

to the minority and be moved by the minority. . . .

"A good statesman, like any other sensible human being, always learns more from his opponents than from his fervent supporters. For his supporters will push him to disaster unless his opponents show him where the dangers are. So if he is wise, he will often pray to be delivered from his friends, because they will ruin him. But, though it hurts, he ought also to pray never to be left without opponents; for they keep him on the path of reason and good sense."

The third, and final text, by a contemporary political leader, is this: "A politician knows that his friends are not always his allies, and that his adversaries are not his enemies. A politician knows how to make the process of democracy work and loves the intricate workings of the democratic system. . . .

"A politician knows that his words are his weapons, but that his word is his bond. A politician knows that only if he leaves room for discussion and room for concession can he gain room for maneuver."

"A politician knows that the best way to be a winner is to make the other side feel it does not have to be a loser. And a politician . . . knows both the name of the game and the rules of the game, and he seeks his

ends through the time-honored democratic means."

The first passage comes from Thomas Jefferson, the author of the Declaration, in an 1804 letter to Abigail Adams. The second is from Walter Lippmann's 1939 essay "The Indispensable Opposition."

And the third passage, interestingly is from Richard M. Nixon's eulogy of Everett M. Dirksen on Sept. 9, 1969.

Had the men in power understood and heeded those thoughts, this would have been a happier 197th birthday of the Republic. Perhaps by 1976, we will have found leaders who grasp their meaning and give more than lip service to keeping them alive.

#### CAPTIVE NATIONS WEEK

**HON. WILLIAM R. COTTER**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 10, 1973

Mr. COTTER. Mr. Speaker, each year since 1959, the third week of the month of July has been designated and observed

as Captive Nations Week, under Public Law 86-90. Proclamations by the President, State Governors, and mayors have marked this event for the captive nations of Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Romania.

Certainly, our concern for the people of these lands is not limited to the 1 week of Captive Nations Week; however, Captive Nations Week presents itself as an exceptional opportunity for a show of public support and solidarity for all Europeans in Central and Eastern Europe who seek liberty.

The recent summit talks between President Nixon and Soviet Party Leader Brezhnev and the improving relations in general between the United States and Russia, provide a basis for hope for those "captive" Europeans toward whom Captive Nations Week is directed.

I appeal to the people of the United States to remain cognizant of the destiny of those in Central and Eastern Europe who seek freedom but cannot obtain it, and to recognize the opportunity that Captive Nations Week affords us.

## HOUSE OF REPRESENTATIVES—Wednesday, July 11, 1973

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

*O come, let us worship and bow down;  
let us kneel before the Lord our maker.—*  
Psalms 95:6.

O God and Father of us all, we lift our hearts unto Thee with thanksgiving for the rest and recreation our recess has made available to us. May it also have renewed us in body and in spirit making us ready for the tasks that lie ahead. Move Thou within our hearts that we may meet our duties with courage, manage our responsibilities with confidence, and master our difficulties with a creative faith.

Reveal to us the decisions we should make, the procedures we should follow, and the paths we should tread. May all our endeavors be based upon intelligent good will, dynamic faith, and a vital patriotism.

Sustain us in our efforts to make our Nation a better nation and our world a better world. Lead us all in the ways of peace, unity, and good will for Thy name's sake. 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 PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Leonard, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 21, 1973:

H.R. 4443. An act for the relief of Ronald K. Downie.

On June 25, 1973:

H.R. 5293. An act to authorize additional appropriations to carry out the Peace Corps Act, and for other purposes.

On July 1, 1973:

H.R. 8410. An act to continue the existing temporary increase in the public debt limit through November 30, 1973, and for other purposes.

H.R. 9055. An act making supplemental appropriations for the fiscal year ending June 30, 1973, and for other purposes.

H.J. Res. 499. Joint resolution providing for an extension of the term of the Commission on the Bankruptcy Laws of the United States, and for other purposes.

H.J. Res. 636. Joint resolution making continuing appropriations for the fiscal year 1974, and for other purposes.

On July 6, 1973:

H.R. 5157. An act to amend the Service Contract Act of 1965 to extend its geographical coverage to contracts performed on Canton Island.

H.R. 5857. An act to amend the National Visitor Center Facilities Act of 1968, and for other purposes.

H.R. 7357. An act to amend sections 3(e) and 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.

On July 9, 1973:

H.R. 5383. An act to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes.

H.R. 8537. An act to amend titles 10 and 37, United States Code, to make permanent certain provisions of the Dependents Assistance Act of 1950, as amended, and for other purposes.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Secretary had reengrossed the Senate amendments to the bill (H.R. 8619) entitled "An act making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1974, and for other purposes," and returned the same with the bill and accompanying papers to the House of Representatives.

#### TAX DEDUCTIONS FOR BLOOD DONORS

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

Mr. KOCH. Mr. Speaker, I was delighted to read this morning of the announcement by HEW Secretary Caspar Weinberger of the development of a new national blood policy which is designed to achieve an all-volunteer blood donor system. It is necessary that such a policy be established to increase the supply of blood, to insure the safe quality of that blood and to lower the cost of blood to patients.

I have introduced legislation, cosponsored by 31 Members of the House, which provides that blood donations be considered a charitable contribution deductible from a taxpayer's gross income. This bill permits a \$25 deduction for each pint of blood donated to a nonprofit blood collecting agency, setting a \$125 annual limitation for each donor. I first introduced this legislation in the 91st Congress, then in the 92d, and again in the 93d Congress. Its need is apparent with each passing year as the need for blood grows.

The dangers of contracting hepatitis are far greater from a commercial pint of blood than from a donated pint. In

the United States, approximately 20,000 people will contract hepatitis this year, the majority of them by means of contaminated blood. Of these, up to 1,000 may die. This is a tragic loss and one that can be averted by insuring safe supplies of voluntarily donated blood.

The opposition to the bill has been on the basis that to give a tax deduction for blood demeans the gift. Not so at all as we recognize when we give a tax deduction to those who give cash gifts to the Red Cross.

I have today written to Secretary Weinberger asking that he consider this proposal during the conference to be held in August on the implementation of the national blood policy. I am sure our colleagues would acknowledge the importance of voluntary blood giving and I would urge them to support the Secretary's proposal.

#### APPOINTMENT OF CONFEREES ON H.R. 8510, NATIONAL SCIENCE FOUNDATION AUTHORIZATION

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8510) to authorize appropriations for activities of the National Science Foundation, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. TEAGUE of Texas, DAVIS of Georgia, SYMINGTON, HANNA, MOSHER, BELL, and WYDLER.

#### CONFERENCE REPORT ON H.R. 7528, NASA AUTHORIZATION, 1974

Mr. TEAGUE of Texas. Mr. Speaker, I call up the conference report on the bill (H.R. 7528) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, 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 Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 28, 1973.)

Mr. TEAGUE of Texas. Mr. Speaker, the House and Senate conferees met on June 27, 1973, to resolve the differences in the House and Senate passed versions on H.R. 7528, the fiscal year 1974 National Aeronautics and Space Administration authorization bill. The bill passed the House on May 23 and passed the Senate on June 19. In acting on the bill the Senate struck all after the enacting clause and substituted new language.

The committee of conference agreed to accept the Senate amendment with certain substitute amendments and with certain other stipulations insisted upon

by the managers on the part of the House. There were 11 items in disagreement involving amounts to be authorized for appropriations; seven other items of legislative language were to be reconciled.

The House had authorized a total of \$3,073,500,000 and the Senate authorized \$3,046,000,000 in its bill. Thus, the amount passed by the Senate was \$27,500,000 lower than the House amount. The conference substitute would authorize \$3,064,500,000 which is \$48,500,000—1.6 percent—more than the budget request, \$18,500,000 above the Senate version, and \$9,000,000 below the amount previously passed by the House.

The Senate adopted two House language amendments prior to conference. In addition, seven language differences were resolved as follows: the House receded on four of the amendments; the Senate receded on one amendment; and compromise language was adopted on two amendments.

Highlights of the substitutes agreed upon by all members of the committee of conference are as follows:

##### SPACE SHUTTLE

The House had authorized an increase of \$25 million more than the NASA request of \$475 million. The conference adopted the Senate position which authorized \$475 million.

##### EARTH RESOURCES TECHNOLOGY SATELLITE

The Senate and the House both restored the ERTS-B to the fiscal year 1974 program in the amount of \$8 million. The House bill contained offsetting decreases for the entire amount, whereas the Senate bill had no offsetting decreases. The compromise position was an offsetting reduction of \$2 million in other programs.

##### AERONAUTICAL RESEARCH AND TECHNOLOGY

The House added \$20 million to restate the Quiet Short Take-Off and Landing Research Aircraft (QUESTOL); the Senate did not concur with this action. The conference agreed with the House position.

##### SPACE AND NUCLEAR RESEARCH AND TECHNOLOGY

Both the House and the Senate increased this line item by \$10 million to continue nuclear power and propulsion activities. The Senate bill called for a partial offsetting reduction of \$3 million in other categories. The conference accepted the Senate position.

##### TRACKING AND DATA ACQUISITION

The House reduced this program total of \$250 million by \$10 million, and the Senate reduced it by \$2 million. The conference adopted a compromise reduction of \$6 million.

The conference report contains a detailed listing of program areas and projects and amounts to be authorized for each as recommended by the committee of conference. The joint explanatory statement of the committee of conference provides additional details on the foregoing and other actions taken during the conference on the various differences.

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

Mr. TEAGUE of Texas. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, the amend-

ments adopted in the conference, if any, are germane to the bill?

Mr. TEAGUE of Texas. They are germane to the bill.

Mr. MOSHER. Mr. Speaker, the conference report which is before you at this time has the unanimous support of the minority members of our committee. It embodies an austere but overall well-balanced NASA budget. The language in the statement of managers expresses the priorities of both Houses of Congress.

Although the budget agreed to in conference is higher than the administration request, by some \$48.5 million, I should emphasize that these increases were all in areas on which the Congress has placed a high priority.

The conference committee agreed to an increase in the Space Applications program. This increase is intended to permit NASA to launch another Earth Resources Technology Satellite as quickly as possible. NASA will also be able to replace their research airplane which was lost in an unfortunate mishap earlier this year. This aircraft was used extensively to test the sensors which are ultimately used for such things as weather forecasting, fire detection, and astronomical observations. A portion, approximately \$2 million, of these added funds will also be used by NASA for primarily solar energy research.

The conference committee also increased the NASA budget for aeronautical research and technology. The United States is rapidly losing its position of world leadership in civil aviation. The funds provided in the NASA budget by the conference committee will assure that our Nation will have at least one continuing civilian aircraft program which is capable of not only serving our domestic needs, but also of improving our international aircraft sales.

Increased emphasis was given to nuclear power research. The conference committee felt that with the increasing severity of our energy shortages, every possible route toward increased clean energy sources should be examined by our Nation. NASA has a unique capability and experience in certain aspects of nuclear power. The possible large benefits derivable from the very small amount of money added was considered more than ample justification for increasing the NASA budget in this area.

Mr. Speaker, again I wish to state that this conference report has the unanimous support of the minority members of our committee. The provisions in this report were given a great deal of thought and consideration by all the members of our committee. I hope our colleagues will join us in passage of this authorization bill.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The conference report was agreed to.

A motion to reconsider was laid on the table.

#### PERSONAL EXPLANATION

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



Mr. WHITTEN. Mr. Speaker, I take this time to call attention to the fact that I was present in the quorum call of yesterday. The record shows I was not present. I understand that with the present recording machine this cannot be corrected. I have no great disturbance about the fact that my name was erroneously listed as being absent, but I do think there should be some means whereby the record of this machine when in error could be corrected, when the equipment itself needs to be corrected, because that is the situation here.

This is something I realize, Mr. Speaker, you cannot do from the chair but I wanted to express my feelings about this problem.

#### PHASE IV IS KILLING POULTRY INDUSTRY

(Mrs. GRIFFITHS asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Mrs. GRIFFITHS. Mr. Speaker, in announcing the second price freeze in 22 months, the President declared it his goal to prevent food from being priced off the American dinner table. In terms of the success the new freeze has exhibited the President may achieve this goal, which is great, but few Americans will be able to afford breakfast or lunch the same day that dinner is on the table.

If the current price freeze goes on much longer, or if the present restrictions on the poultry industry are carried on to phase IV of the President's new, but rapidly aging, economic policy, eggs will enter the same classification as caviar and poultry the same as filet mignon—delicacies that only a very small percentage of the American people can afford. With the increasing price of feed grains, and with no promise of relief in sight, poultry producers have been killing baby chicks by the thousands and selling hens for slaughter. The poultry industry is dying with these chicks and hens, and upon its death more than 600 workers will have lost their jobs in the Detroit metropolitan area alone, with thousands more nationwide.

Poultry is one of the richest foods in terms of protein content and one of the cheapest for the consumer to buy. The President may be able to control the price of poultry products, but it will do little good if none of these products are on the market shelves.

The Republican Members of the House should note my words, for it would be ironic, indeed, if we Democrats regain control of the White House in 1976 because the Republican Party allowed us to pick their own 1928 Presidential campaign promise of "Two Chickens in Every Pot."

#### PERSONAL EXPLANATION

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

Mr. MINISH. Mr. Speaker, on rollcall No. 325 yesterday, I am recorded as

voting "present" on the Bergland amendment to the Agriculture Act. I meant to vote "no," but inadvertently voted "present" on the electronic recording device.

I was opposed to the Bergland amendment because, while it may have represented an improvement over present law, it did not close the loopholes in the farm payment program and applied per crop, rather than per farmer.

Subsequently, I supported the stronger Findley amendment to limit farm payments to \$20,000 per farmer and close loopholes.

I ask that my statement appear at this point in the RECORD.

#### QUARTERLY REPORT OF THE ECONOMIC STABILIZATION PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

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

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

I am herewith submitting to the Congress the most recent Quarterly Report of the Economic Stabilization Program, covering the period January–March, 1973.

This report indicates that during this quarter our economy was making strong, impressive gains. Our national output grew at an annual rate of \$43 billion. Some 600,000 more men and women obtained jobs. Real per capita disposable income—what people have left to spend after paying for taxes and adjusting for inflation—continued to rise, reaching a record high.

During this same period, while America's rate of inflation was lower than other major industrial nations, it is also clear that the rate was far higher than it should have been. There was an unexpectedly rapid increase in prices during the quarter, primarily in agricultural products.

The acceleration of price increases during the quarter led, in part, to my actions on June 13 to impose a price freeze for a maximum of 60 days. This freeze will be followed by Phase IV, a system of controls which will be designed to curb our recent bout of inflation while also preserving the gains we have made in other sectors of our economy. My ultimate goal—a goal I believe we can and must meet—is to return this country to a strong and free market system.

RICHARD NIXON.

THE WHITE HOUSE, July 11, 1973.

#### CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic de-

vice, and the following Members failed to respond:

[Roll No. 328]

Ashley	Frenzel	Murphy, N.Y.
Bowen	Glaimo	Passman
Carey, N.Y.	Gray	Pepper
Carter	Green, Oreg.	Pettis
Chisholm	Gude	Powell, Ohio
Clark	Harsha	Reld
Collier	Howard	Rodino
Coughlin	Johnson, Calif.	Rosenthal
Danielson	Kemp	Sandman
Dennis	Landgrebe	Stephens
Dent	McFall	Symington
Evins, Tenn.	Madden	Tiernan
Fisher	Mailliard	
Flood	Mitchell, N.Y.	
Ford	Moorhead, Pa.	
Gerald R.	Morgan	

The SPEAKER. On this rollcall 390 Members have recorded their presence by electronic device, a quorum.

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

#### THE CONCEPT OF HOMESTEADING IN THE FEDERAL HOUSING PROGRAM

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, much concern has been expressed by the Members of this body over the future of the Federal housing program.

I have always maintained that the key to a successful housing program is the encouragement of private ownership. Community pride and improvement will only occur when residents have a stake in its future. Ownership provides an incentive which is lacking from rental projects.

Currently, the Department of Housing and Urban Development is holding or has foreclosed on almost 95,000 housing units, the majority of which are single family units. I believe that this mounting problem can be turned into a real opportunity in our metropolitan areas through the use of the concept of homesteading.

Several governments have initiated programs embodying this concept which deserves our scrutiny. The cities of Wilmington and Philadelphia give the homesteader a city-owned abandoned house in return for \$1 and a pledge to rehabilitate the house and live in it for 5 years. No property taxes are levied against the house during this 5-year period.

The benefits of this program are many, including the restoration of badly needed living quarters and a simple means of homeownership for people dedicated to the future of the community. In addition, I believe that such a program could be cost effective.

The Department of Housing and Urban Development is scheduled to unveil its revised housing program on September 7, 1973. I am contacting the Secretary and urging his consideration of the homesteading concept as a part of this new plan. I fully believe in this day of comprehensive plans and massive bureaucracy that there is a need for programs which deliver the goods to people with a minimum of redtape and Federal financial involvement.

# CONGRATULATIONS TO THE HONORABLE EDWARD P. BOLAND

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

Mr. CONTE. Mr. Speaker, never have I come to the well of this Chamber with happier news for my colleagues.

My very good friend, and our distinguished colleague, Congressman EDWARD P. BOLAND, this week became engaged to a very charming young lady from his hometown of Springfield, Mass., Miss Mary K. Egan.

There were time when I despaired of ever having the opportunity to make such an announcement to this body. Now that it has finally occurred, I am sure that everyone here joins me in extending our deepest congratulations to the happy couple.

Miss Egan is a graduate of Newton College of the Sacred Heart and Boston College Law School. She is an attorney at law and a member of the Springfield City Council, so she is no stranger to the political life.

While having avoided the matrimonial waters up to now, our colleague is wasting no more time. The private wedding ceremony has been set for August 9 in Springfield.

Mr. Speaker, on behalf of all my colleagues, I extend our fondest best wishes to one of the most able and admired of this House, Mr. BOLAND.

## PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. SISK. Mr. Speaker, 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 California?

There was no objection.

## AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973

Mr. POAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill—H.R. 8860—to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices.

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

The motion was agreed to.

### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 8860, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, it had agreed that the first section of the bill, ending on page 53, line 2, be considered as read, printed in the RECORD, and open to amendment at any point.

Are there further amendments to be proposed?

### AMENDMENT OFFERED BY MR. RAILSBACK

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

The Clerk read as follows:

Amendment offered by Mr. RAILSBACK: Page 6, line 8, strike out the words "casein, caseinates,"; and page 6, line 11, after the figure "(1)" insert the words "casein, caseinates,"

Mr. RAILSBACK. Mr. Chairman, a simple change in section 205 of the agriculture bill now before us could be of significant benefit to many companies, their employees, and to the American consumer.

This section gives the President the authority to establish a new import licensing program for dairy products. Only those products may be imported by or for persons or firms to whom a license has been issued by the Secretary of Agriculture. The Secretary shall make licenses available for a 30-day period before issuing licenses to other applicants to domestic producers and processors who agree to import such dairy products. Included in these dairy products are casein and caseinates. Casein is the principal protein in milk, and, nutritionally, is one of the most complete proteins known. It may be precipitated from milk by the addition of dilute acids. Caseinates, on the other hand, are the salt form of casein.

Before World War II, the United States had a fairly substantial casein industry. However, the industry rapidly declined after the institution of the dairy price support program in 1949. At the present time, there is little, if any, casein produced domestically—less than 1 percent—and there is less than 5 percent of all caseinates produced in the United States.

Currently, about half of casein consumption is in food products—cheese, coffee whiteners, instant breakfasts, and desserts and toppings. It is also used in the production of such varied products as paper, paints, glues, and plastics.

Because of their widespread use and because of the fact that the imports do not threaten domestic production—since there virtually is none—I oppose subjecting the companies which use these imports to licensing regulation.

In addition, for the sake of the American consumer, we must take casein and caseinates out of this bill. Not everyone can afford cream and other real dairy products. We must not endanger their access to dairy substitutes.

I urge immediate and favorable action on my amendment this afternoon. Thank you.

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

Mr. RAILSBACK. I yield at this time to the gentleman from Texas, the distinguished chairman of the committee (Mr. POAGE).

Mr. POAGE. Mr. Chairman, speaking as an individual, and with the assurance that a number of Members agree, as far as I can see, there is no objection to this amendment. I think it fits well, and there is no objection on my part, at least, and I trust on the part of the committee.

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

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

Mr. TEAGUE of California. Mr. Chairman, I, too, have no objection and accept the amendment. I know of no member of the committee who has any objection.

Mr. STEIGER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Chairman, I appreciate the gentleman's yielding. I want to commend him for the amendment.

I support the Railsback amendment which would eliminate from the dairy import provision casein. There is almost no casein produced in the United States and if this amendment is not adopted the result will be higher costs and disruption. With milk demand at an all time high and supply off to cause a further demand by effectively limiting casein from coming in would be a mistake.

I urge adoption of this corrective amendment and would hope that the conferees will stick by this position.

Mr. ALEXANDER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois (Mr. RAILSBACK).

This amendment would exclude casein and caseinates from the definition of dairy products for the purposes of the provision on this bill which deals with dairy import licenses.

For those of you who may be unfamiliar with this product, let me explain first that the Food and Drug Administration classifies casein and its derivatives as a chemical—not a dairy product. This, then, is the major argument for excluding casein from a portion of a bill dealing with dairy imports.

It takes 100 pounds of skim milk to yield approximately 3 pounds of dried casein. This same amount of skim milk would yield 9 pounds of nonfat dry milk. Thus, domestic producers have found that they can make much more processing the dry milk than casein. In fact, I think I am safe in saying there is no casein at all produced in the United States. For this reason, I would question the need and wisdom of licensing this product which is becoming more and more widely used in the production of feed and food by processors in this country.

In a year when the United States has allowed an additional 85 million pounds of nonfat dry milk to be imported over its usual quota and at a time when domestic production of dairy products is at a low and prices of dairy products are at a high, I ask my colleagues to support this amendment which I believe makes a necessary and noncontroversial change in this legislation.

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

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SMITH OF IOWA  
Mr. SMITH of Iowa. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Iowa: Strike everything from page 39, line 9,



through page 41, line 3, and insert in lieu thereof the following:

**"BASIC FOOD RESERVE**

"SEC. 809. (a) Notwithstanding the provisions of any other law, the Secretary of Agriculture shall in accordance with the provisions of this section establish, maintain, and dispose of a separate reserve of inventories of wheat, feed grains, and soybeans.

"Such reserve inventories shall include not more than the following quantities: (1) 3 hundred million bushels of wheat; (2) a total of 25 billion tons of feed grains; (3) 100 million bushels of soybeans. The Secretary is authorized to proportion reserve stocks of feed grains to correspond to useful marketing demands.

"(b) The reserve shall be constituted by:

"(1) First offering to producers who have eligible commodities under a Commodity Credit Corporation loan or purchase agreement, an opportunity to enter into a storage agreement for a period of five years providing for the storage of such grains at the producer's option either in approved producer owned facilities or in commercial warehouse facilities. The Secretary may, at his option, reconcentrate all grains stored in commercial warehouses at such points as he deems to be in the public interest, taking into account factors including transportation problems and normal marketing patterns.

"Rotation of stocks shall be permitted to facilitate maintenance of quality; however, the storing producer or warehouseman shall, at all times, have available in the designated place of storage, both the quantity and quality of grain covered by his commitment.

"Any producer entering into such a storage contract may not redeem the grain under loan or dispose of grain under purchase agreement at a price lower than the minimum price at which the Secretary may offer reserves under the provisions of this subsection. Such contracts shall contain a provision permitting cancellation by the Secretary under the same price requirements set forth in this subsection for offering reserves for sale.

"(2) The Secretary shall be authorized to buy feed grains, wheat and soybeans subject to the following limitations. The maximum price the Secretary shall pay for any commodity shall be the average price farmers received for such commodities during the preceding five marketing years adjusted to reflect the customary location and grade price differentials. "The net additional quantity of any commodity procured under this section in any marketing year shall be the lesser of the following:

"(1) 80 per centum of the net additional estimated total carryover in excess of normal for the marketing year; or

"(2) the amount the maximum reserve inventory specified in subsection (a) above exceeds the total stocks of such commodity owned by the Commodity Credit Corporation at the beginning of the marketing year.

"Such maximum prices and the quantity to be procured during the marketing year and the estimates used in arriving at the same shall be announced during such marketing year on the last Friday of July for wheat, on the last Friday of October for feed grains, and on the last Friday of September for soybeans: *Provided*, That for the 1973-74 marketing year for wheat such announcement shall be made as soon after the effective date of this section as is reasonably possible.

"The Secretary is authorized to proportion purchases of the various varieties and grades of each of the above commodities to correspond to usual marketing demands.

"Except when a state of emergency has been proclaimed by the President or by concurrent resolution of Congress declaring that such reserves should not be sold, the Secretary shall offer each commodity in the reserve

for sale at a price of 150 per centum of the average price farmers received in the United States during the preceding five marketing years for the commodity involved or 110 percent of the established price for the commodity involved as provided in this Act, whichever is higher, and such release price shall be adjusted to reflect the customary location and grade price differential or at such greater amount as may be obtained through normal market channels: *Provided, however*, That sales during any marketing year shall be limited to the net quantities by which estimated domestic consumption and exports exceed estimated domestic production and imports.

"The Secretary is also hereby authorized to dispose of commodities in such reserves as follows:

"(1) For use in relieving distress (a) in any State, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, or the Pacific Trust Territory, declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing or agricultural commodities and (b) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress, as amended (42 U.S.C. 1855 et seq.).

"(2) For use in connection with a state of civil defense emergency as proclaimed by the President or by concurrent resolution of the Congress in accordance with the provisions of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251-2297).

"(3) For sale in assistance in the preservation and maintenance of foundation herds of cattle (including producing dairy cattle), sheep, and goats and their offspring, under section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427), and to provide feed for livestock in any emergency area under the Act of September 21, 1959, as amended (7 U.S.C. 1427, note).

"The Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such reserve. Such purchases to offset sales shall be made within two market days.

"The Secretary may accept warehouse receipts in lieu of taking physical possession of the grain, but in such cases the obligor under the warehouse receipt shall be required at all times to have the grade stated on the warehouse receipt or a better grade available for delivery.

"The Secretary shall make a daily list available showing the price, location, and quantity of the transactions entered into hereunder.

"(c) The Secretary shall use the Commodity Credit Corporation to the extent feasible to fulfill the purposes of this section; and to the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

"(d) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section."

Mr. SMITH of Iowa (during the reading). Mr. Chairman, in view of the fact that this is printed in the RECORD at page 23128, I ask unanimous consent that further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa? There was no objection.

Mr. SMITH of Iowa. Mr. Chairman, the title of this bill is Agricultural Act of 1970 For the Purpose of Assuring Con-

sumers of Plentiful Supplies of Food and Fiber at Reasonable Prices. My contention is that we cannot assure consumers of plentiful supplies of food and fiber at reasonable prices unless we establish a reserve in this country. We have in this country 205 million people, where at one time there were only 1 million people. It is a completely different situation today than it was then. Back then they had a reserve in the timber. They could always find fowl and meat there. We do not have that any more. The timbers have been eradicated. We plant corn on that land and if we do not have some corn in the reserve and we have a bad year, we do not have a reserve in the timber to take its place.

The same thing is true with wheat or soybeans or whatever it may be.

In 1930 we used only 2.6 billion bushels of corn. It did not take very many bushels to provide a reserve for that kind of volume, but in 1972 it shot up to more than twice as much.

Obviously, there must be a bigger reserve, and it has become obvious in the last year or two we cannot depend upon commercial dealers to provide the reserves in this country. The minute they can make a dollar—and this is what they are in business for—they will sell it, and it will not be available for our purposes when most needed.

We have become a world supermarket for grain because we have the capacity and can produce it cheaper in this country than they can in other parts of the world. In 1971, we had a huge surplus. We passed a bill in the House on December 8, 1971. The provisions of that bill which passed the House of Representatives, would have permitted us to put away some of that surplus so we would have it when we need it.

Here we are only 1½ years later and we surely do wish we had some of that surplus. That bill was stopped in the Senate. It did not pass. Instead of putting some into a reserve, we just dumped it and we just gave away a great deal of extra grain that year which we need right now. That year it took 600 million bushels of corn to get the same number of dollars from exporters that we got for 516 million bushels the year before. In effect we made a gift of the other 84 million bushels. We did not absorb their dollar credits they had. We permitted them to keep those. They were willing to pay the price but we did not do anything to stabilize prices so they kept those dollar credits and used them to help devalue the dollar.

This approach just does not make any sense at all. Here we are 1½ years later talking about export controls. We should have saved some of our surplus instead of dumping it and not had export controls now.

Export controls gets us into a great deal of trouble in two different ways. It denies us the opportunity to export to earn dollar credits we need and in addition to that if for example the oil producing countries cannot buy grain in the quantities they want they will raise the price of the oil they sell us. Of course they will.

It does not make any sense for us to fail to manage our great abundance in

this fashion. We alternate between surplus and shortage. For example with tin, we have a government owned reserve of 375 percent of an annual supply on hand. We have the tin for the tin cans but we do not have any provision for reserves to put something into the cans.

The provisions of this bill are very similar to those of the one on December 8, 1971, and what has occurred since that time should make it absolutely crystal clear we ought to have a reserve in this country, and this should not need any great further explanation in this country, but if there are any questions, I shall try to answer them.

I want to say I offer this amendment on behalf of myself and the gentleman from Minnesota (Mr. BERGLAND) who was an exponent of the amendment in the committee and who has added a provision to the bill which is very important.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, I commend the gentlemen for their efforts on this proposal. I have always supported this reserve proposal and hope it will receive favorable action today.

Mr. TEAGUE of California. Mr. Chairman, I rise in opposition to the amendment. I should like to point out to my colleagues that this or something very similar to it was rejected in our House Committee on Agriculture. It was rejected overwhelmingly in the Senate. It would cost nobody knows how much money but certainly hundreds of millions of dollars to build up a grain reserve.

Furthermore, for those who want a farm bill—I repeat, I do not—it is one more reason to be almost sure to get a veto, so I strongly recommend this amendment be defeated.

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

Mr. Chairman, this is one of those amendments which looks pretty good on the outside but nobody knows what is in the package or what it is going to do. The author of the amendment does not know what it will achieve. We do not know. The Secretary of Agriculture does not know. Nobody can possibly know.

It carries us out into a field of unknowns and into a field of speculation both as to the cost, and on that I agree with the gentleman from California it will be tremendous if it is effective at all, as well as with respect to the effect it will have. I have never agreed with the philosophy of those who believe that we can simply store grain and in that way control the price without hurting the producers when the price is low.

That grain is considered a part of the available supply, just the same as any other grain in the world, and every market takes that into consideration. I think the surplus always has a depressing influence on the market. I think it hurts the farmers. It is hurtful to everybody concerned for the Government to carry large stocks.

Mr. Chairman, I recognize that we must have enough stock on hand to take

care of immediate emergencies. Our bill does provide that. This very proposal was considered in the committee. It was turned down by a vote in the committee on almost an identical proposal, which was turned down for the very reason that we felt that we were going far enough.

At the present time, the bill before us authorizes the Secretary to buy at the support price. That is, at the target price which is \$2.05 for wheat and \$1.39 for corn. This amendment provides that the secretary shall go into the market and shall buy at the average price of the last 5 years.

Mr. Chairman, if we have a substantial increase in the price, as we have had during the past 5 years, it gives no protection to farmers because it means we have got to take into consideration an average in those very low years which will drag this average down to where it does not give producers any protection. On the other hand, if the market should suddenly begin to drop, it would impose an unfair and unendurable burden on the effectiveness of this amendment, as I see it, because it will require that the Federal Government pay the average price of those past good years back when the price of corn on the market has dropped. For instance, we would have to be paying \$1.75 or \$2 with today's price history.

Mr. Chairman, I think that is an unwarranted and completely unreasonable approach, one with which we could not live. For that reason, I hope that the committee will reject this amendment and will use the more moderate approach which was provided by the Committee on Agriculture.

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

Mr. Chairman, for 40 years we have lived with surpluses of grain in the United States, and for 40 years these surpluses have been condemned as an intolerable burden on our society. A new day has arrived. Today we have shortages—shortages of fuel, shortages of soybeans. Embargoes have been placed on the export of soybeans creating all kinds of disturbances in the normal market channels. There is talk of imposing an embargo on corn and wheat these days because we are running short. Forty years ago, the United States produced food for itself, and was not much interested in the world markets, but times have changed.

This year, we are going to export three-quarters of our wheat, half of our soybeans, one-fourth of our feed grains; those are all going abroad and will bring 11 billion foreign dollars into our trade balance.

The bill we are considering today contemplates that we continue to urge production of grains to meet these international markets. No one has any control over this market. Nobody in this world has any idea how much grain the Russians will be buying, if any, from the United States. That is true in the rest of the grain markets around the world.

Therefore, the fact is that we are today living in a very volatile condition

in which we can predict with no degree of certainty the kind of situation we will meet a year hence.

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

Mr. BERGLAND. I yield to the gentleman from Ohio (Mr. VANIK).

Mr. VANIK. Mr. Chairman, I would like to inquire of the author of the amendment whether or not he has provided in his language that the reserve will be set aside for domestic needs. I think we have reached a point in history where the American people have to be provident. We have to be certain that our cupboards do not go empty because of foreign sales.

Mr. Chairman, I think we have to assure the consumer of the United States that someone is thinking about his needs. Does the amendment provide that the reserves will be set aside for domestic needs?

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield to me for the purpose of answering that question?

Mr. BERGLAND. I yield to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Chairman, it is set aside for the world market. There is a world market in grain and we are principal suppliers of the world market. If there is more grain available in the world market, there is more grain available to us when we need it.

So it does the very thing the gentleman from Ohio desires.

Mr. VANIK. But the language does not specifically give the domestic needs a priority to the reserve.

Mr. SMITH of Iowa. It is not an export control bill. It could not be.

Mr. VANIK. I do not intend it should be. If it is a reserve bill, I want to know for whom we are reserving. Are we reserving for the world market? The gentleman has said that. I hope the amendment will provide that we reserve for the American people giving the American taxpayer who is going to pay for this program a priority on the reserve.

Mr. SMITH of Iowa. If we had created a reserve out of those \$2.45 soybeans we had a few years ago there would be more available for the American people today, because that would be a part of the world supply.

Mr. BERGLAND. The gentleman from Iowa is absolutely right. I can assure the gentleman from Ohio that if this matter had been adopted by law there would be reserves, available for our consumers. This amendment would provide a method by which we could in periods of surplus take those grains off the market, and hold them, store them on farms, until such time as the market demanded these grains be released, and so we would not find ourselves either in periods of skyrocketing high prices or chaotic low prices.

This provides a kind of stability which is good for the consumer and good for the farmer. It would protect us in surplus years from devastating prices at the lower end, and in the short years would protect us from the skyrocketing prices which have created so much difficulty for the American consumer.



I urge the adoption of the amendment.

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

Mr. BERGLAND. I am delighted to yield to the gentleman from Minnesota.

Mr. ZWACH. As the gentleman will recall, in the committee when he offered this principle I believe it provided that the release price would be at 110 percent of the target price. I understand the release price here is at 150 percent of the average for the last 5 years or 110 percent of the target price, whichever is greater. Is this a change in this amendment?

Mr. BERGLAND. The gentleman is correct. That is a change.

Mr. ZWACH. My opposition in the committee was that the release price was too close to the target price. I believe, considering the shortage, that it is a tremendous improvement. There is a great deal to be said for some storage of grain in good years to tide us over the bad years. There is just no question that principle sometime is going to have to be considered.

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

Mr. Chairman, I am not clear as to the difference between the committee provision dealing with this subject and the amendment offered by the gentleman from Iowa (Mr. SMITH).

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

Mr. GROSS. I am glad to yield to the gentleman from Iowa.

Mr. SMITH of Iowa. The committee provision deals with the acquisition and distribution of distress grains, from whatever source the Commodity Credit Corporation may secure them.

The amendment has in it a provision for using some of the reserve for distress purposes, so it replaces that provision in the bill but adds also a provision for buying grain when it is so cheap—\$1.18 for corn, \$1.39 for wheat—so when it is that cheap they can buy some, and when it gets up to something like the prices are now, they would sell.

Mr. GROSS. What does the gentleman mean specifically by "distress grains"?

Mr. SMITH of Iowa. Drought, and floods, and those kinds of situations, where there has been an emergency declared.

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

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

Mr. FOLEY. I believe in further response to the question the section of the bill in page 39, entitled "Emergency Reserve," was designed by the committee to be a very limited reserve provision under which grains would be acquired for the purpose of release in case of a natural disaster. That is not a natural disaster affecting the grains that are acquired, but a natural disaster which might make livestock feeding and other use of reserve grains needed. An example would be the recent problem in the State of Louisiana. The gentleman from Louisiana (Mr. RARICK) was a sponsor of this legislation.

Mr. GROSS. Let me ask the gentleman a question. How much is it contemplated to put in this disaster inventory, if we can call it that, under the committee bill?

Mr. FOLEY. Mr. Chairman, the bill is open as to the amount. It authorizes a reserve as needed within the Secretary's discretion. I would like to have the gentleman from Iowa (Mr. SMITH) correct me on this, if I am mistaken, but his amendment goes far beyond the committee provision.

The intention of the committee section was for a very limited type of reserve, and in fairness to the gentleman from Iowa, he is considering a much more extensive kind of reserve for broader purposes. The committee reserve probably would not reach 10 percent, of the reserve size contemplated by the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I say to my friend, the gentleman from Washington, that the argument has been made that the reserve always looms above the market and, therefore, has an effect upon the free and cash market.

Mr. FOLEY. Mr. Chairman, if the gentleman will yield further, I think the difficulty with that argument, as far as the committee bill is concerned, is that the committee bill does not contemplate a large reserve; it is a very small one, subject to strict release requirements.

For example, the committee reserve contemplates that supplies will only be released only for purposes of relieving shortages from national disasters. For example, if we were to run short of wheat or feed grains, the emergency reserve will not be released for national needs; it would have to be as the result of a flood or some natural disaster.

Mr. GROSS. Mr. Chairman, it is my understanding that we have an inventory in this country each year of approximately \$90 billion to \$100 billion worth of items such as, let us say, iceboxes, automobiles, appliances of kinds, and other products.

I would not want to see these inventories, essential to the welfare of this country, cut to the point where there would be no immediate replacement of some essential product. I believe in an adequate inventory that is maintained for the consumers of this country.

I am willing to pay my share of the inventory cost in the ultimate price of an industrial product, and I should think that the people of this country, the citizens, the consumers of this country, would be willing to pay for a reasonable reserve of feed grains in order that there would never come a time when they would face disaster through crop failure.

Mr. Chairman, I agree with the gentleman from Ohio (Mr. VANIK) in his view that this reserve, if established, ought to be for the purpose of replenishment of feed supplies for domestic purposes only.

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

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

Mr. SMITH of Iowa. Mr. Chairman, I would note also that the Government

has something like \$8 billion worth of metals which are Government-owned and Government-stored. Congress has approved having some tin with which to make tin cans, and metal to make guns, but apparently it has been felt that food is not that important, for we do not have a planned reserve for food.

Mr. GROSS. The point is that I do not want to see huge supplies overhanging the market and I hope that is not the purpose of the amendment offered by the gentleman from Iowa. The pending bill apparently has no limitation.

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

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

Mr. SMITH of Iowa. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. A recorded vote has been demanded.

The Chair would like first to advise the Members that the electronic device is not working at this time. A recorded vote will require tellers on either side of the aisle, as the gentleman from Iowa (Mr. SMITH) knows.

Does the gentleman from Iowa insist upon his request?

Mr. SMITH of Iowa. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

AMENDMENTS OFFERED BY MRS. SULLIVAN

Mrs. SULLIVAN. Mr. Chairman, I offer several amendments.

The Clerk read as follows:

Amendments offered by Mrs. SULLIVAN: Page 4, line 25, Page 5, line 24, page 7, line 1, page 53, line 22, and page 61, beginning on line 4, strike out "and Consumer Protection."

The CHAIRMAN. The Chair would like to inquire of the gentlewoman from Missouri whether she would like the amendments to be considered en bloc?

Mrs. SULLIVAN. Yes, Mr. Chairman. Since we are only working on section 1 of the bill, up to page 53 line 2, I would like to ask unanimous consent that pages 53 and 61 also be included in this amendment en bloc since this amendment merely deletes the words "and Consumer Protection" in the five places mentioned.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

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

Mrs. SULLIVAN. I am happy to yield to the gentleman.

Mr. POAGE. I understand a rose by any other name would smell just as sweet, and as far as the committee is concerned, I have no objection to deleting the words "and Consumer Protection".

Mr. TEAGUE of California. Will the gentlewoman yield?

Mrs. SULLIVAN. I am glad to yield to the gentleman.

Mr. TEAGUE of California. I compliment the gentlewoman on the amendment. In my opinion, this bill does not do the consumers one bit of good; quite

to the contrary. Certainly on behalf of myself and the Members on this side, I accept the amendment.

Mrs. SULLIVAN. Mr. Chairman, from what I understand, the distinguished chairman of the Committee on Agriculture has said he would accept the amendment.

Mr. Chairman, these five changes in the text of the bill simply take out of the title the misleading and deceptive words which indicate that it is in some way a "Consumer Protection" Act.

There are no provisions of this bill which could accurately be described as "Consumer Protections."

I think we should reserve the term "consumer protection" when used in the title of any piece of legislation to the kind of legislation which deals with consumer issues in a direct and straightforward manner.

This bill is a farmer's protection act, a beekeeper's protection act, a dairyman's protection act, and perhaps even a narcotics addict protection act, and I do not say these things in a derogatory sense, but it is certainly not a Consumer Protection Act.

To the extent that any provisions of the bill encourage the production of more food, consumers may or may not benefit—depending upon how much of the food so produced is exported and under what circumstances it is exported. But let us not try to fool ourselves or the public that this huge agriculture bill, full of special interest provisions, is a consumer bill. We have enough trouble here passing worthwhile consumer bills without pretending we are passing consumer bills when we are not doing so.

The title of the bill will not make out of this bill something it is not. So why pretend? I urge the adoption of my amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Missouri.

The amendments were agreed to.

AMENDMENT OFFERED BY MR. CONTE

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

The Clerk read as follows:

Amendment offered by Mr. CONTE: Page 32, strike out lines 17 through 22.

Mr. CONTE. Mr. Chairman, again I rise, as I did just 3 weeks ago, to offer an amendment to call for an end to the all Government subsidies for Cotton, Inc., a quasi-public organization ostensibly in the business of cotton promotion and research.

On June 15, the House accepted this amendment to the 1974 agriculture appropriations bill by the overwhelming margin of 234 to 125. I urge my colleagues to repeat the acceptance of this amendment so that we can forget this outrageous giveaway of taxpayers' money for at least 4 more years.

The sordid financial history of Cotton, Inc., reveals a gross misuse and abuse of taxpayer moneys. Let me remind my colleagues of some of the worst plays practiced by Cotton, Inc.

For 1971 and 1972, the budget for Cotton, Inc., was \$20 million a year. Half of

this sum came from private cotton producers, based on a dollar-a-bale check-off. The other \$10 million came from the Federal Treasury.

Rather than spend all this money, Cotton, Inc., put between \$12 and \$15 million into a reserve fund and spent mostly Government subsidy funds.

In 1972, Cotton, Inc., budgeted an astronomical \$1,278,000 for the move into, and renovation of, new offices in New York City and Raleigh, N.C. The Secretary of Agriculture, who has the power to disapprove specific projects of Cotton, Inc., declared this figure amounted to an "injurious use of funds by a quasi-public organization that is heavily dependent on tax revenues and on backing of cotton farmers."

Subsequently, Cotton, Inc., was told it could spend \$800,000 on these moves, but that it had to cut excessive moving and renovation expenses. Contrary to the Secretary's orders, Cotton, Inc., went ahead and spent the entire original budget of \$1,278,000. It made up the difference of \$478,000 by drawing on its reserves of unspent funds from private producers.

Included in this exorbitant expenditure was \$25,000 for a private elevator between three floors in the New York office; \$160,000 for the purchase of telephone equipment; \$96,000 for cabinetry and workwork; \$125,000 for floor, wall, and window coverings—which sounds expensive for cotton drapes—and \$7,200 for granite in the reception room.

Three weeks ago, during the debate on the Agriculture appropriations bill, I defied the executives of Cotton, Inc., to explain to me why these extravagant baubles were indispensable to cotton promotion and research. I am still waiting for their answer.

Salaries paid to the top executives of Cotton, Inc., are excessive and injurious. The firm's president receives \$100,000 a year, almost twice the salary paid to the Secretary of Agriculture. Six other executives receive salaries ranging between \$44,000 and \$35,000.

Even without its extravagant spending and excessive salaries, Cotton, Inc., would earn the rating of a first-class Federal boondoggle based on its sorry performance alone. As far as cotton promotion is concerned, Cotton, Inc., has been a flop. In 1970, when Cotton, Inc., began its operations, domestic cotton consumption was 8.1 million bales. Two years later, domestic consumption had fallen to 7.8 million bales, our lowest level since 1948.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONTE. Mr. Chairman, I ask unanimous consent that I may proceed for 2 additional minutes.

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

Mr. HAYS. Mr. Chairman, reserving the right to object, and I shall not object, I would ask the gentleman from Massachusetts whether all that horrible list of expenses that the gentleman just read was for the improvement of San Clemente? If it was, I could believe it.

Mr. CONTE. They are about as bad, I would say to the gentleman.

Mr. HAYS. I withdraw my reservation of objection.

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

There was no objection.

Mr. CONTE. Mr. Chairman, the irony is that cotton is becoming a commodity in demand and this demand is driving its price up. Higher prices force manufacturers to use more synthetic fibers in place of cotton to save money. And from here on, you can see the vicious cycle.

Textile mills in my district complain that they cannot buy enough high grade cotton. They cite heavy buying by the Japanese. I am not carping against the Japanese, because they order well in advance, and everyone knows we have done enough damage to them lately with the soybean embargo. My point is that there is more demand for cotton than there is supply; but, despite this and the over-rated activities of the cotton lobby's oversubsidized promotion outfit, domestic consumption of cotton is in a tailspin.

Mr. Chairman, Cotton, Inc.'s poor performance, its lack of effectiveness, its exorbitant spending practices, and its willingness to violate or ignore legitimate government directives concerning these practices are a sum of failures that add up to a demand for an immediate end to all Federal funding for this outfit.

Of the "big six" commodity crops, cotton is the only one that receives Federal money for promotion and research. For corn, wheat, and feed grains, funds for these purposes come from the private sector. I cannot understand why cotton alone receives such favored treatment.

Further Federal subsidies for this cotton boondoggle are intolerable. With many worthwhile human resource programs being slashed and abolished with reckless abandon, I cannot justify throwing any more Federal seed money into this cotton gin. Cotton producers and consumers are not receiving a thread in return.

I call upon my colleagues to support my amendment and end this wasteful, arrogant scandal once and for all.

Mr. FINDLEY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

Mr. FINDLEY. Mr. Chairman, as my colleague, the gentleman from Massachusetts (Mr. CONTE), pointed out, the authorization for Cotton, Inc., initially came as a result of a very skillful and stealthy maneuver in a House-Senate conference. This is really the first time on a legislative bill that the House has had a chance to examine this proposal.

It is the first time that the House Committee on Agriculture has ever had what I would call the "cotton picking" nerve to bring a proposal to the floor of the House recommending an appropriation out of the U.S. Treasury to support advertising of a particular commodity; namely, cotton.

This on its face is a dangerous precedent. If we can justify expenditures of public funds to promote through Madison-Avenue techniques the cotton commodity, then why not other commodities-



too? How can we be indifferent to the promotional needs of synthetics, the competitors to cotton? How can we justify seeking out one commodity over all others as justifying the use of U.S. Treasury resources for advertising?

It is true that Cotton, Inc., is engaged in some research activities, too, but it is interesting to note that Cotton, Inc., has used up every penny of the \$10 million appropriated annually under the Agricultural Act of 1970, but it has not seen fit to use the approximately equal sum of \$10 million that it realizes from the dollar-a-bale checkoff which is assessed against cotton producers and which also goes into the financial resources of Cotton, Inc. It has seen fit to set aside most of the revenue from the dollar-a-bale checkoff, and put them into the reserve funds.

This, first of all, calls into question as to whether there is really a need for the \$10 million annually out of the U.S. Treasury to support Cotton, Inc., but I think it also calls into question the tactics of this firm. It realizes, of course, that it cannot get the full \$10 million funding in the following year unless it uses it up every year. This may account for its decision to use the taxpayer contribution fully each year and let the rest of it ride in reserve.

I am aware that there is a great effort under way today by telephone and otherwise to rally bipartisan opposition to this provision of the bill. I know that some of the calls are inspired by the ASCS organization of USDA.

The effort is to line up votes to support the \$10 million each year for Cotton, Inc., as provided in the committee recommendation.

