hospital, and dental care through a system of voluntary health insurance including protection against the catastrophic expenses of illness, financed in whole for low-income groups through issuance of certificates, and in part for all other persons through allowance of tax credits; and to provide effective utilization of available, financial resources, health manpower, and facilities; to the Committee on Ways and Means.

By Mr. ADDABBO (for himself, Mr. BELL, Mr. BRASCO, Mr. BROWN of California, Mr. CORMAN, Mr. DELANEY, Mr. DANIELSON, Mr. EDWARDS of California, Mr. GIBBONS, Mr. HELSTOSKI, Mr. KOCH, Mr. LEGGETT, Mr. PODELL, Mr. ROONEY of Pennsylvania and Mr. MOAKLEY):

H.J. Res. 582. Joint resolution creating a Joint Committee on Classified Information; to the Committee on Rules.

By Mr. ARCHER:

H.J. Res. 583. Joint resolution proposing

an amendment to the Constitution of the United States to provide for mandatory retirement of the Federal judiciary; to the Committee on the Judiciary.

By Mr. ASHBROOK:

H.J. Res. 584. Joint resolution proposing an amendment to the Constitution of the United States relative to force and effect of treaties; to the Committee on the Judiciary.

By Mr. BINGHAM (for himself, Mr. WALDIE, Ms. SCHROEDER, and Mr. STOKES):

H.J. Res. 585. Joint resolution to end the war in Indochina; to the Committee on Foreign Affairs.

By Mr. DON H. CLAUSEN:

H.J. Res. 586. Joint resolution to amend title 5 of the United States Code to provide for the designation of the 11th day of November of each year as Veterans Day and the 30th day of May of each year as Memorial Day; to the Committee on the Judiciary.

By Mr. DERWINSKI (for himself, Mr. BRASCO, Mr. BROWN of California, Mr. BUCHANAN, Mr. CLEVELAND, Mr. CRANE, Mr. DENNIS, Mr. HUBER, Mr. KEMP, Mr. KETCHUM, Mr. LANDGREBE, Mr. WALSH, and Mr. CHARLES H. WILSON of California):

H.J. Res. 587. Joint resolution commending the New York Times for its defense of freedom of the press against the threats of the People's Republic of China; to the Committee on Foreign Affairs.

By Mr. FRASER:

H.J. Res. 588. Joint resolution proposing an amendment to the Constitution of the United States to alter the process of election of U.S. Senators, Members of the House of Representatives, and the President of the United States; to the Committee on the Judiciary.

By Mr. MACDONALD (for himself, Ms. ABZUG, Mr. BROWN of California, Mr. BURTON, Mr. COLLINS, Mr. HARRINGTON, Mr. LEGGETT, Mr. MATSUNAGA, Mr. PODELL, and Mr. WON PAT):

H.J. Res. 589. Joint resolution proposing an amendment to the Constitution of the United States to provide that a citizen shall not be ineligible to the Office of the President by reason of not being native born if he has been a U.S. citizen for at least 12 years and a resident within the United States for 14 years; to the Committee on the Judiciary.

By Mr. STOKES:

H.J. Res. 590. Joint resolution to end the bombing in Cambodia and Laos; to the Committee on Foreign Affairs.

By Mr. TREEN (for himself, Mr. ANDERSON of California, Mr. BREAUX, Mr. BURKE of Massachusetts, Mr. COHEN, Mr. CRONIN, Mr. DE LUGO, Mr. DOWNING, Mr. DU PONT, Mr. EDWARDS of Alabama, Mr. FISHER, Mr. FUQUA, Mr. GROVER, Mr. GUNTER, Mr. HALEY, Mrs. HOLT, Mr. JONES of North Carolina, and Mr. KEMP):

H. Con. Res. 229. Concurrent resolution

relating to the U.S. fishing industry; to the Committee on Merchant Marine and Fisheries.

By Mr. TREEN (for himself, Mr. KYROS, Mr. LEGGETT, Mr. LONG of Louisiana, Mr. MATSUNAGA, Mr. MOAKLEY, Mr. MURPHY of New York, Mr. PASSMAN, Mr. PEPPER, Mr. PODELL, Mr. SARASIN, Mr. STUBBLEFIELD, Mr. STUDDS, Mr. TALCOTT, Mr. TEAGUE of California, Mr. WON PAT, Mr. WYATT, and Mr. YOUNG of South Carolina):

H. Con. Res. 230. Concurrent resolution relating to the U.S. fishing industry; to the Committee on Merchant Marine and Fisheries.

By Mr. ZWACH:

H. Con. Res. 231. Concurrent resolution expressing the sense of the Congress that the National Guard and Reserve components of the Armed Forces of the United States cut back on unnecessary fuel expenditures which are not required for our national security or defense readiness; to the Committee on Armed Services.

By Mr. LEHMAN:

H. Res. 420. Resolution to establish as part of the congressional internship program an internship program for secondary school teachers of government or social studies in honor of President Lyndon Baines Johnson, and for other purposes; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

229. The SPEAKER presented a memorial of the Legislature of the State of Oregon, ratifying, again (after rescinding previous ratification) the 14th amendment of the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ECKHARDT:

H.R. 8261. A bill for the relief of Ngan Sham Kwok Chee Stella; to the Committee on the Judiciary.

By Mr. FISHER:

H.R. 8262. A bill for the relief of Dr. Laurence T. Gayao, his wife, Edith Cabus Gayao, and their daughter, Lorraine Gayao; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 8263. A bill to provide for the payment of death benefits in lieu of Servicemen's Group Life Insurance benefits to the eligible survivors of certain individuals killed while participating in the Air Force Reserve Officers' Training Corps Flight Instruction program; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

GEORGE BAKER—QUEENS VFW
COMMANDER

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 30, 1973

Mr. ADDABBO. Mr. Speaker, the Queens, N.Y., chapter of the Veterans of Foreign Wars recently installed as its commander, Mr. George Baker of Jamaica. As the U.S. Representative of the Seventh Congressional District, New York. I am proud that Mr. Baker is my

constituent and I look forward to working with the Queens VFW on such issues as the need for a medical college and veterans' hospital to be located at the St. Albans site in Queens County.

A recent article in the Long Island Press presents an interesting sketch of George Baker, his family and his goals as Queens VFW commander. I am pleased to insert the text of that article in the RECORD at this point:

New VFW Commander "LOOKING FORWARD TO CHALLENGE"

(By Ernie Johnston Jr.)

Last weekend was an exciting one for George Baker of Jamaica.

On Saturday night he was installed as commander of the Queens Veterans of Foreign Wars and then on Sunday he celebrated his 51st birthday.

As a matter of fact, it has been an exciting past several months for Baker who is a transit supervisor with the New York City Transit Authority working out of the Jamaica depot.

He proudly displays a 25-year award for his service to the Transit Authority with Metropolitan Transportation Authority head William Ronan's signature affixed to it.

Through it all, Baker has been anticipating his new position with the VFW. "My wife said I would have to get a larger size hat because my head will swell," said Baker jokingly.