I think it is worth noting that the head of the ASCS Division of the Department of Agriculture is a chief beneficiary himself of the cotton program. Kenneth Frick, the administrator, last year got quite a sum because he is also a cotton farmer. According to the report of the Department he received \$36,863. Records also show that a F. B. Frick received \$44,935, and a James Frick received \$29,956. This is no reflection upon the administrative competence of Kenneth Frick, but I think it does call into question just where his loyalties would necessarily lie. In fact, reports I receive indicate he is an honest and able administrator, on the facts, however, it is clear that a grave conflict of interest exists. Persons with a substantial personal financial stake in payment programs should never be put in positions of responsibility over such programs.

As the Members receive calls from the Department of Agriculture in behalf of the \$10 million annually for Cotton, Inc., they might just bear in mind the varied interests of those inspiring the calls.

Two days ago I received a report from the General Accounting Office which I had requested on Cotton, Inc. That report indicated that neither the Department of Agriculture nor Cotton, Inc., has conducted an evaluation of this costly cotton advertising program. But the committee, nonetheless, voted to extend the funding of this program without knowledge of its effectiveness.

We do know however that domestic cotton consumption which Cotton, Inc.,

purportedly is promoting has declined substantially since 1970 when the program began. In fact, in 1972, domestic cotton consumption declined to 7.8 million bales, the lowest it has been since 1948.

Certainly we should not continue to fund an ineffective program. But more importantly, we should not approve the expenditure of Government funds for the advertising of a commodity that is competing in the marketplace without the advantage of public funds for advertising.

#### FACT SHEET ON COTTON, INC.

Never before has the House Committee on Agriculture recommended that general tax revenues be used to finance advertising for a particular commodity. Nor has the House directly approved this program other than approving the conference report in 1970 when few members knew Cotton, Inc., was added in the conference report. The House voted on June 15 on the Agricultural appropriations bill to deny funding in 1974—234 to 125. The Senate dropped this amendment from bill. House conferees have not yet been named.

Page 6 in the GAO report on Cotton, Inc., stated:

The Department (USDA) had not evaluated, or established a system for evaluation, the effectiveness of Cotton Inc.'s research and promotion program.

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

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

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

The CHAIRMAN. The Chair will count.

Mr. ARENDS. Mr. Chairman, I have just learned the computers are broken down and I withdraw my point of order.

Mr. SISK. Mr. Chairman, our good friends, the gold dust twins, are back with us today and we have another attack of course on cotton. I am not entirely sure what has caused the apparent unpopularity of cotton. Many years ago I was born in a part of the world where cotton was pretty predominant. I left that area some years later and said I never wanted to be around cotton any more and I ended up in California, thinking I was in a grape haven. But I now find my home county grows as much or more cotton than all but three or four States in the Union, so we are back in cotton. I have never quite understood, as I say, the apparent unpopularity of cotton among a few of our colleagues but I do not think it warrants this kind of attack.

I think cotton has done a great deal for America. As indicated yesterday in the discussion, it was the one thing in many cases that kept us in a favorable trade balance throughout the last 150 years because traditionally we were the primary supplier of the world's cotton supply.

I want to get to the point, and that is the reason I have asked for the extra 5 minutes. We have been hearing all kinds of wild charges with reference to Cotton, Inc., in the last few months. I first heard of these charges last December. At that time I dispatched my own people from

my own office in Washington to New York to immediately take a look at what was going on in their New York office.

There are all kinds of rather wild stories circulating about the elaborateness of the facilities and the salaries which some of these people are being paid and a whole variety of charges.

Let me simply say, because even in 10 minutes I am not going to have the opportunity to make the kind of defense that I think this organization warrants, I am not here to defend any single individual which the gentleman from Illinois has mentioned. I think it is unfortunate if we get into personalities, but there was an implication that something surreptitious had been done by the use of some name which may have some similarity to some other name with respect to the Department of Agriculture.

My own personal investigation has been carried on continuously during the past 6 months of this operation both in Raleigh where the research laboratories are and in the New York office, and it proves beyond any question of doubt in my mind that the charges are wholly unfounded.

My good friend, the gentleman from Massachusetts, goes into great elaboration here about some funds that were spent, as though they were expended without the approval of the Secretary of Agriculture. Frankly that is not correct. This \$1,278,000, or a good part of it, went to the research laboratory in Raleigh which is very important to the cotton industry in this country. We have a number of problems facing the industry. For instance we have byssinosis, or the more common term brown lung. We refer to black lung in the coal industry, but we have brown lung in the cotton industry. We have also a number of other problems where research is needed.

The Congress saw fit in 1967 to create a dollar checkoff in which the cotton-grower himself is putting some \$10 or \$12 million into this program each year. In addition, in order to try to meet some of the needs in the area of research Congress saw fit to authorize an additional amount. We did not do it behind anybody's back or in any closet, I might say to my friend, the gentleman from Illinois.

It was printed in the RECORD and was made public to everybody, just as everything else is. It authorizes \$10 million for research from the Federal Government, and I think it is money that was well worthwhile; money that has basically been well spent. Certainly, there have been some mistakes made. This is a new operation. It actually has only had about 18 months of actual operation.

Mr. Chairman, I had been critical of some of the things which have happened, but what I am trying to say to the Members here today is that we have attempted to get on top of this and see to it that it does the job that it was intended to do. In fact, we feel they are doing that today.

I might say that I have a copy of the minutes, for example, of a recent meeting in which, by a unanimous vote of the Cotton, Inc., board of directors, men who are all cotton growers in the United States, voted on 610 funds, which is what we are talking about here and the only

thing we are talking about here, that the Federal part of it must go for research. This is in the minutes. I have a copy here for anyone and will be glad to have them take a look at them.

The gentleman commented on the salary. Again, someone seems to be quite concerned over the fact that the head of this concern—and let me say that this is a corporation dedicated not only to research, but also to the promotion of cotton. The \$1 checkoff for the promotion is the part that is spent for salaries. It has a large obligation and a great responsibility. They have good people, because it is necessary to have good people—the head of that corporation is paid \$100,000 per year. It sounds pretty good, because we think we do a fairly good job back here and we are only getting \$42,500. Let me just give the Members quickly some figures. The head of Burlington in the textile industry, and all of these are geared to that industry, gets \$234,000 per year. E. I. duPont gets \$288,000 per year. J. P. Stevens gets \$139,000 per year. The president of Monsanto gets \$325,000 per year. In fact, I have a long list of them here, none of whom get as little as the president of this particular corporation. Many of them have nowhere near the responsibility of that particular group.

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

Mr. SISK. I yield to the gentleman from California (Mr. MATHIAS).

Mr. MATHIAS of California. Mr. Chairman, I wish to associate myself with my colleague from California. I think for the cotton industry this corporation is necessary, so that I plan to support the concept of the management organization such as Cotton, Inc.

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

Mr. SISK. I shall yield to the distinguished gentleman from Massachusetts if I have the time.

Mr. Chairman, the gentleman knows that he has made a number of charges, and I am speaking of my colleague from Illinois, who has made a number of charges, and I have the charges one by one. I am not kidding the gentleman when I say we have spent hours and days going over some of the problems. I think there are answers to every single charge which has been made.

My colleague from Illinois asked for a GAO investigation of this. I was surprised that he did not quote from that. The report just came out, and really, it is not all that bad. Very frankly, although they had some minor criticisms here and there, basically the GAO reported that this was a new corporation that was just getting under way and basically indicated a pretty clean bill of health. I know my friend was looking and hoping for something more.

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

Mr. SISK. I yield to my colleague from California (Mr. TEAGUE).

Mr. TEAGUE of California. Mr. Chairman, in the past I had supported the Conte-Findley approaches to this problem. I am quite sure that they are accurate, and certainly if they are inaccurate, it is not intentional, concerning some of

the past abuses. But I have great confidence in my colleague from California (Mr. SISK) and what he has just told us concerning his riding herd on this outfit and keeping his eye on it.

Mr. Chairman, that is sufficient to convince me, as I am going to vote against the Conte amendment. I do not have one bale of cotton grown in my district.

Mr. SISK. Mr. Chairman, let me conclude. I have met on several occasions with the Cotton, Inc. board and also with the Cotton Board.

These people are appointed by the Secretary of Agriculture. The Secretary of Agriculture has just recently approved their latest budget. I backed him 100 percent in demanding and insisting that those budgets be completely explanatory and that they show reasons and purposes for which everything will be used.

I do say, yes, there may have been some looseness here and there, but the facts are that this organization is new and it is accomplishing something.

In spite of the criticism of my friend from Massachusetts, we have records which indicate, if we had the time to lay them out, that they have made accomplishments. I might say that I spent 4 hours with them recently, on a presentation of what they have accomplished. It is an outstanding record.

I hope the amendment will be defeated.

Mr. GOODLING. Mr. Chairman, I rise in support of the amendment. It is an extremely important amendment, and it involves a basic principle—the provision of funds from the Federal Treasury to finance the operations of an essentially private group established to promote the interests of a limited number of citizens.

As a member of the Committee on Agriculture I have come to understand some of the problems faced by the cotton industry in our Nation. It is my conviction that many of the problems of cotton producers have been created by the unsound Government farm programs of the past.

There are many things which we can do to assist the cotton industry, but provision of funds raised by taxes paid by all of the citizens of this country to pay for an advertising and promotion is not, in my opinion, an appropriate activity.

I am a fruit grower. Fruit is a healthful and appetizing food. I support programs designed to tell consumers why they should buy more fruit. But I do not come to the Congress and ask my colleagues to provide tax money to advertise my apples. The meat industry has an excellent program, and it is financed by the industry. The dairy industry has an outstanding promotion program financed entirely from private funds. So does the poultry industry. The soybean growers are spending their own money to develop new markets for their commodity.

Is it unreasonable to ask why, if we provide Federal funding for a cotton promotion program, we do not provide Federal money to promote milk, meat, eggs, vegetables, fruit, peanuts, rice, and dozens of other wholesome and nutritious farm products?

It is my understanding that the Federal funds made available to Cotton,

Inc., in the past were to have come—but did not come—from savings which the Commodity Credit Corporation was supposed to have built up because of the limitation on payments to cotton growers. May I suggest that the Commodity Credit Corporation is saving billions of dollars by not making any payments whatsoever to beef producers, pork producers, poultrymen, vegetable producers, fruit growers, and countless other farmers and ranchers in 50 States. How fortunate we are that to date these producers have not come to Congress and asked for some of the money we have saved by not giving them anything at all.

Mr. Chairman, it is fortunate indeed that we do not make Federal moneys available to promote farm products of all kinds. If we did, we could expect a proliferation of programs such as Cotton, Inc., has developed—with salaries of \$44,000 to \$100,000 per year for the fat cats who run the operation from plush offices in New York City.

Make no mistake. We could have dozens of such programs if we wished to provide the money. There is nothing about the cotton industry which makes it unique. I am certain that we fruit growers could develop an equally wasteful means of spending Federal money if we were faced with the opportunity. I, for one, am very happy that we are not. And I give you my word that I shall never vote for any bill or any amendment which authorizes the expenditure of tax funds to promote fruit.

During hearings on this legislation I asked cotton producers if they were not asleep in their easy chairs while synthetics were taking over. They admitted they were and now they are asking the taxpayer to bail them out. I for one object to this Treasury raid.

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

Mr. GOODLING. I am glad to yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I want to congratulate the gentleman from Pennsylvania for a very fine statement and for the very courageous stand that he takes, being a fruit grower and not asking for subsidy.

The gentleman from California had a whole litany of people in the private sector who were getting much more money than Mr. Wooters, \$100,000 per year, who is president of Cotton, Inc., but what he failed to tell the House was that all these people were in the private sector, and there were no Federal taxpayer dollars involved. Mr. Wooters gets \$100,000, and the Secretary of Agriculture, who runs the whole agriculture program, gets \$60,000. He gets almost twice as much money for running this little agency out of Federal taxpayer money, and this is what we are complaining about.

All of the examples I used in my speech came out of the Comptroller General's office.

Mr. GOODLING. Mr. Chairman, I am in complete agreement with the gentleman from Massachusetts (Mr. CONTE).

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

Mr. Chairman, I wish to associate myself with the sound views of the gentleman from California (Mr. SISK) the



chairman of the Cotton Subcommittee on Agriculture in regard to the urgent need of supporting the program of Cotton Incorporated. If I did not come from a cotton district, a cotton area, and wanted objective information, I would be glad to turn to a man of unimpeachable integrity and knowledge such as the gentleman from California (BERNIE SISK) for information, because he knows something about the problem. And he has a genuine interest in the success of the effort.

Cotton is not produced in quantity in the State of Massachusetts, and so it would seem to me that in making up our minds as to what we should do about the amendment which is pending, we would be inclined to support the views of the gentleman from California (Mr. SISK) and of the Committee on Agriculture, the people who have made a deep study of this problem.

Mr. Chairman, this Government is spending, not millions, but billions of dollars on all kinds of research. Agriculture is the wonder story of the century. There has been a lot of money spent in research, but the cost to the taxpayer would have been less had we spent more money on research. The proposal here is that we not add the \$10 million which is provided in the pending bill for agricultural research in the area of cotton and cotton fibers.

Now from the farmer himself there is collected about \$10 million a year, and that money is available for use in promotion and marketing. This is not the taxpayers' money but the cotton farmers' money.

I would hope, Mr. Chairman, that we could vote down this amendment. We are confronted with a straightforward proposition. This is not an emotional issue.

This is a matter of trying to provide a more effective program for agriculture, and we need a more effective program for agriculture. This is research for that purpose.

If we are going to export, as we are, according to agricultural reports, about \$900 million worth of cotton this year, which is so valuable from the standpoint of maintaining the validity of the dollar in the money markets of the world, we must cease lambasting this industry at every turn. We must encourage it, because it is performing a tremendous service to the American public.

So I would hope that the Members who may be in doubt as to the issues involved here will rely upon the study and the investigation and the sound judgment of Members like the gentleman from California, BERNIE SISK, who have studied this matter and find the program highly worthwhile and with great promise for the future.

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

Mr. Chairman, I rise, first of all, as a representative from the County of Kern in California. We are a large cotton-growing area.

I further associate myself with the remarks of Congressman SISK of Fresno, Calif., the chairman of the cotton subcommittee.

Primarily, the reason why I rise is be-

cause of the depth to which we sink in debating a bill. I would defend to the death the right of Mr. CONTE, my colleague from Massachusetts, and Mr. FINDLEY, my colleague from Illinois, to be for or against anything they want to be for or against, but when we start to bring names into these debates I think we lower ourselves in the eyes of all the people.

I rise to defend the name of the Frick family in Kern County, who came there and who had the guts to come there when there was not any water and hardly anything to grow. The senior member of that family just died. One of the members of that family is associated with the Department of Agriculture and placed all of his land in trust, and the balance of that family work just as hard as any other farm family in America.

I think it is despicable when my colleague from Illinois takes their name in vain in an attempt to pass an amendment.

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

Mr. Chairman, I cannot remember the last time, if ever, when I spoke on an agricultural bill. I want to say I do not have a single cotton plant or, as far as I know, a boll weevil in my district, but I do happen to know that cotton is one of the principal dollar earners in export. I think anything that we can do which will improve the potential of increasing our favorable balance of trade we ought to do.

There is no question in my mind but what we waste a lot of money in this Government. I could reel off a lot of statistics about that. I do not know whether any of you saw the little exchange in the morning paper where we were examining the head of the U.S. Information Agency which wants \$19 million to build a new transmitter. He admitted it had been published in the paper where they were going to build it, but he could not tell the committee because it was to be secret. I just cite that as one example of money that might be put down the drain, because we sent out a questionnaire to several thousand people around the world, and we found that many Americans in these foreign countries did not know the Voice of America broadcast in English, and God knows, if they do not know, then you cannot expect foreigners to know.

However, I will not belabor that point. I am saying an industry which is willing to have a checkoff system by itself, which the cotton industry does, is entitled to a little bit of money from the Federal Government to help out on research and to help out on promotion.

Our problem today with the lack of confidence in the dollar is an unfavorable balance of trade. If there is anywhere that we are going to make up that unfavorable balance of trade, it is in agricultural exports in the surplus category.

You know, soybeans, I guess, are the biggest earner, but we do not have enough of them to go around right now, and you cannot grow soybeans everywhere. But you can grow cotton. If we can grow cotton and export it and earn dollars to offset that balance-of-payments deficit and

if this organization can help to promote that, then I say we ought to defeat this amendment and go ahead and give them this amount of money, which, taken in the total Federal budget, is a mere pittance in any case.

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

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

Mr. PRICE of Texas. Mr. Chairman, I want to associate myself with the remarks of the gentleman from Ohio, and to ask the gentleman if it is not also true that we have a 16-million-acre allotment for cotton in this country which we have not grown for a number of years, and we are down now to 10 million acres of cotton, and are raising approximately 10 million bales of cotton? Also is it not a fact that we are using domestically about 8 million bales, with a 4-million bale carryover?

As the gentleman from Ohio said, if we are going to be in the world market we have to help these people promote their product because it has fallen for years now down to the position where cotton farming is at the point where many people do not want to plant cotton, and yet we must have the cotton product to help in our balance of payments.

Mr. HAYS. I thank the gentleman from Texas. And I just say this, Mr. Chairman, that if we could double the sale of cotton abroad I would be willing to quadruple the amount of money that this organization is spending in order to promote it.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, on the one side of the coin I strongly favor, and I suspect the gentleman from Illinois (Mr. FINDLEY) and the gentleman from Massachusetts (Mr. CONTE) do too, anything we can do to promote agricultural products and their sale domestically and internationally.

I suspect that there can be no argument, and I certainly do not have any, against effective and affirmative merchandising of an agricultural commodity. We have heard over the years that it is highly desirable to put more and more of our tax dollars into research so we can broaden the use and we can broaden the merchandising of our agricultural commodities.

So, if Cotton, Inc., did all of these things in the right way, I think everybody would favor the organization. As far as I know in these areas the organization has improved significantly, I now am told there are assurances that in the future the research aspect with tax dollars will be done more effectively and more energetically.

On the other side of the coin, I do not approve, and in fact I strongly disapprove, of any exorbitant salaries that have been paid to any of these employees of quasi-governmental organizations, and I do not condone the figures that I have heard. It is pretty hard for me to justify that kind of a salary scale.

Also, I do not condone any poor judgment in the spending for office furnishings or otherwise, whether they are tax dollars or checkoffs from the funds given by cotton farmers. I thoroughly disap-

prove of anything that is unwise or unjustified, and I must say the weight of evidence would indicate to me that they did use very poor judgment.

But every once in a while people do that, and they ought to be castigated, and if they are smart they learn a lesson. I hope these people have.

Let us go back to June 15 of this year. I heard my good friends, the gentleman from Massachusetts (Mr. CONTE) and the gentleman from Illinois (Mr. FINDLEY) make their pitch when we had the agricultural appropriation bill on the floor of the House. I must say I was impressed. But, in the interim between June 15 and this date I have made some investigations on my own. For this reason, after consulting independent sources, I am convinced that we ought to defeat the Conte-Findley complex in this instance. I honestly believe we ought to give this organization another chance. They have about 12 months between now and the next agriculture appropriation bill, and they will have to improve their record. I will give them the benefit of the doubt after this personal investigation of the circumstances that I heard described on the floor of the House on June 15.

But I want to put them on notice that they are not going to be scot-free; that performance is going to dictate my judgment a year from now.

On the basis of that investigation and this commitment, I am going to oppose the amendment, and hopefully this organization will perform the function of promotion of the product, merchandising of the commodity, and the necessary research of the commodity.

For those reasons and under these circumstances I urge the defeat of this amendment.

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

Mr. Chairman, I support the Conte amendment. First of all, I oppose the effort of the Committee on Agriculture to impose taxes. This is a tax. I think it should be handled by the tax-writing committee. I do not think the Committee on Agriculture ought to write tax law. I feel that the committee in its judgment exercised very sound discretion this year in eliminating the bread tax. Like most Americans, like most Members of this Congress, I was shocked that bakers had to pay a processing tax on baking flour to create a fund for farm subsidy purposes. It is my hope that the bread tax will end this year.

I would say to my good friend, the gentleman from Michigan, the distinguished minority leader, the Honorable GERALD FORD that there is no checkoff on automobile sales, on refrigerator sales, on furniture sales. I think that the trend toward checkoffs is universal. I think that if we continue it in this area, it is going to become contagious, and it will extend throughout the whole spectrum of industry.

I think the research funds that are provided through this device are insignificant when compared with the research funds that are provided at the taxpayers' expense. I think it is fine to promote the use of an agricultural product and the sale of such products. I think it can be voluntarily done.

As our good friend, the gentleman from Pennsylvania (Mr. GOODLING) has indicated, it can be done on a voluntary basis, and it should be done on a voluntary basis.

Imposing a tax of this kind on every bale of cotton and then having people privately dispose of that fund is not the way we should be doing things here. I think it leads to the establishment of cartels; I think it leads to the establishment of price control policies and controlled marketing arrangements.

I think that cotton is already one of the most heavily subsidized industry in the United States. I deplore and I oppose the imposition of this kind of a tax. I think it is unnecessary. I think it is a step in the wrong direction. I think we ought to stop this kind of procedure before it gets out of hand and spreads to every other industry.

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

Mr. VANIK. I am happy to yield to the distinguished gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Do I understand that the checkoff on cotton of so much per bale has resulted in the establishment of a \$12 million to \$15 million fund which today is drawing interest of some \$3 million a year, approximately \$3 million?

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

Mr. VANIK. I yield to the gentleman from Massachusetts.

Mr. CONTE. That is exactly right. What they have done is spent the Federal money that the Federal Government has put up, and they have put their money into a bank account, and they are drawing interest on it. The gentleman is exactly right.

Mr. VANIK. I will be happy to yield to my colleague, the gentleman from California, for an answer to that question.

Mr. SISK. In answer to the question, the truth of the matter is that there is no such amount piled up. I know the gentleman is getting ready to have a connipation fit, but I have the budget which has been approved by the Secretary of the Department of Agriculture in which the money is committed for the coming year. Let me say to my good friend that every dollar in the budget that is now approved by the Secretary of Agriculture—I have a complete budget—is committed. I am talking now about checkoff funds.

In fact, they have a commitment now that overrides into this coming year to the tune of \$3 million, which is, in other words, on the assumption that, of course, we are going to make a cotton crop. The truth of the matter is that this is not money which is piled up and just drawing interest.

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

Mr. VANIK. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, Members will notice that is for the coming year. It is because I exposed this 5 weeks ago on the floor of the House and the records of Cotton, Inc., on inspection of the U.S. Government discloses that they have between \$12 million and \$15 million in reserve which represents unexpended funds

in dollar checkoffs. They spent the Federal funds and they kept their own at interest.

I say Members should take a look at who got up to speak on this. Of course, the leadership did, and we can see why, but every individual who got up to speak should be noted.

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

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

Mr. GROSS. Mr. Chairman, if the gentleman will yield, do I understand that the Secretary of Agriculture or whoever is in charge of this matter has not yet made this year's contribution of \$10 million; that payment is being held in abeyance although it was supposed to have been made on June 30 or July 1?

Mr. FINDLEY. That is correct.

Mr. GROSS. The official is apparently awaiting whatever action the House might take in this respect.

Mr. SISK. The annual budget has been approved.

Mr. GROSS. But the money has not been made available by the Department of Agriculture.

Mr. CONTE. That is exactly correct.

Mr. VANIK. I might say to the gentleman from Iowa that is my understanding. I share the concern of the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Then it is important that the House take some action today and I support the amendment. I thank my friend from Ohio for yielding.

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

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

Mr. FINDLEY. Mr. Chairman, I know no one would want to leave a misapprehension about this amendment. Cotton, Inc., is directed entirely at domestic research and promotion and it is not developing international markets. The Department of Agriculture is cooperating with an international cotton promotion organization which is doing effective work in developing world markets for cotton, but Cotton Inc., has nothing to do with that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

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

#### RECORDED VOTE

Mr. CONTE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by clerks; and there were—ayes 241, noes 162, not voting 30, as follows:

[Roll No. 329]

#### AYES—241

Abzug	Bell	Broyhill, Va.
Adams	Bennett	Buchanan
Addabbo	Biaggi	Burgener
Anderson,	Blester	Burke, Calif.
Calif.	Bingham	Burke, Fla.
Annunzio	Blatnik	Butler
Archer	Boland	Byron
Armstrong	Brasco	Carney, Ohio
Ashbrook	Bray	Cederberg
Aspin	Broomfield	Chamberlain
Badillo	Brotzman	Chisholm
Bafalis	Brown, Mich.	Clancy
Barrett	Brown, Ohio	Clark



Clausen, Don H.	Rees Holtzman	Rodino Roe	Nelsen Nichols	Rousselot Roy	Thompson, N.J. Thornnton
Clawson, Del	Horton	Rogers	O'Hara	Roybal	Treen
Clay	Hosmer	Roncalio, Wyo.	O'Neill	Runnels	Udall
Cleveland	Howard	Roncalio, N.Y.	Passman	Ruth	Ullman
Cohen	Huber	Rosenthal	Patman	Satterfield	Veysey
Collins, Ill.	Hudnut	Rostenkowski	Patten	Scherle	Waggonner
Collins, Tex.	Hunt	Roush	Perkins	Sebelius	Wampler
Conte	Hutchinson	Ruppe	Pickle	Sikes	White
Corman	Jarman	Ryan	Poage	Sisk	Whitehurst
Cotter	Johnson, Colo.	St Germain	Podell	Skubitz	Whitten
Coughlin	Johnson, Pa.	Sandman	Preyer	Slack	Wilson, Bob
Crane	Jones, Okla.	Sarasin	Price, Tex.	Spence	Wilson,
Cronin	Karth	Sarbanes	Quile	Staggers	Charles, Tex.
Culver	Kastenmeier	Saylor	Quillen	Stark	Wright
Daniel, Robert	Keating	Schneebell	Rarick	Steed	Wyatt
W., Jr.	Kemp	Schroeder	Reid	Steiger, Ariz.	Young, Alaska
Daniels	Kling	Seiberling	Rhodes	Stephens	Young, Ga.
Dominick V.	Koch	Shipley	Roberts	Stubblefield	Young, S.C.
Davis, Wis.	Kyros	Shoup	Robinson, Va.	Taylor, N.C.	Young, Tex.
Delaney	Latta	Shriver	Rooney, N.Y.	Teague, Calif.	
Dellenback	Leggett	Shuster	Rose	Teague, Tex.	
Dellums	Lent	Smith, Iowa			
Dennis	Long, Md.	Smith, N.Y.			
Derwinski	Lujan	Snyder	Ashley	Frenzel	Mitchell, N.Y.
Devine	McClary	Stanton,	Bowen	Green, Oreg.	Moorhead, Pa.
Diggs	McCloskey	J. William	Carey, N.Y.	Gubser	Morgan
Donohue	McCollister	Stanton,	Carter	Gude	Pepper
Drinan	McCormack	James V.	Collier	Hébert	Pettis
Dulski	McDade	Steele	Conyers	Heckler, Mass.	Powell, Ohio
du Pont	McKinney	Steelman	Danielson	Holifield	Riegle
Edwards, Ala.	McSpadden	Steiger, Wis.	Dent	Johnson, Calif.	Rooney, Pa.
Eilberg	Macdonald	Stokes	Fisher	McFall	Stuckey
Erlenborn	Madden	Stratton	Flood	Mailliard	Wiggins
Esch	Madigan	Studds			
Eshleman	Mallory	Sullivan			
Evans, Colo.	Maraziti	Symington			
Fascell	Martin, N.C.	Symms			
Findley	Mayne	Talcott			
Fish	Mazzoli	Taylor, Mo.			
Forsythe	Metcalfe	Thomson, Wis.			
Fraser	Mezvisky	Thone			
Frelinghuysen	Michel	Tiernan			
Frey	Millford	Towell, Nev.			
Froehlich	Miller	Van Deerlin			
Fulton	Minish	Vander Jagt			
Gaydos	Mink	Vanik			
Gibbons	Minshall, Ohio	Vigorito			
Gilman	Mitchell, Md.	Waldie			
Goodling	Moakley	Walsh			
Grasso	Moorhead,	Ware			
Green, Pa.	Calif.	Whalen			
Gross	Mosher	Widnall			
Grover	Moss	Williams			
Gunter	Murphy, Ill.	Wilson,			
Guyer	Nix	Charles H.,			
Hamilton	Obey	Calif.			
Hanley	O'Brien	Winn			
Hanrahan	Owens	Wolff			
Harrington	Parris	Wydlar			
Harsha	Peyster	Wyllie			
Harvey	Pike	Wyman			
Hastings	Price, Ill.	Yates			
Hawkins	Pritchard	Yatron			
Hechler, W. Va.	Rallsback	Young, Fla.			
Heinz	Randall	Young, Ill.			
Helstoski	Rangel	Zablocki			
Hillis	Regula	Zion			
Hinshaw	Reuss	Zwach			
Hogan	Rinaldo				
Holt	Robison, N.Y.				

## NOT VOTING—30

So the amendment was agreed to.  
Mr. MOORHEAD of California and  
Mr. YOUNG of Florida changed their  
votes from "no" to "aye."

The result of the vote was announced  
as above recorded.

## AMENDMENTS OFFERED BY MR. TEAGUE OF CALIFORNIA

Mr. TEAGUE of California. Mr. Chair-  
man, I offer a number of amendments.  
These amendments are a page and a half  
long. I ask unanimous consent that they  
may be considered as read and printed  
in the RECORD, and I will explain them,  
as they are very simple in nature but  
wordy on paper.

The CHAIRMAN. Will the gentleman  
inform the Chair as to just where the  
amendments come in the bill?

Mr. TEAGUE of California. Yes. They  
are on pages 41 through 48 and 50  
through 52. They all have to do with  
references to the Forest Incentive Act.

I ask unanimous consent that the  
amendments be considered en bloc.

The CHAIRMAN. Is there objection to  
the request of the gentleman from Cali-  
fornia?

There was no objection.

The amendments offered by Mr.  
TEAGUE of California are as follows:

Page 41, line 20, strike out the words "ten,  
or twenty-five years" and insert the words  
"or ten years".

Page 41, line 24, strike out the word "for-  
ests,".

Page 42, line 12, strike out the semicolon  
and the balance of line 12, all of line 13, and  
the words "forest lands" on line 14.

Page 42, line 17, strike out the word "for-  
est".

Page 43, line 2, strike out the word "for-  
ests,".

Page 43, line 3, strike out the word "for-  
ests,".

Page 43, lines 6 and 7, strike out the words  
"or to insure an adequate supply of timber  
and related forest products".

Page 43, line 22, strike out the words "or  
the State forester".

Page 44, line 10, strike out the words "or  
the State forester".

Page 44, line 20, strike out the word "for-  
est,".

Page 47, line 1, strike out the word "trees,".

Page 48, line 18, strike out the words "fish,  
and forest" and insert the words "and fish".

Page 48, line 20, strike out the words "the  
State forester,".

Page 50, lines 11 and 12, strike out the  
words "the Forest Service, State forestry  
organizations,".

Page 50, line 16, strike out subsections (a),  
(b), (c), and (e) of Section 1009 and re-  
designate subsection (d) as subsection (a).

Page 52, line 24, strike out the colon and  
insert a period and strike the balance of line  
24, line 25, and on page 53, line 1, strike out  
lines 1 and 2.

Mr. TEAGUE of California. Mr. Chair-  
man, this bill contains a proposal to em-  
bark on a brandnew subsidy program;  
it is called the forest incentive program.  
It would provide Federal funds from \$10  
to \$25 an acre to plant trees on private  
lands not in the national forests or na-  
tional parks. The Federal contribution  
would be up to 75 percent of the total  
cost of the forestation program.

It is true the bill provides for only \$25  
million as a so-called pilot program, but  
there are 300 million acres in this coun-  
try which would be eligible for this  
forestation operation, which means you  
could be talking about a cost of \$3 billion  
even at the minimum cost of \$10 per acre.

What it is supposed to do is this: It  
will be argued there is a shortage of  
timber, and I do not doubt that there  
is. To start with, I do not know where  
the decision will be made as to what  
locations in the country will be selected  
for this so-called pilot program; \$25 mil-  
lion out of a total of \$3 billion involves  
some pretty discretionary action on the  
part of someone.

What they would do is go in in some  
cases, I suppose, and strip out the natural  
undergrowth and natural beautiful areas  
and replace this type of countryside with  
tree orchards which would be har-  
vested in 10, 15, 20, and 30 years from  
now.

I think this is important. I have not  
heard one word from a conservation or-  
ganization in the country in support of  
this measure.

It is not a conservation program. We  
will be replacing or displacing beautiful,  
natural countryside, some of it may be  
with only clumps of trees, these may re-  
main, other acreages with shrubbery  
which protect our natural wildlife, and  
that will be taken out and replaced with  
tree orchards. Then after a few years  
there is nothing to prevent the operator  
or the owner of these tracts of land, which  
are limited to 500 acres each, from going  
in and clearcutting the whole thing, and  
we will end up with a scarred coun-  
tryside.

The thing that concerns me most is not  
only the environmental aspect of it, but  
the fact that it is embarking on a pro-  
gram with only—and I would put that  
in quotes—\$25 million, and it could run  
up to a great many billions of dollars. I  
think this is no time to be starting on a  
new forestry program.

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

Mr. TEAGUE of California. I yield to  
the gentleman from Louisiana.

Mr. WAGGONER. Mr. Chairman,  
the gentleman has just said, I believe,  
and I would ask the gentleman to correct  
me if I am wrong, that the gentleman  
did not know where this pilot program  
would be conducted.

## NOES—162

Abdnor	de la Garza	Hungate
Alexander	Denholm	Ichord
Anderson, Ill.	Dickinson	Jones, Ala.
Andrews, N.C.	Dingell	Jones, N.C.
Andrews,	Dorn	Jones, Tenn.
N. Dak.	Downing	Jordan
Arends	Duncan	Kazen
Baker	Eckhardt	Ketchum
Beard	Edwards, Calif.	Kluczynski
Bergland	Evins, Tenn.	Kuykendall
Bevill	Flowers	Landgrebe
Blackburn	Flynt	Landrum
Boggs	Foley	Lehman
Bolling	Ford, Gerald R.	Litton
Brademas	Ford,	Long, La.
Breaux	William D.	Lott
Breckinridge	Fountain	McEwen
Brinkley	Fuqua	McKay
Brooks	Gettys	Mahon
Brown, Calif.	Gialmo	Mann
Broyhill, N.C.	Ginn	Martin, Nebr.
Burke, Mass.	Goldwater	Mathias, Calif.
Burleson, Tex.	Gonzalez	Mathis, Ga.
Burlison, Mo.	Gray	Matsunaga
Burton	Griffiths	Meeds
Camp	Haley	Melcher
Casey, Tex.	Hammer-	Mills, Ark.
Chappell	schmidt	Mizell
Cochran	Hanna	Mollohan
Conable	Hansen, Idaho	Montgomery
Conlan	Hansen, Wash.	Murphy, N.Y.
Daniel, Dan	Hays	Myers
Davis, Ga.	Henderson	Natcher
Davis, S.C.	Hicks	Nedzi

Mr. TEAGUE of California. I said that because I did not know.

Mr. WAGGONNER. Then if the gentleman does not know where the pilot program is going to be conducted, how can the gentleman say that there will be clearcutting carried out?

Mr. TEAGUE of California. I assume that is the purpose of the legislation.

Mr. WAGGONNER. If the gentleman is assuming that, then that is what is wrong with the gentleman's argument.

Mr. TEAGUE of California. I will yield further to the gentleman, but first permit me to answer the question raised by the gentleman.

The problem is that the objective of the program is to grow trees, and to harvest those trees for timber. Certainly I assume since there is nothing in the bill to prohibit clearcutting of the timber in the bill, then is it not fair to assume that there is at least a potential danger that this could take place?

Mr. WAGGONNER. I think there is a potential of removing unproductive trees from good forest land, but to assume that there is going to be clearcutting of productive timber is just a wrong assumption to make, because it just will not happen.

Mr. TEAGUE of California. Why do we grow the trees if we are not going to cut them and convert them into lumber, or pulpwood?

Mr. WAGGONNER. The growth that is on this land now is considered to be trash, and is not suitable for actual use by our timber people.

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

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

Mr. Chairman and Members of the Committee, I rise in opposition to the amendment offered by my beloved friend, the gentleman from California (Mr. TEAGUE). All of us are aware that there is a timber shortage in the United States. Many times in this Chamber over the past years we have made commitments to provide suitable housing for all of the American people. I would remind the committee that unless we encourage the small landowners to start producing timber, we will never be able to fulfill our commitments to provide adequate housing for all Americans.

I pointed out during the general debate on the floor that the forestry incentive provision establishes a pilot plan program to encourage timber production on presently idle land. These provisions represent an investment in the expansion of forestry products for our entire national economy.

The bill limits funds for this program to \$25 million annually. This is certainly a modest sum and will be money well invested.

I would remind the members of the committee that during the consideration of the Interior appropriations bill, it was brought out that the Forest Service spent approximately \$20 million every year simply to clean up the debris and the vandalism caused in our national parks.

Mr. Chairman, the provisions in the bill are modest and propose a pilot program to encourage timber production on presently low yield or idle acreage. Certainly the program will not encourage

the small landowner to take high yield acreage out of annual production. This simply would not be economically feasible for the farmer.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. RARICK. I will yield to the gentleman in just one moment.

Mr. Chairman, there is no attempt here to take all of the wheat land or soybean land out of production and say that we are going to plant the Nation's farmland in trees.

All we are trying to do is start a pilot program to encourage people who are accustomed to having a crop which would be productive each year to get started in a 15- to a 25-year investment. It will be years from now before they will ever realize any actual return, but certainly if we are going to supply the future timber needs of this country, we must start now.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. RARICK. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. I should like to ask the gentleman a question because he is the chairman of the subcommittee that put together this section of the bill. I should like to ask, for the purpose of making some legislative history, as I understand it, these tracts are limited to 500 acres in size; is that correct?

Mr. RARICK. The gentleman is correct.

Mr. ANDREWS of North Dakota. Is there any limitation on how many tracts an individual or corporation can own? We passed a payment limitation section yesterday, if the gentleman will recall, and I was wondering what the intent of the committee was. The bill is not exactly clear on that point.

Mr. RARICK. If there is a 500-acre tract on a farm in an area where reforestation is in order, this would be a fine program. I would hesitate to be a party to subsidizing 500-acre tracts all owned by a gigantic corporation at the public's expense.

I would say to the gentleman that the bill contains a definition of eligible landowners. Clearly the intention and thrust of this entire program is to aid small nonindustrial, private landowners, but there is no express limitation on the subdivision of tracts. Again, we are simply trying to encourage people who are not in forestry production to enter into it.

Mr. ANDREWS of North Dakota. Was the intent of the committee to concentrate on the small tract owner rather than making this a boondoggle for a large corporation?

Mr. RARICK. This is the committee's intent. This program is designed to encourage farmers to place idle or low yield acreage in timber production. If they have large land acreage, they either have it in timber today, which is often owned by timber companies, or they have it in some other form of corporate production. We are not concerned about them.

Mr. ANDREWS of North Dakota. I appreciate the gentleman's explanation.

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

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

Mr. BURTON. I should like to commend the chairman of the subcommittee and our colleague from Florida, Mr. SIKES, for their leadership in constructing this very useful program.

I urge that the amendment deleting the reforestation provision from the bill be defeated.

Mr. RARICK. I thank the gentleman.

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

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

Mr. MONTGOMERY. I rise in opposition to the Teague amendment which eliminates the forestry incentives program. I wish to add my support to this needed legislation and urge my fellow Members to do likewise. This piece of legislation has been sponsored in the Senate by my Senator, Senator STENNIS. Almost every conservation organization has at one time or another expressed its support for the forestry incentives concept as a necessary step to improving the management on approximately 60 percent of the Nation's commercial forest land acreage. Such far-ranging support cannot be ignored, especially when it comes from those individuals most intimately involved and knowledgeable about our forest resources.

Similar incentives legislation has been before the Congress many times in the past. Controversy over such proposals has never centered on the need but rather upon the proper tools to satisfy that need. I am convinced that the procedures outlined in title X of H.R. 8860 will efficiently achieve the stated goal of improved forest management on the nonindustrial private forest lands of this Nation.

Trees do not grow overnight to maturity but rather take many decades. No individual small landowner can afford to tie up large sums of capital for such long time periods. The risks are just too high. The public sector must be willing to assume some of this risk in the interest of enhancing the Nation's welfare through the many products which will flow from these lands. The time is growing short for debating the issue in Congress instead of getting the job done on the ground. Demands on these lands are increasing daily while the results of an incentives program will not be forthcoming overnight.

As we face impending shortages of energy and resources, I find that this Congress could make no better investment than in our few renewable natural resources. I heartily support the passage of title X of H.R. 8860 as it is presently written.

Mr. RARICK. I would remind the members of the committee again that if we want to help solve the housing problem by making timber available, certainly we must start now. I think \$25 million annually is a very modest sum, and I urge defeat of the amendment and retention of the forestry incentives provisions that the bill now contains.

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

Mr. Chairman, I rise in opposition to the amendment to delete the pilot for-



estry incentives program provisions.

At this point, I think we are all aware of the rapidly rising demands being made on all the Nation's forest resources—and the demands will continue to rise. Thus, it is only logical that non-Federal forest lands will be playing an increasingly important role. And we have got to provide for an adequate supply of timber and related products.

Our public and industrial lands are producing pretty much near their capacity, and the greatest potential for long-term and large-scale increases in timber supply is on our small privately owned lands.

The U.S. Department of Agriculture advises that 4 million nonindustrial private ownerships control 296 million acres—which constitutes three-fifths of our commercial forest lands available for sustained timber production.

USDA also advised us during our hearings on H.R. 2904—which I cosponsored—and other bills providing for forestry incentives that these small properties are producing no more than half of their potential. Forestry investments are often not made—so the bulk of these lands are either cut over, understocked, or otherwise in a poor productive condition.

The typical small private landowner is often not able to make the financial commitment needed to bring his property up to its productive potential. These small private owners are many in number, but they are scattered, and they have many differing objectives for managing their own forest tracts. We have to remember, too, that the time span involved in the range of management practices is much longer than the life of any other crop.

Thus the private owner does need encouragement, or some form of incentive to improve the condition of his forest resource.

What we want to do here is provide just that catalyst so that private forest landowners will blend sound forestry practices with their land management objectives and actions.

Perhaps this approach to motivating private forest landowners will not prove to be the most effective. Let us find out. Let us authorize this pilot program as a step in the right direction.

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

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

Mr. Chairman, the distinguished gentleman from California, for whom I have great respect, has offered an amendment to strike the forestry incentive section from the bill. He also has stated he is opposed to the bill in its entirety in addition to being opposed to the forestry program in the bill. I think that tells the story. If the House follows his counsel on the farm bill, there will be no farm program, and that would be an invitation to disaster for the economy. If we follow his amendment and his leadership on the forestry program we will be leaving undone the one major uncompleted portion of the forestry legislative package.

Let me call attention to the fact that the Assistant Secretary of Agriculture,

Mr. Long, and the Chief of the Forest Service, Mr. McGuire, made it clear in testimony to the committee that they support the concept of forestry incentives. They recognize the need.

Mr. Chairman, everybody on the floor knows the importance of the Nation's forests. What some may not know is that 300 million acres of these forests are in private ownership, most of them small ownerships, and these are the private nonindustrial forest lands. The average is 70 acres of timberland per individual. That is an important fact and we will get back to it in a moment.

The chances are the owner of the average small tract has had to sell off his timber to pay hospital bills or send his children to college or buy new farm equipment and he has not had money for reforestation or timber stand improvement. The result is that he has trash timber which has no market value. Sound timber will not grow under most circumstances after the original stand is removed without clearing and replanting or least having timber stand improvement.

This section is devoted—please hear this—to the small timberland owner. No one with more than 500 acres can participate. We are not talking about a great deal of money for the individual. A figure of \$25 an acre has been suggested to help with replanting. Probably half of that amount would be used if only timber stand improvement is required. That averages out to about \$20 an acre.

For the average owner of 70 acres of woodland, we are talking about something in the neighborhood of \$1,400. That is not a very big payment. This bill, obviously, is to help the little fellow. Why is it important to help him?

Mr. Chairman, I think that every Member of the House is aware of the increasing cost of lumber and the scarcity of lumber. This has brought about serious difficulties in construction, large cost increases for homebuilders. The effect is most adverse in the lower cost housing area. More and more housing is being priced out of reach of the average family. We require a lot more timber than we are growing, and the situation is going to get worse before it gets better.

The forestry incentive program will not cure that problem today or next year, but it will help to overcome the problem in the years ahead. The trees which are needed to prevent more aggravated shortages of lumber in future years ought to be in the ground just as quickly as possible. The forestry incentive program is intended to help the largest remaining area of underdeveloped timberland to become more productive.

The bill authorizes \$25 million a year. A scare figure of billions in cost has been thrown out. There is no basis whatever for that apprehension. This program can cost only what Congress authorizes and appropriates. The figure is \$25 million, not billions. I realize that more is actually needed but by spending this much, we can have an effective program of about a million acres. It will be controlled through State departments of agriculture. This, too, is important.

There will be strict requirements on the disbursement of funds. Participants must carry out certain planning and

management practices. There is a forfeiture clause for noncompliance. This is a tough bill. These funds are not hand-outs.

Everybody knows the problem exists. Everybody knows the demand for lumber is going up. Everybody knows the area covered by this section of the bill is one where better forestry practices are needed most. Everybody should know that this is an investment in America. This program does not pay people not to produce; it pays them to produce more of a needed product. It helps the people who need it most. It does not help the big landowner, the big producer. It helps the small landowner. We seek to give him an opportunity to help America.

Mr. Chairman, we cannot afford to lose more time getting this program underway. The House has an opportunity now, by defeating the amendment, to approve a program which twice—not once—twice has passed the other body without opposition. Senator STENNIS, one of America's great leaders, has called this an investment in forest products for the entire national economy, and that is exactly what it is.

Mr. Chairman, I ask that the amendment be defeated.

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

Mr. SIKES. I yield to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I would like to associate myself with the gentleman from Florida. I think the situation in the housing industry has been outlined by a number of speakers very well.

Mr. Chairman, I think this amendment should be defeated, and I agree with what the gentleman said.

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

Mr. SIKES. Mr. Chairman, I yield to my colleague from Florida (Mr. HALEY).

Mr. HALEY. Mr. Chairman, I join with my colleague from Florida in asking for the defeat of this amendment, because I think it is a very vital thing that we proceed along the lines the committee has urged.

Mr. SIKES. Mr. Chairman, I am very grateful for this comment from the distinguished chairman of the House Committee on Interior and Insular Affairs.

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

Mr. SIKES. Mr. Chairman, I yield to the dean of the South Carolina delegation (Mr. DORN).

Mr. DORN. Mr. Chairman, I want to thank my distinguished friend from Florida for yielding to me, and commend him for the excellent statement he has made here today.

Mr. Chairman, our good friends, the environmentalists, are for this type of legislation because 1 acre, I am told, of pine trees gives off enough oxygen every year to keep 18 people alive, plus filtering water and cleaning the air. This is an investment of great importance.

Mr. SIKES. Mr. Chairman, I appreciate my distinguished friend's contribution.

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

Mr. SIKES. Mr. Chairman, I yield to my colleague from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Chairman, I want to

commend the gentleman for his remarks and also join with the gentleman from South Carolina (Mr. DORN) in commending him and in asking that the amendment be voted down.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Virginia (Mr. ROBERT W. DANIEL, JR.).

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, the language of the bill says that—

No forest incentives contract shall be approved under this section on a tract greater than five hundred acres.

Just for clarification, an individual owning 2,000 acres, could he participate in 5 successive years in 500-acre lots?

Mr. SIKES. Mr. Chairman, I think the language is clear. This program, as it now is written, is intended for the small landowner who does not own more than 500 acres.

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

Mr. Chairman, I had not planned to take any part in the discussion of this part of the bill, and I hesitate to follow my good friend the gentleman from Florida (Mr. SIKES) who just spoke, because he was the chief sponsor of the bill incorporated into this legislation.

There are a few things, however, I should like to point out to the Members of the House.

I asked both the chairman of the full committee and the chairman of the subcommittee to hold a few additional hearings. Both agreed we should probably do that, but these hearings were never held. This is my concern about the bill as we see it today.

All of us know that the pseudo-environmentalists—I like to call them “instant experts,” because that is exactly what a lot of them are and EPA are making it very difficult to preserve timber we have. Make no mistake about that.

The Tussock moth is taking over in the Pacific Northwest. EPA some time ago was asked to allow the use of DDT to control the Tussock moth. What happened? EPA refused the request. As a result, in one block alone, I am told, they will lose over 400,000 acres of good fir or spruce. It does not matter what variety it is.

I need not tell the people in the Northeast section of the country that the gypsy moth is eating us up, and it is getting worse and worse every year. EPA will not allow us to do anything to control the gypsy moth.

They tell us they have some pesticides to control them, but they are minor pesticides and are not doing the job.

I asked the chairman of the subcommittee to have EPA and some of these pseudo-environmentalists come in to our committee and to assure us we would be allowed to protect these trees once we have them planted.

We do not know what they are going to do. My guess is that unless we do something about EPA and some of these environmentalists I have been talking about, instead of having more timber we will have less.

I agree with the gentleman from

Florida that this will produce more timber. Unless we are going to protect trees, once planted, we will throw the money down the drain in planting trees.

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

Mr. GOODLING. I am glad to yield to the gentleman from Idaho.

Mr. SYMMS. The gentleman from Pennsylvania I believe was in the subcommittee the day that Assistant Secretary Long and Chief Forester McGuire testified.

If I remember the testimony correctly, Chief McGuire of the Forest Service and Assistant Secretary Long testified that the length of time for pulp timber to mature in the southeast is 10 years from the time of planting until it can be harvested, and there are some experimental blocks with cottonwood varieties they find they can harvest in 5 years.

I am sure that testimony was brought out in the subcommittee. I wanted to ask the distinguished gentleman, a member of the committee, how long it takes to start returning a profit on an apple orchard he plants, after planting. Would it be 10 years?

Mr. GOODLING. We do not need to wait 10 years, but it is at least 8 years to get a reasonable crop and I should add we are not subsidized for planting our fruit trees as the gentlemen from Idaho knows.

Mr. SYMMS. Has the gentleman ever been paid a subsidy for reforesting lands in Pennsylvania with apple trees?

Mr. GOODLING. I am happy to say that the Government never got into the business of fruit growing. I trust, for the gentleman's sake and mine, it never will. When Government gets into farm programs we do more harm than good. I should like to see the Government out of farming. I believe the gentleman would, also.

Mr. SYMMS. The gentleman has been on the Committee on Agriculture for some time. When the first food stamp bill came through the Committee on Agriculture, how much money was authorized?

Mr. GOODLING. As I recall, about five \$1 million pilot programs.

Mr. SYMMS. And how much is in the bill this year?

Mr. GOODLING. Well, it is going to be some \$2.5 billion, and this disturbs me.

Mr. SYMMS. Mr. Chairman, I think that this does point out, if the gentleman would agree with me and with the ranking Member, the gentleman from California (Mr. TEAGUE) that there is a possibility this program could grow enormously in years to come, and the principal involved here is not if we should plant more trees but who should do it—Government or the private property owner.

Mr. GOODLING. Mr. Chairman, I thank the gentleman from Idaho.

Mr. Chairman, I want to say just one more word.

As I stated originally, I am for the principle of this bill, but if this amendment does not prevail then I think it is incumbent upon each of us here to see that we do everything possible to protect these forest trees once they are planted.

I am sure that if the gentleman from Idaho (Mr. SYMMS) and I do not take care of our apple trees after we plant them, we will never get a return, and I am afraid unless we do something in this regard, the American people will pay the price and receive no return.

Mr. DELLENBACK. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, we have vast Federal timber ownerships in this country. Many of the timbered acres that are owned by the Federal Government lie in the Pacific Northwest. Those Federal lands on which commercial timber is growing are managed on a sustained yield basis. These programs have been worked out by both the Forest Service and the Department of the Interior so that as trees are cut new seeds or seedlings are planted, and we end up with a standing board footage and an annual allowable cut which is stable. This is projected so that in the long run, so far as Federal ownership is concerned, we are going to be able to continue to supply the raw materials which are so badly needed for construction throughout the country.

But this is not true, Mr. Chairman, so far as private ownerships are concerned. In spite of the fact that prices have climbed, and in spite of the fact that extensive acreages have been made available for cutting so far as private ownerships are concerned, over the years the Nation has done a very poor job of reforesting private cutover lands. If we are in the long run going to have the supply of raw material that is going to be necessary to go forward with construction in this country, it is absolutely imperative that we devise some programs which will serve as an incentive to the owners of small woodlots, private ownerships, to do what needs to be done now to get into the ground the trees that 30 or 40 or 60 years from now are going to be the source of the lumber and the plywood which is going to make construction possible.

We do not have a perfect way to do this. I commend the committee for moving forward with what is in the bill. This is a program which will not solve the problem, but it may grow in future years; in fact, it will have to grow in future years if the Nation's needs are going to be met.

But time works against us in this program. If we wait until the crisis is here, we will not be able to meet that crisis because of the fact that when we put a seedling in the ground, there is no way to speed up its growth to produce the raw material for the lumber and the plywood which is so badly needed and necessary.

Mr. Chairman, too often we do not plan in advance before a crisis hits us. The committee in this instance has planned for the crisis. I commend the committee for what it is doing in this particular regard.

Mr. Chairman, I urge for the sake of the Nation the defeat of this particular amendment.

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

Mr. Chairman, I rise in opposition to the amendment. I think this sec-



tion is a wise beginning in an effort to try to stimulate adequate reserves of timber for the growing demand in this country and in utilizing small woodlot owners and small timberland owners as the holders of a resource for the entire Nation.

I wish to emphasize that the talk about billions of dollars of cost simply is not founded on the bill. The bill specifically limits this program to an authorization of \$25 million, and in no way can the Committee on Appropriations exceed that amount.

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

Mr. Chairman, I rise in opposition to the amendment, and I do so with considerable pain, because I do not like to be on opposite sides of an issue with my good friend, CHARLEY TEAGUE.

I listened very carefully to my colleague and friend from Florida (Mr. SIKES) who has been a leader in the movement for this type of legislation, and commend him for that leadership.

We all know the prices of lumber and plywood have been at an alltime high in recent months. Lumber prices have been up and down the peaks and valleys along with the interest rates and building demands over the years.

The reason I am speaking on this issue is that the bill would primarily benefit the great third forests of the South, the small wood lot owners, and because I am thoroughly familiar with the demand for wood fiber in the United States.

The only way we can level out these peaks and valleys is to increase the supply of wood fibers in this country. Our wood fiber is grown on national forest land and in the State and local public forests and in the great third forests, the private forests. We are doing an abysmal job of managing the national forests. We are investing approximately 10 percent of what we should invest in the reforestation of our national forests. We are investing virtually nothing as far as the public sector is concerned in our private forests by way of incentive.

I disagree with my colleague from California that this is not a conservation measure. I think it is a conservation measure in the truest sense of the word. I am speaking of the Forest Incentive Act. Conservation, as far as I am concerned, is the wise use of our natural resources. I do not think it is a wise use of our natural resources to permit our lands to grow over in trash trees which have no use at all and allow our lands to be overgrown with blackberry vines and the like.

My friend also mentioned clear cutting. I would say in some areas of our country clear cutting under some restrictive circumstances is perhaps the best way to grow commercial timber. But there is no indication that you would have it on a large scale under the provisions of this bill.

Lastly, I point out that we are dealing with timber and wood fiber as a renewable natural resource, a crop which can be grown over and over again.

There is much talk about getting away from timber and turning to building substitutes. Every time you use a building substitute you use energy, and we do have

an energy crisis in the world and it is getting worse. In the use of timber we do not use energy to any large degree as we would in converting other natural resources to building substitutes.

In addition to that, the substitute substances we are talking about are all finite, and we are starting to run out of some of the finite substances.

I would point out that we are facing a worldwide shortage of natural resources, including wood fibers, and we should do all we can to see that these natural resources are renewed.

I think it would be a tragic thing at this moment in our history if we did not take every step we should to renew our natural resources. In a sense, we are embezzling from our children if we permit land capable of growth not to be so grown in commercial timber.

I commend the committee for its work and urge the defeat of the amendment.

Mr. BOWEN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California (Mr. TEAGUE).

Rapidly rising demands will be made on all of the Nation's forest resources in the next few decades.

During the past three decades, lumber consumption rose 49 percent, use of pulp products climbed 236 percent, and consumption of veneer and plywood increased 475 percent. All in all, demand for wood products increased 70 percent during the last 30 years.

According to USDA's Forest Service, demand for forest products will increase another 70 percent by the year 2000.

Under current levels of forest management, only modest increases in timber harvests will be available in the next few decades. Because Federal and industrial private forest lands will be producing near maximum capacity by 1985, the burden of meeting these demands must increasingly be borne by nonindustrial private and non-Federal public forests.

By far, the greatest potential for increasing timber supply is on the 296 million acres of small private, nonindustrial forest holdings. These acres, which make up three-fifths—59 percent—of all commercial forest land, are in 4 million private parcels and they contain most of the high production sites. Present production on these parcels is only one-half of the potential, but by intensifying management and protection, these 296 million acres could more than double their annual growth.

Opportunities for expanding timber production on nonindustrial private lands must be captured now if unacceptable price rises are to be avoided in the 1980's and beyond. Public lands must supply most of the increased softwood demands in the next 15 years and industry lands are expected to reach higher levels of productivity during this period. After 1985, however, nonindustrial private lands will have to assume the burden of increased demand.

Since an intensive program of reforestation, planting, and forest culture will not bring increases in supply for 10 years, it is imperative that we adopt this pilot program now.

Financial incentives, including cost-sharing and earmarking of funds for spe-

cial forest conservation practices in a total and integrated resource context, are needed and desirable if management of private forests for purposes in addition to wood production is to occur. This is because of the long-term nature and relatively low rate of return on such investments, and because such management usually results in benefits of an intangible nature, or benefits that accrue to the public generally rather than the individual who bears the burden of establishing the conservation practice. This is particularly true for forest recreation, wildlife protection, watershed erosion control, and beautification practices where many of the effects are external to the sites of application and, the benefits accrue to the advantage of the general public and adjacent landowners, or to future generations rather than the present landowners.

A program of reforestation and timber stand improvement, as proposed, would do more than add to the needed future timber supply. The beneficial effects of trees on the environment would be enhanced. People would enjoy the forests as these were growing up. Watersheds would be protected from erosion. Idle land would contribute again its share to the strength of our country. An important benefit of the program would be the creation of jobs for the unemployed and a strengthening of the entire rural economy.

A 10-year program with a \$25 million annual appropriation will go a long way toward meeting our wood product needs in the years to come. USDA estimates that the 10-year, \$225 million program will increase the supply of softwood sawtimber by 2.1 billion board feet annually by the year 2000.

In fiscal year 1973 alone, the Federal Government expended over \$3,000 million in the development, management, and upkeep of public forest lands and 1974 projections call for public expenditures of approximately \$325 million.

A \$25 million annual appropriation to develop the remaining three-fifths of our Nation's forest resources must surely be one of the most cost effective programs that we could envision in these days of skyrocketing inflation.

I believe that it is imperative that we do not adopt this amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. TEAGUE).

The amendments were rejected.

#### AMENDMENTS OFFERED BY MR. SISK

Mr. SISK. Mr. Chairman, I am offering amendments, and the amendments do go to three different places in the bill. Therefore, Mr. Chairman, I ask unanimous consent that the amendments may be considered en bloc.

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

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. SISK: On page 9, line 5, after "bushel", strike out down through "rates" in line 8; and in line 12, change the colon to a period and strike out the remainder of the sentence.

On page 22, line 12, change the comma to

a period, and strike out the remainder of the sentence.

On page 30, beginning with line 1, strike out down through the word "made" in line 11.

Mr. SISK. Mr. Chairman, this is quite a simple amendment. I am not sure that with the record I have for the past 2 days that we are going to be any more successful in this than I have been in my position on a number of other amendments.

But, Mr. Chairman, I learned a long time ago, at least for the last 20 years, that you have to keep battling, but even though you lose the battles you hope to win the war. So we are still hoping to wind up with a decent farm bill.

This particular series of amendments—and I know there is substantial objection to the amendments—but first let me explain the reason I am offering the amendments.

First may I say that they do only one thing, they remove the escalator provision in all the basic commodities. The language the Clerk has just read simply removes the escalator provision in connection with cotton, in connection with wheat. In other words, the target prices as set forth in the legislation will be the price for the life of this particular piece of legislation if it becomes law.

I originally offered this amendment, and was a rather strong supporter of it at the time. It was modified to a considerable extent by a request of the administration to provide for offsets of any escalation due to increased income by virtue of research and increased yields, to the point that I am not altogether sure exactly what the amendment amounts to as it presently exists in the legislation in the way of actual dollars and cents. I would predict that it does not mean one dime, in fact, I am certain that it will not mean one dime in 1974, and I doubt that it will mean one dime in 1975. It is possible, if this remains in the bill, that it could mean a small amount in the last 2 years.

However, as I have often said, all legislation is the result of compromise.

The administration, as I think we all know, was very much opposed to this legislation as it came out of the Committee on Agriculture. They opposed very vigorously the target prices that were set forth. In fact, as many of you know, I am sure, who have seen the letter from the Secretary, they indicated their very strong opposition to the legislation as we reported it. We continued to work with the administration and with other Members of the Congress in an attempt to try to reach a reasonable compromise in order to pass agricultural legislation because I believe that it is important to this country. I believe it is important to the American consumer as well as to the American farmer that we have such legislation.

The truth of the matter is that after long and lengthy consideration, OMB was finally willing to indicate, according to the information that we are being given, that with the elimination of the escalator they would remove their opposition and would support the bill as the committee brought it out.

Now, I recognize that some of my colleagues may say, "Well, the bill is far different now from what the bill was

when the committee brought it out," and I will agree with that. I will say that for those of us with particular concern for cotton that we are, for all practical purposes, out of the bill today. I guess we will have to do the best we can on the go-it-alone basis, or, as I say, work out some way finally to win the war after having lost most of the battles.

But because of agreements made and agreements that, as far as I am concerned, I feel bound to support, I am offering these series of amendments which will simply firm up the present target prices in the legislation as the so-called guaranteed prices that the producers of these commodities will receive during the life of this legislation without consideration of any increase in costs. That is very simple. I am trying to lay it out as simply as it can be.

It has been indicated by OMB that this particular escalator clause could add an extra \$1 to \$3 or \$4 billion in additional costs to this program over a period of 4 years. I do not so advocate. I doubt very seriously, as I have already indicated, that it would cost that, but these are the kinds of figures that they are concerned about. For that reason they felt very, very strongly about it, so I am proposing that we eliminate the escalator provision from this bill.

Mr. SCHERLE. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, I am getting a little sick and tired sitting here as a farmer myself seeing various methods in deception utilized in the field of agriculture. It escapes me as to why agriculture, the farmer, always has to be the culprit, why he is blamed for all of the ills of our society. Everybody else seems to get a fair break, a fair shake, but let us not give one to the farmer. Let us relegate him to the old model "T" to the old outhouse, to no new additions on his home, and no education for his children. Let us just make sure that the consumers are always protected.

Let me tell the Members something. The farmer, himself, is a consumer, and he always has been. A large one. If it were not for agriculture itself, there would be a lot of people in this country unemployed.

The escalation referred to this afternoon is something that is imperative and necessary if agriculture is going to exist and expand. Incentives are necessary to production.

Last year, for instance, I called the Iowa State University and asked them, What does it cost this year, 1972, to produce a bushel of corn? They told me it was \$1.08. This year in 1973 it is \$1.16, or 8 cents more. If escalation is to continue as far as costs are concerned, why is not this escalation good for the farmer to entice him and to enhance his ability to produce?

We talk about a cost-of-living increase for the people on social security. Not too long ago we passed a bill in this very chamber setting up minimum wages. What is so wrong with the farmer getting a minimum wage? What is so wrong with the farmer getting a cost-of-living increase? If it were possible for the

farmer to be locked in at present prices and could guarantee him no additional expenses, fine. He would go along; he would produce all that this country needs and all that is necessary for exports overseas.

We are talking about target prices. The farmer will produce. I do not know of anybody in this country who can blame the farmer for the lack of food or that the farmer has failed to fulfill his obligation to feed the Nation.

They need the incentive; they need the escalation. They have to remain in business. I should suggest to the House this afternoon if they want to hurt the farmer permanently, if they want him to go out of business, if they want a shortage of food, just support this amendment. My recommendation to everybody in this House is to vote "No."

Mr. BERGLAND. Mr. Chairman, I rise in opposition to the amendments.

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

Mr. Chairman, I am opposed to the amendment offered by my good, able colleague, a member of the committee, the gentleman from California (Mr. Sisk). I call attention to the language in the bill that would be stricken by this amendment. I am reading now:

Adjusted for each of the 1975 through 1977 crops to reflect any changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates:

It applies to any changes in costs, up or down. In the event the costs of production come down, it would mean there would be an automatic reduction in the target price as established by this bill, or in the more likely event there is an increase in the cost of production there would be an automatic increase in the target price tempered by any changes in the yields for that crop for the 3-year period.

I am one of those who voted to increase the minimum wages for the working poor of the United States when that issue was before the House, because I was persuaded those working poor people were entitled to a better wage because whatever increases had been provided by the last wage rate increase had been consumed by increased living costs. I voted for that minimum wage to meet their increased costs. Wage contracts in the United States generally carry escalator clauses to take care of the cost-of-living increases.

I was home last week and I was told by people there the price of fuels will probably go up by 50 percent next year, a factor over which they have no control. They do not bargain over those things. They have to have fuel.

The world market price for phosphate fertilizers is \$25 per ton higher than in the United States, and our fertilizer costs are bound to go up next year. We have no choice in that matter. If we are to have a crop we must have fertilizers.

I suggest the amendment offered by the gentleman from California would be a tragic mistake. I would like to ask the author of the amendment, the gentleman from California, a question. He stated in all probability his amendment would have no effect on the target prices because he doubted there would be any



change in cost. If that is true in fact, if the gentleman does not think it would have any effect, why not leave it in?

Mr. SISK. I suppose we could argue the matter both ways. The point I was making is I would predict it would not make one dime's difference in what the farmers take would be under this legislation.

As the gentleman knows I have pushed on this amendment and worked on this and in fact there have been some modifications of some parts of it. I very frankly tried to make this as clear as I could and tried to make clear what I was doing in offering this amendment, which was to work out a compromise so we could have a farm bill.

The gentleman knows my sympathies in this area. As the gentleman said I am for minimum wage and I also think the farmer is entitled to a cost of living. The point is and I think it is an erroneous feeling, but there is a very strong feeling by the administration that this adds substantial obligation in connection with the future expenditures and their fears became so great that this became a substantial issue. My own point is I do not think there is that much money involved. If I did I might have other feelings on it as far as the amendment but I just do not see it as meaning anything much to the farmer in the next few years.

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

Mr. BERGLAND. I yield to the gentleman from California (Mr. BURTON).

Mr. BURTON. Mr. Chairman, I commend Congressman BERGLAND for his leadership and associate myself with his remarks. I would point out that those who work and produce the food deserve this kind of income protection if we are going to provide the kind of encouragement and incentive to have the American farmer produce all he is capable of producing. It only makes sense if they are going to take this risk that at least they are entitled to some minimum protection if the unanticipated happens. The escalator section provides the one assurance the American consuming public will have that the American farmer can produce without running the risk of seriously crippling the agricultural segment of the economy.

Mr. TEAGUE of California. Mr. Chairman, I rise in support of the Sisk amendment.

Mr. Chairman, the gentleman from California (Mr. Sisk) and I have been around here a long time now. We do not always agree and we do not always vote the same and I shall vote against this farm bill and he will vote for it.

I do support his amendment, and I think those of you who want a farm bill will be very well advised to take his experienced judgment, and if they want the bill to become law, they certainly should vote "aye" on the Sisk amendment. If not, they are taking a very, very serious risk of having no farm bill, of this nature, at least.

Mr. ABDNOR. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, certainly there is ample justification for the escalator clause found in this bill. I have been close to agriculture my entire life. In

the past few months the prices farmers received for their commodities equalled the prices they received for these commodities in 1948, 1949, and 1950. In the years between 1948 and 1973 prices were consistently lower than these levels. Do you know of any other business that is just now receiving a price for its commodity or service equal to what it received back in 1950?

Had it not been for the increase in productivity, the farmer would not have been able to stay in business. I do not mean to cast any reflection on other industries, but had other industries equalled the productivity of those engaged in agriculture, our dollar abroad would be in a much more prestigious position today. The statistics have been cited many times to demonstrate that although an individual farmer is both his own manager and his own primary source of labor, his income level is lower than that of most other workers—in labor or management.

The recent rise in prices paid to farmers have helped bring their incomes closer to those received by other occupational groups. The wage a farmer receives for his management and labor, as represented by the price he receives for his products, is ridiculously low by comparison to other occupations. The comparison becomes even more absurd when one considers that the price he receives should also represent a reasonable return on his investment. Let anyone who doubts that a farmer must be a businessman consider the huge investment required. At the same time, any farmer knows that he would be better off financially to sell his farm and buy Government bonds for the return on his investment that he would receive. Considering the ridiculously low return to agricultural investment, is it any wonder we find so few young people involved in the business of agriculture? It is common knowledge that lending institutions are most reluctant to lend the necessary capital to finance a young man starting out in the farming business.

Today we find farm prices somewhat comparable to what they were more than 20 years ago. It is interesting to note that operating costs incurred by the farmer have risen by a considerable amount.

Here are some example of increases in expenses that farmers have incurred over the past 23 years:

Interest payable per acre has increased 788 percent, taxes payable per acre have risen 347 percent, wage rates for hired farm labor are up 191 percent. Other increases are farm machinery, 134 percent; motor vehicles, 98 percent; building and fencing materials, 74 percent; livestock—mainly feeder livestock—65 percent; feed, 41 percent; seed, 39 percent; motor supplies, 38 percent; and farm supplies, 28 percent.

We must also remember that the farmer has to contend with the same increases in the cost of living as any other consumer.

Of course, low food cost for the consumers of America is an admirable goal to strive for. The simple fact of the food cost-farm price controversy is that the American farmer has been producing the best quality food, in the most abundant

supplies, at the cheapest cost of anyone on Earth at any time in history. We must exercise extreme caution in tampering with the system which has produced such excellence, and we must realistically take into account costs to the producer.

We must remember many prices received by farmers have fluctuated for the past 20 years with little or no gain over that period. If we deny the farmer the necessary adjustment which the escalator provision can provide, we are in effect saying that although his income is just now approaching that of other groups, we mean once again to freeze indefinitely the prices he may receive.

Given the proper incentives, the American farmer will continue to improve on his past record of excellence. I believe that H.R. 8860 will help to provide those incentives, and I support its passage with the escalator clause as the best means currently achievable to assure consumers plentiful supplies of food and fiber at reasonable prices.

Mr. SEBELIUS. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, I rise in opposition to the amendment that would delete the cost-of-living escalator clause from the farm bill.

I have the privilege of representing the district that produces the most wheat in our Nation. The 57-county "Big First" District of Kansas also contains more tillable acres than any other in our Nation. My primary purpose in serving in this distinguished body is to do what I can to help revitalize our rural and smalltown areas.

The admonition that I would like to extend to my colleagues, who are quite naturally interested in rising food prices, is that we are at a crossroads for both the consumer and the farmer. To satisfy the growing demand for meat and food products, farmers must be given the incentive to produce. The farmer must receive equity at the marketplace. He must receive a fair return on his investment, labor, and management.

With this in mind, I feel it is imperative that the target price be adjusted annually to reflect the cost of production and productivity changes. Without this escalator clause, the production incentives in this bill could become inoperative throughout this bill's duration.

There is absolutely no way the Government can force farmers to produce for a loss. We are witnessing now the effect of an ill-conceived price ceiling that has, in effect, frozen prices at the farm level. The result has been that farmers are destroying hatching eggs, killing baby chicks, culling dairy herds, and sending breeding cows to market. The feedlots in my district are now running at a 75-percent capacity and that figure is dropping daily. Obviously, well-intentioned but impractical Government action has resulted in jeopardizing our Nation's entire food supply to the point we may soon witness food shortages.

I know many of my colleagues are rightfully concerned about the cost involved regarding the escalator clause. I would leave you with this thought: I am confident that with this escalator clause we can enable farmers to produce the necessary food and fiber for our Nation—and for a troubled and hungry world as

well. Viewed in this perspective and considering the problem we could very well experience with food shortages, I believe this clause is better described as an investment rather than a cost—an investment in a quality food supply for the constituents of every Member in this distinguished body.

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

Mr. Chairman, most of the points have been made, but I believe the Members of the House should understand the way that this language came into the bill.

If Members will turn to pages 9, 22, and 30 they will see the original language which provided for the escalator index.

The committee itself was almost unanimous in favor of the escalation and the index for the escalation. I believe we took two votes. One of the votes was 25 to 3 in favor and the other vote was 25 to 6 in favor of the index.

The administration representative, Dr. Brunthaver, came before the committee, and he said they wanted to have the language of the index modified. So we put the modification into the language. The very language that the administration requested was put into the language of the bill, and it is here.

It provides that in the event there are increases in farm production the escalation itself will be modified. We tried to get along with the administration. This escalation index is vital and very important.

If Members believe in the target price concept they will have to go along with the escalation index. We are paying these people approximately 63 percent of parity. If the costs go up they ought to have the escalation along with it.

I do not believe that we should pay too much attention to the estimates made by OMB. Originally they said that the bill might cost as much as \$10 billion. When we asked them to justify where they got the figure of \$10 billion they said they did not know, but they would provide statistics. They never provided the statistics. The next time I heard that they estimated the cost of the bill might be \$7 billion. They are playing with the figures, and do not know any more than the rest of us do.

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

Mr. JOHNSON of Colorado. I yield to the gentleman from Missouri.

Mr. LITTON. I should like to associate myself with the comments of the gentleman, and I would add that the escalator clause is a most logical part of the bill. All they do is see to it that the target prices go up or down as the costs of production go up or down. I would certainly like to go on record as supporting the gentleman's position in opposition to the amendment.

Mr. JOHNSON of Colorado. I thank the gentleman.

Mr. ANDREWS of North Dakota. Mr. Chairman, I rise in opposition to the amendment.

This House in the past, Mr. Chairman, has passed many pieces of legislation containing escalator clauses for various segments of our economy.

This is not a case of something special for the farmer. This bill is constructed to specifically encourage production for the benefit of the consumer.

We have heard a lot in the past few months about an energy crisis coming on in this country of ours, and about the increased cost of gasoline and the increased cost of natural gas. Some of the Members who are not privileged to come from the rural areas my not know that the farmer is the biggest consumer of petroleum products in this Nation.

We talk about car pools and say, "Let us save gasoline. Let us use a car pool. Let us slow down a little, to 40 miles an hour instead of 70, and save gas."

There is no darned way to get around the fact that one must use from 6 to 10 gallons of gas for every acre of wheat he produces. If the cost of petroleum goes up—and it will go up in the next year or two—this will be an additional cost of a dollar or a dollar and a half per acre that will go into the farmer's cost of production.

Nitrogen fertilizer is needed to grow the types of crops we need to have in this country, if we are to give the consumers the quantity of food, they need and the quality they expect nitrogen fertilizer is made from natural gas. The cost of fertilizers, as my colleague from across the river, Mr. BERGLAND, said, is one of the biggest costs of production today, and with the cost of natural gas escalating this is another reason for the escalator clause.

So I think that we ought to take a look at the unique impact of the energy crisis that is going to face farmers, as an example of why an escalator clause is more important now than it ever has been before in any other piece of legislation.

Mr. Chairman, I urge my colleagues to vote down the amendment.

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

Mr. Chairman, we would be making a serious mistake to adopt this amendment. I do not know the history of this amendment, but the paper says that it was worked out by the Committee on Agriculture. I want it known that I had no part of anything that was worked out in this matter.

This amendment in the bill was offered by the administration itself. It only goes part way in absorbing the increased costs of production, because increased efficiency is deducted. The Senate bill went all the way on costs of production. We went lower than the Senate bill on target prices, because of this escalator, this cost of production feature. The fact is that the target price for corn, for wheat, for cotton is only 63 percent of parity.

Mr. Chairman, that is low enough to start with, but here we will say to the producers of America, "You must absorb all the increased costs that are passed on to you by your city cousins, the increased costs of production, increased costs of trucks, increased costs of machinery, increased costs of fuel, lumber, et cetera."

Just since the passage of the last farm bill, fuel costs on my farm have gone up 47 percent, and I think they are going up another 47 percent.

We will say to the producers, "You have to absorb all of this." We will again make second-class citizens of the producers; we will again make it so that young men will not get into this business. And the one thing we need now desperately is to get young men into the production of food or we will all suffer.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ZWACH. I yield to the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON of Missouri. Mr. Chairman, I thank my friend for yielding.

Does my friend see any evidence that the rate of the rise of these costs he has been referring to will be reduced in the next 4 years, the life of this bill? I do not. The farmer ought to have the protection this amendment takes away.

Mr. ZWACH. If inflation is reduced, this cost-of-living factor will not work toward increased costs in any way. But, if they go the way they did during the last 5 years, we know what is going to happen. Parity will be at 50 percent of the target price.

Mr. Chairman, I believe it is imperative that we do not adopt this amendment.

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

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

We must recognize that included in the most essential requirements of all mankind is food. That is as true in this country as it is elsewhere around the world. Profit incentive is the key to production in the American economy; it is the key to production of food, and the income of farmers, growers, and ranchers and it is directly related to the quality and the quantity of production and, in particular, to the prices received by the producers in compensation for the ever-increasing cost of production and the constant risk of natural disasters.

Mr. Chairman, the provision that is in the bill represents the most fair and equitable solution that we could provide as a committee. We have substracted, as the gentleman from Minnesota said, the rate of efficiency and productivity from the increase in the cost of production. It is a formula that is less than reasonable, equitable, and right. It is the formula that was recommended by the officials of the administration.

Mr. Chairman, I urge that the amendment offered by the gentleman from California be defeated and the committee language in the bill be sustained.

Mr. MICHEL. Mr. Chairman, I rise in support of the Sisk amendment. As Mr. Sisk pointed out his reason for offering the amendment was to assure passage of a farm bill—and to get action on a good bill early. I would like to add that this is essential so farmers can get on with the production of badly needed food in an atmosphere of understanding what Government holds in store for them. This is in the best interests of not only farmers, but consumers and taxpayers as well.

Further, I should like at this time to spell out for you some of the reasons these amendments are needed if we are



to act in a responsible manner on behalf of farmers and the American people.

The title of H.R. 8860 is: "The Agriculture and Consumer Protection Act of 1973."

The legislation purports to:

First. Extend the Agricultural Act of 1970.

Second. Assure consumers of plentiful supplies of food and fiber at reasonable prices.

H.R. 8860, as written, fails on both counts.

Perhaps its biggest fault is that the escalator concept runs counter to the basic principle of market-orientation which was the keystone of the Agricultural Act of 1970. It mandates price increases for commodities without regard to the market demand for those commodities.

Producers like the freedom they have under the 1970 act. They have turned from dependence on Government payments as a major source of income and have adjusted their individual farming operations to produce for the dollar demand of commercial markets.

And farmers are finding those dollars in the marketplace. In 1972, net farm income reached a record high of \$19.2 billion. This year—the final year under the act of 1970—farmers anticipate an even more prosperous year with net farm income expected to reach \$22 billion.

The escalator concept in H.R. 8860 is a step backward for consumers and for farmers. It violates the intent of the Agricultural Act of 1970.

As for the claim that H.R. 8860 assures consumers of plentiful supplies of food and fiber at reasonable prices—that is simply a play on words.

What are reasonable prices?

We had ample evidence during the meat boycotts that consumers and producers do not agree on what constitutes reasonableness in price.

Consumers want to continue buying food and fiber at prices they "used to pay," without regard for the actual production and marketing costs to producers, processors, and retailers.

The producer wants to sell his product for as high a price as he can without losing the repeat business and good will of consumers. Farmers, like other producers, want to maintain a comfortable margin of profit. That's understandable.

We accept this method of doing business for the manufacturer.

But for the farmer we have grown accustomed to another standard.

In the past we have had Government programs which stimulated overproduction, then have offered Government payments to producers of farm commodities to make up for weak markets and farming inefficiencies we have fostered. We have, in effect, used Government programs and payments to farmers as a form of subsidy for the consumer who wanted cheap food as a sort of right. Now, when farm prices are catching up consumers are unhappy.

When the cost of tractors goes up—and they do; when farm machinery gets larger, and more specialized, and more expensive—and it does; when the cost of producing food and fiber has gone up and up year after year, we have shied away from facing the higher consumer

cost problem by putting a little more sweetening into farm programs and thereby we have hidden the economic facts of agricultural production from the consumers of food and fiber.

Now the day of reckoning has arrived. We must either face up to the facts and tell it like it really is, or else we shall wind up forcing farmers back into production programs that depend on Government payments instead of commercial markets to provide needed farm income.

That almost sounds welcome now that we are tinkering with the price system so farmers are unable to increase food production as fast as they would under a free price system. But the howls of high cost would rise again when we get back to the surplus, high storage situation, when taxpayers feel the brunt of farm program costs.

Today's food price situation is unusual in one way. The people of the United States, and the people of the world, are affluent. We have increased the competitiveness of 15 million Americans at the grocery market through the all-time high use of food stamps. People today have purchasing power and they want to use a great deal of it on better food and clothing. Upgraded diets have put tremendous pressure on available quantities of food and feedstuffs. Suddenly, there is not enough of everything to go around.

But instead of sticking by our resolve, which we demonstrated with the market-oriented Agricultural Act of 1970, we appear now to be running for cover as fast as we can.

That is all the escalator clause in H.R. 8860 is—a vehicle to carry us away from reality where we can hide from the fact that farmers would be getting more of their income out of the Public Treasury instead of out of the free market.

Mr. Chairman, I call on my colleagues to give this legislation careful and serious thought. We can have any kind of farm program we want. But we cannot have it both ways. If we want an inflationary program with probable high and escalating costs, that would add nearly \$2 billion in program payments, then there is nothing except our own good sense to prevent our passing H.R. 8860 as it is written.

On the other hand, if we want to continue and advance the progress so boldly conceived and courageously launched with the Agricultural Act of 1970, we need to eliminate the escalator provision in its entirety. Farmers need greater profits through increased productivity, lower unit costs, less Government interference, and expanding markets. We should be getting Government out of agriculture, not more deeply involved.

Target prices of \$2.05 per bushel for wheat, \$1.38 per bushel for corn, and 35 cents per pound for cotton are sufficiently high to encourage and protect producers—in fact, they are considerably higher than the target prices recommended by the Department of Agriculture.

Likewise, the loan levels of \$1.49 per bushel for wheat, \$1.19 per bushel for corn, and a cotton loan based on the 3-year average world price for Middling 1-inch American cotton, provide a substantial floor to protect producers in the event

of some unforeseeable situation where the bottom might drop completely out of the market.

By eliminating this inflationary, unneeded escalator, we would allow consumers to pay the true value of commodities they buy in a free market. Consumers would, as taxpayers, also guarantee to farmers the established, or target, prices necessary to produce the quantity and quality of grains and cotton the markets indicate they want.

There is no good reason why taxpayers should be further gouged in order to unduly shield either farmers or consumers from the orderly operation of a free market system.

If there are additional profits to be made for farmers—and I believe there are—they should come because of increasing demand, larger returns from the marketplace, and the benefits of progress in productivity, technology, and individual farmer efficiency.

At the same time, consumers should be told the facts about how they have benefited for years from low prices at the food counter, although they have been asked to pay for those prices through Government payments to farmers.

Let us get it all out on the table and quit hiding the economic facts about agriculture from consumers.

Our first step in that direction should be to eliminate the escalator provision from H.R. 8860. I ask the support of my colleagues to accomplish this vitally important step.

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

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

Mr. MILFORD. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Illinois (Mr. MICHEL), and to highly compliment the gentleman.

Mr. Chairman, I came to this Congress dedicated to the propositions of reducing Government spending, of defending the free enterprise system, of eliminating excessive bureaucracy and of minimizing taxation on my constituents.

This amendment is a very small step toward my dedicated goals. Therefore, I support the Sisk amendment.

Just this past week, I had several meetings with business groups in my district. The farm bill was discussed with them. Within these groups were business owners of every type found in urban areas. They asked me some rather pointed questions and made some very basic observations about the "Agriculture and Consumers Protection Act of 1973."

To begin, they were insulted by the title of the act. How, they asked, does this bill protect the consumer? After hearing debate, I must also ask the question. It appears to me that only the farmer receives protection.

These business owners pointed out that they had to also invest their life's savings and borrow money to the hilt to operate their businesses. Why, they ask, is the farmer the only businessman that is given a Government-backed guarantee of a return on his investment?

Each of the businessmen in my district have to operate according to the

demands of the market. If they stock up, build, contract, or manufacture a product that has no market demand; they lose their money. The Government does not step in to guarantee them a \$20,000 annual income with a built-in escalator clause.

The arguments that have been offered by members of the Agriculture Committee are somewhat illogical in the business world. For example, each member has stated that we need the farm bill to encourage farmers to grow more. They say that the world demands for more food and fiber. I say that these facts are *prima facie* evidence that we no longer need a farm program.

One elementary fact of life in the business world is: "A product in demand produces the greatest profit potential."

I lived on a farm when the Government farm programs first began during the tenure of Franklin D. Roosevelt. They were needed at that time. In subsequent years, many good features have been developed through Government farm programs. There have also been some very bad developments—many quite contrary to our national philosophy.

During these years, the agricultural industry has changed. When I lived on a farm, a few acres supported a family that worked the farm. There are no longer small family farms. Agriculture is now a business, often run by large corporations and combines owned by investors that live in the city.

While claiming to be businessmen and demanding the personal independence of businessmen, the farmer also demands that Government stand behind him. According to the arguments during floor debate, the farmer claims to be a member of management—yet demands the Government guarantee him the rights of labor and minimum wage.

If we are to logically follow through on the arguments offered on this floor, then it could be said that we should nationalize all farm land and operate the way the Russians farm.

I must contend that the farmer is just another businessman. As such, he is entitled to no guarantees from the U.S. Government, over and above those offered to any other businessman. At a time when the world is demanding every ounce of food and fiber that his business can produce, I see no need whatsoever for the American taxpayer to shell out money to support his enterprise.

Many of the members of the Agriculture Committee have offered the argument that, "this bill protects the consumer by keeping prices low." This does not make sense. If we are supporting the farmer it is costing us tax money. While a free market might result in higher food costs, the difference would be far less than the taxes we pay. Government supports result in a bureaucratic army to administer it. Bureaucrats are expensive and the taxpayer foots the bill.

This Agriculture Act prostitutes our free enterprise system when we build in artificial props, such as crop support. The farmer ceases to plant for the market. Instead, he plants for the Government. For example: On the open market, an

unsupported commodity may be in demand and may sell for a high price. The farmer has an option of gambling on the higher price of the unsupported commodity or "being sure" by planting for the Government.

In a free enterprise market system, without artificial Government supports, prices would stabilize and keep an inherent balance. The taxpayer keeps his money and spends it the way he wants to spend it.

If we are ever going to get the Government out of the business of farming, now is the time. Farm income is now at a reasonable level and there is a healthy demand for his products. The farmer is a much better judge of what should be planted, how much, when and where than the bureaucrats in the Department of Agriculture. He now has a chance to be free.

Surely we have all seen ample evidence of the disasters of Government intervention in our free market system. At this very moment, farmers and ranchers are being hurt by inept Government controls. Chicken raisers are going out of business, hog raisers are reducing stock, dairy men are butchering milk cows—all because of Government meddling in our free market system.

The free market system is a complicated mechanism. If left alone, in the presence of competition, it will possess an inherent stability. Like people, there will be business sicknesses and deaths. Also like people, new ones will be born in replacement. In further likeness to people, surgery must be done with great care, lest the person die. While it is biologically possible to keep dying people and businesses alive short periods, the cost is tremendous and no long-term benefits are derived.

I have no objection to some parts of this bill. It is a proper role when Government steps in to protect the public interest. For example, it is proper for Government to provide help in matters that are beyond the capabilities of free enterprise. The reforestation program is a good demonstration. The various Departments of Agriculture research programs are commendable and should be continued. There should be provisions for disaster relief during periods of flood and drought or other uncontrollable disasters. No American would object to paying taxes for these programs.

In summary, the people in my district object primarily to crop support and payment guarantees to the businessman farmer and to payments of farm improvements that should be done in the normal course of his business. They would not object to helping him in an emergency nor would they object to assistance in research for a better product. They would prefer to keep their tax payments in their pockets even though it may mean higher prices for food, temporarily.

Therefore, unless these objectionable features are removed from this Agricultural Act, I intend to vote against the entire bill. As a step in the amendment process, I urge each of you to vote for this amendment.

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

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California (Mr. SISK) and I do so with California (Mr. SISK) the gentleman from California (Mr. SISK) is a very distinguished member of the Committee on Agriculture. I believe, however, this amendment is not justified. Simple equity to the producers who are covered under this act, demands its defeat. There needs to be some provision for changes in the cost of production.

Just to cite an example, this year under the wheat program the average guaranteed price when it is blended in with the certificate is probably going to range anywhere from \$2.75 to \$3 a bushel on wheat. We are talking of target prices in this bill of \$2.05, which is far, far below that. I do not believe there is any likelihood that in the next year or two there will be any payments made under these programs, or very, very modest ones. But looking 3 and 4 years down the line, considering the cost of fuel, taxes, labor, and the normal increases in fertilizer and feed costs, machinery costs that the farmers have to pay, why is it unreasonable to adjust these payments in terms of the increasing costs the farmers bear?

The committee adopted an amendment that mitigates this escalator clause by any increases in productivity so that if the cost goes up on the price index by 4 percent, and increased efficiency is at 2 percent, there is only a 2 percent increase in the target prices.

We provide for cost-of-living adjustments to many, many segments of our economy, and I think this so-called escalator is based on a similar concept of equity and fairness.

I hesitate to say it again, but frankly the present act as it applies to co-operators this year is so much more generous than what this bill proposes for the next 4 years that this modest escalator cannot be excessive in any way. The escalator provision should be retained in the bill.

So, Mr. Chairman, I ask my colleagues to oppose the amendment offered by the gentleman from California (Mr. SISK).

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to compliment the gentleman from California (Mr. SISK). He is taking a very statesmanlike view and his words, I think, should be listened to.

I have listened to most of the other speeches that have been made here in reference to the Sisk amendment, and most of the speeches have been made by members of the Committee on Agriculture who had a part in putting together this bill and obviously they had a very important part in this particular provision, the so-called escalator provision. I can understand their reluctance to have this provision deleted or stricken from the bill. But the same Members who have opposed the Sisk amendment are the most avid and anxious to have this legislation enacted. They are the ones that want this proposal to become law.

I have some doubt—in fact, I have rather good reasons to believe that if the



escalator clause stays in the bill that the bill will not become law. Speaking for myself, I do not see how the President could approve legislation which includes this escalator provision. I believe the President would undoubtedly have to veto the bill.

So we come down to the practicalities of this legislation. If we approve the Sisk amendment, the odds are very good; in fact, I would say excellent, that the legislation will become law. If the Sisk amendment is defeated, the odds are much the other way.

On the other hand, I would urge my friends who are not directly affected in agricultural areas to take a look at the dollar cost.

According to the Department of Agriculture, the following is the estimated cost of this legislation if we have the escalator clause in the bill. In 1974 the likely payments to farmers for wheat, feed grains, and cotton would total \$2,600 million.

In fiscal year 1975 the taxpayer cost would likely be \$2,800 million. In 1976 the cost would likely be \$3,200 million, and in 1977 the probable cost would be \$3.4 billion.

It seems to me that those who do not come directly from agricultural areas ought to be very cognizant of the prospective cost of this legislation if the escalator clause remains in it—something over \$12 billion. I do not think it can be justified under the circumstances. Therefore, because I want a farm bill and because I want a bill that is not going to penalize the taxpayers, I urge support for the Sisk amendment.

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

Mr. Chairman, my good friend, Mr. Sisk, chairman of the Agriculture Committee, and the minority leader, Mr. GERALD R. FORD. With all due respect to this amendment, I must oppose it for the following reasons. First of all, we had an agreement in the committee that this amendment be put into the bill.

We had a much stronger amendment when we first started out on the bill. Then the administration sent up the language on this escalator clause that is included in the bill. They approved it. They sent it up. They said if we adopt this they will go along with it. So now it is said that if this escalator clause is put in here it is going to cost possibly \$900 million.

Possibly the food stamp program could cost \$3 or \$4 billion and possibly the Social Security escalator could cost an untold amount of money. Possibly the escalator for the military services personnel of this country could be excessively expensive. Possibly the veterans' program could be escalated to large sums. Possibly the shipbuilders could be escalated and the aerospace industry could be escalated and the \$2.20 per hour minimum wage increase could be escalated to untold billions of dollars.

We say, "What? The farmer is going to get \$900 million?" The farmer has been getting approximately 70 percent of parity for over 20 years. He has been short-changed by 30 to 35 cents on the dollar for every year for the last 20 years. He is just

now getting for his product what he received in 1952.

How many businessmen and workers in this country are willing to take 70 percent of what every other person is getting for his labor and for his product in this Nation? Name me one. There is not one, I daresay. But we are saying to the American farmer, "Oh yes, you produce the food, you produce the meat, you produce the fiber for this country, but you be the sucker." They are not going to do it any longer because there were 10 percent less cattle put on feed last month and another 12 percent less a month before that. There were less hogs put on feed because they are selling their sows. They are not going to feed these animals for nothing because they cannot. The bankers will not lend them the money.

We want to remember in this program that approximately \$3.5 billion of this money is spent for direct subsidies to the American farmer. The rest of it is spent for food stamps, welfare programs, and consumer programs that benefit the consumers. Someone asked the other day what the consumer is going to get out of this. They are going to get the difference between the \$3.5 billion and the \$7 or \$8 billion that is in this program. They are the ones who are getting subsidized, the American consumers.

The food has to be planted and it has to be grown before we can eat it. I think it is being very unfair to say it is all right for the 6 to 8 million civil service employees to get a regular 5.4-percent increase. This is great, is it not? And it is great for the 30 million social security people to get an escalator, is it not? That is great. But let the less than 3 million farmers ask for an escalator in their prices so they can get around 70 percent of what everyone else is getting for their labor and their product, and that is terrible, is it not?

We want the farmer to continue to farm, but we talk about a second-class citizen, and he is. We will be encouraging the continuation or the starting of shortages of food in this country. We took away yesterday the \$37,500 limitation and put in a \$20,000-per-farmer limitation. We took away the cotton man's chance to promote his product so he can sell it. Now we want to take away any fairness we have given to every other segment in this country. We want to take that away from the farmer. I think that is unfair and unwise.

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

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

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. PRICE of Texas. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, I think it ought to be stated right now that the Department of Agriculture seems to have a department of misinformation down there. They gave the figures to the minority leader that he has just quoted. He pointed out that according to this information furnished him the cost of this program will be \$2.6 billion in 1974.

If Members will go out in the Speaker's lobby and pick up a copy of the Wall

Street Journal and look at the commodity futures prices for 1974 for wheat, corn, and cotton, they will find that every one of them is well above the target price of the bill.

Mr. Chairman, I am afraid that the USDA has fed us a red herring. They are trying to use this misinformation to steer the Members of the House today in the wrong direction. These costs are not what they say. You can hedge these crops today for 1974 at figures well above the target levels. A \$2.6 billion cost cannot result in 1974 if we put this escalator clause in there. In fact, the farm program cost for 1974 may well be far less than in any of the last 30 years.

I think what we have to look at is whether the escalator clause is necessary in order to stimulate the production that our Nation needs. It is and it will serve, then, the consumer as well as the farmer.

Mr. POAGE. Mr. Chairman, I ask unanimous consent debate on this amendment and on all other amendments to section 1 terminate at 5 o'clock.

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

Mr. SCHERLE. Mr. Chairman, I reserve the right to object.

Mr. VANIK. Mr. Chairman, reserving the right to object, I would like to say that I, as a nonmember of the committee, have three or four amendments here. So far, the only amendments really substantially considered are those of committee members. I think this bill is a national bill which involves all the people of the United States.

Mr. Chairman, I think Members not on the committee should have an opportunity to offer these amendments.

The CHAIRMAN. Does the gentleman from Ohio insist upon his objection?

Mr. VANIK. Mr. Chairman, I do.

Mr. SCHERLE. Mr. Chairman, will the gentleman from Ohio withhold his objection for a moment?

Mr. VANIK. I will.

Mr. SCHERLE. Mr. Chairman, may I inquire from the Chairman as to how many amendments remain to section 1?

The CHAIRMAN. The Chair would advise the gentleman from Iowa that there are 16 amendments at the desk for section 1.

Mr. SCHERLE. Mr. Chairman, if the gentleman from Ohio does not object, I will.

The CHAIRMAN. Objection is heard.

The question is on the amendments offered by the gentleman from California (Mr. Sisk).

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

#### RECORDED VOTE

Mr. TEAGUE of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by clerks; and there were—ayes 174, noes 239, not voting 20, as follows:

[Roll No. 330]

AYES—174

Adams	Ashbrook	Boland
Anderson,	Bafalis	Bray
Calif.	Bell	Broomfield
Anderson, Ill.	Bennett	Brotzman
Archer	Blester	Brown, Mich.
Arends	Blackburn	Brown, Ohio

Broyhill, Va.  
Buchanan  
Burgener  
Burke, Fla.  
Butler  
Byron  
Cederberg  
Chamberlain  
Chappell  
Clancy  
Clark  
Clausen,  
Don H.  
Clawson, Del  
Cleveland  
Cohen  
Collins, Tex.  
Conable  
Conlan  
Conte  
Corman  
Cotter  
Coughlin  
Crane  
Cronin  
Daniel, Dan  
Daniel, Robert  
W. Jr.  
Davis, Wis.  
Dellenback  
Dennis  
Devine  
Drinan  
Dulski  
Duncan  
du Pont  
Edwards, Ala.  
Erlenborn  
Esch  
Eshleman  
Findley  
Fish  
Ford, Gerald R.  
Forsythe  
Frelinghuysen  
Frey  
Gaydos  
Gilman  
Grasso  
Grover  
Gubser  
Gude  
Gunter  
Hammer-  
schmidt

Hanrahan  
Harvey  
Hastings  
Heckler, Mass.  
Heinz  
Hinshaw  
Hogan  
Holt  
Horton  
Hosmer  
Huber  
Hudnut  
Hunt  
Hutchinson  
Jarman  
Johnson, Pa.  
Jones, Okla.  
Keating  
Kemp  
Ketchum  
King  
Leggett  
Lent  
Long, Md.  
Lujan  
McClary  
McDade  
McEwen  
McKinney  
Madigan  
Mallory  
Maraziti  
Martin, Nebr.  
Martin, N.C.  
Mazzoli  
Michel  
Milford  
Mills, Ark.  
Minish  
Mink  
Minshall, Ohio  
Moorhead,  
Calif.  
Mosher  
Myers  
O'Brien  
Parris  
Peysner  
Pike  
Powell, Ohio  
Pritchard  
Quillen  
Rallsback  
Regula  
Rhodes

## NOES—239

Abdnor  
Abzug  
Addabbo  
Alexander  
Andrews, N.C.  
Andrews,  
N. Dak.  
Annunzio  
Armstrong  
Ashley  
Aspin  
Badillo  
Baker  
Barrett  
Beard  
Bergland  
Bevill  
Biaggi  
Bingham  
B'atnik  
Boggs  
Bolling  
Brademas  
Brasco  
Breaux  
Breckinridge  
Brinkley  
Brooks  
Brown, Calif.  
Broyhill, N.C.  
Burke, Calif.  
Burke, Mass.  
Burlison, Tex.  
Burlison, Mo.  
Burton  
Camp  
Carey, N.Y.  
Carney, Ohio  
Casey, Tex.  
Chisholm  
C'ay  
Cochran  
Collins, Ill.  
Conyers  
Culver  
Daniels,  
Dominick V.  
Davis, Ga.  
Davis, S.C.  
de la Garza

Delaney  
Dellums  
Denholm  
Derwinski  
Dickinson  
Diggs  
Dingell  
Donohue  
Dorn  
Downing  
Eckhardt  
Edwards, Calif.  
Eilberg  
Evans, Colo.  
Evins, Tenn.  
Fascell  
Flood  
Flowers  
Flynt  
Foley  
Ford,  
William D.  
Fountain  
Fraser  
Froehlich  
Fulton  
Fuqua  
Gettys  
Gibbons  
Ginn  
Goldwater  
Gonzalez  
Goodling  
Green, Pa.  
Griffiths  
Gross  
Guyer  
Haley  
Hamilton  
Hanley  
Hanna  
Hansen, Idaho  
Hansen, Wash.  
Harrington  
Harsha  
Hawkins  
Hays  
Hechler, W. Va.  
Helstoski  
Henderson

Hicks  
Hillis  
Holifield  
Holtzman  
Howard  
Hungate  
Ichord  
Johnson, Colo.  
Jones, Ala.  
Jones, N.C.  
Jones, Tenn.  
Jordan  
Karth  
Kastenmeier  
Kazen  
Kluczynski  
Koch  
Kuykendall  
Kyros  
Landrum  
Latta  
Lehman  
Litton  
Long, La.  
Lott  
McCloskey  
McCollister  
McCormack  
McKay  
McSpadden  
Macdonald  
Madden  
Mahon  
Mann  
Mathias, Calif.  
Mathis, Ga.  
Matsunaga  
Mayne  
Meeds  
Melcher  
Metcalfe  
Mezvisky  
Miller  
Mitchell, Md.  
Mizell  
Moakley  
Mollohan  
Montgomery  
Moss  
Murphy, Ill.

Murphy, N.Y.  
Natcher  
Nedzi  
Nielsen  
Nichols  
Nix  
Obey  
O'Hara  
O'Neill  
Owens  
Passman  
Patman  
Patten  
Perkins  
Pickle  
Poage  
Podell  
Preyer  
Price, Ill.  
Price, Tex.  
Quile  
Randall  
Rangel  
Rarick  
Rees  
Reid  
Reuss  
Roberts  
Rodino  
Roncalio, Wyo.  
Rooney, N.Y.  
Rooney, Pa.

Rose  
Rosenthal  
Rostenkowski  
Roush  
Roy  
Roybal  
Runnels  
Ruth  
Ryan  
St Germain  
Sarbanes  
Scherle  
Schroeder  
Sebellus  
Shipley  
Shoup  
Shriver  
Shuster  
Sikes  
Skubitz  
Slack  
Smith, Iowa  
Spence  
Staggers  
Stanton  
James V.  
Stark  
Steed  
Stephens  
Stokes  
Stubblefield  
Stuckey

Sullivan  
Symington  
Symms  
Taylor, N.C.  
Teague, Tex.  
Thompson, N.J.  
Thomson, Wis.  
Thone  
Thornton  
Tiernan  
Towell, Nev.  
Ullman  
Vigorito  
Waggonner  
Waldie  
Wampler  
White  
Whitten  
Wilson,  
Charles H.,  
Calif.  
Wilson,  
Charles, Tex.  
Winn  
Wright  
Yatron  
Young, Alaska  
Young, Ga.  
Young, Ill.  
Young, Tex.  
Zablocki  
Zwach

## NOT VOTING—20

Bowen  
Carter  
Collier  
Danielson  
Dent  
Fisher  
Frenzel  
Gialmo  
Gray  
Green, Oreg.  
Hobert  
Johnson, Calif.  
Landgrebe  
McFall

So the amendments were rejected.

Mr. STRATTON changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

## AMENDMENT OFFERED BY MR. FOLEY

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

The Clerk read as follows:

Amendment offered by Mr. FOLEY: Page 41, between lines 10 and 11, add the following: "Sec. 811. Notwithstanding any other provision of law, loans and purchases may be made available to non-cooperators under the wheat, feed grains and cotton programs at such levels not in excess of the level to co-operators, as the Secretary determines will facilitate the effective operation of the program."

Mr. FOLEY. Mr. Chairman, the committee has determined to limit the payments to cooperators under the wheat, feed grains, and cotton programs to not more than \$20,000 per person, and authorized provisions that diminish the payments in the event that allotments are leased or transferred.

The effect of this action will be to strongly impact the present character of the cotton program, and the result, I think, will be that those producers who account for about 40 to 50 percent of our cotton today, deciding not to participate in the program.

Unfortunately, if this occurs, the loan levels on cotton will probably not function as they are intended in maintaining a minimum price support for cotton. And in the event, there would be a dramatic softening of cotton prices. There would be a real danger that prices would slip beneath the loan level.

Should that occur, the Government would have no choice under the non-recourse loan provisions of the act, but to acquire cotton stock.

Although the amendment I am offering is intended to apply to all programs, I think, frankly, its principal effect will be on cotton. It is designed to prevent the Government from having to acquire

stocks of cotton, wheat or feed grains which it might have to sell at a loss. The authority it will give the Secretary is discretionary. Hopefully the Secretary would never have to use this authority.

All the amendment does is authorize the Secretary to extend the loan provisions of the act, not the payments, but the loan provisions of the act, to all producers regardless of whether they are cooperators or not.

As I say, its principal function is to protect the Government against acquiring of stocks of commodities it does not want, should the market price of such commodities fall beneath the loan level.

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

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

Mr. FINDLEY. Could the gentleman inform the members of the committee the effect of this, assuming the Secretary does implement this discretionary authority? At what level would loans be extended to producers of cotton who are not cooperators?

Mr. FOLEY. It would be under this discretionary authority.

Mr. FINDLEY. I know, but at what level would he exercise the discretion?

Mr. FOLEY. I assume the level would be not more than the level he provides for cooperators. It could be less.

Mr. FINDLEY. What is, therefore, the maximum level at which he could extend a loan to cotton producers who are not cooperators?

Mr. FOLEY. The maximum level would be that permitted to cooperators.

Mr. FINDLEY. What is that?

Mr. FOLEY. It is 25 cents.

Mr. FINDLEY. What level would it be for wheat?

Mr. FOLEY. \$1.49.

Mr. FINDLEY. What level would it be for feed grains?

Mr. FOLEY. It would be \$1.19 for corn, and adjusted from corn to other feed grains.

Mr. FINDLEY. Even though these loan levels were established as an adjustment to the cooperators in return for their cooperation in the program under the terms of this amendment, notwithstanding that decision by the committee to extend loans only to cooperators, it would be possible to extend these loans to noncooperators who do nothing as a condition of eligibility; am I correct?

Mr. FOLEY. The gentleman is correct, but I want to point out to the gentleman that the cooperators will always have the benefit of the loan. The only time that noncooperators would get the benefit of the loan would be if the Secretary decided that it was necessary to give them loan protection—not to give them assistance or reward them, but to prevent the Government from being required to purchase stocks of wheat, feed grains, or cotton.

The experiences of 1950 where the Government had to acquire and hold substantial stocks of wheat, feed grains, and cotton is one we should not forget. In the late 1950's the Government was paying \$1 million a day for grain storage alone.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. FOLEY



was allowed to proceed for 3 additional minutes.)

Mr. FOLEY. I am not quarreling again with the adoption of the Findley amendment. This committee has decided to accept it and has absolutely determined and accordingly, it has in effect mandated that large producers who account for 40 to 50 percent of the cotton crop will not continue to participate in the program. The result of such nonparticipation, most probably, will be that the loan will not sustain the price. The Government will then be required to take over cotton stocks, hold them, sell them at a loss, and pay storage on them. This is an undesirable eventuality which I am sure everyone in the committee will want to oppose.

My amendment merely gives precautionary, discretionary authority to prevent that from happening. This is in the interest of the taxpayer, not in the interest of producers, either large or small.

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

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

Mr. MAYNE. I am particularly interested in the effect that this would have on the feed grain program. The gentleman has referred to the ruinous surpluses which were accumulated in the 1950's. As I recall, one of the major causes of a big surplus in corn being built up was that Ezra Taft Benson made a lot of noncompliance loans on corn.

Mr. FOLEY. I will tell the gentleman I have absolute confidence that there would be no reason for this authority to be applied in the feed grain program, because feed grain payments do not exceed on the average \$10,000.

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

Mr. Chairman, I yield to the chairman of the Livestock and Grains Committee for further comments and questions.

Mr. FOLEY. I thank the gentleman from Texas.

In the feed grains area I think the gentleman from Iowa knows we have a great number of producers, most of whom do not produce enough to receive payments that are even approaching \$20,000. Accordingly, the limitation that the House committee placed on payments is not going to affect most feed grain cooperators.

Such a limitation is not going to affect the wheat program to any great extent but it is going to seriously affect many cotton producers. I think the gentleman from Illinois well knows it and he has evidenced this knowledge many times.

I think I can assure the gentleman from Iowa that there are not any conceivable circumstances in which I can envisage the Secretary of Agriculture's needing to use this authority in the feed grain programs.

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

Mr. PRICE of Texas. I yield to the gentleman from Iowa.

Mr. MAYNE. It does seem to me though this type of nonparticipating farmer is not required to participate in the program and he does not assume any obligations under the program but still

he gets the loan, and it will drive people from the program, but the gentleman seems quite sure this would not happen.

Mr. FOLEY. If the gentleman would yield, I am aware of the fact that if we make too many attractive provisions for noncooperators there would be little incentive to cooperate in this program. The only time the Secretary of Agriculture would use his authority is if he felt the loan levels would not support the price. I think there is no likelihood of this occurring in feed grains so I do not see the Secretary of Agriculture offering noncooperators in the feed grain program the opportunity to participate in the loan.

Because it affects the cotton farmers so severely, most substantial cotton producers would not participate in the program. Their exodus would destroy the price support program by making it ineffective and the smaller cotton producers would get the price advantage. But in order to benefit, the smaller cotton producers, will have to turn their crop over to the Government to hold it because they will not be able to sell it. Who will lose under such a program? The taxpayer and the Government.

This amendment is designed to protect the taxpayer and the Government, by giving the Secretary sensible, discretionary authority to insure that producers outside the program are not hurt. The gentleman knows the usual effect of the loan program when most producers are also cooperators is to give price support to all producers whether they are cooperators or not. This merely protects the public from having the price slip below the loan level, leaving the Government owning stocks it may have to dump.

Mr. PRICE of Texas. Is it not true, I ask the gentleman from Washington (Mr. FOLEY), using that as an example, we usually carry over 4 million bales of cotton for those who participate. If we have the 4 million bales turned over and held by the Commodity Credit and stored, and if the nonparticipating goes below that, it will affect the cotton in the Commodity Credit Corporation and it will affect the price and the Government will lose more money.

Mr. FOLEY. The gentleman is precisely correct.

Mr. PRICE of Texas. That is the understanding we have.

Mr. FOLEY. We do not want the Government to acquire these stocks anyway. We want them to move in commerce. If they are acquired there will be storage costs on them and probably eventually they will have to be dumped on the market at a loss to the taxpayers. The amendment I am offering is an attempt to avoid such a situation by giving the Secretary some discretion to prevent such a loss to the taxpayers. The amendment is not designed to reward anybody in the agriculture community but ultimately to protect the taxpayers and the Government.

Mr. PRICE of Texas. But in addition I think there are two points which need to be made here. One is this is a loan and this is not a subsidy and this is not a give away. This is a loan that has to be paid back by these people.

Mr. TEAGUE of California. It is a nonrecourse loan.

Mr. FOLEY. It is a nonrecourse loan but it either has to be paid back or the pledged stocks have to be turned over to the Government.

I urge the members of the committee to support this amendment. I know it is a very technical one, but it is important if we wish these programs to be feasibly and effectively managed.

AMENDMENT OFFERED BY MR. FINDLEY TO THE AMENDMENT OFFERED BY MR. FOLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY to the amendment offered by Mr. FOLEY: Strike the period and quotation marks at the end of the amendment and insert the following:

"Provided, That in the event that the Secretary makes loans and purchases available to non-cooperators under the provisions of this section, the levels of such loans and purchases should not exceed \$1.25 per bushel on wheat, \$1.00 per bushel on corn, or 19.5 cents per pound on cotton."

Mr. FINDLEY. Mr. Chairman, the cotton interests, I guess, have even more than the proverbial nine lives, because they keep coming back with still another device to thwart the will of the Congress in trying to establish an effective limitation on how much money is going to come out of the U.S. Treasury for big cotton operators.

I can understand why the amendment is offered, because it would authorize nonrecourse loans to everybody in the country who grows cotton; authorize nonrecourse loans at the level of 25 cents per pound to everybody who grows cotton, whether they signed up in the program or not. There would be no distinction as to the loan level between those who cooperate, who meet all the conditions of eligibility as cooperators, and those who do not.

The gentleman from Washington was bemoaning the prospect of Government takeover of cotton stocks unless an amendment such as this is enacted. Actually, the effect of this amendment is most certainly going to be that Government will take over the cotton if we guarantee the loan on a nonrecourse basis of 25 cents a pound and the market price goes below 25 cents a pound. This means the taxpayers are going to start buying cotton by the hundreds of bales again and making up the difference when they later sell the cotton at a discount.

Mr. Chairman, the effect of my amendment to the amendment is to establish a lower level of loans for noncooperators in cotton, feed grains, and wheat. In fact, establishing as the lower level for such noncooperators the same lower level that is written into the Senate farm bill and is presently in the law at \$1.25 per bushel on wheat, \$1 per bushel on corn, and 19 cents per pound on cotton. This would leave the noncooperators with a way to get substantial marketing loans.

Frankly, I do not think we should extend the program to noncooperators, but, if we do, it certainly makes a lot more sense for us to have a lower level of loans to noncooperators than we extend to those who cooperate under the programs and meet all the conditions of eligibility.

Frankly, the amendment ought to be rejected, but if Members see fit to write this amendment into the law, I urge that they add the amendment to the amendment which I have now offered and which gets the lower level down to a reasonable level, which would, I think, virtually eliminate the possibility of the Government having to take over the cotton and losing money on every pound.

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

Mr. FINDLEY. Mr. Chairman, I yield to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Chairman, is it not true that the Commodity Credit Corporation loans actually form, because of their nonrecourse nature, the floor under which prices cannot go without the Government moving into the market and picking up the product?

Mr. FINDLEY. Yes.

Mr. ADAMS. And the amendment of the gentleman from Illinois is to put that floor at a low enough level so that those who do not cooperate are not encouraged to go in and do it?

Mr. FINDLEY. Exactly.

Mr. POAGE. Mr. Chairman, I move to strike out the last six words.

Mr. Chairman, I feel that there is considerable misunderstanding about this amendment. It is perfectly natural that there should be, because many of us do not understand what we have done. Yesterday, we passed legislation which is going to inevitably result in keeping a great amount, or a large part of the cotton crop, a smaller part of the wheat crop, and probably none of the feed grain acreage from staying in the program, because when we said that the man who is growing 10,000 bales of cotton cannot get but \$20,000, that means he cannot possibly get more than \$2 per bale and he cannot afford to stay in the program for that, so he has to stay on the outside.

Mr. Chairman, the House has already spoken on that and I am not trying to change that, but it did open the door for tremendous losses to the U.S. Government.

What the Foley amendment attempts to do is to try to keep the Government from suffering those kinds of losses.

In the past, when practically everybody was in the program, we had an effective floor. That floor on cotton has been around 19 cents, as the gentleman from Illinois suggests. We had a floor at this figure, because we offered a loan of approximately 19 cents which was available to practically all producers.

As a consequence of that, nobody would be willing to go on down and sell on a 15-cent market, because he could put his cotton in the loan. That stopped the decline, and the market could never drop very much below that figure. Somebody might take a half-cent less in order to make the sale, but for all practical purposes the loan stopped the decline. It did the same for wheat.

That situation was worth a great deal both to the farmer and to the Government. Of course, if everybody were still going to be in the program under this bill, that would be fine, but since we limited the payments, we effectively removed all of the large producers. They are not going to be in the program. In

the production of cotton probably not more than 60 percent of the production will be in the program, and about 40 percent will be on the outside.

So if there were a disastrous decline—and all of this is predicated on a disastrous decline—then in that disastrous decline the price would come down here and hit this level, which would be about 25 cents—the support level in the bill. They would hit this level of 25 cents, but it would not stop the market from going down as we have stopped it in the past.

What would happen is that the Government would begin to take over all of the cotton of the cooperators, say 60 percent, at 25 cents, but there would be 40 percent more on the outside on which the Government would not make a loan, and the market would keep on going down. It might go down, let us say, to 20 cents.

One could say, "That is all right; that is the misfortune of the big grower, and we are not interested in him as such."

I am not asking Members to be interested in him. But they are all interested, or should be, in the Treasury of the United States.

Who will take that loss? The big grower, of course, will take a loss. I will grant that. It would be \$25 a bale, if we had the situation I have suggested.

We would have 60 percent of the cotton crop going into the loan at 25 cents. If the market dropped to 20 cents, the U.S. Government would take a loss on possibly 3 or 4 million bales of cotton, or possibly 300 or 400 million bushels of wheat. The U.S. Government would take that loss, because the U.S. Government would take all of the loss below the loan on all the commodities on which there is a loan, and there would be a loan on all of the cooperators' part of the crop.

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

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

Mr. FINDLEY. Who does the gentleman believe is going to take the loss on the nonrecourse loans which are to be extended to noncooperators under this proposal?

Mr. POAGE. The whole point is to prevent a loss. The point is to prevent a loss. If we can stop the market from going down, if we can stop it at 25 cents, there is not going to be a loss to anybody. But if we let it go on down to 20 cents, then the Government will take the loss on everything that it has in the loan. Everybody who is a cooperator will put cotton in the loan, and the Government will take the loss on about 60 percent of the crop.

It is perfectly true that some of the large operators, whom the gentleman dislikes so intensely and would like to see suffer complete bankruptcy, probably would go bankrupt.

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

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

Mr. POAGE. There would be an opportunity to break a lot of people, if that be the object of the House, and if that is so the Members ought to vote against this amendment. But if they want to protect the U.S. Treasury, if they want to protect the investment of this Govern-

ment, then by all means they ought to vote for the amendment, because the amendment will protect the U.S. Government from taking this tremendous and unnecessary loss.

Of course, it will help some people as an incident to protecting the Treasury. If Members are so convinced that they ought to penalize somebody, that they do not want to do anything that would help anybody even though the help would help the U.S. Government, then of course they would vote against the amendment.

Mr. Chairman, I am merely suggesting that this is an amendment which is essential under the present situation. The Secretary of Agriculture is advised of this amendment, and he has offered no objections.

I think that all of us must recognize that this is a situation in which we are not trying to simply undo what we did yesterday; this is an amendment by which we are trying to see that what we did yesterday is not going to cost the Government an unreasonable amount of money.

Now, we may not need it in feed grains; we may not need it in cotton and wheat. The amendment does not require that it be applied where not needed; it leaves it to the Secretary of Agriculture.

The amendment provides that notwithstanding any other provisions of the law, loans or purchases may be made available to noncooperators under the wheat, feed grain, and cotton programs at such levels not in excess of the level of cooperators as the Secretary of Agriculture determines will effectuate the operation of the program.

If it is not desirable for feed grain producers—and I believe in some cases it might not be—the Secretary does not have to use it for the feed grain producers. The Secretary only uses what he determines is going to be helpful to the effectuation of the program.

Mr. Chairman, I do not see how we could ask for anything which is more fair than that. We leave the authority to make the determination in the hands of the Secretary.

Now, if the Members believe the Secretary of Agriculture is committed to trying to waste the Government's funds on behalf of some unworthy individuals, then, of course, they will vote against the amendment. But if the Members have any confidence at all in the administration's own Secretary, then they had better vote for the amendment.

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

Mr. POAGE. I yield to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, what puzzles me is that yesterday the gentleman was arguing that the price outlook was so good that the bill will not cost the taxpayers a penny. Now he is worrying about the price of cotton falling through the floor.

Mr. POAGE. If it does fall through the floor we need this amendment. The whole thing is predicated upon a disaster that may not occur, but if it does, let us not have the U.S. Government in a position of suffering an unnecessary \$2 or \$3 billion loss just because we want to penalize



some cotton growers whom we do not know.

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

Mr. Chairman, I hope that I can have the attention of the gentleman from Illinois (Mr. FINDLEY) as well as the attention of the members of the committee.

I served in this capacity, as chairman of the committee handling appropriations for agriculture since 1949, and I believe one of the things we have learned through the years is that we must have orderly marketing for the producer of a farm commodity in order that he may pay his bank and not be forced to dump his commodity on the market all at one time.

In recent weeks, we have been reading about the high prices of farm commodities. The reason the price is so high is that the farmers have not had any commodities for months; they are all in the hands of the speculators if they exist at all.

Mr. Chairman, I would hope that the gentleman from Illinois would give some thought to adding his amendment: "or such other level as might provide for orderly marketing."

Now, with the victory the gentleman won yesterday—and I differed with him—I believe he would not want that undone by another amendment.

Mr. Chairman, I do not wish to question anybody's motives here, because I think all the Members mean well and we are all doing what we think is right, but from my experience since 1949, I think we must provide, if we are going to maintain a healthy agriculture and a healthy economy, for some method that would enable the farm producer to have orderly marketing and not be forced to unload his entire production on the market at any specific time. I feel sure that any Secretary of Agriculture would set the loan rate at such a figure for the non-cooperator as would keep the commodity moving in the marketplace.

If we do not provide for this, the results will be those described by the gentleman from Washington and the gentleman from Texas. If we have a program that is sufficiently unattractive to the big producers, they will not cooperate, and if they do not cooperate, that means that the cooperators are almost 100 percent in the hands of the Government, and the Government under those conditions, I believe, would lose much.

So in order to carry out what I believe the gentleman from Illinois has in mind by his amendment and so that it would not cost us a whole lot of money, which he does not intend, I believe the amendment which he has offered should now provide: "or at such level as the Secretary feels is necessary for orderly marketing."

I think he would do much to lessen the dangers of yesterday's action in adopting his limitation amendment and would help to carry out the purpose he has in mind today.

Mr. FINDLEY. Will the gentleman yield?

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

Mr. FINDLEY. I can see that the gentleman sees some weakness in the language offered by Mr. FOLEY. Certainly

what he has suggested accords with my objectives.

The reason why I chose the figures I placed in my amendment to the amendment is that it has been accepted in the law and the gentleman accepted it as a loan level for orderly marketing. That is the only reason why I have done it.

Mr. WHITTEN. If that is so, the gentleman can accept this language without any disruption of his thinking.

Let me say this about Mr. FOLEY. I do not differ with what Mr. FOLEY has in mind, but I do think that Mr. FOLEY's language entrusts the Secretary to do what we are talking about. It is not required, but it might be well to set out guidelines for the Secretary's actions. I discussed this with Congressman FOLEY after the fact. I did not know he was going to offer his amendment. However, I do think what I suggest is in line with what he intends. It leaves it up to the Secretary to make the determinations and, as the gentleman from Illinois says, it will not promote noncooperation.

I am suggesting, if the language can be modified, it would improve the bill and might avoid some of the dangers of the amendment which we adopted yesterday. An amendment which I think is too far-reaching with some unforeseen bad results. It may be that the gentleman cannot accept the language I suggest, but I believe the language offered is in accord with what the gentleman from Washington has in mind.

Mr. FOLEY. Will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. FOLEY. I say to the gentleman the purpose of this amendment is to provide the orderly marketing of crops affected, and I would be glad to accept language which says "in order to facilitate orderly marketing of wheat and feed grains, and cotton the Secretary shall do" and so forth.

Mr. WHITTEN. I thank my friend from Washington and hope it will work out that way.

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

Mr. Chairman, I have come to the well again in opposition to the amendment to the amendment. I will not take the full 5 minutes, but I want to clear up one fact which I think is very important.

The purpose of this amendment is to keep the Government from acquiring stocks. The gentleman from Illinois has suggested in his amendment to my amendment a second loan level rate below those loan levels that would be available to cooperators. The difficulty with that position is if the price of a commodity like cotton gets down to about 25 cents, which is the loan level to cooperators, and half of the producers are out of the program and the Secretary can only make loans available to cooperators at the lower level, the price will continue down and hover above the lower loan level of 20 cents a pound. Those who are cooperators will not be able to sell their cotton at 25 cents a pound and will be forced to turn it over to the Government. It is an amendment that does not solve the problem but, rather, exacerbates the problem.

We need to provide for an effective

mechanism to avoid Government take-overs of cotton stocks.

I hope the committee will vote to defeat the amendment to the amendment and accept the principal amendment.

Mr. YOUNG of South Carolina. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois (Mr. FINDLEY).

Mr. Chairman, I would like to speak as a small cotton farmer from South Carolina. Most of the people I know over the years have developed the habit of eating, and the way they eat is they get things from the farmer. Our population on the farm decreased to 5 percent of the Nation. This amendment would further drive out those of us who are on the farm, because the big farmers will continue to produce. They are sort of like cats. You throw them up and they land on their feet.

However, the smaller producers will be the producers who will be eliminated from the farms.

Then we move into the time when those small farmers are no longer there, and then 1½ percent of the people left in this Nation, which today are producing 80 percent of the food, will say to the consumer, "You will pay us such and such a price for what we grow."

There is an effort here made today to take the Federal Government out of farming, and well it may be, but I think we should look beyond this time to the time when the marketplace will pay the bill for our food. The woman who stood in the balcony yesterday and threw down the brochure, saying "I do not have milk for my baby," was talking about the high price of milk.

I would like to remind those friends of mine from the urban areas that the price of everything that you buy is going to continue to go up if we continue in this fashion of eliminating the small farmers in this country.

I would hope, even though I may be a lone voice crying in the wilderness, that we would look at what we did yesterday and what we are doing today, because the repercussions may well be felt in the years ahead. And even though you win on this floor today, the ultimate people who will pay for this that we are doing now will be paying for it in the marketplace.

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

Mr. Chairman, I would just like to ask a question of the chairman of the committee, and also the gentleman from Washington (Mr. FOLEY), who offered the amendment, so that I am very certain on this:

That is, as I understand it, with the \$20,000 limitation, it applies to all payments that take place?

Mr. FOLEY. That is correct.

Mr. ADAMS. We have taken principally in this case the cotton industry, and if a person in that industry decides he does not want to participate in the program then he would not receive any payments, or he would not be under the \$20,000 limitation; is that correct?

Mr. FOLEY. That is correct.

Mr. ADAMS. But there is another provision which provides for commodity credit loans which are not, in effect, pay-

ments under the \$20,000 process, but they could be caught by the Findley amendment?

Mr. FOLEY. The Findley amendment, I will tell my colleague, the gentleman from Washington, specifically excepts loans from the payment limitation.

Mr. ADAMS. That is what I want to be certain of. The person who is not setting aside cotton could still qualify under the commodity credit program.

Mr. FOLEY. The large producers could, under the Findley amendment, stay in the program but subject, of course to the \$20,000 limitation on payments. That limitation would not apply to loans however. To repeat, if a producer elects to stay in the program, he then could not get any more in payments than \$20,000, but he then could get more than that in loans.

Mr. ADAMS. Under the commodity credit loans?

Mr. FOLEY. Under the Findley amendment.

Mr. ADAMS. I think that is what the chairman was talking about, that the producer can obtain a loan from the Commodity Credit Corporation system, and can qualify for other payments if he goes in the program.

Mr. FOLEY. That is correct.

Mr. ADAMS. If he does not go in the program, which is what was being discussed by my colleagues on both sides of the aisle, he then still qualifies for loans from the Commodity Credit Corporation?

Mr. FOLEY. Under present law if he does not go in the program at all, a producer is not eligible for either payments or loans.

Mr. ADAMS. So there is no increase set aside for him, and there is no payment for him?

Mr. FOLEY. And no loans.

Mr. ADAMS. Under this provision if he were not in the program he could go ahead and get a loan?

Mr. FOLEY. If the Secretary at his discretion for orderly marketing purposes made it available, but normally he could not get a loan. As a noncooperator he would not be entitled to any loans, as a matter of right; it would be completely a matter of discretion with the Secretary under what conditions a noncooperator could get a loan.

Mr. ADAMS. Mr. Chairman, the problem that I face with this is that if we go into a situation where there is a slide in the price of cotton which goes below 25 cents, we will then be having the Government buy up cotton under the Commodity Credit Corporation. The price can still go down, as the chairman pointed out, so then the Government will be holding cotton, and in effect what we try to do with it is to hold it until the price goes back up and the Government gets its money out. What I am worried about with the gentleman's amendment is that this allows the big producer who refuses to accept acreage limitations to use the Commodity Credit loan system to get money out of the Federal Treasury and come out whole, without accepting the acreage limitations that those who are in the program have to accept.

So we go from 11 million acres in cotton back up to 16 million acres, and we begin to pile up again the surpluses that

we lived with back in the 1960's. So are we not going around and in effect paying people who are going to be producing the surplus, because they are the large producers, who use the Commodity Credit Corporation instead of the set-aside acreage provisions?

Mr. FOLEY. The purpose of extending the loans to noncooperators is to keep the price above the loan rates, so that, hopefully the Government does not acquire any stocks from any producers, cooperators, or others.

Mr. ADAMS. But if we have a surplus, the price is going to drop.

Mr. FOLEY. If we have a loan rate that is applicable to virtually all the cotton that is produced, our experience is that the price will generally stay above the loan rate.

Mr. ADAMS. That is if one manages supplies, as the gentleman has mentioned.

Mr. FOLEY. Well, one is not going to sell it at much below that point, because the Government is going to be there if it goes much below that point.

Mr. ADAMS. But to manage supplies, one has to have the large producer stay in the program.

Mr. FOLEY. The gentleman has just made an excellent argument against the Findley Amendment which we should not have adopted. It has always been difficult for me to understand how we could effectively manage these commodity programs with stringent payment limitations. Unfortunately the committee has adopted the Findley Amendment so we are now attempting to prevent some of the more adverse consequences of our own.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. FINDLEY) to the amendment offered by the gentleman from Washington (Mr. FOLEY).

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington (Mr. FOLEY).

The question was taken; and on a division (demanded by Mr. FOLEY) there were—ayes 45, noes 39.

#### RECORDED VOTE

Mr. FINDLEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by clerks; and there were—ayes 160, noes 247, not voting 26, as follows:

[Roll No. 331]

#### AYES—160

Abdnor	Burlison, Mo.	Fascell
Alexander	Burton	Flood
Andrews, N.C.	Camp	Flowers
Andrews,	Casey, Tex.	Flynt
N. Dak.	Chappell	Foley
Aspin	Chisholm	Ford, Gerald R.
Bafalis	Clausen,	Fountain
Baker	Don H.	Fulton
Barrett	Clay	Fuqua
Beard	Cochran	Gaydos
Bergland	Collins, Tex.	Gettys
Bevill	Daniel, Dan	Ginn
Boggs	Davis, Ga.	Gonzalez
Bowen	Davis, S.C.	Griffiths
Breaux	de la Garza	Hammer-
Breckinridge	Dickinson	schmidt
Brinkley	Dorn	Hanley
Brown, Calif.	Downing	Hansen, Idaho
Burgener	Duncan	Hansen, Wash.
Burke, Calif.	Eckhardt	Hawkins
Burke, Mass.	Evans, Colo.	Hays
Burleson, Tex.	Evins, Tenn.	Helstoski

Henderson	Nichols	Steed
Hicks	Obey	Steelman
Hollifield	O'Neill	Stephens
Hungate	Passman	Stokes
Ichord	Patman	Stubblefield
Jones, Ala.	Patten	Stuckey
Jones, N.C.	Perkins	Symington
Jones, Okla.	Pickle	Symms
Jones, Tenn.	Poage	Taylor, N.C.
Jordan	Preyer	Teague, Tex.
Kazen	Price, Tex.	Thompson, N.J.
Ketchum	Quile	Thomson, Wis.
Kuykendall	Quillen	Thornton
Landrum	Randall	Towell, Nev.
Leggett	Rarick	Treen
Litton	Rees	Udall
Long, La.	Rhodes	Ullman
Lott	Roberts	Vigorito
McKay	Rooney, Pa.	Waggonner
McSpadden	Rose	Walsh
Mahon	Roy	Wampler
Mann	Roybal	White
Martin, N.C.	Runnels	Whitten
Mathias, Calif.	Ruth	Wilson, Bob
Mathis, Ga.	Ryan	Wilson,
Matsunaga	Satterfield	Charles, Tex.
Meeds	Sebelius	Wright
Melcher	Seiberling	Young, Alaska
Mills, Ark.	Sikes	Young, Ga.
Mizell	Sisk	Young, S.C.
Montgomery	Smith, N.Y.	Young, Tex.
Myers	Spence	Zwach
Natcher	Stark	

#### NOES—247

Abzug	du Pont	McEwen
Adams	Edwards, Ala.	McKinney
Addabbo	Ellberg	Macdonald
Anderson,	Erlenborn	Madden
Calif.	Esch	Madigan
Anderson, Ill.	Eshleman	Mallary
Annuozio	Findley	Maraziti
Archer	Fish	Martin, Nebr.
Arends	Ford,	Mayne
Armstrong	William D.	Mazzoli
Ashbrook	Forsythe	Mecalf
Ashley	Frelinghuysen	Mezvisinsky
Badillo	Frey	Michel
Bell	Froehlich	Milford
Bennett	Glaimo	Miller
Biaggi	Gibbons	Minish
Biester	Gilman	Mink
Bingham	Goldwater	Minshall, Ohio
Blackburn	Goodling	Mitchell, Md.
Blatnik	Grasso	Moakley
Boland	Gray	Mollohan
Bolling	Green, Pa.	Moorhead,
Brademas	Gross	Calif.
Brasco	Grover	Mosher
Bray	Gubser	Moss
Broomfield	Gude	Murphy, Ill.
Brozman	Gunter	Murphy, N.Y.
Brown, Mich.	Guyer	Nedzi
Brown, Ohio	Haley	Nelsen
Broyhill, N.C.	Hamilton	Nix
Broyhill, Va.	Hanna	O'Brien
Buchanan	Hanrahan	O'Hara
Burke, Fla.	Harrington	Owens
Butler	Harsha	Farris
Byron	Harvey	Peyser
Carey, N.Y.	Hastings	Pike
Carney, Ohio	Hechler, W. Va.	Podell
Cederberg	Heckler, Mass.	Powell, Ohio
Chamberlain	Helms	Price, Ill.
Clancy	Hillis	Pritchard
Clark	Hinshaw	Railsback
Clawson, Del.	Hogan	Rangel
Cleveland	Holt	Regula
Cohen	Holtzman	Reid
Collins, Ill.	Horton	Reuss
Conable	Hosmer	Riegler
Conlan	Howard	Rinaldo
Conte	Huber	Robinson, Va.
Conyers	Hudnut	Robison, N.Y.
Corman	Hunt	Rodino
Cotter	Hutchinson	Roe
Crane	Jarman	Rogers
Cronin	Johnson, Colo.	Roncallo, Wyo.
Culver	Johnson, Pa.	Roncallo, N.Y.
Daniel, Robert	Karth	Rooney, N.Y.
W. Jr.	Keating	Rostenkowski
Daniels,	Kemp	Roush
Dominick V.	Kluczynski	Rousselot
Davis, Wis.	Koch	Ruppe
Delaney	Kyros	St Germain
Dellenback	Latta	Sandman
Dellums	Lehman	Sarasin
Denholm	Lent	Sarbanes
Dennis	Long, Md.	Saylor
Derwinski	Lujan	Scherle
Devine	McClary	Schneebeli
Dingell	McCloskey	Schroeder
Donohue	McCollister	Shibley
Drinan	McCormack	Shoup
Dulski	McDade	Shriver



Shuster	Taylor, Mo.	Wilson,
Slack	Teague, Calif.	Charles H.,
Smith, Iowa	Thone	Calif.
Snyder	Tiernan	Winn
Staggers	Van Deerlin	Wolff
Stanton,	Vander Jagt	Wyatt
J. William	Vanik	Wydler
Stanton,	Veysey	Wylie
James V.	Waldie	Wyman
Steele	Ware	Yates
Steiger, Ariz.	Whalen	Yatron
Stelger, Wis.	Whitehurst	Young, Fla.
Stratton	Widnall	Young, Ill.
Studds	Wiggins	Zablocki
Sullivan	Williams	Zion
Talcott		

## NOT VOTING—26

Brooks	Fraser	Mailliard
Carter	Frenzel	Mitchell, N.Y.
Collier	Green, Oreg.	Moorhead, Pa.
Coughlin	Hébert	Morgan
Danielson	Johnson, Calif.	Pepper
Dent	Kastenmeier	Pettis
Diggs	King	Rosenthal
Edwards, Calif.	Landgrebe	Skubitz
Fisher	McFall	

So the amendment was rejected.

Messrs. QUIE and BEFALIS changed their votes from "no" to "aye."

Mr. RONCALIO of Wyoming changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

## AMENDMENT OFFERED BY MR. BURLISON OF MISSOURI

Mr. BURLISON of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURLISON of Missouri: Page 21, immediately after line 16, insert the following new paragraph:

"(3) The Secretary shall make available to producers loans and purchases on each crop of soybeans at \$3 per bushel."

Page 21, line 16, strike out the quotation marks.

Mr. BURLISON of Missouri. Mr. Chairman, in the bill, in addition to the target level price concept, we have also an increase in the loan levels in each of the major commodities, wheat, feed grains, and cotton. The loan level for soybeans remains the same under this committee bill. For many years it has been at the level of \$2.25 per bushel.

Mr. Chairman, I remember just a few years ago when we still had the same loan level as the present rate, and soybeans were selling for \$2.30 a bushel. Now, just a short time later, a few years later, we still have the same \$2.25 per bushel loan rate and we have soybeans, if you have them to sell, in recent months going at between \$11 and \$12 a bushel.

We have also seen in recent years restrictions for impeding the planting of soybeans. In the Agricultural Act of 1970 I pleaded with the Committee on Agriculture to permit the planting of soybeans on set-aside acreages. Even at that time, 3 years ago, in 1970, we had a tremendous demand for soybeans and a short supply of them. My position in the Committee on Agriculture did not prevail.

I made the same pleas with the Secretary of Agriculture to permit, in his discretion, the planting of soybeans on the set-aside acreage for the same reason. Again I did not prevail. Two years later we have seen the Secretary exercise that discretion, and in the program for 1973, the present crop year, we see there is no set-aside acreage.

I may say, also, Mr. Chairman, I was the author in the 1970 bill of a provi-

sion in that act to permit soybean substitution for cotton acreage in the discretion of the Secretary. He has not seen fit to permit substitution.

Mr. Chairman, in view of the fact that we have a bill here to increase the loan level for the major commodities, it seems only equitable and proper to me that we increase the loan level for soybeans. Our Government has pulled all the stops in recent months to get increased soybean acreage for this coming year.

I have already mentioned to you that if you had soybeans to sell in recent months you could get \$11 to \$12 a bushel for them.

This point is further emphasized by the fact that our Government just put an embargo on soybeans. You cannot even export them now.

Mr. SCHERLE. Will the gentleman yield?

Mr. BURLISON of Missouri. I yield to the gentleman from Iowa.

Mr. SCHERLE. I thank the gentleman for yielding.

I think my colleague from Missouri makes a very interesting point in his amendment in a request for soybeans to be listed at \$3 a bushel. It is entirely appropriate, because they are selling at the present time for \$10 a bushel and we have a 24 percent increase contemplated this year by the Department of Agriculture. There is no doubt in my mind but what they will reduce it quite drastically.

We have said this before, but even if it does not reach that particular amount, we are also guaranteeing us a target price for corn and wheat, and that point will not be reached, either.

I do not think it is out of order or out of line to make this simple request to include soybeans in the target price.

I compliment my colleague for his amendment.

Mr. BURLISON of Missouri. I thank my friend.

Mr. Chairman, the Federal Government is insisting on full production of our acreage of soybeans, and it is only fair that the general public share in the risk this entails of full production of this commodity over the next 4 years.

Mr. MAYNE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. MAYNE. Mr. Chairman, I think it might be well to recall some of the recent history of soybean loan rates in this country. I well recall in 1969 strong pressures which were put on the new administration of the Department of Agriculture to increase the loan rate on soybeans, very similar to what is being attempted here today. At that time the loan rate was \$2.50. There were some enthusiasts who wanted the loan rate raised even higher, saying that because soybeans were selling for only \$2.40 that raising the loan rate would also raise the price. Well, a very different school of thought in the Department prevailed and that was that if you lowered the loan rate instead of raising it you would become more competitive in the world markets, and you could sell enough soybeans so that the price would rise.

Fortunately that school of thought prevailed. The loan rate on soybeans was

lowered from \$2.50 to \$2.25, exports did increase, and the price of soybeans has gone up steadily ever since, every year, and soybeans have been the success story in American agriculture.

Mr. BURLISON of Missouri. Mr. Chairman, if the gentleman will yield, my friend from Iowa, Mr. MAYNE, would not suggest that we have \$11 to \$12 prices on soybeans in the last few years because the loan level was lowered several years ago from \$2.40 to \$2.25 a bushel?

Mr. MAYNE. I will stand by my statement, I would say to the gentleman from Missouri, that in every year there has been a substantial increase in the price of soybeans since January of 1969, and this was before the great increases of the past year. There has been a substantial increase in soybean production, and there has been a substantial increase in prices year after year. Production went from 1.17 billion bushels in 1971 to 1.27 billion bushels in 1972 and predictions are there will be another increase to 1.58 billion bushels this year. The additional production being made available under the present \$2.25 lower rate is desperately needed. And we do not want to tamper with something that is working so successfully.

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

Mr. MAYNE. I will yield to the gentleman in just one moment.

The soybean organizations are not asking for this increase in loan rate. Our committee and our subcommittee have considered all facets of this problem very carefully, and I am unaware of a single request from the American Soybean Association or any other group representing either soybean producers or processors to raise the loan rate on soybeans.

I say to the Members of this House let us not mess up something that is working so beautifully. We have too often seen what happens when we tinker with the economy, and if we start changing the soybean loan rate without any need to do so the results can be far different than might be anticipated. I say let us vote down this amendment.

I am now happy to yield to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Mr. Chairman, I thank the gentleman for yielding.

I would like to say to the gentleman from Iowa that my State of Illinois ranks 11th in the production of soybeans, and I can subscribe to what the gentleman from Iowa has said. I have not heard from one soybean producer for several years in support of a higher loan rate for soybeans. I would like to associate myself with the remarks the gentleman from Iowa has just made.

Mr. MAYNE. Mr. Chairman, I yield back the balance of my time.

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

Mr. Chairman, I take this time in order to make an announcement, and that is that the people who have charge of the voting panel and the electronic voting system think that they have found the problem, and they want to activate the panel for 3 or 4 minutes to make sure that it works. So when it comes on it will not mean anything except that those

people are determining if it works properly and is available for use.

The Chairman will then announce at the next vote whether it will be held by electronic vote or not. So, Mr. Chairman, I just wanted to alert the Members that if it comes on it does not necessarily mean that there is a vote being taken, unless the Chairman so announces.

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

Mr. Chairman, I probably would not have suggested this exact amendment, but I think that in view of the debate that has just taken place that perhaps a couple of points should be made.

It was only a couple of years ago that soybeans were selling on the farm for \$2.45 a bushel. Can you imagine that? We export more than half of the soybeans we grow in this country, and we were letting foreign customers get them at \$2.45 a bushel. They would willingly have paid \$3 or \$4. They have shown that in the last year. They are buying more at higher prices. Price was not the obstacle to greater sales. We let them keep all those extra dollar credits they would have paid for those soybeans and pile them up to help cause devaluation of the dollar. We did not have sense enough in this country to get a better price for the product we were selling overseas, hardly half of what they were willing to pay.

The way to create a reserve and accomplish the objective most efficiently and most effectively would be to put aside some soybeans in surplus years into a reserve and keep them for a year like this, so that we not only would have had more to sell overseas but more for domestic users, too, but the administration has opposed and the Congress has been unwilling to establish that kind of reserve.

This is a more expensive way of doing the same thing. It is the less preferred of two alternatives, not as good as the other, but since the other way has been turned down, I think we ought to do it.

As far as the Soybean Association is concerned, they have sought low loan rates and opposed things like establishing a reserve which would be good for producers and consumers in this country over a period of years. That organization has been supported by processors. That is who helps finance them. We have known that for years. There is a small growers organization centered in Indiana, but let no one come in here with a story about the National Soybean Association is the strong voice of the average soybean grower in this country.

Go out, go down the road and get a little dust on one's shoes. Talk to those farmers and find out how many of them oppose increasing the \$2.25 loan level.

As far as the consumers are concerned, if they want soybeans produced, they can get them by having a \$3 loan level. That is far below the present price but is still an incentive. In 1959, Benson put \$1.05 loan on corn to all producers. We had so much corn the next 2 years it about drowned us. If we are really interested in getting more soybeans and getting more soybean meal and more soybean oil, then vote for this amendment. That

is the fact of the matter, as far as the consumers are concerned.

I am not enthusiastic about having too high a loan rate because I think farmers can produce so much it could cause prices to drop to too low a level, but under the circumstances I think that a loan level of \$3 would not be too high for a year or two in view of the fact that the House has not been willing today to adopt a reserve program. The administration has opposed having a reserve that is under guidelines prohibiting them from dumping it, and also prohibiting them from making foreign sales when they ought not to be making them. So the lesser of the alternatives is to vote for this amendment, and if it results in a big enough production to result in a Government financed reserve under the resale program, then a reserve will be created that way. I urge the adoption of the amendment.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Will the gentleman agree that if there is any purpose or reason for increasing the loan level of wheat, feed grains or cotton, that it is certainly equitable, fair, and reasonable that the same thing be done for soybeans and other staple commodities?

Mr. SMITH of Iowa. That is true. If the purpose is to encourage more production, obviously a loan level increase would help. When they lowered the soybean loan from \$2.40 down to \$2.25, they did it to discourage production. That was the avowed purpose in doing that. So if they want to encourage production, they would need to increase the loan level.

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

Mr. SMITH of Iowa. I yield to the gentleman from Iowa.

Mr. MAYNE. It does seem to me it is very hard to reconcile the gentleman's statement with the fact that in every year within the last 5 years there has been a very substantial increase in the soybean production, and in these last 3 years it went from 1.17 million bushels in 1971 to 1.27, and this year, according to yesterday's report, it is going to be up another 24 percent to 1.58 million bushels, which is breaking all records in history; in fact, it has broken all previous records each year for the past 6 years.

Mr. SMITH of Iowa. Acreage of soybeans corresponds to the acreage in corn and other production. Whenever the number of acres in corn set-aside, conservation acres and grain crops are reduced, it results in an increase in the acreage in soybean production.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. BURLISON).

The question was taken; and on division (demanded by Mr. BURLISON of Missouri) there were—ayes 34, noes 44.

Mr. BURLISON of Missouri. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. MICHEL.

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

The Clerk read as follows:

Amendment offered by Mr. MICHEL: On page 8, line 2 strike out "Wheat Production Incentives".

On page 8, strike out line 21 and insert in lieu thereof the following: "(c) Payments shall be made for the 1974 crop of wheat".

On page 9, strike out lines 5 through 20 and insert "is less than the established price of \$2.05 per bushel times (ii) the allotment for the farm for such crop, times (iii) the projected yield established for the farm with such adjustments as the Secretary determines necessary to provide a fair and equitable yield. If the Secretary determines that the producers".

On page 10 between lines 5 and 6, insert the following:

"Payments shall be made for the 1975 and 1976 crops of wheat to producers on each farm in such amounts as the Secretary may prescribe in order to achieve a complete phaseout of such payments to producers after the 1967 crop. In determining the amount of such payments, the Secretary shall take into consideration the amount paid on the 1974 crop, the market conditions, and such other factors as he deems appropriate."

On page 11, line 20, strike out "1977" and insert "1976".

On page 11, line 23, strike out "1977" and insert "1976".

On page 12, line 3, strike out "through 1977 crops" and insert "crop".

On page 12, between lines 6 and 7, insert the following:

"(vii) Effective with respect to the 1977 crop, section 379b(c) (1) is amended to read as follows:

"(1) The Secretary shall provide for a set-aside of cropland if he determines that the total supply of wheat or other commodities will, in the absence of such a set-aside, likely be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. If a set-aside of cropland is in effect under this paragraph, then as a condition of eligibility for loans and purchases on wheat, the producers on a farm must set aside and devote to approved conservation uses an acreage of cropland equal to such percentage of the cropland base for the farm as may be specified by the Secretary. For the purpose of this section, the cropland base shall be the acreage devoted to major crops as determined by the Secretary. The Secretary is authorized to limit the acreage planted to wheat on the farm to such extent as he determines necessary to adjust the acreage of wheat to desirable goals. The Secretary shall make payments to producers on a farm who set aside acreage under this section. The payments for a farm shall be at such rate or rates as the Secretary determines to be fair and reasonable taking into consideration the diversion undertaken by the producers and productivity of the acreage diverted."

On page 21, line 23, strike out "each" and insert "the 1974".

On page 22, strike out lines 12 through 24 and insert "is less than the established price of \$1.38 per bushel. The payment rate for grain sorghums and, if des-"

On page 23, after the period in line 10, insert the following:

"The Secretary shall also make available to producers payments for the 1975 and 1976 crops of such commodities in such amounts as he may prescribe in order to achieve a complete phase out of such payments to producers after the 1976 crop. In determining the amount of such payments for 1975 and 1976, the Secretary shall take into consideration the amount paid on the 1974 crop, the market conditions, and such other factors as he deems necessary. The payments for grain sorghums and, if designated by the Secretary, barley, for the 1975 and 1976 crops shall be at such rate as the Secretary determines fair and reasonable in relation to the



rate at which payments are made available for corn."

On page 23 strike out lines 11 and 12 and insert "(2) The Secretary shall prior to January 1 of the 1974 through 1976 calendar years, determine and proclaim for the crop produced".

On page 26, line 1, strike out "1977" and insert "1976".

On page 26, line 16, strike out "1977" and insert "1976".

On page 27, line 1, strike out "through 1977 crops" and substitute "crop".

On page 27, between lines 3 and 4, insert the following:

"(G) Effective with respect to the 1977 crop, paragraph (1) of subsection (c) of section 105 is further amended by striking out 'feed grain base' and substituting 'cropland base' and paragraph (1) of subsection (e) of section 105 is amended by adding at the end thereof the following: 'For the purpose of this section, the cropland base shall be the acreage devoted to major crops as determined by the Secretary'."

On page 27, line 18, strike "1978" and insert "1976".

On page 27, line 20, strike "1977" and insert "1976".

On page 27, in line 24, strike "1977" and substitute "1976".

On page 28, line 14, strike out "Cotton Production Incentives".

On page 29, line 15, strike out "for each crop" and insert "for the 1974 crop".

On page 29, insert a period at the end of line 24.

On page 30, strike out lines 1 through 11 and insert the following:

"Payments shall be made for the 1975 and 1976 crops of cotton to producers on each farm in such amounts as the Secretary may prescribe in order to achieve a complete phaseout of such payments to producers after the 1976 crop. In determining the amount of such payments, the Secretary shall take into consideration the amount paid on the 1974 crop, the market conditions, and such other factors as he deems appropriate. "If the"

At end of line 25 on page 31, insert the following:

"(F) effective with respect to the 1977 crop, paragraph (4) (A) of section 103(e) of the Agricultural Act of 1949 as it appears in such section 602 is further amended by striking out 'farm base acreage allotment' and substituting 'cropland base', and by adding at the end thereof the following 'For the purpose of this section, the cropland base shall be the acreage devoted to major crops as determined by the Secretary'."

On page 32, line 1, strike out "F" and insert "G".

Mr. MICHEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD, in view of the copies being made available at both desks and in order to expedite the business of the House.

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

There was no objection.

Mr. MICHEL. Mr. Chairman, I am fundamentally opposed to Government controlling our lives, our businesses, our farms, or the economy. My position has been fairly consistent as I voted against wage and price controls each time, acreage allotments, quotas, pegged prices, target prices—name it. I support the concept of an unfettered free-enterprise system, whether it be in our factories and businesses in the cities or out on the farms.

This country is what it is today be-

cause we have the natural resources and because we are a producing nation. Yet, we are also a consuming nation, but the consumers have always fared better because we have had this great capacity to produce both in our factories and out on the farms.

I will be quite frank with the Members that, before the Sisk amendment was defeated, I had no great illusions over the amount of support I would get for my amendment, as good as I think it is. I have been monitoring those teller votes here for the past several weeks, and I do not underestimate the crafty and wily ways of the chairman of the Committee on Agriculture. The die may very well have been cast, but I think, particularly in view of the defeat of the Sisk amendment, there still are many Members of this House who feel as I do that we ought to move in the direction of a market-oriented agriculture and the amendment which I offer is designed to provide Members an opportunity to vote for legislation which will make possible the gradual return of American agriculture to the market system.

As I said to the House on June 10 in a special order:

We can vote for this bill and move agriculture and consumers and taxpayers and the country backward. Or we can move to positive legislation which will move farmers in the direction of greater freedom and less dependence on Government, less dependence on outmoded allotments and quotas and production patterns based on decades-ago planting needs.

This amendment provides a positive approach. Its purpose is threefold. It is designed first to separate payments made to supplement farm income from performance payments made to encourage needed adjustments in resource use; second, to provide for an orderly phaseout of income payments over a 3-year period; and, third, to shift the set-aside program to a cropland basis at the end of the phaseout period.

The target price approach embodied in H.R. 8860, it seems to me, is unsound farm policy. I would prefer to have a bill which makes no reference to target prices. However, since it is my objective to improve this bill rather than to defeat it, my amendment would provide that income payments would be made in 1974—if needed—to attain the target price set forth in the bill. Income payments could also be made in 1975 and 1976 at such levels as the Secretary determines necessary to achieve an orderly phaseout of income payments. In determining the amount of such payments the Secretary would be required to take into account the amounts paid on 1974 crops, market conditions, and such other factors as he deems appropriate.

Acreage allotments would be used to determine distribution of target price payments in 1974 and the phaseout payments authorized for 1975 and 1976.

In 1977 payments would be made only for contributions to resource adjustment through participation in the set-aside program. Such payments would be performance payments—not income payments.

Also, in 1977 the set-aside program would be based on cropland rather than

the outdated historic bases now used to determine set-aside requirements. Cooperating producers would be required to set aside a percentage of their total cropland rather than a percentage of the acreage historically devoted to specific crops. This would result in a more equitable distribution of set-aside requirements and would give producers more freedom to adjust their production to changing market requirements.

The times cry out for a change in the direction of Government farm policy. The widely respected liberal National Planning Association says—

America faces critical decisions in food and agricultural policy. The Nation needs not a blueprint based on the assumption of a known future but a strategy capable of dealing with any situation likely to appear.

D. Gale Johnson, the eminent chairman of the department of economics at the University of Chicago agrees. In a recent study published by the American Enterprise Institute for Public Policy Research, he says that in 1973, because of the coincidence of the expiration of major farm legislation and the beginnings of trade negotiations, an opportunity exists to make changes that will benefit consumers and taxpayers. He says:

Americans cannot have it both ways: freer access to markets in other countries will require changes in U.S. domestic farm programs and trade measures.

William J. Kuhfuss, president of the American Farm Bureau Federation—the largest general farm organization—and a resident of the district which I have the honor to represent, says farmers are the closest they have been for many years to a market-oriented system, and the market continues to work well. He says:

If we can maintain the general health of agriculture, farmers will adjust their production to produce what consumers want as reflected in the market.

The target price concept embodied in H.R. 8860 is similar to the target price plan embodied in the common agricultural policy of the European Economic Community. This European program has been cited by our Department of Agriculture as a major roadblock to the expansion of American exports of agricultural commodities. If we adopt such a program for American agriculture we shall make future trade negotiations with EEC nations far more difficult than they otherwise would be.

The pitfalls of the target price concept have been outlined in detail on page 193 of the excellent minority report on H.R. 8860. The minority has accurately identified the target price concept as the Brannan plan.

There are undoubtedly many Members of the House who do not recall the original Brannan plan. But there are others of us who well recall its debut in 1949 when the then Secretary of Agriculture first proposed to abandon the established system of supporting farm prices in the marketplace in favor of making the farmer dependent upon appropriations from the Federal Treasury for a large part of his income.

At that time it was my privilege to serve as the assistant to my distinguished

predecessor, Judge Harold Velde. I well recall how he felt about this scheme to hold out the lure of high prices to farmers and cheap food to consumers with the promise that "it ain't going to cost anybody much."

I recall the day, July 21, 1949—nearly 24 years ago—when my predecessor, Mr. Velde, cast his vote against a trial run of the Brannan plan. I recall that he was joined in that successful effort by the present minority leader (Mr. GERALD R. FORD). The present minority whip (Mr. ARENDS), and our distinguished colleague and associate on the Committee on Appropriations (Mr. WHITTEN).

The gentleman from Mississippi, whose competence as an expert on both agriculture and government finance is recognized by Members on both sides of the aisle, had this to say about the Brennan plan at that time:

What Mr. Brannan asks the farmer is to take whatever low price the buyers and the middlemen want to pay him and get the rest from the Federal Treasury. To ask the farmers to submit to such a program is the same as asking labor to let employers pay whatever low wages the employers want to pay, the difference to be made up by Federal payments. Such a plan would not be fair to labor. It is not fair to the farmers, not to the fact that there is not enough money in the country to finance such a plan.

There are other Members of this House who were here in 1949 and cast their votes against the Brannan plan at that time. They are Members of both parties, from both rural and urban districts. I urged them and all other Members of this body to support the amendment which is now before us.

We owe it to our farmers, consumers, and all taxpayers to reject the 1973 model of the Brannan plan.

We have a responsibility to move ahead, to let farmers take advantage of the opportunity for increasing production and profits which now are so obvious. We have a responsibility to let our farmers produce for expanding markets at lower unit costs and increased profits. Then, and only then, will our actions benefit the consumers, taxpayers, farmers, and people around the world.

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

Mr. MICHEL. I am glad to yield to my colleague from Illinois.

Mr. ANDERSON of Illinois. I want to congratulate the gentleman from Illinois for offering this very significant amendment. If I understand it correctly, it is in two main parts.

First, it would phase out by 1977 the income payment. Second, it would make a very substantial and very substantive change in the present method of establishing allotments for those farmers who participate in the set-aside program. Instead of using an outmoded historic base, it would be fixed on the basis of a percentage of their total cropland.

Mr. MICHEL. That is correct.

Mr. ANDERSON of Illinois. I know in my own State of Illinois, as is true in the gentleman's case, we have had many complaints from farmers who say that agriculture is a dynamic industry and has changed vastly from the period on

which the present allotments are based. Many farmers have gone from dairying to cash grain types of farming. Therefore, in order to introduce greater equity into the set-aside program, I hope the gentleman's amendment will have the support of the committee.

Mr. MICHEL. I thank the gentleman for his valuable support of my amendment.

For those of you concerned about too drastic a change may I remind you that we propose a 3-year phaseout of the income supplement program.

This certainly offers ample opportunity for adjustment. And finally, Mr. Chairman, if we are ever going to make this move toward freeing up agriculture, now is the time—when prices of all farm commodities are up and everything looks good for a continuation of these good prices for some time to come.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not going to get into the details of the proposal submitted by the gentleman from Illinois (Mr. MICHEL). I support the amendment, and I support it because I believe it has a great deal of substantive good.

I also support it because I believe as a practical matter its approval by this body will permit the conference between the House and the Senate to come up with the best possible solution to keep America's agriculture productive for consumers and beneficial to farmers at the same time.

If this amendment is approved, it will go to the conference with the bill from the other body, and the conferees will have more flexibility to solve the problems of agriculture than we could possibly imagine under any circumstances. So if Members want the conferees to have an opportunity to work their will with the maximum of flexibility they ought to vote for the Michel amendment whether they agree with every detail in it or not.

Now, if the Michel amendment does not prevail, I will repeat, as I said a few moments ago, that I think any bill that comes from this body and is combined with that of the other body does not have a prayer of being approved by the White House. It is just that pragmatic.

So on substantive as well as practical grounds, I strongly urge that the members of the committee support the Michel amendment.

Mr. POAGE. Mr. Chairman, I move to strike the last five words.

Mr. Chairman, my viewpoint on this is somewhat different from that which has just been expressed by my good friend, the minority leader.

I recognize that we do not have much of a farm bill, and that apparently the House does not want very much of a farm bill, and that perhaps the country wants scarcity instead of protection for farmers, and, therefore, probably we may wind up with scarcity of food in the United States for the first time.

Mr. Chairman, that is what we are going to have if we do not have a farm program, and I do not think that it should be any surprise to anyone if we so arranged this situation so that there

cannot be any profit in agriculture. I cannot see how we can reasonably expect the farmers to continually provide the chicken and the beef and the soybeans and the rice that we are eating. I know that this comes as a shock, and most people do not believe it when it is suggested that we could have scarcities in the United States. But less than a year ago there is not a Member of this House who would have believed that soybeans would have brought \$10 a bushel either.

They would not have believed it, and they did not believe it. We do not now believe that we can have scarcity. But the fact is we can have scarcity if we create a situation which does not make production remunerative.

Now, the suggestion has been that since the bill as amended goes so far toward trying to keep people out of production rather than putting them in, through the amendments that we have adopted, that we can take this bill to conference.

The suggestion has been offered by the gentleman from Illinois, that we take it to conference and see if we cannot work out something else.

This Michel amendment proposes to phase out all agricultural programs in the course of 3 years. Now, I do not believe in phasing out agricultural programs this year, next year, or 3 years from now. I think we will be just as hungry 3 years from now as we are now, and as for me I am not going to vote to phase out all agricultural programs, as the Michel amendment would suggest.

If we want to talk about the present law, we could do lots worse than to continue the present program.

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

Mr. POAGE. Yes, I yield to the minority leader.

Mr. GERALD R. FORD. Mr. Chairman, I assure my good friend, the chairman of the Committee on Agriculture, that I do not believe in phasing out agricultural programs, but I do not want to put farmers in straitjackets either, and the bill that we have been working on, as it has worked out, in effect, puts the farmers in straitjackets.

Mr. POAGE. I think it puts them out in the cold without any kind of a jacket.

Mr. GERALD R. FORD. Is it not better, then, to take a vehicle that continues the program which the committee recommended for 1 year and then consider the phaseout features later on in the conference. It could be combined with the version of the other body, which is quite a different bill. If we did that, I believe the gentleman through his wisdom and the wisdom of his conferees and the wisdom of the other body and their conferees, could end up with a very constructive farm bill.

Mr. POAGE. Mr. Chairman, I think it would make a good deal more sense if we would take the farm bill which our committee brought in and limit it to 1 year only, without any phaseout provisions in it, except that it is limited to 1 year, and take that to conference.

As far as I am concerned—and I only ask my colleagues to make up their own minds—I am not going to vote here for a



bill to phase out the agricultural programs and say to the farmers of America that we will not have you have any program whereas everybody else in the United States does. If you will eliminate all Government help for transportation, for banking, for labor and all other groups I will talk with you about phasing out all help for agriculture. For that reason I think it would be a great mistake to accept the Michel amendment.

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

Mr. Chairman, I think that the distinguished chairman of the House Committee on Agriculture has expressed the situation very well. I am sorry that I have to disagree very respectfully but very emphatically with the minority leader.

This proposal which the gentleman from Illinois (Mr. MICHEL) has offered was very, very carefully considered by the Subcommittee on Livestock and Grain and by the full Committee on Agriculture of the House. It was presented in testimony in the hearings by its proponents. We gave it every consideration, and after 6 months of hearings and discussions and markups, we decided that that was not the way to get food on the tables of the American people.

The farmers of this country do not want to be left high and dry with absolutely no kind of guarantee or assurance that if they respond to these present urgent pleas for more production that they will not be left holding the bag with a tremendous surplus. They are not going to continue to produce more and more food next year if the provisions of the present law expire and we do not put something in their place.

The gentleman from Illinois would propose that just 3 years from now, in 1977, there would be no farm program at all. That is awfully stiff medicine for me to go up to Iowa with and talk with the farmers, as I did last week, and say to them, "Fellow, no farm program at all starting in 1977." That is not going to wash out there, and I do not presume to suggest to the gentleman from Illinois how the rank and file farmers in his district feel, but I would be very much surprised if they felt any differently inasmuch as they grow the same things as my farmers do. I do not believe they want to be left without any farm program at all.

Mr. MICHEL. Will the gentleman yield?

Mr. MAYNE. I will be happy to yield to the gentleman.

Mr. MICHEL. Of course, we are talking now, when you say phasing out, of a period of 4 years. That is a considerable period of time in the future. For example, if after the first or the second year we have discombobulated things to such a degree, why, there is nothing wrong with this House meeting again in this kind of a setting and amending the bill to get what the Members wish. There is nothing wrong with that.

But it seems to me we have been talking, generally speaking, in terms of freeing up agriculture and giving it an opportunity in the free market system to work. We ought to give it that chance. I am

convinced that if there is a buck to be made, the farmer is going to produce.

As I said in my earlier remarks, I think we have to change our thinking a little bit and believe that the farmer is entitled to his fair share and that the consumer should expect a few increases in price because the farmer is entitled to a little more, but I believe the farmer will produce if there is a buck to be made.

Mr. MAYNE. The gentleman's amendment says very clearly on page 4 on the copy furnished me that there will be a complete phaseout of payments after the 1976 crop.

I just feel that in our economy this is an unrealistic approach. Our farmers are willing to go ahead and increase their productivity as they have been doing. They have increased soybean production this year 24 percent, corn production 6 percent, but they have done it with the safeguards of the 1970 act available to them. They are not going to go ahead and do it without some comparable safeguards to protect them if they do produce, and then it turns out there is overproduction when this demand does not materialize, as could well happen.

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

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

Mr. GROSS. I thank the gentleman for yielding.

Mr. Chairman, I seem to get the impression that the gentleman from Illinois doubts the adequacy of his own proposal here when the gentleman says, "Well, if it does not work then we will come back 2 years from now and try to undo the damage," which we could not do.

If the gentleman from Illinois wants to cast the farmers of our country to the tender mercies of a subsidized economy all around them, that is one thing, but I for one will not do it.

When he has subsidies in the subsidized economy all around him, then I am perfectly willing to turn him loose, but not until then.

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

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

Mr. MAYNE. Mr. Chairman, I want to thank my colleague, the gentleman from Iowa, for his contribution, and to suggest to the Members that the House Committee on Agriculture, which represents a very broad cross section of this country, has worked diligently for 6 long months trying to effect this legislation. We can make mistakes just like anyone else, but it seems to me that to completely throw out our work product except for the first year of a 4-year bill is really going to be a tremendous waste of manpower of this House.

It is a great pleasure to serve on the Committee on Agriculture, but I think that if the labors of 6 months are to be treated in this cavalier fashion it would be frustrating in the extreme.

The distinguished chairman of the Committee on Agriculture, the gentleman from Texas (Mr. POAGE), has given great leadership and guidance to the evolution of this bill. I think it would

be a tragedy for us now to junk it and to abandon the American farmers. We need the American farmers. The consumers need the American farmers. We have got to give them some incentive to increase production.

Frankly, I think the proposal made by the gentleman from Illinois will just scare the daylights out of the American farmer, and put an effective end to any further expansion of production.

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

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

Mr. FINDLEY. Mr. Chairman, I congratulate Mr. MICHEL on the excellence of this amendment. It provides an orderly way to terminate the separate programs for each major commodity, and establish in their place a general cropland retirement program.

This would permit the farmer to manage his resources in the most efficient manner possible, the market system to operate to greatest advantage to the consumer, and still provide, through cropland retirement, a cushion against adverse fluctuations of market prices.

Mr. VIGORITO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would say that some of the Members have completely missed the point of the whole farm program. Let me cite some statistics:

In 1950 we had 5.8 million farms in the United States. Twenty-three years later we are down to 2.7 million farms in the United States—and this is with farm programs.

If we did not have farm programs we would accelerate this downward slide so that, instead of arriving at 500,000 farms in the year 2000, we would probably arrive at that point by 1980. And when we get down to 400,000 or 500,000 farms, we will have free enterprise in our farm economy about as much as we have free enterprise in the oil industry, or in the steel industry, or in the automobile industry.

No one can get up and say that we have free enterprise in the giant industries I have just mentioned.

They all have administered prices. We have today 80 to 100 million acres of land lying idle that the big farms could put under the plow, and we would see such a tremendous output of food and fiber, it would knock the price completely out. The farmer must be protected as much as he can be by us. There is no free ride on the backs of the farmers for cheaper food prices. Either we guarantee the farmer fair prices and subsidize where he cannot get fair prices, or else the Federal Government is going to have to guarantee the income. I repeat, there is not going to be low food prices on the backs of the farmers. Somebody has to work.

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

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

The question was taken; and the chairman announced that the yeas appeared to have it.

## RECORDED VOTE

Mr. MICHEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by clerks; and there were—ayes 186, noes 220, not voting 27, as follows:

[Roll No. 332]

## AYES—186

Anderson, Calif.	Fish	O'Hara
Anderson, Ill.	Ford, Gerald R.	Parris
Archer	Forsythe	Peyser
Arends	Frelinghuysen	Pike
Armstrong	Frey	Powell, Ohio
Ashbrook	Freulich	Pritchard
Bafalis	Fulton	Quillen
Baker	Gaydos	Rallsback
Beard	Gilman	Regula
Bell	Goldwater	Rhodes
Blaggi	Goodling	Rinaldo
Blester	Grover	Robinson, Va.
Blackburn	Gubser	Robison, N.Y.
Bray	Gude	Roe
Broomfield	Hanrahan	Rogers
Brotzman	Harrington	Roncalio, Wyo.
Brown, Mich.	Harvey	Roncalio, N.Y.
Brown, Ohio	Hastings	Roussellot
Broyhill, Va.	Hechler, W. Va.	Ruppe
Buchanan	Heckler, Mass.	Ryan
Burgener	Heinz	St Germain
Burke, Fla.	Helstoski	Sandman
Butler	Hinshaw	Sarasin
Byron	Hogan	Satterfield
Camp	Holt	Saylor
Carey, N.Y.	Horton	Schneebell
Carney, Ohio	Hosmer	Shuster
Cederberg	Huber	Smith, N.Y.
Chamberlain	Hudnut	Snyder
Clancy	Hunt	Stanton, J. William
Clark	Hutchinson	Steele
Clausen, Don H.	Jarman	Steelman
Clawson, Del.	Johnson, Pa.	Steiger, Ariz.
Cleveland	Keating	Steiger, Wis.
Cohen	Kemp	Stratton
Collins, Tex.	Ketchum	Symms
Conable	Koch	Talcott
Conlan	Kuykendall	Taylor, Mo.
Conte	Lehman	Teague, Calif.
Cotter	Lent	Tiernan
Crane	Long, Md.	Towell, Nev.
Cronin	Lujan	Treen
Daniel, Dan	McClory	Van Deerlin
Daniel, Robert	McCloskey	Vander Jagt
W. Jr.	McDade	Veysey
Davis, Wis.	McEwen	Walsh
Delaney	McKinney	Ware
Dellenback	Macdonald	Whalen
Dennis	Mallory	Whitehurst
Derwinski	Maraziti	Widnall
Devine	Martin, Nebr.	Wiggins
Downing	Martin, N.C.	Williams
Drinan	Mazzoli	Wilson, Bob
Dulski	Michel	Wyatt
Duncan	Milford	Wydler
du Pont	Minish	Wyllie
Edwards, Ala.	Minshall, Ohio	Wyman
Erlenborn	Mizell	Yatron
Esch	Moorhead, Calif.	Young, Alaska
Eshleman	Moshier	Young, Fla.
Fascell	Moss	Young, Ill.
Findley	Nix	Zion
	O'Brien	

## NOES—220

Abdnor	Brown, Calif.	Eckhardt
Abzug	Broyhill, N.C.	Ellberg
Adams	Burke, Calif.	Edwards, Calif.
Addabbo	Burke, Mass.	Evans, Colo.
Alexander	Burleson, Tex.	Flood
Andrews, N.C.	Burlison, Mo.	Flowers
Andrews, N. Dak.	Burton	Flynt
Annuizio	Casey, Tex.	Foley
Ashley	Chappell	Ford
Aspin	Chisholm	William D.
Badillo	Clay	Fountain
Barrett	Cochran	Fraser
Bennett	Collins, Ill.	Fuqua
Bergland	Conyers	Gettys
Bevill	Corman	Gialmo
Bingham	Culver	Gibbons
Blatnik	Daniels	Ginn
Boggs	Dominick V.	Gonzalez
Bolling	Davis, S.C.	Grasso
Bowen	de la Garza	Gray
Brademas	Dellums	Green, Oreg.
Brasco	Denholm	Green, Pa.
Breaux	Dickinson	Griffiths
Breckinridge	Diggs	Gross
Brinkley	Dingell	Gunter
Brooks	Donohue	Guyer
	Dorn	Haley

Hamilton	Mink	Shipley
Hammer-schmidt	Mitchell, Md.	Shoup
Hanley	Moakley	Shriver
Hansen, Idaho	Mollohan	Sikes
Hansen, Wash.	Montgomery	Sisk
Hawkins	Murphy, Ill.	Skubitz
Hays	Murphy, N.Y.	Slack
Henderson	Myers	Smith, Iowa
Hicks	Natcher	Spence
Hillis	Nedzi	Staggers
Hollifield	Neisen	Stanton, James V.
Holtzman	Nichols	Stark
Howard	O'Neill	Steed
Hungate	Owens	Stephens
Ichord	Passman	Stokes
Johnson, Colo.	Patman	Stubblefield
Jones, Ala.	Patten	Stuckey
Jones, N.C.	Perkins	Studds
Jones, Okla.	Pickle	Sullivan
Jones, Tenn.	Poage	Symington
Jordan	Podell	Taylor, N.C.
Karth	Preyer	Teague, Tex.
Kastenmeier	Price, Ill.	Thompson, N.J.
Kazen	Price, Tex.	Thomson, Wis.
Kluczynski	Quie	Thone
Kyros	Randall	Thornton
Latta	Rangel	Udall
Leggett	Rarick	Ullman
Litton	Rees	Vanik
Long, La.	Reid	Vigorito
Lott	Reuss	Waggonner
McCollister	Riegle	Waldie
McCormack	Roberts	Wampler
McKay	Rodino	White
McSpadden	Rooney, Pa.	Whitten
Madden	Rose	Wilson, Charles H., Calif.
Madigan	Rosenthal	Wilson, Charles, Tex.
Mahon	Rostenkowski	Winn
Mann	Roush	Wolff
Mathias, Calif.	Roy	Yates
Mathis, Ga.	Roybal	Young, Ga.
Matsunaga	Runnels	Young, S.C.
Mayne	Ruth	Young, Tex.
Meeds	Sarbanes	Zablocki
Melcher	Scherle	Zwach
Metcalfe	Schroeder	
Mezvinsky	Sebelius	
Miller	Seiberling	

## NOT VOTING—27

Boland	Frenzel	Mailliard
Carter	Hanna	Mills, Ark.
Collier	Harsha	Mitchell, N.Y.
Coughlin	Hébert	Moorhead, Pa.
Danielson	Johnson, Calif.	Morgan
Davis, Ga.	King	Pepper
Dent	Landgrebe	Pettis
Evins, Tenn.	Landrum	Rooney, N.Y.
Fisher	McFall	Wright

So the amendment was rejected.  
Messrs. PEYSER, TIERNAN and BEARD changed their votes from "no" to "aye."

Mr. RUTH changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

Mr. POAGE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, 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. 8860) to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices, had come to no resolution thereon.

## ADJOURNMENT TO 11 A.M. TOMORROW

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a.m. tomorrow.

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

There was no objection.

## CLARIFICATION OF LEGISLATIVE PROGRAM

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

Mr. GERALD R. FORD. Mr. Speaker, I ask for this time simply to inquire of the distinguished majority leader if my understanding of the previous announcement was correct, that there would be no session on Friday. I ask this question because many Members have inquired, and I would like some verification of this understanding.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the majority leader.

Mr. O'NEILL. Mr. Speaker, we intend to follow the program we had set out earlier in the year, and under that program we stated that there would be no Friday session.

Mr. GERALD R. FORD. Mr. Speaker, I thank the majority leader.

## GENERAL LEAVE

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the NASA authorization conference report which was agreed to earlier today.

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

There was no objection.

## PROPOSED AMENDMENTS TO H.R. 8860

Mr. CONTE. Mr. Speaker, under the rule, I submit the following amendment which I will offer to the farm bill (H.R. 8860) tomorrow:

Amendment offered by Mr. CONTE to H.R. 8860, as reported: Page 37: strike out lines 5 through 7; page 37, line 9, strike out "(B)."

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent to insert into the RECORD an amendment I intend to offer to H.R. 8860.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

The proposed amendment is as follows:

## AMENDMENT TO H.R. 8860

Strike everything from page 37, line 10, through page 38, line 19, and insert in lieu thereof the following:

"Sec. 807. All exporters of wheat flour, feed grains, oil seeds and products thereof, produced in the United States shall, within seventy-two hours after a contract for such a commodity has been concluded with a foreign buyer, report as to the kind, class, quantity, and destination of that commodity to the Secretary of Agriculture. The Secretary shall promptly make public such reports. The Secretary shall further determine and make public the effect of such exports on domestic supply and demand of such commodities at regular intervals, but not less than twice each month. Any person who knowingly fails to report export sales pursuant to the requirements on this section shall be subject to penalties not to exceed \$25,000 or one year in jail, or both."



### THE NEED FOR ACTION ON INTEREST RATES

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

Mr. PATMAN. Mr. Speaker, in April, the Banking and Currency Committee reported out H.R. 6168 which among other things was designed to prevent interest rates from rising to destructive levels.

Unfortunately, the interest rate section of this wage-price legislation drew a great deal of fire and failed to pass the House of Representatives. The Nixon administration, of course, was right in the forefront of the effort to eliminate any strengthening of the strictures on interest rate increases.

The bill was defeated on April 16 and at that time the prime rate stood at 6½ percent and the discount rate of the Federal Reserve stood at 5½ percent. Today, the prime rate is 8¼ percent and the discount rate has risen to a full 7 percent.

Neither the prime rate nor the discount rate are fully indicative of what is happening to the interest rate picture across the Nation. The prime rate is basically a "fake rate" which is enjoyed only by the largest and most affluent customers of the banks while the rest of the borrowers pay much higher prices for money. But as the prime and the discount rate have moved up, the mortgage interest rate picture has grown bleak and today the effective interest rate on a home is in the vicinity of 8¼ percent.

With these new pressures, both the Federal Home Loan Bank Board and the Federal Reserve Board have authorized new and higher ceilings on savings accounts. While I am in favor of consumers receiving as much as possible on their money, it is a fact of life that these new regulations issued last week will mean new pressures on mortgage interest rates. The interest rate cycle is moving and the new savings rates will ratchet up new increases on the mortgage side of the ledger.

Mr. Speaker, these are not mere percentages and numbers. Underneath this numbers game are real people seeking to buy homes, to borrow money for their children's education, and to meet the basic necessities of everyday life. These new rounds of interest rate increases and the tightening of money, prices millions of good, hard-working, patriotic American citizens out of the credit and home markets.

Today's home mortgage rates effectively place at least half of the American people out of the home mortgage market. Many people—including well-respected financial writers—talk about rising interest rates as an integral part of the policy on inflation, but I question in the strongest terms possible any national policy which simply cuts off the low- and moderate-income family from sources of credit and from the opportunity to own a home. Surely, in a nation as great as this, we can find economic policies and solutions to our problems without resorting to cruel and unusual and unwarranted punishment of low- and moderate-income families, the

small businessman, and the family farmer. These are the people who are penalized by high interest rates and tight money and they are the ones who cannot compete in the open market for the available credit which now carries these premium prices.

In any event, Mr. Speaker, the idea that high interest rates can fight inflation is nonsensical and totally unproductive. Interest is a cost. It is a cost which must be passed on to the consumer. When the businessman must pay more to finance his inventory, the additional cost goes to the consumer as the price of every product on the shelves is increased. As homeowners know, increased interest rates mean substantially higher monthly payments. The farmer must charge more for his products when he must pay the local bank more for his farm-production loans. It is obvious that high interest rates contribute tremendously to high prices and inflation.

Mr. Speaker, despite the defeat of the strengthening amendments to the wage-price bill in April, it remains a fact that the Economic Stabilization Act—through amendments adopted in 1971—contains the authority for the President to control interest rates and to mandate roll-backs where necessary and proper. In fact, I am convinced that the President is operating in violation of the Economic Stabilization Act at this moment by his failure to take more substantive actions on these latest interest rate increases. I want to quote from the Economic Stabilization Act, section 203(e):

Whenever the authority of this title is implemented with respect to significant segments of the economy, the President shall require the issuance of regulations or orders providing for the stabilization of interest rates and finance charges, unless he issues a determination, accompanied by a statement of reasons, that such regulations or orders are not necessary to maintain such rates and charges at levels consonant with orderly economic growth.

As this language plainly indicates, the President is required to either control interest rates or issue a formal determination as to why this is not necessary. This determination under the history of this act is required to be specific and by category.

In truth, the President has issued no determination on interest rates since December 22, 1971. In the intervening 18 months, the interest rate picture has changed drastically and, in fact, in the past several months interest rates have moved up at a record rate. It is absurd to think that a finding of December 22, 1971, is legally sufficient to serve as a determination on monetary matters in July of 1973. The Economic Stabilization Act obviously requires the President to take a new look at the interest rate picture and to institute mandatory controls or come up with an economic rationale for allowing interest rates to rise to record levels.

Mr. Speaker, I do not believe that the President can give us an economic rationale for these rising interest rates and I am convinced that the Economic Stabilization Act requires him to immediately implement mandatory controls across the board on all interest rates.

Mr. Speaker, I call on the President of

the United States to live up to the law and to take specific action under either the Economic Stabilization Act or Public Law 91-151, the Credit Control Act of 1969.

Unless the President so acts, and unless the Federal Reserve System is required to start performing in the public interest, the Nation will face a credit crunch even greater than that of 1969 and 1970 which saw the highest interest rates in our history. This credit crunch will lead to a major recession with sharply increased unemployment, severe housing problems and hardships for consumers everywhere.

In controlling interest rates and implementing the Economic Stabilization Act in this area, the President will be required to assert his constitutional authority over monetary matters. This will mean that he will have to place the law, the Constitution, and specifically the requirements of the Economic Stabilization Act above the misguided policies of the Federal Reserve.

In 1951, President Truman faced great monetary problems and the Federal Reserve was attempting to dictate policy to the Chief Executive and the Nation. President Truman did not allow this to happen and he had the courage to force the Federal Reserve to back down on interest rate increases. It would be well for President Nixon to take a page from President Truman's book and place his authority above that of the Federal Reserve and carry out monetary policy in the public interest so that the American people can have relief from high interest rates and the destructive consequences of another credit crunch.

### HOUSE VIGILANCE REQUIRED

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

Mr. RONCALIO of Wyoming. Mr. Speaker, the Portland Oregonian has recently come forth with an editorial which has been reprinted as far from the west coast as Casper, Wyo. Recently, Tom Howard, editor and publisher of the Casper Star-Tribune, carried the following excellent editorial regarding the need for legislation to rein in the FBI and the CIA, and by inference, such agencies as the Secret Service and others that have been used for purposes other than for which statutorily created. The editorial follows:

#### FBI, CIA NEED REIN

President Nixon's revelation of plans, in 1970, for a clandestine operation against what were considered domestic subversives, which has been supported by other testimony, points up a need for closer control over U.S. intelligence services.

Chief among these are the Federal Bureau of Investigation and the Central Intelligence Agency. The FBI is assigned the duties of domestic intelligence and the CIA those abroad. It has become clear through the Watergate disclosures that the CIA has confused its assignment, undertaking in this country some of the sub rosa operations in which it engages in its mission of keeping track of U.S. interests in other countries. Strangely enough, this CIA aberration may have been the result of the refusal of the

FBI under patriarch J. Edgar Hoover to monitor domestic subversion.

Now is the time, with new directors in both the FBI and the CIA, to define the limits of both. For many years, Mr. Hoover was considered untouchable by Congress and the White House. His exclusive position had been earned by great achievement in keeping the FBI free of political pressure. But he also managed to keep it beyond the control of elected officials. The same has been true of the CIA for other reasons. Because of the clandestine nature of its duties overseas, it has claimed immunity from congressional and public scrutiny.

Recent events have indicated that new legislation may be necessary to keep the CIA in line. It has not been enough to deny it by statute a function in domestic affairs. This is also an opportune time to reassess the role of the FBI, which had become Mr. Hoover's special province.

This is not a police state, as some militant critics have claimed, and we certainly do not want it to become one. But where there is undue secrecy in policing and intelligence operations there is the germ of oppression with the authority of government. Let's make it clear just how far the FBI and the CIA can go with such authority.

#### FBI CODDLES RUSSIAN WHEAT DEAL

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

Mr. MELCHER. Mr. Speaker, I have been attempting to get the Department of Justice to tell me if the major grain companies deliberately concealed from the Department of Agriculture the quantities of wheat involved in the big Russian wheat deal on which they expected to collect huge export subsidies.

An officer of one of the exporting companies told me that, "Of course we indicated the quantities involved to the USDA," but he refused to be identified or quoted, saying he had made a sworn statement on this point to the FBI.

I asked the Department of Justice for the statement but was denied access to it.

I then asked the Department of Justice to check themselves and advise me whether the FBI had been given information that conflicted with the repeated public statements that USDA had absolutely no knowledge last July of the amounts of wheat involved in the deals on which they had committed Federal export subsidies.

The Department of Justice has again denied me access to any information the FBI obtained, or a direct verification or denial of the discrepancy I was questioning. I have been advised that the Continental Grain Co. refused to cooperate in the investigation unless assured confidentiality. It appears to me to be a brand new device for tying the hands of the government's top criminal investigators. The formula is to tell them everything but get their pledge not to tell anybody else. Get an assurance of confidentiality, even in relation to an inquisitive Congressman.

To placate me, Deputy Attorney General Joseph T. Sneed did send me a copy of an 11-page mimeographed summary of the FBI's summary. This is the summary that Secretary of Agriculture Butz used one day early this year to announce that the FBI had found no wrong doing

in the Secretary's effort to blanket General Accounting Office criticism of the deal which would be appearing in the newspapers of the same day.

I have examined the summary and it is a whitewash job.

It was accomplished Tom Sawyer fashion. The FBI got together with the Inspector General of the Department of Agriculture and with the Commodity Exchange Authority. They each took a limited field for investigation and, except for a recent Commodity Exchange Authority civil action against Continental Grain Co., the public has not been allowed to learn one substantive fact about what was found until I was given this summary which I will include in full in the RECORD at the end of these remarks along with the Deputy Attorney General's letter transmitting it.

The FBI summary indicates that the CEA found that several grain companies—not just Continental—made false findings during the summer of 1972 as to their futures and/or cash position on wheat.

It also indicates that the Inspector General found excessive or duplicating files for export subsidiaries, about which we have been told nothing at all at this point.

The so-called FBI investigation was a patchwork job, Tom Sawyer style, and I am sure that if Tom had ever turned in a whitewash operation as poor as this one his Aunt Polly would have polished his posterior.

The FBI summary raises serious questions of possible fraud against the Government, particularly if the official version of USDA's lack of information is true.

If it is accurate that the grain companies did not advise the Department of Agriculture about the quantity of grain on which they would be claiming export subsidiaries, and then filed false daily and weekly reports with the CEA and concealed how much grain and futures contracts they were acquiring, we would have a very serious picture.

Wheat prices were moving up. If the grain companies acquired large quantities of grain and then held them back secretly as the CEA complaint cites Continental Grain Co., without registering them for export subsidy, they could have made huge gains—tens of millions of dollars—by registering for the export subsidy at a later date when the export subsidy was higher.

As Members will recall, the Department of Agriculture finally called a halt to its policy of raising the subsidies almost daily to protect the exporters of a net target price of around \$1.65 per bushel for Gulf on the wheat. The Department said, in effect: "All right, boys, we will give you 1 more week to register for subsidy on all the rest of your sales commitments at 47 cents a bushel, but no more escalation." And the grain companies then came marching in and they did register between 200 and 300 million bushels for the 47-cent subsidy, much of which grain they had obviously been holding, but not registering, because the subsidy level was steadily rising. Question arises, of course, whether the Department would have to put an end to escalating the subsidy much sooner if the

companies had accurately reported their cash and futures holdings to the CEA.

If we are to believe the statement that the Department did not know how much wheat was involved in the 440 million bushel Russian wheat deal—had no idea at all of its size—and a grain company filed false reports, the possibility that a fraud was illegally perpetrated on the Government and the taxpayers of the United States exists and it requires more than casual attention.

And what about those excess bookings on registrations for subsidy that the FBI says the Inspector General uncovered?

Why has the Inspector General not released his findings?

Why are we not told what this amounted to? Why is that report not sent up to the House Agriculture Committee, which has had this deal under investigation? There is much that can be said about the FBI's portion of the whitewash. They looked into conflict of interest on the part of two employees who left the Department and went to work for the big grain companies, and then to the case of a subordinate in the Department who, on instruction from his boss, phoned the grain companies to warn them that the Department's subsidy policies were being changed.

The FBI found no fault here.

In its final paragraphs, the FBI tells us of the Commodity Exchange Authority discovery that Continental Grain Co. filed inaccurate weekly position reports with the Commodity Exchange Authority which "resulted from Continental's internal security procedures which were employed to keep the details of Continental's sale secret from the rest of the trade."

The grain experts at the FBI then assured us that, "The inaccurate reports in no way adversely affected the government. . .," which is a judgment, I think, that Congress ought to put to a very careful test. Those inaccurate findings could have also kept the details secret from the people in charge of our multimillion dollar export subsidy program if the official "know-nothing" version about the USDA's information is accurate.

Finally the FBI tells us that the Inspector General found a few little knot-holes in the section of the fence assigned him to whitewash, indicating that some excess subsidy claims were made. The FBI reassures us that this resulted from a dispute over the proper interpretation of a regulation, and that "the audit fails to reveal indications of criminal fraud. . ."

I cannot controvert that statement, but having been educated by some of the recent developments in the Watergate case in relation to FBI operations in that period, I am convinced that our House Agriculture Committee should get back into this deal in a big way to determine for itself if a fraud occurred.

If the big grain companies filed false reports with the CEA to keep concealed details of their deal from their competitor, and had not told the Department the size of their sales either, then they were also concealing information from the administrator of the exports subsidy program who might well have terminated several weeks and tens of millions of dollars earlier than they finally did.



There are unanswered questions, Mr. Speaker, that this Congress has an obligation to get answered for the benefit of the taxpayers who must foot the bill.

A copy of the FBI summary with Department of Justice letter from Deputy Attorney General Joseph T. Sneed follows:

OFFICE OF THE  
DEPUTY ATTORNEY GENERAL,  
Washington, D.C., July 5, 1972.

Hon. JOHN MELCHER,  
House of Representatives,  
Washington, D.C.

DEAR CONGRESSMAN: This is in further response to your letter of June 8, 1973, about whether Continental Grain Company disclosed to the Federal Bureau of Investigation whether prior to July 5, 1972 Continental told the Department of Agriculture about Continental's wheat sale to Russia. This is also in response to your recent request to the FBI for the results of its investigation relating to Continental Grain Company and the Russian wheat sale.

Insofar as your request might include access to FBI reports, we wish to advise you that Departmental policy does not permit release of such reports.

Furthermore, Continental Grain Company agreed to cooperate with this Department in its investigation provided that certain information given to the Department would be treated confidentially. That agreement must be respected.

However, a summary of this Department's investigation has been prepared and is provided herein for your information. We hope that this response is sufficient for your purposes.

Sincerely,

JOSEPH T. SNEED,  
Deputy Attorney General.

#### INVESTIGATION OF MATTERS RELATED TO THE UNITED STATES-SOVIET UNION GRAIN SALE AGREEMENT

This memorandum contains a review of the events which prompted this investigation, and sets forth the findings of the investigation as related to possible conflict of interest, disclosure of confidential information and fraud against the Government violations.

#### BACKGROUND

On August 27, 1972, the Washington Post reported that Clarence D. Palmby, former Assistant Secretary for International Affairs and Commodity Programs, United States Department of Agriculture, and Clifford G. Pulvermacher, former General Sales Manager, Export Marketing Service, United States Department of Agriculture, might have violated Federal conflict of interest statutes. By letters dated August 29, 1972 and sent to both the Department of Justice and the Department of Agriculture, Richard A. Frank of the Center for Law and Social Policy charged that based on the facts which were contained in the Washington Post's article, both Palmby and Pulvermacher had apparently violated Department of Agriculture conflict of interest regulations and Federal conflict of interest statutes. By letter dated August 29, 1972, Congressman Benjamin S. Rosenthal, 8th district, New York, requested that the Inspector General, Department of Agriculture, conduct an investigation to determine whether or not Palmby and Pulvermacher had committed conflict of interest violations.

The allegations which are contained in the newspaper article and the two letters are basically: that while employed by the Government Palmby was negotiating for employment with Continental Grain Company, a major grain exporter; that while employed by the Government, Pulvermacher was negotiating for employment with Bunge Corporation, a major grain exporter; that both Palmby and Pulvermacher participated personally and substantially in the U.S.-U.S.S.R.

grain sale agreement which was announced on July 8, 1972; that Palmby and Pulvermacher both possessed inside information of great value to the grain exporters; that Palmby and Pulvermacher unlawfully passed such information on to some grain exporters; and that Palmby and Pulvermacher have acted and are acting as agents for their respective employers in regard to their companies' grain sales to the U.S.S.R. The assertion is that these activities violate 18 U.S.C. 207(a), 18 U.S.C. 207(b), and 18 U.S.C. 208.

Because a complaint of possible violations of Title 18, United States Code, by former senior Government officials had been made, on September 1, 1972 the Department of Agriculture transmitted this matter to the Department of Justice for its review in accordance with Section 535 of Title 28, United States Code, and Attorney General Mitchell's February 1971 memorandum to all department and agency heads. Following coordination between the Department of Agriculture and the Department of Justice, the Office of the Inspector General, Department of Agriculture, conducted an internal inquiry to more fully develop the facts material to this matter. On September 19, 1972 the Inspector General submitted a preliminary inquiry report to the Department of Justice which was reviewed immediately in the Department of Justice. On September 20, 1972, representatives from the Department of Justice and the Federal Bureau of Investigation met and the FBI was requested to initiate an investigation into possible criminal violations related to the U.S.-U.S.S.R. grain sale agreement.

Additional coordination meetings were held to more precisely define the scope of the investigation. It was determined that the most probable violations fell into two categories: conflict of interest/disclosure of confidential information and fraud against the Government. It was further determined that the Commodity Exchange Authority, whose function is to maintain fair and honest trading practices and competitive pricing on commodity exchanges designated as contract markets under the Commodity Exchange Act, and auditors from the Office of the Inspector General, Department of Agriculture, could be of substantial assistance in this investigation. Accordingly, it was decided to employ the Commodity Exchange Authority and the auditors from the Office of the Inspector General to assist in the investigation of possible fraud against the Government. The FBI was to have sole responsibility for the conflict of interest/disclosure of confidential information aspects of the investigation.

#### THE INVESTIGATION

##### General

In regard to possible conflict of interest/disclosure of confidential information, the FBI was to determine:

1. whether Clarence Donald Palmby violated the provisions of 18 U.S.C. 207 and 18 U.S.C. 208 and whether he unlawfully disclosed confidential information in violation of 18 U.S.C. 1902 and 18 U.S.C. 1905;
2. whether Clifford George Pulvermacher violated the provisions of 18 U.S.C. 207 and 18 U.S.C. 208 and whether he unlawfully disclosed confidential information in violation of 18 U.S.C. 1902 and 18 U.S.C. 1905; and
3. whether Charles W. Pence, Director of the Grain Division, Export Marketing Service, Department of Agriculture, unlawfully disclosed confidential information when on August 24, 1972 he contacted various grain exporters and discussed export payment policy with them.

In regard to possible fraud against the Government, the Office of the Inspector General was to conduct a special investigation of those exporters who submitted offers to the Commodity Credit Corporation (CCC) under the Wheat Export Program (GR-345) EMS Announcement No. 73-39A, System I, during the period August 25 through September 1, 1972, Special Agents of the FBI were to accompany the Inspector General's

auditors. This special investigation, as related to the criminal investigation by the Department of Justice, was to determine whether any of the companies being investigated had made false statements and false claims in violation of 18 U.S.C. 1001 and 18 U.S.C. 287 when they submitted their offers for export under System I.

In addition, the Commodity Exchange Authority was to conduct a review of market activity on the various commodity markets and Boards of Trade to determine whether there were any indications of manipulation of the prices of wheat sold in interstate commerce in violation of 7 U.S.C. 13(b).

#### Conflict of Interest and Disclosure of Confidential Information

##### 1. Clarence Donald Palmby

Clarence Donald Palmby met with Michel Fribourg, President, Continental Grain Company, in late January, mid-February, and again in early March of 1972. In February, Palmby told Secretary Earl Butz about being contacted by Continental. Although no firm job offer was made to Palmby by Fribourg during those meetings, a job for Palmby with Continental was mentioned at each one and a job description was given to Palmby at the meeting in early March. During this same general period, Palmby looked for an apartment in New York City and in mid-March 1972, Palmby submitted an offer to buy an apartment in New York City. Four Continental Grain Company executives were listed by Palmby as references. The purchase was financed by Palmby with his own funds. A firm job offer was made to Palmby in early May and he accepted it within a week.

In early April 1972, Palmby went to the U.S.S.R. as a key member of a U.S. trade delegation and outlined for the Soviets a U.S. offer to extend credit to the Soviets in return for their purchase of U.S. grain. The credit terms outlined by Palmby were fixed by statute and there was no room for negotiation of alternate credit terms. The terms offered the Soviets were terms which had been strongly advocated by Palmby during the February and March planning stage for the April visit to the U.S.S.R. The terms also were identical to those finally arrived at in Washington, D.C. and announced on July 8, 1972. The Soviets rejected the U.S. offer outright and the U.S. delegation returned to the United States empty-handed.

In early May 1972, Palmby was visited at the Department of Agriculture by the Soviet Deputy Minister of Foreign Trade who was interested in the details of the U.S. credit offer. Palmby and others from USDA explained in detail the U.S. credit terms. As was the case during the April meeting in Moscow, the Soviets did not disclose the extent of their need for grain.

At no time during April and May was Continental Grain Company a party to the discussions with the Soviets in regard to the U.S.-U.S.S.R. grain sale agreement, nor was Continental Grain Company a party to the final agreement which was announced on July 8, 1972. On June 8, 1972, the day after his leaving the Government, Palmby began work with Continental Grain Company. On that day a meeting was held between Palmby and senior Continental executives during which Palmby was assured by the company's president, Fribourg, that he would not be asked to do anything which might violate conflict of interest statutes.

During Continental Grain Company's Soviet grain sale, Palmby was invited to attend several meetings so that he could gain some knowledge of how Continental operated. He took no part in Continental's negotiations with the Soviet buying team.

Palmby did accompany two members of the Soviet buying team and one of Continental's sales specialists to luncheon and a brief tour of Washington, D.C. and vicinity on July 2, 1972. This was prior to Continental's sale negotiations with the Soviets and business was not discussed.

Since his employment by Continental Grain Company, Palmby has had no known significant contacts with Government employees regarding matters which were under his official responsibility while he was with the Department of Agriculture.

#### 18 U.S.C. 208

Section 208 of Title 18, U.S.C., prohibits an officer or employee of the Government from participating personally and substantially as a Government officer or employee in a particular matter in which to his knowledge a person or organization with whom he is negotiating or has an arrangement concerning prospective employment has a financial interest.

Palmby's participation in the U.S.-U.S.S.R. grain sale agreement discussions in Moscow in April and his May 9, 1972 meeting with the Soviet Deputy Minister of Foreign Trade did not violate 18 U.S.C. 208. The particular matter which Palmby was personally involved in during both meetings was the United States' credit offer, the terms of which were fixed by law and not subject to negotiation. Continental Grain Company had no financial interest in those credit terms.

No other known actions taken by Palmby subsequent to his employment discussions with Fribourg even remotely appear to violate 18 U.S.C. 208.

#### 18 U.S.C. 207(a) and 18 U.S.C. 207(b)

Section 207(a) of Title 18, U.S.C., is a lifetime bar which prohibits a former employee or officer of the Executive Branch from knowingly acting as agent or attorney for anyone other than the United States in connection with a particular matter involving specific parties in which the United States is a party or has a direct and substantial interest, in which he participated personally and substantially as an officer or employee.

Section 207(b) of Title 18, U.S.C., prohibits a former Government employee from within one year of the ceasing of his employment from appearing personally before any department or agency of Government as agent or attorney for anyone other than the United States in connection with a particular matter involving a specific party in which the United States is a party or directly and substantially interested which was under his official responsibility as a Government employee at any time within a period of one year prior to termination of such responsibility.

In regard to Section 207(a), there are no facts which indicate that Palmby has acted as agent or attorney for Continental Grain Company in regard to the U.S.-U.S.S.R. grain sale agreement or any other particular matter which he was personally and substantially involved in while with the Government.

In regard to Section 207(b), there are no known facts which show that Palmby has appeared personally before the Department of Agriculture or any other department or agency of the Government as Continental Grain Company's agent or attorney in connection with matters which were under his official responsibility.

#### Disclosure of confidential information—18 U.S.C. §§ 1902 and 1905

No facts were obtained during the investigation which indicate that Palmby ever revealed confidential information while employed with the Department of Agriculture or solicited or received such information while employed with Continental Grain Company.

#### 2. Clifford George Pulvermacher

Walter Klein, President, Bunge Corporation, contacted Pulvermacher in January and mid-May of 1972 and on both occasions offered Pulvermacher a job. On both occasions, Pulvermacher informed Klein that he would not discuss employment with anyone prior to his retirement from the Government. Pulvermacher retired on June 30, 1972. On July 18, 1972, he met with Klein, a job offer

was made and Pulvermacher accepted the offer on July 24, 1972.

Pulvermacher participated with Palmby in the events which led up to the April trip to Moscow. During that trip, Pulvermacher provided technical advice for Palmby's use as required.

Pulvermacher played no role in Bunge Corporation's sale of grain to the Soviets.

Since going to work for Bunge as manager of its Washington, D.C. office, Pulvermacher has maintained frequent contact with various Government employees. Those contacts have been for both social and business reasons. Pulvermacher has discussed with USDA officials the procedures for documentation of exports, general views on subsidy policy, the administration of various elements of USDA and other subjects of a general nature. It is his responsibility to stay abreast of Government policies which might affect Bunge's business.

On June 28, 1972, Pulvermacher read a cable from the American Embassy, Moscow, which indicated that a Soviet delegation was en route to the United States and that some of the members were on the Soviets' buying team. There is no evidence that Pulvermacher disclosed the contents of the cable to anyone.

#### 18 U.S.C. 208

In that there is insufficient evidence to establish that Pulvermacher was negotiating with or had an arrangement concerning prospective employment with Bunge Corporation prior to his retirement from the Department of Agriculture, no violation of 18 U.S.C. 208 exists.

#### 18 U.S.C. 207(a) and 18 U.S.C. 207(b)

The investigation failed to disclose particular matters involving specific parties in which Pulvermacher acted in violation of either 18 U.S.C. 207(a) or 18 U.S.C. 207(b). His known contacts with various Government employees subsequent to his employment with Bunge were investigated with negative results. And his actions on behalf of Bunge fail to reveal a violation.

#### Disclosure of confidential information—18 U.S.C. §§ 1902 and 1905

No facts were obtained during the investigation which indicate that Pulvermacher ever revealed confidential information while employed with the Department of Agriculture or solicited or received such information while employed with Bunge Corporation.

#### 3. Charles W. Pence

For approximately ten months prior to August of 1972, wheat export payments (subsidies) were based on a fixed target price. Following the wheat sales to the U.S.S.R. in July and August, the price of U.S. wheat began to rise. As a result, subsidy costs began to increase sharply. Concerned over these costs, the Assistant Secretary for International Affairs and Commodity Programs, Dr. Carroll G. Brunthaver, initiated action on August 24, 1972 to inform the exporters who had sold wheat to the Soviets that the Department of Agriculture, as of close of business on August 23, 1972, was no longer maintaining the fixed target price. Also, key exporters were to be invited to a meeting with Brunthaver to be held on August 25, 1972. Brunthaver desired to use the meeting to elicit information from the exporters regarding their Soviet sales.

When instructed by Frank G. McKnight, Associate General Sales Manager, Export Marketing Service, to make the necessary telephone calls, Charles W. Pence advised McKnight that in his opinion the decision to no longer maintain the target price should be disclosed to the entire trade so that the Department of Agriculture would not be accused of showing favoritism to just a few selected exporters. As a result, the change in policy became known throughout the trade. The effective date of the policy change which was released on August 24, 1972, was the previous day, August 23, 1972.

On August 25, 1972, the Department of Agriculture, by Announcement 73-39A, set forth a policy change which for all practical purposes was the same as that which became known throughout the grain trade on August 24, 1972. The principal difference was that the effective cut off date was changed from August 23, 1972 to August 24, 1972.

#### Disclosure of confidential information—18 U.S.C. §§ 1902 and 1905

The information which was released by Pence on August 24, 1972 concerned policy which had gone into effect on August 23, 1972. The information was widely disseminated throughout the grain trade and grain traders took no significant market action because of the information. Therefore, the information was not market sensitive when it was released. The release of information on August 24, 1972 did not violate 18 U.S.C. §§ 1902 and 1905.

#### Fraud Against the Government

1. Submission of inaccurate weekly CEA Form 204's to the Commodity Exchange Authority by Continental Grain Company:

The Continental Grain Company submitted several inaccurate weekly position reports to the Commodity Exchange Authority. The reports failed to show Continental's sale of grain to the Soviets. The inaccurate reports resulted from Continental's internal security procedures which were employed to keep the details of Continental's sale secret from the rest of the trade. The inaccurate reports in no way adversely affected the Government and in fact could have operated to Continental's disadvantage.

The FBI investigation of this matter did not disclose a basis for criminal prosecution. The Commodity Exchange Authority has taken action to obtain corrected reports and to insure that errors are not made in future reports. In addition, the Commodity Exchange Authority is continuing with administrative inquiries into inaccurate reports which have been received from other grain traders in addition to Continental Grain Company. The administrative inquiries are now outside of the scope of this criminal investigation and are being handled as a separate matter.

2. Overbooking of wheat under System I of USDA Announcement No. 73-39A, dated August 25, 1972:

Auditors from the Office of the Inspector General, Department of Agriculture, accompanied by Special Agents from the Federal Bureau of Investigation, conducted a special audit of the subsidy claims which were made under System I of USDA Announcement No. 73-39A dated August 25, 1972. Excess claims which were disclosed during the audit were attributable to sharp disagreement between the Department of Agriculture and some exporters over the proper interpretation of the terms of the announcement. The audit fails to reveal indications of criminal fraud against the Government. Further administrative action between the Department of Agriculture and the grain companies concerned to resolve their differences is expected.

#### THE BLACK ECONOMY

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

Mr. MITCHELL of Maryland. Mr. Speaker, the administration is engaged in the attempted destruction of many programs and projects necessary and vital to black Americans as well as other Americans. The administration's actions



are predicated on a false picture of the status of blacks in America.

Dr. Karl D. Gregory, chairman of the Caucus of Black Economists, and associate professor of economics and management at Oakland University, Rochester, Mich., has given a trenchant analysis of the black economy.

I submit his speech, given at the third national symposium on the state of the black economy, sponsored by the Chicago Economic Development Corp. on May 10, 1973, for the RECORD. I am certain my colleagues will view the attempted destruction of human-welfare programs from a better perspective after having read Dr. Gregory's presentation:

**BRIEF REPORT ON THE STATE OF THE BLACK ECONOMY\***

(By Karl D. Gregory)

First of all, let me express my pleasure to the Chicago Economic Development Corporation for its kind invitation to me to address it on the State of the Black Economy. This is the third year in which an officer of the Caucus of Black Economists has been requested either to speak on this topic or to open the Symposium. As many of you know, the Caucus of Black Economists is an organization which seeks to increase the supply of black economists and to promote their professional development. The Caucus encourages its members to do research and to apply their professional skills to the analysis of economic matters. Individually and as members of the organization, they have placed much emphasis on reviewing the current state of the black economy and on evaluating programs that would significantly improve the social and economic welfare of citizens of the United States, with special emphasis on black Americans and members of other minority groups. It is, therefore, altogether fitting and proper that an officer of the Caucus of Black Economists has again been selected to review briefly the state of the black economy.

**HAS THE STATE OF THE BLACK ECONOMY CHANGED?**

The term "black economy" refers to the system of relationships through which black, brown, and red Americans gain resources; produce, distribute, and consume goods and services; and otherwise promote their economic well-being. What is the state of the black economy? At the first symposium sponsored by CEDCO, Professor Thaddeus H. Spratlen responded to this question in an excellent paper presented on June 4, 1971, from which I quote:

"Many adjectives, most of them negative, aptly describe the present black economy. It is a depressed economy in view of the gross under-utilization of human and physical resources. It is a ghetto economy with respect to the immobility that prevails in the marketplace characterized by widespread involuntary segregation, persistent racial discrimination and the existence of severely restricted choices for blacks. . . . the black economy is underdeveloped in its extremely limited supply of capital, technology, entrepreneurship, and other resources generally considered to be prerequisites for improving the economic conditions in and increasing the effectiveness of institutions which serve the black community. These characteristics are significant because they identify many of the basic causes of the marked disparity which exists between the black economy and the larger urban (regional or national)

economy of which it is a segregated and neglected part."<sup>1</sup>

Professor Spratlen, who, incidentally, is the Secretary-Treasurer of the Caucus of Black Economists, went on to expand on these assertions in his lengthy paper.

Last year, at the Second Annual Symposium on the State of the Black Economy, the Vice President for Academic Affairs at UCLA and the then Chairman of the Caucus of Black Economists, Charles Z. Wilson, began to answer the question, "What is the state of the black economy?" by stating:

"The black economy is not merely an aberration of the larger American economy. It has soul and cultural dimensions that pose some legitimate concerns for those of us seeking change and growth. . . . Through prosperity and peace, to say nothing of recessions and Vietnam, blacks have been plagued by persistent high rates of unemployment, low money and real wages, and low overhead social investments. Blacks have also been plagued by a scarcity of developed social and economic organizations and by a collective feeling of inadequacy because of low economic status."<sup>2</sup>

It is my considered judgment that there has been little significant change since Professor Spratlen and Vice President Wilson spoke to this symposium on the state of the black economy. Indeed, Reverend Jesse Jackson of PUSH (People United to Save Humanity) called together a group of black economists in 1972 to again look at the state of affairs in which blacks found themselves and to recommend programmatic changes for promoting major advances in black social and economic welfare. The result was a publication entitled *Economic Bill of Rights* which recently was reprinted in an issue of *The Review of Black Political Economy*, Volume 3, 1972.<sup>3</sup> This document, along with "The True State of the Union Overview," is required reading for persons who would wish more information on the status of black America. "The True State of the Union Overview"<sup>4</sup> is an extensive statement by members of the Congressional Black Caucus which discusses public policy as it relates to Afro-Americans. This statement appears in the January 31, 1973, issue of the *Congressional Record of the House of Representatives*. Were I to have more than twenty minutes, I would summarize the many elements of these two documents which deserve your attention.

**ANOTHER VIEW—WATTENBERG-SCAMMON RHETORIC ON BLACK PROGRESS**

Rather than expound again upon the state of an economy that remains severely wanting, let me turn to a highly significant and optimistic viewpoint. A much publicized article by Ben J. Wattenberg and Richard M. Scammon argues that there has been significant progress for black Americans in recent years—so much so, in fact, that a majority of blacks—albeit a slender majority—has attained middle-class status.<sup>5</sup> The article, entitled "Black Progress and Liberal Rhetoric," which appeared in a recent issue of *Commentary*, should not be ignored by blacks. It is now attracting and will continue to receive wide recognition like Moynihan's *The Black Family in the United States*. It is likely to be used as a rationalization for current public policy and the acceleration of benign neglect. The Wattenberg-Scammon thesis is based upon an extremely broad definition of the middle class. It includes in the middle class persons with incomes above \$8,000, if they reside out of the South, and above \$6,000 for persons residing in the South, regardless of size of family. The authors show that black-family income as a ratio of white-family income has climbed from 53 per cent in 1961 to 63 per cent in 1971. They point to the fact that the percentage of black families earning above \$10,000 increased from 13 per cent in 1961 to

30 per cent in 1971, using figures in constant 1971 dollars. They neglect to point out that, although the ratio has risen, the absolute gap in purchasing power between whites and blacks has expanded. For example, the dollar gap between black and white families has widened, growing from \$2,700 in 1947 to \$3,700 in 1970.<sup>6</sup> Large gains in education are said to be demonstrated by the fact that the median years of school completed for young blacks in 1950 were 3.5 years below that for whites, whereas 20 years later it was only four-tenths of one year of school below that for whites. The authors feel that a difference in the quality of education received, which is not reflected in the data, does not discount the significance of the data.<sup>7</sup>

Wattenberg and Scammon recognize that there has been a large growth in the per cent of black families that are female-headed—from 17.6 per cent of all black families in 1950 to almost one-third, or, more accurately, 30.1 per cent of black families in 1972. However, they are consoled by the observations that the per cent of blacks in poverty has decreased from 49 in 1959 to 29 in 1971 and also because a larger proportion of the poor is now receiving public aid.

Summing up the thesis of the Wattenberg-Scammon argument, and I quote, "By most of the standards by which Americans measure middle-class status, then, blacks in the last decade have made mighty strides—both absolutely and relative to whites—and the time has come for this fact to be recognized."<sup>8</sup> The authors also ask, "Why have the data of black advancement been kept secret by those who presumably have an interest in making them known? . . . the answer is, of course, that civil-rights leaders do know what has happened, and even acknowledge it in private; but they have elected as a matter of policy to mute any public acknowledgement or celebration of black accomplishments in order to maintain moral and political pressure on the Administration and public opinion."<sup>9</sup>

**THE DISTORTION OF BLACK PROGRESS ANALYZED**

This is a very unfair criticism of civil rights leaders. In each of the earlier symposiums and at many public meetings I have attended, due recognition was given to the areas in which blacks have made gains. However, the state of the black economy was and is viewed among black spokesmen in much broader terms than those relied upon by Wattenberg and Scammon. The basic underlying difference between Wattenberg-Scammon and black spokesmen revolves around the criteria used to determine the economic well-being of an individual or of a group. From a technical point of view, this question is quite similar to one that economists have posed through recent decades with regard to how income should ideally be measured for tax purposes.<sup>10</sup> Much of the literature that answers this question eschews the narrow definition of income used by Wattenberg and Scammon to conclude that the majority of blacks are now of middle-class status and looks instead to a measure such as the net accretion concept of income, according to which income or well-being should be gauged by increases in one's wealth and one's real consumption. The income in any period, according to the net accretion measure, would be the sum of one's real consumption and the change in one's wealth. Such a definition would have avoided many of the Wattenberg-Scammon crudities. According to the net accretion concept, if one earns more than one consumes, the difference is added to net worth, and is so included. Further, if one's wealth appreciates during the period, that appreciation is also included in the net accretion concept of income, but not in the concept used by Wattenberg and Scammon, whether or not that income is realized, for capital gains are excluded from the Census

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data. Since wealth is distributed much more unequally than income, analyses of economic welfare that exclude wealth are bound to be spurious. Black families own about two per cent of the nation's wealth, and almost 70 per cent of the little that they own is in a form least associated with power and privilege, namely, equity in a home.<sup>11</sup>

Even from a non-technical perspective, it is a matter of common knowledge that the Census figures on income exclude vast amounts of earnings properly regarded as income, as is recognized, say, in the national income and product accounts.<sup>12</sup> Herriot and Miller estimated that, in addition to the \$543 billion of income in 1968 that was reported by the Census Bureau, there were other amounts that were excluded, such as \$76 billion of under-reported money income, \$67 billion of imputed income (i.e., in-kind income where, in simple terms, goods rather than money is paid as compensation), \$27 billion is retained corporate earnings, and \$18 billion in capital gains.<sup>13</sup> These exclusions amounted in 1968 to 35 per cent of the income reported by the Census and accrued primarily to the upper income groups.

Moreover, comparing the status of blacks to whites on the basis of income figures to derive relative states of well-being ignores a very important consideration. As Caplovitz and others have shown, the poor pay more; hence, it takes more income on the part of the urban poor to obtain the same level of well-being as is enjoyed by many whites who do not have to pay elevated ghetto prices, and particularly on "Mother's Day," that is, the day each month the welfare checks are distributed to ADC recipients.

Wattenberg-Scammon also do not consider the sources of income. They, therefore, fail to include in their analysis such considerations as the impact of some technological and productivity advances which eliminate blue-collar jobs and generate a shift from manufacturing to services at the disadvantage of the elements of the population having the least skills, seniority, and ability to benefit from nepotism or other advantaged status.

Further, real income as a measure of well-being should include a consideration to differentiate between persons who earn income without rendering labor—and, therefore, also have the leisure—as contrasted to others who have to surrender leisure in order to work and obtain income. The former have leisure as well as income, while the latter have only income and perhaps sweat. Stated in other words, leisure also is an economic good and should be included as consumption in the measure of one's real income, particularly if comparisons are to be made between groups which portend to indicate differences in degrees of well-being. The exclusion of leisure from income understates how relatively well-off the affluent are.

Relative differences in the distribution of money income exclude externalities which lower the real income of persons affected. Economists use the word externalities to encompass such things as noise, air and water pollution, communicable diseases and mental health problems, crimes, all of which affect minority groups more than majority groups. According to one writer, "Columnist Jack Anderson reported (*Detroit Free Press*, December 19, 1971) that the Environmental Protection Agency has (and is withholding from publication) a study showing that the incidence of negative urban externalities falls primarily on the poor."<sup>14</sup> The exclusion of these quality-of-life factors also understates the well-being of the affluent population.

Still another weakness in the Scammon-Wattenberg argument is it assumes that the relative income gains made by young blacks entering the labor force will be maintained in subsequent years. The progress that has been made toward getting better pay for minority groups at entry-level jobs, sometimes

at a premium, is well-known. Comparable gains have not been made in obtaining promotions and pay increases in accordance with seniority and ability, particularly at the higher echelons of government and business. The income gap narrowing that has taken place chiefly because of a disproportionately young black population being confronted with reduced discrimination at entry-level jobs may not continue. Indeed, although starting out equally, blacks may well tend to fall behind as the years pass beyond the entry level. The income gap of blacks as a group would then rise as the average age of this relatively young population group increases.

The maintenance of that income which the black community now derives from black-owned-and-operated firms, not to mention the expansion of income from this origin, will require that blacks shift from being represented primarily in declining industries to establishing new firms and expanding existing firms in growth industries. As Andrew Brimmer has shown, if this shift does not take place, even if the gross receipts of black-operated business were to expand at a rate equivalent to the gross receipts of white firms, the proportion that black receipts are of total receipts would decline.<sup>15</sup>

A critical shortcoming of the Wattenberg-Scammon thesis is its failure to shift from static comparisons to a dynamic inquiry which places the spotlight on changes in the power, relative importance, and direction of causative forces. If a lagged impact reflected in the Census data were to have as its basic cause a set of forces which reached their major strength years ago, measures of the impact could continue to rise temporarily long after the underlying forces either became weaker or turned in a negative direction. For example, the expanded college enrollments of blacks in recent years may have resulted in part from several formerly strong but now deteriorating forces. Some young blacks viewed as models the college students who swarmed to the South in the 1960's during the heyday of the civil rights movement. Universities responding to pressures in the late 1960's adjusted admissions standards and allocated funds for supporting low-income students. The federal government responded to the same pressures by expanding programs providing aid to needy students. One after another college official has stated in recent months that financial aid and programs for needy students have been placed in jeopardy, in part because of the President's budget for fiscal 1974. Barring a return to these and other previously strong forces which encouraged higher education for blacks, it is to be doubted that the rate of educational gap closing discussed by Wattenberg-Scammon can be continued in the future. There are many other examples of current data reflecting earlier positive forces which have become less strong or have turned in a negative direction.

A few technical matters plague the Wattenberg-Scammon analysis. Among them is the greater reliability of the Census data for whites than for blacks, since blacks are undercounted relative to whites. Their thesis is further weakened to the extent that the uncounted blacks preponderantly fail to have middle-class attributes.

To illustrate another similar fault in the analysis, the authors make dramatic statements without adequately qualifying them, leading the reader to draw conclusions that are unwarranted:

"When one combines all these factors—youth, non-southern residence, and an unbroken family—a truly striking statistic emerges. The median income of black husband-wife families, in the North and West, with the head of family under 35 years of age, rose from 78 per cent of white income in 1959 to 96 per cent in 1970. There is a word to describe that figure: parity. And if

we were to add a fourth variable to the equation, and examine families in which both the husband and wife work, the figures come out to 85 per cent in 1959, and in 1970, 104 per cent! For such families, parity has not only been achieved, it has even been surpassed: young, married blacks, outside of the South, with husband and wife both working, earn as much as or a trifle more than comparable whites . . ."<sup>16</sup>

Do these data really indicate that parity has been reached? First, whatever reliability the data have is reduced with each additional variable added, for, among other things, the sample becomes much smaller and more subject to bias. Second, it is not clear whether the authors are referring to "Negroes" or to "Negroes and other races." If the latter, one can no longer assume that the data are also descriptive of blacks when the geographic area is so limited. The Census data do show, as the authors indicate, that, nationally, blacks are over 90 percent of "Negroes and other races." In the West, however, they are a much lower proportion. Since the median income of "other races" is higher than the median for blacks, such a comparison overstates the proportion of blacks in the middle-income group. Third, even if blacks received the same income as whites, real parity would not hold if blacks (1) with, say, a high school education earn as much as whites with an eighth grade certificate, as is the case, and (2) have to work longer hours, more weeks a year, or have more members of the family working in order to have the same income as whites.

#### SOCIAL POLICY AND ACHIEVING REAL PARITY

It is particularly important for Wattenberg-Scammon to consider all of the factors that could invalidate their analysis, since the margin by which the majority of blacks were found to be in the middle class amounted to only 2 per cent of the counted black population. *The fact remains that, even in the Wattenberg-Scammon analysis, the median income of the blacks is about 40 per cent below that of whites.* Removal of this gap in a reasonable period of time, and we are talking about two decades at best, were there a commitment to do so, would involve major changes in public and private policies. There would have to be a mobilization of political power to influence decisions toward redistributing income and wealth, while maintaining a progressive tax-rate structure for the combined state-local-federal tax system, fiscal and monetary policy to reach full employment while repressing inflation, a reordering of national priorities to provide quality public services on a much expanded scale, particularly in education, health, urban and rural community development, and reform of the public decision-making system so that it reflects a one-man, one-vote basis rather than one in which campaign contributions and contrived episodes can alter decisions.

A major requirement for accelerating social change involves the building of black institutions for analyzing, planning, and offering intellectual direction for change and for monitoring, evaluating, and reporting on the progress being made. There also needs to be more informed dialogue within the black community involving careful analysis, goal setting, prioritizing of objectives and evaluating performance in achieving them. It is interesting to observe that there is no black-operated institution of higher education that offers a graduate degree in all of the major disciplines relevant to urban and rural development in a domestic context, much less in a third-world context. The establishment of such an institution is of the highest priority for not only training students with the skills and sensitivity for analyzing change and staffing change agencies, but also for increasing our supply of researchers, scientists, intellectuals, community developers, managers, and other professionals.

Current national public policy as recom-



mended in the budget of the President of the United States for 1974 is a major deterrent to significant positive social change. Although the fiscal posture of the budget, in overall terms, is just about right, I would prefer a somewhat higher level budget with strengthened wage and price controls to repress inflation, while permitting a higher level of public services and giving more attention to achieving full employment by the end of 1973.

The expansion of defense by about \$8 billion net and the cutting of social programs reflect a set of priorities that is in conflict with the requirements for lending national government support to positively addressing the state of the black economy. An exception to the perverse public priorities implied in the budget this year is the rather limited expansion of OMBE and certain aspects of the striving for greater efficiency in government, both of which should be applauded. The response of the administration to criticism of the priority given to civilian programs usually points to the rapid increase in human resources programs. Upon examination, this budget increase is explained primarily by the Social Security program. Income security for senior citizens is an absolute necessity for any civilized society with the ability to bear the cost. Doing so, however, by a regressive tax system which unduly burdens the poor is heinous by itself. But to use the receipts to pay for benefits which blacks and others with a life span shorter than the average person will not on the average enjoy as much institutionalizes the very oppression that a short average life span symbolizes. I might note in this context that an article in *The New York Times* on February 11, 1973, reported that a study by the Michigan Department of Health found the average life expectancy of black males in Michigan had declined by 2.6 years in the last decade. This was attributed to a "soaring" increase in the use of alcohol, drugs, and the hard jobs that are the only ones some black males can get.

#### THE NEW FEDERAL THRUST—REVENUE SHARING

The new emphasis in both general and special revenue sharing is also unfortunate. State and local governments have in the past been much less imaginative and innovative than the federal government. At the local level, there is much more exposure to corruption, inefficiency, and, perhaps, undue attentiveness to the wishes of local power structures rather than the masses. If citizens were to have waited for local action to secure a voting rights bill, legislation regarding equal employment opportunities, the local counterpart to a federal executive order barring discrimination in federally assisted housing and other similar gains in the 1960's that have been made at the national level, it would still be waiting, perhaps 'till Hell freezes over, in many local jurisdictions. Further, it is very possible that local block grants in some areas will be used to subsidize racism and to finance tax reductions benefiting the more well-to-do population. In the short run, there will be a deleterious impact, since special revenue sharing funds, if passed by the Congress, will become available toward the end of fiscal 1974, while the programs to be replaced will be terminated before the new funds become available. In the interim, many persons working for the agencies providing these terminated and impounded programs will become unemployed permanently or, perhaps, for a short period of time until the new special revenue sharing funds become available, provided that local power structures decide to use the funds to operate social programs that will hire persons fired in the terminated programs.

Should the President's recommendation for special revenue sharing be approved by Congress, it will be necessary for black community groups to reorganize their resources for gaining more influence at state

and local levels where the large sums will be controlled. For example, there is the need to insure that state and local governments adopt a set-aside program similar to Section 8-A at the federal level. Given the adversity of the budgetary impact on minorities, and particularly its relegating of the level of unemployment to secondary importance behind inflation, combined with the disproportionate burden unemployment places on minority groups, it is all the more important that community groups now begin to organize for affecting state and local decisions on the use of revenue sharing funds. These governments, by themselves, can do little to reach and maintain full employment, but they can ameliorate to some extent its uneven impact, should they choose to attempt to do so.

#### CONCLUSION

In the first message on the State of the Black Economy, Professor Thaddeus Spratlen concluded his paper with, and I quote:

"The all-too-familiar signs of disparity and depression which characterize the black economy have been documented. . . . The general position expressed foresees these continued gains, but relatively little gap-closing in the remaining decade. The pattern rather than the relative magnitude to the gains of the 1960's will prevail. That is, the young who are college-educated or have technical skills which are in general demand in the larger economy will register disproportionate gains. Likewise those blacks who are in the West and major urban centers of a rapidly industrializing South will experience a considerable rise in economic position in the 1970's. But the lagging and more severe problem areas will remain. Resources from the government and corporate sectors seem likely to continue to flow in the customary niggardly fashion. Highly skilled and well-paid jobs in the trade, craft and service fields will probably not open up significantly in terms of overall numbers. The really difficult problems seem destined to remain unsolved for both black and white segments of the U.S. economy."

Clearly, this conclusion is just as valid today as it was during the first Symposium sponsored by the Chicago Economic Development Corporation.

It is my fervent hope that next year's message on the State of the Black Economy will present much more progress than this one has. Without a drastic reordering of national priorities and the maintaining of full employment while repressing inflation and curbing the market power of large firms and unions, I am not optimistic. Moreover, the Watergate incident adds uncertainty in the short run. The immediate period ahead, it seems to me, is a period for consolidating past gains, building institutions, unifying persons both within and between minority groups, preparing the foundation for further advances, as well as being extremely vigilant in searching out opportunities for change and effectiveness in seizing and taking advantage of those opportunities.

#### FOOTNOTES

<sup>1</sup> Thaddeus H. Spratlen, "The Black Economy in the 1970's: Prospects for Growth and Development," Symposium on the State of the Black Economy, Chicago Economic Development Corporation, Chicago, Illinois, June 4, 1971.

<sup>2</sup> Charles Z. Wilson, "The State of the Black Economy: From Fantasy to Fact," *Symposium, 1972, State of the Black Economy*, ed. Gerald F. Whittaker. Bureau of Business Research, Graduate School of Business Administration, University of Michigan, 1973.

<sup>3</sup> Black Economic Research Center, "The Economic Bill of Rights," *The Review of Black Political Economy*, Vol. 3, 1972, 112 West 120 Street, New York, New York.

<sup>4</sup> Congress of the United States, "The True State of the Union Overview," *Congressional Record of the House of Representatives*, Pro-

ceedings and Debates of the 93rd Congress, First Session, Vol. 119, No. 17, pp. H617 to H642.

<sup>5</sup> Ben J. Wattenberg and Richard M. Scammon, "Black Progress and Liberal Rhetoric," *Commentary*, April 1973, pp. 35-44.

<sup>6</sup> U.S. Department of Commerce, "The Social and Economic Status of the Black Population in the United States, 1971," *Current Population Reports*, Series P-23, No. 42, p. 30.

<sup>7</sup> The authors are aware of the lower reading levels that are achieved by black children and the presence of factors other than education which affect economic success. Wattenberg, *op. cit.*, p. 38.

<sup>8</sup> *Ibid.*, p. 38.

<sup>9</sup> *Ibid.*, p. 43.

<sup>10</sup> See virtually any introductory text in public finance or the economics of the public sector.

<sup>11</sup> Henry S. Terrell, "Wealth Accumulation in Black and White Families, The Empirical Evidence," *Journal of Finance*, Vol. 26, No. 2, p. 367.

<sup>12</sup> See Roger A. Herriot and Herman P. Miller, U.S. Bureau of the Census, "Who Paid Taxes in 1968," paper (mimeographed) prepared for the National Industrial Conference Board Meeting in New York on March 18, 1971.

<sup>13</sup> *Ibid.*, p. 2.

<sup>14</sup> Lon Polk, "The Radical Paradigm and Urban Economics," a paper presented to the Conference on Urban Economics, Wayne State University, May 11-12, 1972, pp. 19, 20, 27.

<sup>15</sup> Andrew F. Brimmer, "The Road Ahead: Outlook for Blacks in Business," Presidential address before the 57th Annual Meeting of the Association for the Study of Negro Life and History, October 19, 1972, Washington, D.C.

<sup>16</sup> Wattenberg, *op. cit.*, p. 36.

<sup>17</sup> Spratlen, *op. cit.*, pp. 29, 30.

#### THE LATE HONORABLE JAMES V. SMITH

The SPEAKER pro tempore (Mr. BURTON). Under a previous order of the House, the gentleman from Oklahoma (Mr. CAMP) is recognized for 60 minutes.

Mr. CAMP. Mr. Speaker, the untimely death of Jim Smith has come as a terrific blow to all who knew him. Not often does one find in a man that special blend of courage, integrity, character, and dedication. Jim served this body only one term, but in that short time he left his mark as a man who looked after his constituency and his country. When he left the Congress, he became the Administrator of the Farmers Home Administration and showed the same dedication to the rural needs of the whole United States as he had in the Congress representing Oklahoma. Jim had returned home only a few short months ago, back to his beloved farms from which he had come to Washington.

His tragic death has left a void with all of us who knew him so well.

My heartfelt condolences go out to his wife, Mary Belle, and his children, Jay, Sarah, and Lee Ann. I hope they may bear this great loss with the determination and the strength which we knew in Jim.

Mr. Speaker, the Oklahoma delegation received a letter from the Honorable Page Belcher, former Representative of the First District of Oklahoma, which I think well expresses the deep sense of loss we all feel. I insert his remarks in the Record at this point:

To my former colleagues and good friends of the Oklahoma Delegation.

From Page Belcher:

Knowing of the tremendous heartfelt loss incurred by all of us over the recent parting of our dear friend and former colleague, James V. Smith, I wanted to communicate some fond thoughts of a man who loved God, his country, and the people of Oklahoma as few have or ever will.

Jim's dedication needs no praise from me since it is known by any and all who came into contact with him over the years. In Jim Smith, we had a rare person indeed. Here was a man who knew but one philosophy—hard work, love of fellow man, and love of God.

This basic attitude guided him in his pursuit of life from his early days as a farmer to a Member of the greatest legislative body on this planet, and later as Administrator of the Farmers Home Administration.

When Jim lost his re-election bid at the end of the 90th Congress, he once again fully demonstrated the type of man he was. He took on the job as Administrator of the FHA; and during his four years as a public servant, did more for the people of Oklahoma, the farmers and the rural residents of our nation than any predecessor.

The love Jim had for his native state really defies description; but it can perhaps be in some way demonstrated by his feelings regarding a front-page story published in the Wall Street Journal of February 22, 1973. I suppose the reason behind the article was to be critical of Jim's efforts on behalf of Oklahoma, but Jim saw it in a different light, in fact, more like a backhanded compliment. In short, Jim was proud to be criticized for helping the people of his home state; and I am sure when the people of Oklahoma read the story, they felt great satisfaction that someone in Washington wasn't just a typical bureaucrat, but rather a hardworking public servant who wanted to see people of his home state and rural residents throughout the country truly benefit from a Federal program.

It is common knowledge that there were a very few who were jealous of the accomplishments of this humble but great man, and also that he had countless friends in Congress. Those very few sought to destroy or discredit him at every turn. In the short run, I am sure they felt they succeeded; but they lost sight of the fact that it is impossible to ever destroy a man who lives by hard work and the fear of God. Those of us who really knew him were well aware that he would never abdicate his principles and would continue to work hard to benefit the people. In this light, Jim was recognized by his former colleagues in the House of Representatives on January 18th for what he really stood for; and I know this meant more than just a great deal to him.

On June 22nd, God took him from us for His own reasons which we must regard as being in the best interest of all mankind. But I must confess it is hard not to be selfish and ponder over God's way. However, knowing Jim as I did while he was working on this great earth, I am certain that he now continues to help watch over all of us in a different capacity.

My deepest sympathy goes out to Mary Belle, his loving and devoted wife, and his loving children—the only people on this earth who miss him more than I do.

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

Mr. CAMP. I yield to the distinguished minority leader.

Mr. GERALD R. FORD. Mr. Speaker, I was unbelievably shocked when I first heard of Jim Smith's passing. It was a tragic way to go, and it was a tragedy for so many of us in the Congress that Jim has passed away.

Jim Smith served just 2 years in the House of Representatives, but he made a tremendously impressive record in that short span of time. He was the most diligent, the most constructive, the most desirous of doing a good job of almost anybody I have ever come in contact with as a freshman Member of the House of Representatives. He unfortunately lost in his first bid for reelection. But that defeat did not daunt him. He volunteered to come to Washington and serve in the new administration. He served 4 years in the job as head of the Farmers Home Administration. I have never known anybody in that position or a comparable position who worked harder, who worked with Members of Congress better than did Jim Smith. He always had his open mind, and if he could in good conscience, bearing in mind the law and regulations, be helpful, Jim Smith took that step.

I had personally hoped at some future date Jim Smith might return to the House of Representatives. I think it is tragic that he will never have that opportunity in the future.

I just want to say to my friend, the gentleman from Oklahoma, that we have lost a good friend, and I think the country has lost a first-class public servant.

I extend to his lovely family my deepest condolences at this time.

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

Mr. CAMP. I yield to the gentleman from Kansas.

Mr. WINN. Mr. Speaker, I appreciate the gentleman from Oklahoma's yielding to me. I wish to associate myself with the remarks he has made about our very good mutual friend, Jim Smith.

Jim Smith came to Washington as a Member of the 90th Congress after the 1966 elections. Immediately he made many, many friends among the new Members of Congress. I had the privilege of being in the same class with our good friend, Jim Smith. He was a gentleman; he was concerned about other people; he was extremely friendly and most cooperative. In our class of the 90th Congress we could call upon Jim Smith for any assignment, and Jim was always more than willing to shoulder his share of the load.

When I received the news of the tragedy that happened in Oklahoma, it not only ruined my day, it ruined that entire week.

I should like to point out to the Members of this body that Jim Smith was not only a good man, as the gentleman from Oklahoma has pointed out, but he was always a strong participant in the Congressional Prayer Breakfast. He not only made many friends in Washington and in his home State of Oklahoma, but he made many friends and was of great service to many people in the work that he did, seeing that many rural residents of this nation had water available to them and to many schools in my congressional district.

The rural residents of three of my four congressional districts will never forget the services and the cooperation of Jim Smith of Oklahoma.

Mrs. Winn and I should like to join the

others in paying our respects to Mary Belle, his wife, and his lovely family, and we share their great loss.

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

Mr. CAMP. I yield to the gentleman from Oklahoma.

Mr. JARMAN. Mr. Speaker, it is with sadness that I join in paying tribute to my good friend and former colleague, James V. Smith. It was a privilege to serve in the Congress with Jim and I feel fortunate to have been counted among his friends. He was the kind of public official who gave confidence in our form of government, and the tragic and untimely death of this fine and decent man is a great loss to our State of Oklahoma, to the Nation, and to all who knew him. Jim's devotion to his family, his church, his community, and his country stands as a fine example for all of us. I extend my heartfelt sympathy to Mrs. Smith and the family. I am sure their sorrow is lightened by the knowledge that Jim's life was an inspiration to others and that he will long be remembered for his contribution to the betterment of mankind.

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

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

Mr. MAYNE. Mr. Speaker, I certainly would like to associate myself with the remarks of the gentleman from Oklahoma and with those who have preceded me in paying honor and homage to Jim Smith today.

He and I were members of the 90th Congress. We were first elected to the Congress in the fall of 1966. It was a real privilege to work with him during the time he was a Member of the House of Representatives. He was extremely conscientious in his approach to all of his legislative duties. He was a man of sunny disposition and a man who gave his friendship openly and who was very loyal and constant in all of his associations. His charming wife Mary Belle was also I know extremely active among the wives of the Members of Congress and was dearly respected and beloved by all of us. I certainly extend my deep sympathy to Mary Belle and to Jim's children and state that his departure leaves a great void which will not soon be filled.

Mr. STEIGER of Arizona. Mr. Speaker, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from Arizona.

Mr. STEIGER of Arizona. Mr. Speaker, I am not a very good hand at ritual and I certainly cannot add much in terms of eloquence to what has been said. I think those of us who knew Jim as a Member of Congress recognized that he was a good Congressman. Those who worked with him as a member of the executive branch know he was an exceptional member of the administration. But perhaps best of all Jim was genuinely a good man. As I go through life in Washington and elsewhere I become increasingly aware of how rare such an individual is. A good man is always missed. Jim Smith is certainly going to be missed.

Mr. Speaker, I thank the gentleman for yielding.

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



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

Mr. PRICE of Texas. Mr. Speaker, I thank the gentleman from Oklahoma (Mr. CAMP) for taking this time to eulogize a man we all loved. Former Congressman Jim Smith was born in western Oklahoma, which adjoins my district. He came from a heritage of people who loved the soil and the land in which he was raised. We all will miss Jim.

This Congress I know wants to pass on its condolences to his lovely wife Mary Belle and to his family.

Jim was liked by all the Members of the 90th Club as we all came in together. He was one of the hardest workers. However many of us did not recognize how dedicated he was and how hard he worked for his people in his own State and in the Nation. Jim did not let the fact that he lost his second bid for Congress blunt his wish to be a servant to the people. Before he came to the Congress he belonged to a church in which he was an elder and in which he was elected by the people because he was a great Christian man. He believed in what he was doing. Many people I think today fake what they believe in this area but Jim lived it, if any man ever did.

As a Congressman he came here and worked hard. He went into the Farmers Home Administration where I think perhaps he made more strides in helping the American farmer in rural America than perhaps any other man who has held that position in the past years during which the program has been in effect.

He believed in what he was doing. He believed he was helping people. He did help people. He changed the poverty in which many of those people lived and helped them to have a livable home and a habitable area. I think we will remember Jim for a long time, because we all looked up to him.

Many of us attended the very wonderful funeral which was attended by so many people.

I do not look upon it as a tragic thing in which Jim passed on. I think Jim, being the dedicated man he was, the believer and Christian that he was, certainly is much happier where he is, having laid down his burdens in this life. It is something we all are going to have to face up to sometime in the future, but I think if there was ever a man who accepted death graciously, it was Jim, because he sincerely believed in God and in the hereafter.

Therefore, Mr. Speaker, I think this is an era in which many of us cannot understand why it happened, how it happened, but none of us are the ones to control how and when we will leave this life. With that, I say to the distinguished gentleman from Oklahoma, that I think we all miss Jim, and I thank the gentleman from Oklahoma for bringing this to the attention of the House and giving members the opportunity to express themselves in behalf of our beloved friend, Jim Smith.

Mr. CEDERBERG. Mr. Speaker, it is with a deep sense of loss that I take this opportunity to join my colleagues in mourning the passing of the late Jim Smith of Oklahoma. The tragic nature

of his death makes this moment all the more distressing.

Those of us who had the pleasure of knowing Jim closely during his 2 short years in this body remember him as a totally dedicated individual—one to whom the people of the Sixth District of Oklahoma and the Nation were a personal obligation. Jim's long history of participation in civic causes was ample indication of his devotion to the people of the State of Oklahoma and the betterment of life for each of them.

Defeated in his bid for a second term in the Congress, Jim found an opportunity to continue to serve the Nation and the farming people who were his constituents. As Director of the Farmers Home Administration he distinguished himself by the quality of his work and his genuine concern for the interests of the farming community. Leaving that position after 4 years of service, Jim left behind an agency which was much the better for his having been at the helm. After these 6 years of fine service to his country here in Washington, Jim returned to his native Oklahoma, his first love, for a well-deserved rest. His tragic death, in the prime of life, certainly removes from our midst one who would have continued to make significant contributions to national life. We shall all miss his wise counsel and leadership.

Mr. MIZELL. Mr. Speaker, it is with great sadness that I join my colleagues in mourning the loss of our friend and former colleague, James V. Smith, but it is with equally great appreciation and respect that I join in the tribute to him today.

Many of my colleagues have already commented on the fact that Jim Smith served in this body with distinction during the 90th Congress before assuming the leadership of the Farmers Home Administration for 4 very successful years.

I came to Washington with the beginning of the 91st Congress and did not have the privilege of serving with Jim here, but over the last 4 years, I developed an excellent working relationship with him as we labored together in the service of rural America.

In the 4 years of Jim Smith's tenure at FHA, that agency distinguished itself as one of the most effective, efficient and popular programs in the Government. That excellent record is due in no small measure to the personal efforts and talented guidance that Jim Smith gave to the program.

In the Fifth Congressional District of North Carolina, which I am privileged to represent, Jim Smith's name was a popular one, and his record of service is respected and appreciated there—and his passing is mourned there—just as it is throughout rural America and in the Congress.

The cause of rural America is an urgent and vital cause, and Jim Smith was a strong and tireless advocate of that cause. His death represents a great loss for rural America, but his service in the Government has added immeasurably to rural America's strength and growth.

And so it is with sadness, but with abiding affection and respect, that I join my colleagues in this formal eulogy to

Jim Smith, but the greater and more fitting epitaph to him is written across the face of rural America, which he loved and served so very well.

Mr. ALBERT. Mr. Speaker, I appreciate the distinguished gentleman from Oklahoma (Mr. CAMP) taking this time today to pay tribute to our late former colleague, the Honorable James V. Smith. I was saddened and shocked when I received word last month of Jim's sudden and tragic death. It had been such a short time since we had paused to take note on this floor of Jim's retirement from his duties as Administrator of the Farmers Home Administration. Many of us on that occasion had remarked on the outstanding job Jim had done as leader of the Farmers Home Administration and all of all had wished for him every success as he returned to the Oklahoma he loved so well.

It is indeed sad that this fine man has been taken from us in the prime of life, when he still had so much to give to the country he loved and the people he so ably served. He was a credit to this House when he served here and a credit to the great State which gives us our common heritage. Jim was justifiably proud of the record of the Farmers Home Administration during the 4 years he served as its administrator. He approached every task with deep sincerity and extreme conscientiousness. He was always responsive and responsible. He always gave me complete cooperation and valuable assistance.

When Jim Smith left Washington earlier this year the Government lost a valued and valuable public servant. When Jim Smith died so suddenly and unexpectedly last month Oklahoma and the Nation lost a valued son. To his wife and family Mrs. Albert and I extend our deepest sympathy.

Mr. BROOKS. Mr. Speaker, it was my honor and privilege to serve in this House with a distinguished and able Member from Oklahoma, the Honorable James V. Smith.

Although he was here in Congress for only one term, 1967-68, he was known as a dedicated and able representative.

Until last February, he was the Administrator of the Farmers Home Administration. Under his leadership, the "Build Our American Communities" program was established—a program which encourages young people to become rural community leaders. In 1970, he received an honorary American farmers degree from the Future Farmers of America.

I knew him to be a gracious, intelligent, decent man. I respected and admired him, as I am sure did the many people who had the opportunity to know and work with him.

The loss of James Smith is a loss not only to his family and friends but to the people of this Nation and to the Members of the U.S. Congress.

Mr. BAKER. Mr. Speaker, it is appropriate that those who knew Jim Smith join in memorializing him. I did not serve in the Congress with Jim, but after I came to Congress in 1971, I had several occasions to work closely with him as the Administrator of the Farmers Home Ad-

ministration and I saw him often at the Thursday morning Prayer Breakfasts. He and I belonged to the same church. I cherished his friendship.

I will always remember March 31, 1972, when Jim came to the Third District of Tennessee to speak at a Farm Family luncheon and Awards ceremony in Cleveland, Bradley County, Tenn.

The qualities which made him a good Congressman and an excellent administrator were never more evident than they were on that day. He was gracious, humble and intensely interested in people as people. Being honored by the Farmers Home Administration as represented by Jim Smith was a great occasion for the people he recognized. They knew from him that their Government was not too big to take notice of their accomplishments and to recognize them.

A tragic accident has taken Jim Smith from us. He was a young man but his record of service in the years he worked in education, civic affairs, government and politics was bright with accomplishments. An even brighter future lay ahead of him.

The primary responsibility in Jim Smith's life was his family. Mrs. Smith and the children can carry on secure in the knowledge that Jim Smith left his mark in this world and they can be proud of a husband and father who cared about people and won the friendship and admiration of all who knew him.

In paying tribute to Jim Smith, I also memorialize his family. They will carry on, and all that was good in this man will be reflected in his greatest pride and joy—his family—as they emulate the true wisdom and character of James V. Smith.

Mr. JONES of Oklahoma. Mr. Speaker, it was with deep regret that all Oklahomans received the news of the tragic and untimely death of our former Oklahoma Congressman, Jim Smith.

Although I did not have the privilege of being a Member of the House when Jim was in office, it was my good fortune to be serving in Government at the White House under former President Lyndon B. Johnson when Jim served here in the House as Oklahoma's Sixth District Congressman. During that time, I came to respect and admire Jim's dedicated efforts not only in behalf of the people of his district and his State, but to the Nation as well. He was an effective spokesman for both the large rural population of his district, and the Altus and Lawton areas with their large concentrations of Federal civilian and military employment.

As we all know, Jim's service to the Nation did not stop after his membership in the 90th Congress, but extended to his service as Administrator of the Farm Home Administration during President Nixon's first term of office. Jim Smith was sensitive to the needs of rural America, and he worked tirelessly to obtain maximum support from the Congress for his agency's programs. I believe his term as Administrator was a period in which FHA demonstrated a remarkable record in improving and enhancing the quality of life for the rural citizens of our Nation.

I consider it an honor to currently be

a member of the same committee on which Jim served during the 90th Congress, the House Armed Services Committee, and I only hope that I will be able to discharge my duties on the committee and represent the views of all Oklahomans in as dedicated a manner as did Jim Smith.

Jim will be deeply missed, and I join my colleagues in the Oklahoma congressional delegation in extending our very deepest sympathies to his wife and family.

Mr. THONE. Mr. Speaker, the tragic accident that took the life of James Vernon Smith represents a loss for all Americans involved in agriculture. I did not have the pleasure to know him when he served in Congress, but I became very familiar with his work as Administrator of the Farmers Home Administration. The well-being of farmers was very important to him. Since he had been a farmer and had raised cattle, he knew the needs and requirements of agriculture. James Vernon Smith of Oklahoma served his State and Nation well.

Mr. MILLS of Arkansas. Mr. Speaker, we were all deeply saddened and sorrowful at the untimely death on June 23 of our friend and former colleague, James V. Smith, who represented the Sixth District of Oklahoma in this body in the 90th Congress.

It is unfortunate in the extreme, Mr. Speaker, that a tragic accident should cut short the very promising career of this distinguished and public-spirited citizen from my neighboring State of Oklahoma. Both in the House and later as Administrator of the Farmers Home Administration, James Smith served the Nation with dedication and devotion. We shall all remember him as one of the hardest-working Members of this body and one who represented his constituency effectively and with great distinction.

We all mourn James Smith's passing and our heartfelt sympathies go out to his family and loved ones.

Mr. STEIGER of Wisconsin. Mr. Speaker, Jim Smith was a good friend. I feel profoundly saddened in taking part in this tribute to his memory.

Jim and I shared the privilege of serving our first year in the 90th Congress. We also shared not only the same political affiliation but similar interests as well. Before his election to the House, Jim's consuming interests were education and agriculture. He had served with distinction as a member of the board of regents of the Oklahoma Four-Year Colleges and of the board of trustees of Oklahoma Christian College.

From 1969 to 1972, as the Administrator of the Farmers Home Administration, Jim performed ably and energetically—achieving a record level of home-building activity in the rural parts of this Nation. Thanks in no small measure to his personal dedication and leadership, literally thousands of modern homes now exist where, before 1969, there had been substandard housing and seriously inadequate water systems.

It was only 1 year ago I noted in remarks to the House of Representatives that, in my experience in working with small communities, no Federal administrator showed more understanding and

was more responsive to the plight and needs of rural areas than was Jim Smith at the Farmers Home Administration. He is sorely missed.

Mrs. Steiger and I convey our deepest sorrow to the Jim Smith family. John Mansfield once wrote:

... death takes toll  
Of beauty, courage, youth  
Of all but truth.

I can but believe that, although "beauty, courage, youth" have been lost through his death, there are throughout the rural plains and valleys of this country hundreds upon hundreds of modern farmhouses which stand as humble monuments to Jim's work.

Mr. BLACKBURN. Mr. Speaker, my close association and friendship with the Honorable James V. Smith since my arrival in Washington has been one of my more rewarding experiences.

Jim was a man of deep political and personal conviction. His performance of duties as a Congressman and as Administrator of the Farmers Home Administration was a constant repetition of demonstration of his high personal ideals and dedication to service.

He was a warm person, easily met, whose sincerity of friendship was quickly recognized by those with whom he came into contact. The Nation and his State are better places that Jim Smith came to Washington to act in the legislative function and later in the administrative function. His untimely and tragic death has deprived his State and Nation of a great leader, and me of a dear friend.

My wife Mary and I extend our heartfelt condolences to Mary Belle and Jim's surviving children. The greatest tribute that Jim could hope for would be to have his children attempt to emulate their father's dedication and unswerving efforts toward the betterment of his family and his country.

Mr. ZION. Mr. Speaker, Jim Smith's tragic accidental death has touched this House deeply. All of us who knew him well were shocked when the news of this sad event reached Washington.

As a 90th club colleague of Jim's I came to like and respect the man a great deal. After his electoral reverse and his subsequent much-deserved appointment as FHA Administrator, Jim's counsel and assistance proved to be most important to my office and to the welfare of the people I represent in Congress. On countless occasions, Jim's able assistance helped move vital FHA projects to reality.

Jim will be sorely missed in this town. I join with his colleagues and many friends in expressing my deep sympathy to his family and his State of Oklahoma. We have all lost a good friend.

Mr. GOODLING. Mr. Speaker, events in life occur that are most difficult to understand. The untimely and tragic death of our friend and former colleague Jim Smith of Oklahoma falls into that category.

Many years ago, a girl about to graduate from the high school in which I was a teacher passed away rather suddenly. Of mine, preached the funeral sermon. An elderly minister, a very good friend I recall the text he used because it appeared to be so appropriate. It was part



of verse 9 in the 15th chapter of Jeremiah:

Her sun is gone down while it is yet day.

I am certain all agree Jim's sun went down while it was yet day. Here was a young man with a great deal of potential who served with distinction in this House of Representatives. He also, as it was very evident, was a conscientious and able Administrator of Farmers Home Administration.

Jim was planning to return to public life. The last time I spoke to him he informed me he was returning to his ranch, where the tragedy that took his life occurred. He already had an organization whose purpose it was to assist him in his goal.

Jim had that rare quality of speaking softly, never raising his voice, but he possessed the ability of accomplishing his purpose because he was a clear thinker. He sounded no trumpets, yet he accomplished much in his quiet way. We need more Jim Smiths in responsible places.

I join my colleagues in extending heartfelt sympathy to the family of Jim Smith in their great loss.

Mr. EDWARDS of Alabama. Mr. Speaker, I rise to join my colleagues in paying tribute to the late former Congressman from Oklahoma, James V. Smith. Jim Smith was a good friend of mine, and it was a pleasure to serve with him in the Congress. He discharged his responsibilities commendably and was highly regarded by everyone with whom he came in contact.

He was also a good friend of his constituents in the Sixth District of Oklahoma and later of all rural Americans when he served as Administrator of the Farmers Home Administration. Jim Smith always did his job well, whether it was as a successful farmer-cattleman in Oklahoma, an energetic Congressman, or as a very effective Administrator of the Farmers Home Administration.

The people of Oklahoma have suffered a great loss, as have all of his many friends here in the Congress. However, the memory of Jim Smith will continue through the accomplishments of his distinguished career in public service. It is a pleasure to join my colleagues in paying tribute to Jim Smith.

Mr. HANSEN of Idaho. Mr. Speaker, the shocking news of the death of my good friend Jim Smith brought a deep sense of personal loss. While I did not have the pleasure of serving in Congress with Jim, I learned to know him well and to value his service as Administrator of the Farmers Home Administration for the Department of Agriculture for the past 3 years until January 1973. He was unfailingly helpful and knowledgeable. The outstanding progress in FHA during his tenure and for which he was largely personally responsible is reflected by the widely expanded assistance to farming operations, not only in my own Second District of Idaho, but throughout our national agricultural economy. At the time Jim left that position to return to Oklahoma I expressed to him the hope that we would see him again soon in Washington.

We who were privileged to have known Jim Smith are poorer for his passing,

but richer for having shared his friendship.

Mr. ICHORD. Mr. Speaker, I wish to join my fellow members of the House of Representatives in expressing my great sorrow at the untimely death of my good friend and former colleague, James V. Smith.

Jim was a most capable man, both in representing his beloved Oklahoma in the U.S. Congress and in serving the best interests of this country as the Administrator of the Farmers Home Administration until January of this year.

As you know, Mr. Speaker, Jim was a rare individual with great personal ability and an unusual devotion to our country and our system of government. Jim was a man who was highly respected by his former colleagues from both political parties. He was a dedicated American whose presence and contributions will be sorely missed.

I extend my sympathy to his family for whom his life and service must serve as a great source of comfort.

Mr. RHODES. Mr. Speaker, I was deeply saddened and shocked to learn of the untimely passing of our former colleague, James V. Smith. Jim Smith became a close personal friend during the time we served together in the House, and my respect and admiration for him continued to grow throughout his administration of the Farmers Home Administration. I valued his friendship highly, and have greatly missed our relationship since his retirement.

Mr. Speaker, the Nation has lost a dedicated American, whose accomplishments in public office are now a lasting testimony to the concern Jim Smith felt for his fellowmen. I join my colleagues in mourning his passing, and Mrs. Rhodes and I extend our sincere and heartfelt sympathy to Mrs. Smith and his family.

Mr. McCLODY. Mr. Speaker, it was with a sense of personal loss that I learned of the tragic death of our former colleague, James V. Smith of Oklahoma.

Mr. Speaker, in addition to the warm friendship which developed during the period when Jim Smith served with us in the House of Representatives, I came to respect him as the Administrator of the Farmers Home Administration during the past 4 years.

During hearings which were held by the Civil Rights Oversight Subcommittee of the House Judiciary Committee, I was proud to receive the testimony of this dedicated Christian gentleman whose high principles transcended his partisan views, and who served his congressional district, his State, and his Nation with such distinction and honor.

Mr. Speaker, the Nation has experienced a great loss in the passing of Jim Smith. All who were touched by his life have benefited in some way, and his noble deeds and the spirituality which he expressed are a part of the immortality of this exemplary Oklahoman.

Mr. Speaker, I extend to his widow, Mary Belle, and other members of his family my affection and deep sympathy.

Mr. DERWINSKI. Mr. Speaker, like so many of my colleagues, I was shocked and saddened to hear of the fatal acci-

dent which took the life of our former colleague, Jim Smith.

During his term in Congress, Jim was a hardworking and dedicated member, especially interested in agriculture matters in his district and State. As the national administrator of the Farmers Home Administration, Jim achieved a well-deserved reputation for effectiveness and innovativeness. During his tenure at the Farmers Home Administration, he did as much to revitalize governmental programs in rural areas as any other individual.

In the years of our Washington association, I grew to respect and admire Jim Smith's ability and convictions. His tragic accident, coming at a time when he had many more productive years ahead of him, is truly a loss to the Nation.

I extend my heartfelt condolences to Mrs. Smith and their three children: James, Sarah and Lee Ann. As the wife and children of Jim, they, above all others, knew him to be a dedicated public servant; a man who not only believed but practiced the greatness he felt in America and its heritage. All of us who worked with Jim regret his untimely passing.

Mr. COLLINS of Texas. Mr. Speaker, it is a privilege to join my good friend HAPPY CAMP of Oklahoma in paying tribute to James V. Smith. His death came as a blow and surprise to all of us. Here was a young man in perfect health who was killed in a most unusual accident.

The first thing that came to my mind was Jim Smith was a sincere, dedicated Christian man. His deep religious spirit carried over and manifested itself wherever he went.

Jim made a great record in Washington. He represented the Sixth District of Oklahoma with distinction. He served for many years as Director of the Farmers Home Administration. Those of us on the Hill appreciated the way that he was always out here and wanted his administration to be responsive to the Hill. James Smith was the kind of man who always kept up with his business.

I lost a great friend. Oklahoma lost an outstanding neighbor. We will all miss Jim Smith.

Mr. MAHON. Mr. Speaker, I am pleased to join my colleagues in paying tribute to the memory of James V. Smith, a man who served as a distinguished Member of Congress and later as Administrator of the Farmers Home Administration.

Coming from one of the large agricultural districts of this Nation, I am particularly aware of the outstanding contributions which Jim Smith made as Administrator of the FHA. Having worked as a farmer, Jim Smith understood what the problems and needs of the farmer were. It was a privilege to work with him in the interests of American agriculture.

It is tragic that a man of only 47 years will not have an opportunity to fulfill his promising career of public service. But certainly his friends and family can all be proud of the contribution that he made as a public servant and as a friend of his fellow man. I join in extending sympathy to his family.

Mr. JOHNSON of California. Mr. Speaker, it is with a heavy heart that I rise today to pay tribute to a good friend, Jim Smith. It was not many months ago that those of us who had served in the House of Representatives with Jim congratulated him upon his outstanding service with the Farmers Home Administration and wished him well for whatever the future held for him. Tragically his future was shortlived and it was a shock to learn of the accident which took his life late last month.

Jim Smith came to the House of Representatives in 1966, bringing with him a wealth of background and technical knowledge in farming and business. He was a true farmer who had been on the farm, so to speak, since his youth. He was a man who spoke with authority and skill and one who served the State of Oklahoma well in the House of Representatives.

When he went downtown to be Administrator of the Farmers Home Administration he broadened his horizons, serving the Nation in an extremely important capacity. As Farmers Home Administrator he undertook to build our American communities and with emphasis on the smaller communities which must be rebuilt and stabilized if we are to revitalize rural America.

His leadership was admired and respected by all generations but I was especially impressed with the young people who looked to him for guidance and counsel.

An accident has snuffed out the life of Jim Smith but not before he instilled in these young people his dedication to their communities and the Nation. Jim Smith's works will go on for years to come through the efforts of these young people.

I am proud to have known and served with this fine gentleman, a dedicated public servant, one who was an outstanding example of what is great and good in American politics.

Mr. STEED. Mr. Speaker, 3 weeks ago it was my sad duty to announce to the House the untimely death of our former colleague, James V. Smith, killed in a tragic accident June 23.

It is still hard to grasp that such an active, hard-working figure is so abruptly gone.

Charles Drew, editor of Jim Smith's hometown newspaper, the Chickasha Daily Express, gave a final tribute in the fine editorial that follows:

A TRIBUTE TO A FRIEND  
(By Charles Drew)

The hearts of multitudes of people in Grady County, the state of Oklahoma and the nation are heavy today over the tragic passing of James V. Smith.

Jim Smith was a personal friend. We've spent many hours just visiting and exchanging ideas and viewpoints on matters, particularly the problems of the world and mankind. Although we personally differed in our choice of a political party, Jim and I shared closely many of the same ideas and philosophies.

Not only have we lost a personal friend, but mankind has lost a man whose dream was for a better world in which to live, a man who devoted many hours to helping his fellow man. He was a man who rose from a small country farmer to the heights of his ambition as a United States congressman

and later head of the Farmers Home Administration. He was a man who was a leader in his church and respected by his brethren and a man who was a devoted husband and father.

Our deepest sympathy is expressed this day to his wife, Marybelle, his son, Jay, his two daughters, Sarah and Lee Ann, and to all those who join with us in this moment of sorrow.

Ron Acree, editor and publisher of the weekly Chickasha Star, summarized Mr. Smith's career thus:

A FINAL FAREWELL  
(By Ron Acree)

The tragedy of last Saturday in the wheat field fire that was fatal to our friend, James V. Smith, was indeed a great loss for all of us who knew him.

Jim Smith was a truly remarkable man, dedicated to his family, church and his country. His integrity was always above reproach, and his likeable manner made even the coldest stranger feel comfortable in his presence. His honesty and decisiveness made him many friends wherever he went, because everyone knew that if Jim Smith told you it was so, then that's the way it was.

I was a member of the Chickasha Jaycees in 1958 when he was awarded the "Outstanding Young Farmer Award" by the Jaycees, and those of us on the committee who interviewed the candidates for this award, saw in Jim Smith that extra something that is not found in too many citizens today. In addition to his accomplishments on the farm, Jim had his eyes on accomplishing a task that he later said he felt was intended for him, as a Representative of his people, in Washington, D.C.

His tenure as a servant of the people of this area, and those throughout the nation, who felt the benefits of the programs he instituted as Administrator of the Farmers Home Administration, will always be remembered, not alone for the help we might have received, but because we were privileged to be represented by such an outstanding man.

To Marybelle, his wife, and the three children, we join with many, many others in extending our deepest and heartfelt sympathy, but we too share in this loss, and we bid a final farewell to our friend.

The Oklahoma City Times summed up his career in this excellent editorial tribute:

A TRAGIC LOSS

There is special tragedy in the death of any man taken in the prime of his life. The loss of James V. Smith while fighting a fire in a wheatfield on his farm near Chickasha was certainly such a tragedy.

Smith was the kind of public figure around whom the traditions of this country were built. He was first of all a leader in his community, and in the organizations devoted to farming and cattle-raising. He was a devoted family man, and a leader in his church. Then when he became more and more concerned about the trend of public affairs, he became active in politics.

When he became a candidate for the old Sixth District seat in Congress, he refused to engage in personal criticism of the man who then held that seat. Instead, he campaigned on the basis of what policies he would support in Washington, and what kind of representation the district ought to have to accurately reflect voters' views. He was successful, and served a single term in the House of Representatives. When redistricting pitted him in the next race against the veteran Tom Steed, with many new areas in which he was not well known, he lost out. But he had become well acquainted in the agricultural circles in Washington, and became an active candidate for the directorship of the Farmers Home Adminis-

tration, which was to be filled by newly-elected President Nixon. After some weeks of doubt, he was named to the post.

To the amazement of many Washington observers, who generally take the view that a farmer is a rube, Smith proved adept at the department's internal politics, as well as an able administrator. He kept old friends in Congress and made new ones. But when his resignation was accepted at the start of the second Nixon term, he was applauded in Congress for a job well done. And he returned to the farm with the same professionalism and vigor he had always applied to that work.

City dwellers forget, or don't know, how much of a farmer's work is done when he is alone, either in the fields or at the barns. Jim Smith's final battle, against the fire that was sweeping his fields, was a lonely one. There is no time to go for help when such a fire erupts; the farmer must deal with it, as with so many other crises, by himself.

The Altus Times Democrat, Robert Gilmore, publisher, had this to say:

JAMES V. SMITH SERVED US WELL

The tragic death of James V. Smith, which occurred while he was fighting a fire in a wheat field on his farm, was a great blow to his family and many friends in Oklahoma and throughout the nation.

The former member of Congress from the old Sixth District served his country and his people well, both while representing them politically and also later as director of the Farmers Home Administration.

He truly epitomized the type of man upon which our country was founded, as he was a devoted family man, leader in his church, successful farmer and rancher, and above all this, he was willing to serve his people in the highest way and great tradition, as a member of Congress.

Were it not for redistricting, which put him in the same political race with veteran Congressman Tom Steed, it is very likely that James V. Smith would still be serving his constituents today. For he was a man who campaigned on the highest plane, never putting the individual into the situation, but rather choosing to let the policies he favored be his guide.

Though losing to Steed, after one term in Congress, a testimony to the ability, strength and courage of James Smith, was shown when he was appointed to head the FHA by newly-elected President Richard Nixon.

Smith proved adept in his new position and turned out to be a very efficient administrator. When his resignation was submitted just prior to the start of the second Nixon term in office, it was accepted with regret. He was lauded by Congress for a job well done while serving his nation.

He returned to his home and his farm with the same type of enthusiasm, warmth and manner that was characteristic of his role on the political scene, and we join with his many friends to express our sympathy for the loss of a man who truly made an indelible impression in whatever work he entered, whether it dealt with the farmers he loved or the people he just loved to see and visit.

We mourn the loss of James V. Smith, but just as Congress said, we agree that in all his endeavors, he always did his best to do "a job well done."

Jim Smith will be remembered as a man who made a real and tangible contribution to the betterment of our farm economy.

Mr. ANDERSON of Illinois. Mr. Speaker, those of us who knew Jim Smith were deeply saddened at the news of his tragic death last month in Oklahoma. I first met Jim Smith when he came to this body as the newly elected Representative of the Sixth Congressional Dis-



trict of Oklahoma back in 1967. While Jim only served one term in this body, he was quick to learn the ways of the House, make friends, and distinguish himself as a diligent member of the Armed Services Committee. It was therefore not surprising to those of us who knew and respected him when he was tapped by President Nixon in 1969 as Administrator of the Farmers Home Administration. Jim was ideally suited for this new responsibility with his prior experience as farmer, businessman, and Member of Congress.

Jim Smith was born July 23, 1926, in Oklahoma City, Okla., the son of a wheat farmer. He attended Tuttle High School and the Oklahoma College of Liberal Arts at Chickasha. Jim went on to build a very successful wheat, cotton, and cattle farm in Grady County near his birthplace. From 1954 to 1957 he was a member of that county's Farmers Home Administration Committee. In 1958, at the age of 32, he was chosen Outstanding Young Farmer of the year by the Chickasha Jaycees.

In addition to his farm responsibilities, Jim was active in civic affairs and public service, and was particularly devoted to youth affairs. He served on the Grady County School Board, the Board of Regents of Oklahoma's 4-year colleges, the Board of Governors of the American Heritage Center at Oklahoma Christian College in Oklahoma City, and was a trustee of the Intercollegiate Studies Institute, Inc. It is little wonder that Jim received the Outstanding Citizen Award from the Chickasha Jaycees in 1965, and that he was elected to the 90th Congress the following fall by the people of that area.

After leaving the Congress, Jim went on to achieve outstanding success during his 4-year tenure as Administrator of FHA, the rural credit service of the Department of Agriculture. Under his vigorous leadership, FHA credit outstanding approached the \$9-billion mark, a two-thirds increase during his administration. He breathed new life into the FHA and shaped it into the spearhead of the rural development effort. One of his typical innovations was the "Build Our American Communities Program" which was designed to develop young people as rural community leaders through the vocational agricultural education system.

He was also responsible for establishing the annual National Farm Family of the Year competition and award in recognition of the valuable contributions made by farm families to our national life. Jim Smith was a family farmer and believed in the family farm, and this was reflected in his personal, personable, and conscientious leadership at FHA. Those of us in the Congress who dealt with Jim at FHA were most grateful to him for the personal attention he gave to even the smallest problems of our farm constituents; and I know the farmers of America greatly appreciated the fact that they had such a sympathetic friend at FHA who was concerned about their problems.

Jim Smith was born on a farm, and it was on a farm that he died when he was taken by a tragic accident and fire in his wheatfield on June 23, just a month be-

fore his 47th birthday. We all mourn his passing and extend our deepest sympathies to his wife, Mary Belle, and his three children, James, Sarah, and Lee Ann.

Mr. CARTER. Mr. Speaker, I wish to pay tribute to a former colleague of ours, the Honorable James V. Smith of Oklahoma, whose tragic passing we all mourn deeply. I had the privilege of working with Jim when he served as a Representative from Oklahoma in the 90th Congress. He has a long tradition of dedication and support to the young people of our country.

Jim served most creditably as Administrator of the Farmers Home Administration. We have him to thank for the "Build Our American Communities" program which encouraged young rural Americans to become community leaders. He was instrumental in obtaining legislation authorizing loans to young people in 1972. He also spent a great deal of his time and energy serving on various school and college boards.

Jim was a true friend of all rural Americans, whom he served as Administrator of the FHA. During his period in office, he helped to triple the loan capacity of that organization.

I ask all of you to join me in tribute to this public-spirited friend and ex-colleague of ours and to join me also in expressing heartfelt sympathy to his family.

Mr. DON H. CLAUSEN. Mr. Speaker, I am pleased the House has set aside this time to express the sadness and loss we all feel at the death of our former colleague and friend, Jim Smith.

Only 6 months ago, many of us stood here on the floor of the House to comment on Jim's outstanding service as Administrator of the Farmers Home Administration. We lamented the loss of a man of his caliber to public service but we wished him the best in his semiretirement to his ranch in Oklahoma.

His work on his ranch was tragically cut short by the accident that took his life. I have lost a very close friend and a man who represented the very best in unselfish service to his fellow man.

We worked closely together, Jim and I, both during his service in the Congress and his service in the executive branch. We were able to achieve many shared goals which will represent lasting monuments to him. Jim Smith was a man of high ideals, intense dedication, and a strong Christian conscience.

His family has suffered a grievous loss and my sympathy goes out to them. Let us all strive to achieve the standards of conduct in our personal and professional lives that Jim Smith set while he was among us.

We, in the Congress, and the people of this Nation—particularly rural America—shall remain eternally in his debt for his extraordinary service to this country.

Mr. DENHOLM. Mr. Speaker, it is with a sense of sorrow that I acknowledge the death of former Congressman James V. Smith, as a result of a tragic automobile accident in Oklahoma on June 23, 1973.

James Smith served well the best interests of the people of the Sixth Con-

gressional District of Oklahoma. He sought to better the lives of all Americans.

He was born in Oklahoma City, July 23, 1926, and educated in the public schools of Tuttle, Okla. He attended Oklahoma College of Liberal Arts at Chickasha, and later he was recognized as the Nation's outstanding example of the successful farmer-cattleman. So successful, in fact, that he won the Chickasha Junior Chamber of Commerce Outstanding Young Farmer Award in 1958. In addition, in 1965, he was given the Jaycee Outstanding Citizen of Chickasha Award.

James Smith served as a member of the board of regents of the 4-year colleges of the State of Oklahoma and in November of 1966, he was elected to the 90th Congress of the United States.

After serving as the U.S. Representative from the Sixth District of Oklahoma—James Smith became the Administrator of the Farmers Home Administration, U.S. Department of Agriculture in February 1969. In less than 4 years in that office, the value of loan programs available for small farms, rural housing, and rural community services almost tripled—from \$1.2 billion to \$3.4 billion.

He was instrumental in the passage of a bill in the Congress that provided lending authority for the "youth loan program," designed to aid youth interested in farming, and to help them become successful businessman-farmers. He also worked actively to help the organization that is known as the Future Farmers of America, and the popular theme of "build our American communities" program.

Mr. Speaker, the untimely passing of James V. Smith, former U.S. Congressman from Oklahoma, is a loss for all of us, and for all Americans. His sense of commitment, and his dedication to duty fulfilled, were qualities that were a part of the man during his entire life. He shall be remembered as a man of deeds in the interest of others—and by all that knew him—he shall not be forgotten.

Mrs. HECKLER of Massachusetts. Mr. Speaker, the death of James V. Smith represents not only a loss of a dear friend to all of us who knew him as a Representative in the 90th Congress, but also an incalculable loss to all rural Americans.

Congressman Smith and I were both newly elected to the 90th Congress.

As the representative of a highly urbanized area, dealing with exclusively urban problems, I received from him an insight into the thinking of rural residents and an understanding of their problems.

Congressman Smith made his primary concern the improvement of life in the farmlands of this country. Recognizing trends toward urbanization which threaten to undermine the growth of farming communities, he became an effective crusader for rural development programs.

In his campaign to attract new industry and new people into rural areas, the Congressman initiated the build-our-American-communities project, designed

to encourage the participation of young people in rural community affairs. Serving as the Administrator of the Farmers Home Administration since 1969, he tripled the number of FHA loans extended to farmers and fought for legislation last year which granted loans to future farmers under 21 years.

I hope that the enthusiastic efforts Congressman Smith made to expand the horizons of rural development by involving future farmers will be continued by his associates at the Farmers Home Administration and by his bereaved colleagues in the 93d Congress, so that we may see the completion of his dream of rural development.

Mr. CONTE. Mr. Speaker, when a man is struck down in the prime of his life, it is always tragic. When that man has a past replete with accomplishments and a future full of potential, the tragedy is compounded.

Such a tragedy occurred in June with the untimely death of James V. Smith, former administrator of the Farmers Home Administration and distinguished former Member of this body.

On January 18 I stood here on the floor of the House of Representatives to wish godspeed to Jim Smith, who was leaving this city and his official position with the FHA. I never dreamed I would return here again so soon for such a sad reason, to say a final farewell.

In January, I recalled for my colleagues my long association with Jim, dating back to our work together in the 90th Congress when he served in the House as the Representative of the Sixth District of Oklahoma.

As I said at that time, our warm relationship continued when he assumed the duties of Administrator of the FHA in 1969. Once in that position, Jim performed in a manner which brought great praise to him and his agency. Loan volume of the agency nearly tripled in his tenure, he initiated the build our American community program for youth, and established the FHA farm family of the year. He proved himself to be an abundantly able administrator.

The residents of my First District of Massachusetts certainly owed Jim Smith a debt of thanks for his help in securing a full-time FHA office in Berkshire County—an office I was privileged to open just last December.

Today, I join with my distinguished colleague from Oklahoma, Mr. CAMP, sponsor of this special order, and all of my colleagues in paying tribute to the memory of James V. Smith, dedicated public servant and great American. I offer my most sincere condolences to Jim's widow, Mrs. Mary Bell Smith, and their three children.

Mr. HAMMERSCHMIDT. Mr. Speaker, it is with deep sorrow that I speak today in tribute to James V. Smith, our former colleague who departed us on June 23 as the result of a tragic accident on his Chickasha farm. His beloved America and home State of Oklahoma have lost an outstanding citizen and leader. There is a great need in the Nation today for men of Jim Smith's caliber and this is a sad loss for all of us.

It was my honor to come to Congress with Jim when we were elected to repre-

sent neighboring States in the 90th Congress. During the next 2 years, our offices were located in the same area of the Longworth Building. In addition to these ties, we shared many mutual involvements and activities due to the proximity of our districts and the numerous common interests in our part of the country.

I can speak from personal observation on the respect and friendship which Jim gained during his service in Congress. He represented the Sixth District of Oklahoma in an exemplary manner, exhibiting a genuine concern over the needs of his constituency the responsiveness to follow them through. He proved his abilities in many ways through his duties on the Armed Services Committee. In all areas of congressional work, Jim proved himself to be a Christian gentleman with high ideals, firm convictions, and absolute integrity.

As Administrator of the Agriculture Department's Farmers Home Administration, Jim earned a highly commendable record as a fine Government executive. He applied his managerial skills and made significant contributions to good Government. He was a totally dedicated public servant and had a natural deep feeling for the problems of all Americans—but especially rural America.

I share the grief of the Smith family. My wife, Virginia, and I had the privilege of getting acquainted with Jim's wife, Mary Belle, and the Smith children—Jay, Sarah, and Lee Ann. Our sincere sympathy to the Smiths in their great personal loss, and I know that they will carry forth in their hearts the comfort that Jim's good works touched many of our lives. And we are much the better for it.

Mr. MILLER. Mr. Speaker, it is with a profound sense of shock and sorrow that I learned of the tragic death of our former colleague and good friend from Oklahoma, Jim Smith.

I had the honor of serving in the U.S. House of Representatives with Jim Smith, and I remember him as an able legislator and a man devoted to the principles which have made this Nation strong. He was always responsive to the needs of the residents of his home district, as well as to the demands of this Nation in general. During his tenure on Capitol Hill, he obviously won the admiration and the respect of his colleagues who are joining with us today to eulogize this fine man. His talents, too, were also recognized by the President.

When President Nixon named Jim to the Administrator's post of the Farmers Home Administration in the Agriculture Department, I know that I was personally convinced from the start that the high standards of assistance that FHA has historically provided to America's rural areas would continue to be upheld. As a representative of a predominately nonurban area, I have witnessed firsthand the positive impact the Farmers Home Administration has had in helping people to help themselves. Under the effective leadership of Jim Smith, FHA provided much welcomed aid in the construction of water and sewer facilities to areas of southeastern Ohio which had been in need of such services for decades. In that respect, I know that I am ex-

pressing the feelings of southeastern Ohio as a whole today in this tribute to a man who played a direct role in bringing progress to areas where it had before been lacking.

On this occasion, I extend my deepest sympathy to Jim's family.

#### GENERAL LEAVE

Mr. CAMP. Mr. Speaker, I know many Members will wish to express themselves, some of whom could not be here this afternoon; therefore, I ask unanimous consent that all Members desiring to do so may have 5 legislative days to extend and revise their remarks and include extraneous material.

The SPEAKER pro tempore (Mr. BURTON). Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

#### INTRODUCTION OF THE OFFICIAL ACCOUNTABILITY ACT OF 1973

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 15 minutes.

Mr. KASTENMEIER. Mr. Speaker, the United States, historically, has been in the forefront of efforts to fashion legal limitations on recourse to war by nations. After World War I this concern was expressed in the Kellogg-Briand Pact which outlawed war as an "instrument of national policy," and which sealed the fate of the Nuremberg defendants. At the end of World War II, the Congress, the Executive, and the public insisted that violations of the laws of war be tried and punished in courts of law. The Nuremberg and Tokyo trials, the Charter of the United Nations, the attempts to enact a code of war crimes—all reflected an impetus provided by American leaders.

These efforts were not undertaken by fools, rather they were espoused by the most experienced statesmen and politicians. Critics have charged that idealism and vengeance were the primary motivations. In fact, however, our leaders were guided by the most pragmatic considerations. They realized that if war were to be proscribed, leaders and bureaucrats would have to be held responsible for their acts. Robert Jackson, the chief counsel for the United States at the Palace of Justice in Nuremberg, summarized this view—

The ultimate step in avoiding periodic wars which are inevitable in a system of international lawlessness is to make statesmen responsible to law.

This tradition was interrupted by the cold war and the creation of the national security system. Now as the tragic and regrettable—and yes, criminal—war in Indochina hopefully draws to a close, we must return to this tradition and assert legal standards which will govern and limit executive behavior.

It is in light of this that several of my colleagues have joined with me today in introducing a bill entitled the "Official Accountability Act of 1973" which would establish a code of legal responsibility for civilian officials charged with the op-



eration of national security policy. It does so by incorporating the international laws and customs of war—to which this Nation already subscribes—into the Federal Criminal Code, and by establishing an institutional mechanism for the investigation and prosecution of violations of those laws. It, in essence, reiterates, and strengthens our national commitment to lawful international behavior. To the international community, it upholds the principle of symmetry—declaring that the standards to which the United States has held the leaders of other nations accountable shall be equally applicable to the policymakers of this Nation. To the American public, it asserts the principle of official accountability—insuring that executive officials are responsible to the limitations of laws passed by the Congress.

There are at present no operative legal mechanisms by which civilian officials may be clearly charged with and prosecuted for violations of the laws of war. Members of the Armed Forces are held responsible under the Uniform Code of Military Justice, but civilian officials remain legally unaccountable. In an era in which civilian strategists increasingly plan a more active role in devising and directing military operations, this imbalance can result in the conviction of an enlisted man for implementing an illegal plan devised by an unaccountable civilian official. This bill would meet the pledge made at Geneva and redress this basic imbalance. It would make it far more likely that the United States would once again practice the restraints which its international treaties proclaim.

The weapons and strategies the military has employed in Indochina have been determined by the legally constituted heads of our civilian Government. We have not used nuclear and biological weapons there because the President of the United States has not authorized their use. On the other hand, we have carpet-bombed North Vietnam, blasted forests, jungles, rice paddies, towns, and villages in South Vietnam and Cambodia, spewed flaming napalm on both friend and foe, defoliated hundreds of square miles of Asia, herded millions of people about the country like cattle, and crushed and made governments at will, because the Presidents of the United States, past and present, either initiated or approved the use of these strategies of war in that land. Rarely has there been any evidence that the military of the United States violated any instructions of the administration in power regarding limitations on the use of weapons or the strategies to be employed.

As I noted, there is no operative legal standard at present by which civilian strategists—bureaucrats and officials—are clearly accountable. When no one is accountable for a crime, crime does pay. And in the last 10 years, war crimes in Indochina have been paying off daily in promotions for managers at all levels of the U.S. bureaucracy of death while the only payoff for the citizens of Southeast Asia has been death and devastation. Clearly, the time has come to lay out a very different framework in which our officials must operate—one that insists that certain things are, indeed, not per-

missible. We must get away from the situation where the practices of war are affected most profoundly by what each military commander or civilian strategist can get away with at a particular time.

Institutional and political changes are essential. Yet even if these changes do occur, I believe that we cannot avoid much worse crimes and horrors than we have seen in the past unless the many individuals within the Government are forced to assume greater responsibility than they have taken in the past decade.

This is not a partisan issue. Both Democratic and Republican administrations have exhibited the lawlessness which now threatens to engulf us. We must relearn the lesson our forefathers taught us—that unchecked power leads to arrogance and arrogance to tyranny.

This bill seeks to take a first step to a return to accountability. It amends title 18 to provide for national security crimes—taking as its guide those standards to which this country is already committed and which it has already applied to the behavior of others. The provisions prohibit the waging of aggressive war, and the commission of war crimes—murder, torture, deportation, destruction not justified by military necessity, assassination, mass bombing of civilian populations. The bill establishes an independent, legal Office for National Security Affairs—modeled after the General Accounting Office—which is empowered to investigate and, if necessary, prosecute violations of this act.

This Nation was founded on the principle that every citizen and official was responsible to law. To be free entails that one must also accept responsibility for his actions. To be freely governed, we must hold strictly accountable those entrusted with leadership. Either there will be a rule of responsibility or there will be a rule of irresponsibility—by officials who feel themselves beyond the law, and above the law.

It is time to return to our traditions, to search for moral guidelines and legal principles which will reassert the notions of law, personal responsibility and peaceful relations upon which our Nation was founded. We in the Congress must now begin a slow process of post-war reconstruction.

It is to strengthen that principle that I introduce this bill which simply requires what every American must demand—that no person be above the law because of the loftiness of their position, the depth of their wealth, or the stealth of their actions.

Our overriding task continues to be the hastening of the day when solutions to such conflicts will no longer be sought by resort to force, but by other means that hold out more hope of resolving them and assuring human survival.

We may not be able to free ourselves of all war. But we can free this land from a war that is not wanted, that is not understood, that brutalizes not only our enemies but those who fight it, that takes as its victims not only those who threaten us but our freedom and heritage as well.

Mr. Speaker, I would like to take this opportunity to include at this point a memorandum in explication of the bill which offers a more detailed analysis of its background and contents:

# MEMORANDUM IN EXPLICATION OF THE OFFICIAL ACCOUNTABILITY ACT

## SECTION 2

Section 2 outlines the purposes and justifications for the proposed bill. The primary function of the bill is to reassert a national commitment to lawful international behavior by incorporating the international laws and customs of war into the federal code, and establishing an institutional mechanism for the investigation of, and possible prosecution of, violations of those laws.

Historically, the United States has led the attempt to fashion legal limitations on recourse to war as an instrument of national policy. After World War II, this historical tradition found expression in the insistence of the Congress, the President, and the American public that violations of the accepted norms of international behavior be punished in courts of law. The post-war tribunals were convened not merely in a spirit of vengeance, but in the hope that lawful behavior could be enforced upon national policy-makers in the future. Robert Jackson, at the time Chief Counsel for the United States at the Palace of Justice in Nuremberg, stated the prevailing sentiment that, "(t)he ultimate step in avoiding periodic wars which are inevitable in a system of international lawlessness is to make statesmen responsible to law." He therefore announced that it was the view of the United States that "(w)hile this law is first applied against German aggressors, if it is to serve any useful purpose it must condemn aggression by any other nations, including those which sit here now in judgment."<sup>1</sup>

This historic initiative was stalled by the obstacles of the Cold War. For the United States, the post-war years featured the growth of Executive license in the management of foreign and military policies. A result of this internal lack of accountability was an increasing disregard for restraints of international laws, most of which were Congressionally mandated.

With this bill, the Congress would reassert its power to pass laws which regulate the behavior of Executive officials, and would reiterate the national commitment to lawful international behavior. Substantively, the bill expresses two fundamental principles. To the international community, it upholds the principle of symmetry—declaring that the standards to which the United States has held the leaders of other nations accountable shall be equally applicable to the policymakers of this nation. To the American public, it asserts the principle of official accountability—insuring that Executive officials are responsible to the limitations of laws passed by the Congress.

The necessity for such legislation is clear. The Geneva Conventions of 1949 which have been ratified by the Senate contain the common pledge that:

"The High Contracting Parties undertake to enact any legislation necessary to provide effective penal sanctions for any persons committing, or ordering to be committed, any of the grave breaches of the present Convention defined in the following Article.

"Each High Contracting Party shall be under the obligation to search for persons alleged to have committed or ordering to be committed, such grave breaches, and shall bring such persons, regardless of their nationality, before its own courts . . ."

In spite of this pledge, there are at present no operative legal mechanisms by which civilian officials may be clearly charged with and prosecuted for violations of the laws of war. Members of the Armed Forces are held responsible under the Uniform Code of Military Justice, but civilian officials remain legally unaccountable. In an era in which civilian strategists increasingly play a more active role in devising and directing military operations, this imbalance can result in the con-

viction of an enlisted man for implementing an illegal plan devised by an unaccountable civilian official. This bill would meet the pledge made at Geneva and redress this basic imbalance. It would make it far more likely that the United States would once again practice the restraints which its international treaties proclaim.

#### TITLE I

##### Section 7001. Persons subject to this part

This section defines the class of persons covered by the proposed bill. Under its provisions, all civilian federal employees would be covered. Moreover, persons receiving compensation from the U.S. under contract or subcontract are also covered.

##### Section 7002. Prohibitions

Section 7002 outlines the laws and customs of war to which officials will be held accountable. The general language of 7002 (b) incorporates all of the laws and customs of war which the United States recognizes as a member of the international community. The listing of some violations with specificity in 7002 (b) (1-3) and (c) (1-7) is therefore not intended to be comprehensive. The bill assumes, as the post-war tribunals assumed, that the conventional and customary laws of war are sufficiently clear to make specific drafting of every standard unnecessary. This position was affirmed by the Supreme Court in the case of *in re Yamashita* 327 U.S. 1. In taking an oath of allegiance to the laws and Constitution of the United States, federal employees already pledge themselves to follow such norms.

Section 7002(a) proscribes wars of aggression and wars in violation of international treaties or assurances. The language parallels that of Principle VIa(1) of the Nuremberg Principles, and adheres to the fundamental distinction between wars of aggression and defensive wars.

Modern American support for this principle may be traced to a Senate Resolution introduced by Senator William Borah, formerly Chairman of the Senate Foreign Relations Committee. The resolution declared that "It is the view of the Senate of the United States that war between nations should be outlawed as an institution or means for the settlement of international controversies by making it a public crime under the law of nations . . ." The direct result of this resolution was the Kellogg-Briand Pact of Paris of 1928 which outlawed war as an "instrument of national policy," and specified that such was "illegal in international law."<sup>4</sup>

In the aftermath of World War II, the distinction between aggressive and defensive war was once again asserted. Fifteen German leaders and twenty-four Japanese leaders were found guilty of waging a war of aggression and held criminally liable.<sup>5</sup> At the initiative of the United States in 1945, the General Assembly of the United Nations unanimously affirmed "the principles of international law recognized by the Charter of the Nuremberg Tribunal" in Resolution 95 (I). At the direction of the membership of the United Nations, the International Law Commission formulated the principles of Nuremberg in 1950. One of them summarized the proscription against wars of aggression, declaring such war to be a "crime against peace."<sup>6</sup>

The same fundamental commitment to peaceful resolution of international conflicts is reflected in the United Nations Charter. Article 2(4) of the Charter provides that "All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations." Article 51 declares that "Nothing in the present Charter shall impair the inherent right of individual or collective self-defense, if an armed attack occurs against a Member of the United Nations

. . ." Section 7002(a) therefore merely codifies a distinction and standard to which the United States is already committed, and to which it has already held others accountable.

The Section forbids planning of or preparation for a war of aggression as well as its initiation or waging. This follows the Nuremberg standard which outlawed "planning, preparation, initiation or waging of a war of aggression." This standard is crucially important in deterring wars. Plans or preparations for an aggressive war create a threat to which the target state must respond if its leaders are responsible. That response sets in motion the deteriorating spiral of threat and counter-threat which often results in war. The state which undertakes the initial planning or preparation must therefore be held legally responsible. Needless to say, the section does not outlaw contingency planning for defensive reactions to the aggressive acts of other states.

Section 7002(b) proscribes violations of the laws and customs of war, enacting the standards which govern behavior once armed conflict has been initiated. As demonstrated in the post-war trials, this generic category is a term of art in international law defining war crimes generally recognized by the international community. All such crimes are prohibited under this paragraph even if not included in the listing of 7002(b) (1-3). Under Article I, Section 8, Clause 10, of the Constitution, Congress is empowered to "define and punish . . . offenses against the law of nations." This does not mean that in every case Congress must codify that law or mark its precise boundaries before prescribing punishments for infractions thereof. In *Ex parte Quirin*, the Court found that by a reference in the Fifteenth Article of War to "offenders or offenses that . . . by the law of war may be triable by such military commissions" . . . Congress had "exercised its authority to define and punish offenses against the law of nations by sanctioning . . . [the trial of persons] for offenses which, according to the rules and precepts of the law of nations, and more particularly the law of war, are cognizable. . . ." 317 U.S. 1, 28 (1942).

Section 7002(b) (1) prohibits inhumane treatment of civilian populations in other nations. Protection of civilian persons in time of war is governed primarily by the provisions of the Geneva Convention Relative to the Protection of Civilian Persons in Time of War of 12 August 1949 (hereinafter referred to as the Geneva Convention-Civilians).

Article 3 of that convention—an article common to all of the conventions of 1949—mandates humane treatment for all "(p)ersons taking no active part in the hostilities." In furtherance of this standard, the article proscribes the following actions among others: "Violence to life and person, in particular murder of all kinds, mutilation, cruel treatment and torture; taking of hostages; outrages upon personal dignity . . ." This guarantee extends to all noncombatants "at any time and in any place whatsoever."

Article 49 of the Geneva Convention-Civilians prohibits "individual or mass forcible transfers as well as deportation," from the "occupied territory to the territory of the Occupying Power . . ." Article 147 defines as "grave breaches" numerous acts including, *inter alia*, "willful killing, torture or inhuman treatment, . . . unlawful deportation or unlawful confinement."

Principle VIB of the Nuremberg Principles defines the following acts among others as war crimes: "murder, ill-treatment or deportation to slave-labor or for any other purpose of civilian populations of or in occupied territory . . ."

These provisions are recognized as governing the actions of American forces in the field, as illustrated by the Department of Army's *Field Manual on the Law of Land*

*Warfare*.<sup>9</sup> Section 7002(b) (1) thus merely summarizes conventional laws already applicable to the United States.

Section 7002(b) (2) prohibits pillage and unjustified destruction of public or private property. Pillage has been specifically outlawed in Articles 28 and 47 of the Hague Convention No. IV of 18 October 1907 Respecting the Laws and Customs of War on Land, and the Annex, embodying the Regulations Respecting the Laws and Customs of War on Land (hereinafter referred to as the Hague Regulations).<sup>10</sup> Article 33 of the Geneva Convention-Civilians reiterates the proscription; paragraphs 47, 272 and 397 of the Field Manual reflect American recognition.

The general prohibition of destruction not justified by military necessity is based upon both the distinction between unlawful and lawful objectives and the principle of proportionality. The former is derived from the declaration of Article 22 of the Hague Regulations that "the belligerents have not an unlimited right as to the means they adopt for injuring the enemy," an assertion which applies both to weapons used and methods of fighting adopted.<sup>11</sup>

Essentially, the distinction between lawful and unlawful objectives seeks to protect civilians and institutions of a civilian nature from destruction during time of war. Thus, Article 25 of the Hague Regulations prohibits the "attack or bombardment, by whatever means, of towns, villages, dwellings or buildings which are undefended." American recognition of the distinction is illustrated by the Army Field Manual which provides that bombardments from the air of combatant troops, defended places, or other legitimate military objectives are not prohibited.<sup>12</sup>

It has been suggested that the massive bombing and devastation wrought during World War II, the Korean War and the Vietnam War erased the distinction in practice. However, in each of these conflicts, the belligerents on both sides continually reasserted their adherence to this fundamental distinction, and sought to justify their actions within its limitations. It is now generally accepted that international practice since World War II has demonstrated that the *opinio juris* concerning the legal distinction between lawful and unlawful objectives is indeed permanent.<sup>13</sup>

The distinction between lawful and unlawful objectives is important because it limits the notion of military necessity. There can be no attacks upon unlawful objectives even if justified by the most dire military straits. As the Nuremberg Military Tribunal stated,

"It is an essence of war that one or the other side must lose, and the experienced generals and statesmen knew this when they drafted the rules and customs of land warfare. In short these rules and customs of warfare are designed specifically for all phases of warfare. They comprise the law for such emergency. To claim that they can be wantonly—and at the sole discretion of one belligerent—disregarded when he considers his own situation to be critical, means nothing more or less than to abrogate the laws and customs of war entirely."<sup>14</sup>

The notion of military necessity therefore is acceptable only within the limitations of law and refers only to the destruction of lawful targets. Lawful objectives may be destroyed in accord with military necessity. This limit of proportionality seeks to lessen unnecessary human suffering and material destruction. Thus, Article 23g of the Hague Regulations prohibits the destruction or seizure of "the enemy's property, unless such destruction or seizure be imperatively demanded by the necessities of war." Article 53 of the Geneva Convention-Civilians prohibits any destruction of real or personal property belonging to "private persons, or to the State, or to other public authorities or to

Footnotes at end of article.



social or cooperative associations . . . except where such destruction is rendered absolutely necessary by military operations." This principle of proportionality is also incorporated in the Army Field Manual.<sup>15</sup> Principle VIb of the Nuremberg Principles defines as a war crime, the "plunder of public or private property, wanton destruction of cities, towns or villages, or devastation not justified by military necessity." Thus 3(b) (2) also would enact a principle to which the United States already subscribes and to which it has already held other officials of other nations accountable.

Section 7002(b)(3) prohibits inhumane treatment of prisoners of war. Both the Hague Regulations and the Geneva Convention Relative to the Treatment of Prisoners of War (hereinafter referred to as the Geneva Convention-Prisoners) have extensive and detailed provisions concerning the treatment of prisoners of war. The language of this paragraph is intended to incorporate those provisions.

The paragraph also gives members of insurgent groups and resistance movements prisoner-of-war status. Under the Geneva Convention, even those members of resistance movements and insurgencies who violate the standards of military organization (e.g., wearing a distinctive uniform or sign recognizable at a distance) are accorded the minimum protections of Article 3. This article prescribes humane treatment for all persons "taking no active part in the hostilities, including members of armed forces who have laid down their arms . . ."

In the post-World War II trials, moreover, American authorities defined as a major offender in post-war Germany anyone who "is responsible for outrages, pillaging, deportations or other acts of brutality, even if committed in fighting against resistance movements."<sup>16</sup> A student of this period has noted that the American representatives "promulgated the view in Germany that resistance movements had to be treated with the same attention to rules of war as armies in 'proper' insignia and badge."<sup>17</sup> Thus the provisions of Section 7002(b)(3) reflect the standards enforced by the American authorities in post-war Germany.

Section 7002(c) lists specific acts as violations of the laws and customs of war and of this bill. The section does not purport to be comprehensive, but merely to indicate some acts which should not be condoned under this bill.

Section 7002(c)(1) proscribes assassination. Assassination is outlawed by Article 23 of the Hague Regulations which provides: "It is especially forbidden . . . to kill or wound treacherously individuals belonging to the hostile nation or army." As the Army Field Manual elaborates, this is construed to prohibit "assassination, proscription or outlawry of an enemy, or putting a price upon an enemy's head, as well as offering a reward for an enemy 'dead or alive.'"<sup>18</sup>

Paragraph 2 of Section 7002(c) prohibits the mass bombing of civilian populations, of other non-military objectives, or for the purpose of terrorizing. Paragraph 3 of Section 7002(c) prohibits the destruction of crops or livestock or natural habitat unless imperatively demanded by the necessities of war.

Both of these paragraphs elaborate the distinction between lawful and unlawful objectives which was discussed in reference to 7002(b)(2). Needless to say, mass bombings of civilian populations, of non-military objectives or for the purpose of terrorizing are unlawful objectives in armed conflict.

The limitation on the destruction of property has two major applications. First, it limits the property which can be expropriated, converted or destroyed in the conduct of military operations (e.g., troop maneuvers, construction of bases, placement of air strips), requiring that such usage be held to a strict and imperative minimum.

Second, it limits targets which may legitimately be destroyed in an enemy country. Enemy crops and livestock are not legitimate military targets. To include them as such would legitimize the mass starvation of civilian populations. Agriculture is therefore considered a civilian occupation (in which prisoners of war may lawfully be put to work) under Article 50 of the Geneva Convention-Prisoners. Any destruction of the natural habitat must be imperatively demanded by military necessity, a standard which at the very minimum requires a close connection between the "destruction of property and the overcoming of the enemy's army."<sup>19</sup>

Section 7002(c)(4) prohibits the overthrow of the leadership of another nation by force, violence or bribery. Nonintervention in the internal affairs of other states has been a principle constantly supported by American leaders. While one may question the desirability of total nonintervention, this paragraph prohibits only unilateral intervention by force or bribery for the purpose of overthrowing the leadership of another nation, it is well within the minimally accepted international principle of nonintervention. The Charter of the United Nations provides that "All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any manner inconsistent with the Purposes of the United Nations."<sup>20</sup> The unilateral use of force, threat of force, or bribery to overthrow a government may be considered an act of war. Therefore, Section 7002(c)(4) falls well within the limitations of the international rule.

Section 7002(c)(5) prohibits the use of biological weapons in any form. The use of weapons is governed by the general interdiction of the Hague Regulations that "the right of belligerents to the conflict to adopt means of injuring the enemy is not unlimited." Biological weapons were included in the prohibitions of the Geneva Protocol of 1925 which was signed on behalf of the United States but has not yet been ratified by the Senate. By December 1969, eighty-four states had ratified it.<sup>21</sup> In December, 1969, the General Assembly of the United Nations passed a resolution declaring that the Geneva Protocol "embodies the generally recognized rules of international law prohibiting the use in international armed conflicts of all biological and chemical instruments of warfare."<sup>22</sup> Indeed, virtually every student of the law agrees that the prohibitions formulated in the Protocol have been transformed into a rule of international customary law. No state has ever claimed the right to use biological or bacteriological weapons. The United States has repeatedly affirmed its agreement with the objectives of the Protocol. In November, 1969, President Nixon announced that "The United States shall renounce the use of lethal biological agents and weapons and all other methods of biological warfare." Section 7002(c)(5) merely reaffirms this pledge and associates the Congress with it.<sup>23</sup>

Section 7002(c)(6) enlarges the prohibition of 7002(c)(5). The Hague Regulations of 1907 prohibit the employment of "poison or poisoned weapons," and the employment of "arms, projectiles or material calculated to cause unnecessary suffering." The United States is a party to this convention.

Section 7002(c)(7) proscribes agreements between federal officials and private individuals or associations to achieve indirectly what is prohibited in the bill. This prohibition of the use of civilian deputies adheres to the standard applied in the post-war tribunals.<sup>24</sup>

Section 7002(d) lists the sources of international laws which are incorporated into the criminal code by this bill. The list reflects a commitment by the United States to adhere to and enforce those standards

which the United States and the international community as a whole have established for international behavior. It also expresses a willingness to apply the laws enforced in the post-war period on officials of other countries to American officials.

#### Section 7003. Defense of superior

Section 7003(a) provides that superior orders are not a defense to the commission of a war crime. The wording here simplifies the Army Field Manual's elaboration on the Nuremberg Principle, but retains its concern for an objective standard of knowledge and responsibility.<sup>25</sup>

Section 7003(b) reiterates Principle III of the Nuremberg Principles, incorporated in paragraph 510 of the Army Field Manual, and removes official immunity from those officials who commit war crimes.<sup>26</sup>

#### Section 7004. Sanctions

The sanctions reflect the need to punish those who violate minimal standards of behavior in the management of national security policy. Crimes against the peace and war crimes are among the most fundamental violations of the social order proscribed by the law. The seriousness of the defense need not be measured by the severity of punishment. Rather the enforcement process itself should serve the purpose of publicly condemning such acts.

Therefore the penalties listed here are not severe. Provision is made for offenders. Such a sentence seeks to reintegrate the offender with the social order at a different level. An offender might be sentenced to serve as a health aide in a hospital. He becomes reacquainted with social ties and norms at an immediate and human level. Such service will rid him of the insulation and arrogance which led him to ignore the fundamental dictates of humanity.

#### TITLE II: ADMINISTRATION AND ENFORCEMENT

Sections 3101 and 3102 establish the Legal Office of National Security Affairs which, like the General Accounting Office, is to be independent of the executive departments.

The National Security Solicitor and Assistant Solicitor are to be appointed by the President with the advice and consent of the Senate as mandated by Article II, Section 2 of the Constitution. Their term of office mirrors that of the Comptroller General. Section 3102(b)(3) provides that either may be removed by a concurrent resolution which cannot be vetoed by the President. This provision is intended to protect against the selection of a Solicitor who feels indebted and responsible to the President. It seeks to increase the Solicitor's independence from the President and emphasize his responsibility to the Congress. The Congress has an unquestionable power to pass an act which permits repeal of an action by the President (in this case the appointment) by concurrent resolution.<sup>27</sup> Section 3102(e)(1), (2), and (3) make provision for the pay and retirement of the Solicitor and Deputy Solicitor, making these the same as that of the Comptroller General and the Assistant Comptroller.

Section 3103 outlines the authority of the Solicitor to make the appointments and establish the regulations necessary to manage the Legal Office.

#### Section 3104. Powers and duties of solicitor

Section 3104 outlines the powers and responsibilities of the National Security Solicitor. The Solicitor shall be responsible for enforcing the provisions of this bill upon enactment. Enforcement may be sought by criminal prosecution and injunctive proceedings. The Solicitor replaces the Attorney General in enforcement of the crimes listed in this bill.

Section 3104(b) provides for periodic open hearings at which citizens may provide information germane to the provisions of this bill to the Solicitor and to the public at large.

It is hoped that such hearings will help inform and educate the public about the nature of such issues.

Section 3104(c) provides that the Solicitor may provide advisory opinions on proposed programs or activities to the President or the Congress. Such opinions may forestall the initiation of programs which violate the provisions of the bill and thus avoid unnecessary criminal or civil proceedings. By their nature, such opinions are merely advisory and do not foreclose later action by the Solicitor. Publication of the Solicitor's opinions must adhere to classification regulations. It is hoped that the publication of various opinions will stimulate the education of the legal community and the bureaucracy in such matters.

Section 3104(d) mandates the Solicitor as a matter of first priority to prepare a detailed code of war crimes which includes recommendations for up-dating the laws to which the United States subscribes. This code, modeled perhaps on the form of the Army Field Manual, can then be considered in detail by the Congress for passage into law. Enforcement of the provisions of this bill does not depend on subsequent passage of such a code.

#### Section 3105. Injunctions

Section 3105 outlines the procedure for civil proceedings to enjoin programs in violation of the act. Injunctive relief is a supplementary remedy to normal criminal prosecution under the act. The Section provides the standard procedure for seeking injunctive relief before a three judge court. A three judge court is provided for because it is assumed that such suits will be of utmost gravity and importance.

#### Section 3106

Section 3106(a) empowers the Solicitor to collect information necessary to enforce the provisions of this bill. The Solicitor is empowered to collect information normally unavailable because of the exemptions and privileges which have been developed and espoused by the Executive in the post-war period. As with other Executive officials, the Solicitor must make a showing of "his need to know" such information if it is classified. The language quotes that used in Executive Order 11652. The power delineated here is similar to that given to the Comptroller General in 31 U.S.C. 54.

Section 3106(b) provides for protection of persons who disclose information to the Solicitor. The intent is to protect employees who fulfill their legal obligation under the Nuremberg Principles and reveal information to the Solicitor concerning the commission of violations of this act.

#### FOOTNOTES

<sup>1</sup> Opening Statement at Nuremberg by Robert Jackson, 1945, Department of State Document No. 27833, 1947.

<sup>2</sup> See e.g., Article 146, Geneva Convention Relative to the Protection of Civilian Persons in Time of War of 12 August 1949, *TIAS* 3365.

<sup>3</sup> As quoted in Raskin, Marcus, *Being and Doing* (1972) p. 52.

<sup>4</sup> *League of Nations Treaty Series* 57. <sup>5</sup> Taylor, *Nuremberg and Vietnam* (1971) p. 32.

<sup>6</sup> For a discussion of the role of the United States see Asamoah, *The Legal Significance of the Declarations of the General Assembly of the United Nations* (1968) p. 122f.

<sup>7</sup> See Falk, *Legal Order in a Violent World* (1968) p. 63f.

<sup>8</sup> *Op. cit.* n. 2.

<sup>9</sup> Department of Army, *The Law of Land Warfare*, Field Manual FM 27-10 (1956).

<sup>10</sup> 36 Stat 2277; *Treaty Series* 539.

<sup>11</sup> See Bindschelder-Robert, *The Law of Armed Conflicts*, Carnegie Endowment for Peace (1969) pp. 14-27.

<sup>12</sup> *Op. Cit.*, Army Field Manual, par. 42. See also pars. 33, 39 & 56.

<sup>13</sup> See e.g. Oppenheim, *International Law* 7th ed. (1952) p. 524; Schwarzenberger, *Self-Defense under the Charter of the United Nations and the Use of Prohibited Weapons*, *International Law Association Report* (1962) p. 214; Spaight, *Air Power and War Rights* 3d ed. (1947) p. 277; Adler, Gerald L., *Targets in War: Legal Consideration*, in Falk, *Viet-Nam War and International Law*, Vol. 3, p. 296.

<sup>14</sup> *Trials of War Criminals Before the Nuremberg Tribunal*, Vol. 9: The Trial of A.F.A. Krupp, Halback and Eleven Others (1950) p. 1347.

<sup>15</sup> *Op. Cit.*, Army Field Manual, par. 56.

<sup>16</sup> Department of State, *Occupation of Germany—Policy and Progress 1945-1946*, p. 13.

<sup>17</sup> Raskin, Marcus, "The Case for Legal Action on War Crimes," *University of Chicago Magazine*, November 1972, p. 25.

<sup>18</sup> *Op. Cit.*, Army Field Manual, par. 31.

<sup>19</sup> *Ibid.*, par. 56.

<sup>20</sup> Article 2(4) of the United Nations Charter.

<sup>21</sup> General Assembly Resolution 2603A (XXIV), 16 December 1969.

<sup>22</sup> See e.g., Schwarzenberger, *op. cit.*, p. 219.

<sup>23</sup> The President's statement is quoted in Falk et al., *The Crimes of War* (1971) p. 62.

<sup>24</sup> See Scott, *The Hague Conventions and the Declarations of 1899 and 1907* (1915).

<sup>25</sup> *Trials of War Criminals Before the Nuremberg Tribunal*, The Trial in re List and Others (1950).

<sup>26</sup> *Op. Cit.*, Army Field Manual, par. 509.

<sup>27</sup> *Ibid.*, par. 510.

#### AMENDING TITLE 35, UNITED STATES CODE, PATENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 10 minutes.

Mr. RAILSBACK. Mr. Speaker, today I am introducing legislation to amend title 35, United States Code, Patents. A number of situations have arisen where a patent applicant has failed to make timely payment of the issue fee. Under section 151 of title 35 the Commissioner of Patents can accept a late payment if the late payment is made within 3 months of the due date and if sufficient cause is shown for the late payment, but there is no discretion in the Commissioner to excuse late payments made more than 3 months after due date. Some late-payment situations may have involved circumstances beyond the applicant's control and private bills have been introduced to direct the Commissioner to accept the late payment, notwithstanding the expiration of the 3 months. The major thrust of the legislation which I have introduced today would eliminate the necessity for such bills by giving the Commissioner authority to accept a late payment upon a showing that the delay was unavoidable.

Also, Mr. Speaker, on the recommendation of the Department of Commerce, my bill provides limited retroactivity. However, the bill is not retroactive to a date prior to October 25, 1965, when present section 151 of title 35 became effective. Prior to that date, section 151 provided for payment of the issue fees within 6 months of the sending of a notice of allowance, but with a provision for late payment within an additional 12-month period in the discretion of the Commissioner. And to my knowledge, there were few, if any, difficulties under this section prior to 1965. Also,

the term of any patent as to which a late payment of the issue fee is made and accepted, the retroactivity period would be shortened by an amount equal to the time elapsed between the due date of the issue fee and the date when the delayed payment is submitted. An additional limitation on retroactivity is provided in the bill for the case wherein another person may have learned of the abandonment of a patent application for failure to pay the issue fee and made an investment relying on the fact that the invention was in the public domain. Such a person's rights would be protected.

In addition, Mr. Speaker, section 1 of this legislation enumerates the officers of the Patent Office and makes a number of changes in section 3 of title 35 of the United States Code. The current position of First Assistant Commissioner would be known as Deputy Commissioner. It is provided in this bill that the Commissioner of Patents, the Deputy Commissioner, and the two Assistant Commissioners shall be appointed by the President with the advice and consent of the Senate. The current requirement for Senate confirmation of the Patent Office examiners-in-chief is eliminated, but the rate of their compensation is unchanged—not in excess of GS-17. Section 2 of this legislation amends section 7 of title 35 of the United States Code relating to the composition of the Board of Appeals of the Patent Office. The only change made in the existing section 7 is the inclusion of the Deputy Commissioner among the members constituting the Board of Appeals.

Mr. Speaker, the bill I am introducing has wide support and to my knowledge, no opposition. I urge its early consideration by the Committee on the Judiciary.

#### CLARK CLIFFORD'S GOVERNMENT OF NATIONAL UNITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, in a premature, naive, and entirely inappropriate piece of public policy advice, President Johnson's Secretary of Defense, Clark Clifford, recently called for the formation of a Government of National Unity in which a congressionally chosen President would assume the responsibilities of the Presidency; of course, after the voluntary resignation of President Nixon and Vice President AGNEW.

Under the guise of the 25th amendment to the U.S. Constitution, which was originally drafted to make provision to fill a vacancy in the Office of the Vice Presidency, Mr. Clifford attempted to supersede the intent of that amendment and the American people.

I was interested in observing the response to this effort at constitutional revisionism. Apparently, many Americans see the Clifford proposal as just that, a constitutional revision. The New York Times, which originally printed Clifford's proposal on the Op. Ed. page, recently printed several letters in response to Mr. Clifford's plan. I am interested that most



of them recognize the inappropriateness of the Clifford proposal.

For the edification of my colleagues, I am including for the RECORD, several letters to the editor, a New York Times column by Arthur H. Dean, and a column by William F. Buckley, Jr., who, in his inimitable style, reduces the Clifford proposal to its native air of ridiculousness:

THE CLIFFORD PLAN  
(By Arthur H. Dean)

In an article on this page on June 4, Clark Clifford, former Secretary of Defense, put forth an ingenious proposal that President Nixon and Vice President Agnew resign their offices to permit the formation of "a government of national unity." This result could be accomplished, he suggested, through the mechanism provided by the 25th Amendment to the Constitution for filling a vacancy in the office of the Vice President. Thus, Mr. Agnew would resign first, Mr. Nixon would appoint a new Vice President subject to confirmation by both houses of Congress, then Mr. Nixon would resign and the new Vice President would succeed him. Mr. Clifford further proposed that Mr. Nixon should select his successor from a list of "three qualified individuals" named by Congress.

Apart from the broader issues it raises, the constitutional legitimacy of Mr. Clifford's proposal would appear to be more formal than substantial.

The amendment was intended to provide an appropriate means for maintaining an orderly succession to the Presidency when a situation of necessity exists, not to provide for the replacement of a duly elected President whenever men knowledgeable about public affairs might consider such a replacement desirable. Moreover, the amendment does not itself speak of the President's appointing a new Vice President from a list of qualified individuals submitted by Congress (or any other body) but vests the appointment power exclusively and mandatorily in the President, and the President alone, subject to confirmation by a majority of both houses of Congress.

At the beginning of his article Mr. Clifford suggests, "Under our system of government, a President cannot function without the confidence of the American people. Parliamentary systems recognize this fact and a government resigns following a vote of no confidence."

The parliamentary system was well known to the framers of the Constitution who were not "inexperienced doctrinaires," and because of the unsuccessful and trying years under the Articles of Confederation when the Federal Government could not legislate unless all of the states agreed, the Founding Fathers were well aware of the differences that separated the Thirteen Colonies and of the risks to a new Republic of following the parliamentary system and having the Government fall upon a vote of no confidence. Consequently, they opted in Article II, Section 1, for an independent Executive Branch headed by a President and Vice President, each elected for a fixed term of four years.

Mr. Clifford's proposed course of action thus runs contrary to one of the most basic decisions made in the Constitution.

Similarly, it ignores the basic principle that the people themselves have the sole right to choose the President through the electoral process on the basis of their own weighing of whatever considerations they may deem material. At the time of the 1972 Presidential election, the Watergate break-in had received widespread publicity. Much more, of course, is known now, and Mr. Clifford may be correct that even at this point we have merely seen more of the tip of an iceberg.

With respect to national stability and the

effective functioning of the executive branch, which are Mr. Clifford's stated concerns, it would appear that the resignation of President Nixon after his bold and long-needed intervention in foreign affairs would most likely cause greater instability than his continuance in office, unless further properly corroborated revelations make it clear to the leaders of Congress that he must either resign or be impeached. Even then, there would appear to be no substantial basis for demanding the departure of Mr. Agnew, who, so far as is known or even suggested, has had no part in any aspect of Watergate or improper methods of surveillance.

Mr. Clifford's new President "of outstanding ability and the highest character" would nevertheless be an unknown quantity to the country and the world. Until his views on a multitude of important questions were developed and made known, public uncertainties could be so great as to cause a sharp economic recession and a severe dislocation in the conduct of foreign affairs. At the same time, Mr. Clifford's description of the benefits to be derived from selection of a new President seems unduly rosy.

Mr. Clifford's whole proposal is, of course, based upon the premise that both the President and the Vice President would be willing to resign and turn the Government over to a President who might well be of another party and whose views on basic questions of policy might differ drastically from their own. I am not sure of the reality of this premise or of its acceptability at this time to the American public.

[From the New York Times, June 16, 1973]  
WHAT THEY ARE SAYING OF MR. CLIFFORD'S PLAN

To the Editor:

This [Clifford] article is, in my opinion, one of the most insidious as well as treasonable utterances yet expressed by those persons seeking, on the unfortunately conceived action of a group whose efforts were prompted by their desire to uncover subversive practices for which the object of their search has been so noted, to undermine the work of a man who is without question the most honest and loyally oriented President this country has had since Theodore Roosevelt.

Why your paper is so ready to print the vapid outpourings of men like Muskie, Humphrey, Jackson and Ted Kennedy along with those of renegades like Percy, Weicker and McCloskey has long been a puzzle to me and, I am certain, to many others. The first four mentioned long since forfeited any confidence that may have at one time been held in their veracity. Renegades like Percy and Weicker do not have the courage to tell their real reason for their attitude, which is simply that the companies in which there is such concern on their part, financially, do not any longer enjoy the fat war contracts which were so profitable to them.

President Nixon's accomplishments have been so outstanding in bringing our Vietnam debacle to a virtual close; in bringing about rapprochement with the Soviet Union and the People's Republic of China; in bringing business at home to a high level of prosperity; in disposing of the huge surpluses of farm products; that it is only to be expected that the forces that constantly seek to destroy our country would grasp any straw to keep their ship of disloyalty from foundering.

Have you got the nerve to print the truth?

CHARLES P. LOVELAND.

SCARSDALE, N.Y.

To the Editor:

Clark Clifford's article proposing the resignation of President Nixon is in itself an affront to the American code of justice

that holds innocence until proven guilty as its cornerstone.

His further proposal that Vice President Agnew also resign simply because he is part of the Nixon Administration has to be considered sheer demagoguery and knavery.

This type of thinking on the part of supposedly responsible and respected men is the greatest danger our country faces. The Constitution and its amendments have served us well and when we begin to tamper with its provisions and trample its traditions, we are veering sharply toward government by fiat and whim which is a sure road to fascism.

THOMAS MICHAEL DESMOND.

MASSAPEQUA, L.I.

To the Editor:

Despite the seriousness of the subject, I couldn't help but be amused at the naiveté of Mr. Clark Clifford. Does Mr. Clifford really believe that the Richard Nixon of Jerry Voorhis and Helen Gahagan Douglas fame would make a "magnanimous action" or show "unselfish dedication to the nation's good"?

Mr. Nixon's political career has not been marked by any noticeable ethical or moral standards. To believe that he would resign his life's goal for unselfish reasons is at the very least unrealistic.

SYLVIA DUNN SCHLAFF.

BROOKLYN.

To the Editor:

As Clark Clifford outlines in his well-reasoned arguments for the resignation of both President Nixon and Vice President Agnew, the United States Constitution is a flexible document. There is yet another constitutional way in which a person of unquestioned integrity, sound administrative experience, impeccable credentials and with no political ambitions for 1976 can become President.

The rule of succession provides that the Speaker of the House become President if both the President and Vice President are no longer available for service. At the moment that Speaker is Carl Albert. It is unlikely that he could serve the purpose of unifying and leading the country in a non-partisan manner.

However, in Article I, Section 5, the Constitution states that "the House shall choose their Speaker." The Constitution does not seem to require that the House must choose a Speaker from among its own members. The Speaker could be anyone. He or she need serve for only five minutes as Speaker (long enough for the resignations to be acted upon), and then Carl Albert could be re-elected as Speaker after the other person moves into the Presidency.

There is some question whether the method outlined by Mr. Clifford, since it places the ultimate responsibility for selecting a successor in President Nixon's hands, could achieve the purpose of removing all question of "partisan politics" from the new President's ascension. Leaving the matter entirely in the hands of Congress might have that effect.

MICHAEL SCOTT.

BROOKLYN, N.Y.

To the Editor:

I was appalled to read the article by Clark Clifford. What is this driveling coming from a man who has been prominent in the Government?

The United States is fortunate to have a Constitution which provides for the orderly removal of the President in case of wrongdoing on his part. This country can be well served if the law of the land is observed.

Obviously, Mr. Clifford puts his own suggestion above the Constitution of the United States. He has a long way to go to rival the

Founding Fathers. I found his article to be truly offensive.

JOSEPHINE MANICONE.

OLD TAPPAN, N.J.

To the Editor:

I read with grim horror Clark Clifford's proposed solution for the Watergate tragedy, which he views with grim foreboding for the future of our country. To what depths of despair have some of our best brains sunk!

Fortunately, I have a high regard for Clark Clifford's sanity. Otherwise, I would think the plan a product of Rube Goldberg's twenty-fifth method of how to commit suicide, by tying a string to one's big toe on the left leg, and setting off a gun on the ceiling.

Dr. MORRIS ZUCKER.

BRONX, N.Y.

To the Editor:

Clark Clifford's solution to the Watergate crisis and method of insuring President Nixon's place in history is no doubt a thinking individual's response. However, the suggestion involves a myriad of maneuvers and politicking that would take up at least three-quarters of the balance of the Presidential term and that period of time would leave our nation in an even worse situation, as far as uncertainty, lack of leadership, and a generally malfunctioning bureaucracy.

Instead, I suggest that we "rally 'round the flag, boys," bring the Watergate situation to a close as quickly as possible, punish those who have misused power, or acted wrongly, and get back to running the country. This will do more to strengthen our morale and our belief in our system than Mr. Clifford suggests.

JOHN B. MCCARTHY.

FAIR HAVEN, N.J.

To the Editor:

Clark Clifford's article is another glaring example of the unrealistic, naive, even childish thinking swirling around the Presidency and the President in these sad and tragic Watergate days.

I fully agree with his conclusions that Watergate has resulted in a deep loss of confidence in the Government, that Mr. Nixon's credibility has been severely affected, that the President has treated Congress as an inferior branch of Government. The remedy suggested, however, is hardly one that is sound either factually or legally. Given Mr. Nixon's makeup, particularly an all-pervading streak of stubbornness when confronted by crisis, it is hardly likely that he would surrender.

Mr. Clifford, probably with tongue in cheek, suggests that, by resigning, Mr. Nixon would be assured his place in American history. What place, one must ask? A resignation under these circumstances would only consign him to the very darkest page in our history.

Mr. Clifford is not really anxious to assure Mr. Nixon an honorable, or, as he puts it, a noble place in our history. Quite the contrary, he is, even at this date, before all the evidence is in, ready to find him guilty on all counts. That may well prove to be the case. But, until the hearings of the Ervin Committee and the investigation by Archibald Cox have been completed, we should endeavor to allow the normal processes of Government to continue as best they may, with as little recrimination as humanly possible.

It serves no useful purpose at this time to speculate on the course to take in the event of adverse findings by either the Select Committee or by the Special Prosecutor.

IRVING SWEET.

NEW YORK CITY.

To the Editor:

I don't want to be "governed" by The New York Times nor by The Washington Post.

You were not elected by The American

people—nor will you be. Yet you will use every dirty trick in the editorial "book" to chase from the Presidency (if you can) Richard Nixon who was elected by a landslide.

You have overblown the Watergate case in a deliberate attempt to create a governmental crisis—and use such "wheeler-dealers" as Clark Clifford to suggest a way in which Nixon and Agnew would (could) "step down" for a President and Vice President of your choice, no doubt.

And your "leak" of John Dean's supposed testimony that President Nixon was involved in the first four months of this year in more than 30 discussions of the cover-up aspect of the Watergate case. Your story (second-hand) was carried by UPI (third-hand) with an acknowledgement in paragraph 13 that "According to the Post, Dean has no documentation to back up his claims."

You blow up, create mountains out of molehills. It's all very evident.

You and yours have helped to destroy the secrecy of the grand jury. And you are destroying any possibility that an impartial (unbiased) jury could be drawn to hear Watergate cases.

If your colored cases are as strong as you would like other people to believe, why don't you cry for "impeachment"? Cry long and loud. Then see what you get. Let's see how powerful you really are; then let's see what the American public does. Put it all on the line if you have the guts! I don't think you have.

E. L. ROBINSON.

LIVERPOOL, N.Y.

To the Editor:

As one of the overwhelming majority that voted for the Nixon-Agnew ticket, after Watergate, I deeply resent the suggestion by Clark Clifford that Nixon and Agnew resign.

After all, it was to protect the Republic from the Clark Cliffords that we elected Nixon and Agnew. We are not so much interested in how they got in as in that they got in. To lose them now would be a disaster.

Granted that, for the moment, all cards seem to be stacked against the President; a hostile prosecutor, a hostile investigative committee, a hostile press. He has won against these odds before, and I've got a hunch he will do it again.

BERT GOLDSMITH.

NEW YORK CITY.

[From the Evening Star, June 14, 1973]

NIXON'S ENEMIES ARE GOING TO SAVE HIM

(By William F. Buckley, Jr.)

Hey, kids, do you want to know what they are talking about in the New York salons? Probably not, and for good reason, but the philanthropic imperative prevents me from keeping it to myself. It is the article in the New York Times by Clark Clifford on how to cope with the mess in Washington.

It is all just this simple:

- 1) Nixon gets Agnew to resign.
- 2) Nixon asks Congress to nominate a successor v.p.
- 3) Nixon selects from Congress' nominees.
- 4) Congress confirms the nominee.
- 5) Nixon resigns.
- 6) The new guy becomes President.

The result?

7) A transformation of "the next three and a half years from years of bitterness, divisiveness and deterioration to years of healing, unity and progress."

The turgidity of Clifford's presentation makes it sadistic to dwell on the analysis, but one must, one absolutely must, since such chutzpah requires recognition. Clifford speaks of this as being "no time for partisanship"—while proceeding to write as though it were a bipartisan conviction that Spiro

Agnew, though he was elected vice president of the United States and though he is utterly unimplicated in Watergate should not, in the event of the President's resignation, proceed to the post for which he was designated by the American people.

Clifford says that President Nixon has by his contempt for the press and our institutions "irreparably" damaged himself. Clifford's respect for the press is best recalled by his willingness to serve President Johnson when Johnson asked Clifford to visit Washington publishers in 1964 and beg them to suppress the news that Johnson's assistant, Walter Jenkins, had been caught in a compromising position at the YMCA washroom.

Johnson went on to win a landslide election, and Clifford was not very resonantly accused of trying to suppress Johnson's attempt at coverup, nor did anyone in sight suggest an auto-da-fe for him.

Clifford says that the "present administration has come to treat Congress as an inferior branch of the government." That's true. But so did the Johnson administration treat it, and so did Kennedy's, and so did FDR's. The truth of the matter is that Congress has earned the reputation as an inferior branch of the government and it is historically the fault not of Nixon, but of Congress.

Clifford says that after all, Lyndon Johnson in 1968 did the noble thing. "On that occasion, President Johnson said: 'What we won when all of our people united must not now be lost in suspicion and distrust and selfishness and politics among any of our people.'"

Right, that's what Johnson said. And what happened was that the people remained disunited and distrustful and selfish, and politics continued. Johnson's self-removal had nothing to do with healing the wounds of the nation to the extent that they were healed. That was the result of the practical policies of Richard Nixon. And the nearest the country ever came, in recent years, to being united was in preferring Nixon to the Democratic choice of the Democratic party, George McGovern, whose singular contributions to disunity were reproached neither by Clifford nor by the New York Times.

By God, I do believe that Richard Nixon is going to be saved by his enemies, and he deserves to be.

## REGULATION OF COMMUTER TRANSIT OPERATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WALSH) is recognized for 10 minutes.

Mr. WALSH. Mr. Speaker, there is today a serious problem being faced by commuter bus and rail transit operations conducted within the States.

When the Interstate Commerce Commission, the Railway Labor Board, and other Federal regulatory agencies were originally set up, the purpose was to regulate the trunk line railroads throughout the country. Since then, their jurisdictions have extended even to those commuter bus and rail transit operations conducted by transportation authorities within each State.

These intrastate operations are of a nature totally dissimilar to and incompatible with the history, custom, tradition, and usage of the trunk lines. Through judicial precedents, and specific provisions of the Interstate Commerce Act, the Railway Labor Act of May 20, 1926, and other congressional enactments, it has been determined that



urban and suburban transit systems whose operations are carried on exclusively within the geographical confines of one State are, nevertheless, still to be construed as interstate in character.

I feel that this situation is one which should be changed. Bus and rail mass transit activities which continue to be operated by transportation authorities throughout a given State are subject to Federal statutes often conflicting with State laws.

This hampers efficient operation, is detrimental to the public welfare and is incompatible with the best interests of those desiring to use these facilities as well as those employees and others engaged in their operation.

Therefore, I am today introducing a resolution which would remove these transportation facilities from regulation by the Federal Government if they are operated wholly within a State by a transportation authority created under the mandate of the State legislature.

I urge the support of all my colleagues in this most important matter.

#### MEDAL OF HONOR TO POLICEMEN AND FIREMEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 5 minutes.

Mr. HOGAN. Mr. Speaker, I am sure that each of us is aware of the outstanding services rendered by the police and firemen of this country. These public servants have the responsibility for upholding the law and this often means that they must endure the kind of abuse, animosity, and antagonism that no other human being can rightfully be expected to endure.

To honor these men, I am introducing a bill to provide for the awarding of a Medal of Honor to worthy police and firemen throughout the United States. The legislation would authorize the President to award the medals each year to one policeman and one fireman from each State. The recipients would be selected by the Governor of the State in which the policeman or fireman serves.

Mr. Speaker, acknowledgement of the services performed by these men is long overdue. I urge the Members of this body to take prompt action to assure that these men receive some measure of recognition by enacting this legislation.

#### BOATOWNERS ARE GETTING A RAW DEAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BIAGGI) is recognized for 5 minutes.

Mr. BIAGGI. Mr. Speaker, I have introduced legislation, H.R. 2804, which would permit an itemized tax deduction for part of the cost of installing "marine sanitation devices" in motor boats required by the Federal Water Pollution Control Act.

The recreational boatowners of this country are getting a raw deal. When they purchased their boats they were in

compliance with all Federal, State and local laws. Then in 1970, Congress came along and told them that they must meet new standards that will cost these working Americans \$100 or more in new equipment. There is no question that the fight against water pollution must go forward, but the Federal Government should assist the average American not only in the fight, but in the cost of fighting pollution.

When the air pollution control standards were established, no requirements were placed on automobile owners to install equipment to make their old cars comply with the new emission regulations. Similarly, old jets were not forced to clean up their exhaust or noisy engines. Yet we are requiring old boats to conform to these new regulations.

We have in the past established special benefits for businesses that modified a pollution source. Businesses, of course, can deduct the entire cost of pollution control devices as a business expense. Moreover, the 1969 Tax Reform Act provided a special amortization formula to help owners of old business plants to write off the cost of pollution control. In addition, local government agencies can use the interest on tax-free bonds to finance pollution control projects for private industry. Yet there are no special benefits, options, or deductions for the individual boatowner.

Therefore, I have introduced my bill which would permit a tax deduction of 50 percent of the cost of purchase and installation of a marine sanitation device. This is a fair and equitable sharing of the cost of these devices which, once installed, will result in a significant public benefit.

What will this cost the Government in terms of tax losses? The Environmental Protection Agency estimates that there are only 550,000 privately owned vessels that are affected by the new requirements. The EPA estimates the average cost for all the required adjustments is about \$100. Therefore, the total amount of tax loss would be less than \$3 million. Since all new vessels are being built to comply with the new EPA standards, this \$3 million loss is a maximum, one-time-only cost.

I urge my colleagues in the House to join with me in support of this bill. I urge the chairman of the Ways and Means Committee (Mr. MILLS) to hold hearings on this measure as soon as possible and to favorably report it out of the committee to the full House. The time for compliance is at hand and the need for this tax relief urgent.

#### AMENDING THE ACCOUNTING AND AUDITING ACT OF 1950

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. GIBBONS) is recognized for 5 minutes.

Mr. GIBBONS. Mr. Speaker, recently I introduced H.R. 9082, to amend the Accounting and Auditing Act of 1950 to provide for the audit of Federal agencies by the Comptroller General that are not now audited.

These agencies are the Federal Reserve System, the Internal Revenue Service, the Comptroller of the Currency, the Office of Alien Property, the trust funds of the Smithsonian Institution, and the U.S. Soldiers' Home in Washington, D.C.

These agencies spend taxpayers' monies and they should be held accountable to the public as other Federal agencies of the Government are.

The General Accounting Office which was created to assist Congress in providing legislative control over the receipt, disbursement, and application of public funds should be required to audit the agencies that are not now audited. I believe it is in the interest of these agencies that their funds be audited. I believe the people of the United States are entitled to an accounting.

My bill has been referred to the Government Operations Committee for consideration. A copy of this legislation follows:

H.R. 9082

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 117 of the Accounting and Auditing Act of 1950 (31 U.S.C. 87) is amended by adding at the end thereof the following new subsection:*

"(d)(1) The Comptroller General shall make, under such rules and regulations as he shall prescribe, an audit for each fiscal year of the Federal Reserve Board and the Federal Reserve banks and their branches, the Internal Revenue Service, the Comptroller of the Currency, the Office of Alien Property, the Trust Funds of the Smithsonian Institution, and the United States Soldiers' Home, Washington, District of Columbia.

"(2) In making the audit required by paragraph (1) of this subsection, representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the entities being audited, including reports of examinations of member banks of the Federal Reserve System, and they shall be afforded full facilities for verifying transactions with balances or securities held by depositaries, fiscal agents, and custodians of the Federal Reserve Board and the Federal Reserve banks and their branches.

"(3) The Comptroller General shall, at the end of six months after the end of the year, or as soon thereafter as may be practicable, make a report to the Congress on the results of the audit required by paragraph (1) of this subsection, and he shall make any special or preliminary reports he deems desirable for the information of the Congress."

#### MRS. COLLINS WITHHOLDS IMPOUNDMENT SUPPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mrs. COLLINS) is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, it is my understanding that legislation concerning the President's impoundment of funds will be brought to the floor of the House for consideration in the very near future.

I am taking this opportunity to state that I will not be able to support any legislation which gives the President the implied right or implied power to im-

pound funds that have been appropriated by the Congress.

I do not believe that the American people are desirous of having their representatives in Congress abrogate their responsibilities to another branch of the Government. This would violate the spirit and the intent of the Constitution. We, as Members of Congress, must not violate that spirit.

#### KEEP MEAT PRICE CEILING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 5 minutes.

Mr. COTTER. Mr. Speaker, I urge the administration to "tough it out" against food industry pressures to lift the ceilings on meat prices.

If the administration caves in to demands to remove the meat price ceilings, then I am convinced that meat and pork prices will skyrocket and make last spring's prices which prompted the meat boycott look like bargains.

Since "tough it out" is the operative phrase at the White House, I suggest that they do just that on meat prices.

Two recent events are now driving down the price of feed grain to poultry, hog, and cattle producers, thus relieving the cost squeeze which the food industry is using as justification for removal of price ceilings.

First, export controls have knocked the slats out of the absurdly high soybean market making this all-important protein feed available to producers at more reasonable prices. Second, the July 10 crop report augurs well for expanded corn and soybean crops this fall which should naturally depress the price of feed and, consequently, the price to packer, retailer, and consumer.

To be stamped into a premature removal of the price ceilings is absurd in light of these factors.

Instead of moving to raise meat prices, the administration should be working in a way to lower family food bills by enacting tough phase IV guidelines.

#### GUIDELINES FOR REFINERY PRODUCTS ALLOCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico (Mr. RUNNELS) is recognized for 5 minutes.

Mr. RUNNELS. Mr. Speaker, on May 23, 1973, the Office of Oil and Gas published in the Federal Register, volume 38, number 99, page 13588, a set of guidelines relating to the allocation of refinery products.

Today this is a voluntary program. Shortly a modified version of it may become mandatory. Since the program is so important, I am hereby submitting it for publication in the CONGRESSIONAL RECORD as follows:

##### Office of Oil and Gas

##### CRUDE OIL AND REFINERY PRODUCTS

##### GUIDELINES FOR ALLOCATION

A voluntary program for allocation of crude oil and refinery products was announced by the Honorable William E. Simon, Deputy Secretary of the Treasury, in testimony before the Senate Committee on Banking, Housing and Urban Affairs on May 10, 1973. This program will be voluntary and will be backed up by: (1) Guidelines established by the Federal Government; (2) a mechanism for providing continuing scrutiny of compliance with the guidelines; and (3) the authority for imposition of mandatory allocation if necessary. General policy direction will be vested in the Oil Policy Committee; day-to-day administration of the program has been assigned to the Office of Oil and Gas, Department of the Interior. This program calls for suppliers to make available to each of their customers the same percentages of their total supply of crude oil and products that they provided during the corresponding quarter in a base period. It also provides that suppliers of priority customers unable to obtain needed supplies under their allocations by their suppliers may apply to the Office of Oil and Gas for assistance in obtaining supplies. The following guidelines have been established by the Office of Oil and Gas for the administration of the program for allocation of crude oil and refinery products. Comments on these guidelines may be submitted in conjunction with the hearings to be held by the Oil Policy Committee (see section 8 below, changes in program).

1. *Agreements*—a. *From whom*—Agreements by each producer, crude oil buyer, gas plant operator, refiner, marketer, jobber and distributor are assumed unless the Office of Oil and Gas is notified to the contrary.

b. *Implied content of agreements*—That they will make available in each State to each of their customers (including those purchasers in the spot market), the same percentage or amount of their total supply of crude oil, natural gas liquids, liquefied petroleum gases, and petroleum products that they provided during the corresponding quarter of the base period (fourth quarter of 1971 and first three quarters of 1972), whichever is lower. This program is not intended to obligate a supplier beyond the extent of his base period supplies to a customer, nor is it intended to limit the supplies to the obligated amounts. A customer is defined as any person who purchased crude oil or petroleum products from the supplier during the base period.

2. *Allocation by suppliers*—a. *Voluntary allocations*—In establishing total supply for allocation, it is not intended that any supply be withheld for possible allocation by the Office of Oil and Gas to meet priority needs. Rather, up to 10 percent of production might be distributed to meet the needs of customers. Suppliers may voluntarily supply priority needs and follow up with documentation to the Office of Oil and Gas for credit in supplying their share of priority needs in relation to section 3 below.

b. *New customers*—All suppliers are urged to continue to supply customers that they have added since the base-case period and to provide a listing of such customers and supplemental supply commitments to the Office of Oil and Gas for consideration in the assigning of suppliers under section 3.

3. *Allocation by Government*—a. *Who may request Government assistance*—Suppliers of priority customers (see section 3(e)) unable to obtain needed supplies under allocations by their suppliers as discussed in sections 1(b) and 2(a) may apply to the Office of Oil and Gas for assistance in obtaining supplies. Requests for assistance to priority customers made directly to oil companies by responsible Federal, State, or local government officials may be honored by those oil companies. The Office of Oil and Gas should be notified of the assistance so

provided, the source of the request for assistance and the percent of quarterly supply involved. If a supplier provides assistance to priority customers without an official request, that supplier may request that the Office of Oil and Gas include that assistance as a part of his share of supplying priority needs.

Nonpriority customers who do not have a supplier with a supply obligation may apply to the Office of Oil and Gas for assistance on the basis that they are not otherwise covered by the program.

b. *Allocation by the Office of Oil and Gas*—The Office of Oil and Gas may request each producer, crude oil buyer, gas plant operator, refiner, marketer, jobber, and distributor to provide allocations for priority customers still unable to obtain needed supplies of crude oil and products. The Office of Oil and Gas will request allocations for those not otherwise covered by the program.

c. *Basis*—This request by the Office of Oil and Gas must be based on demonstrated need. The basic purpose of priority allocations must be to assure adequate supplies of crude oil and products to priority users who are not well served under the proportional allocation program described in sections 1(b) and 2(a) above. Supplier assignments also shall be made to fulfill the needs of new customers who have entered the marketplace since the base periods.

d. *Priority*—Priority will be given by the Office of Oil and Gas to supplying the following activities or to independent marketers, jobbers, and refiners who supply the following activities:

- (1) Farming, ranching, dairy, and fishing activities and services directly related to the cultivation, production, and preservation of food.
- (2) Food processing and distribution services.
- (3) Health, medical, dental, nursing, and supporting services except commercial health and recreational activities.
- (4) Police, firefighting, and emergency aid services.
- (5) Public passenger transportation, including schoolbuses and other buses, rail intercity and mass transit systems, but excluding tour and excursion services.
- (6) Rail, highway, sea, and airfreight transportation services, and transportation and warehousing services not elsewhere specified.
- (7) Other State and local government activities.
- (8) The fuel needs of residents in States or parts of States unable to obtain sufficient crude oil or products.
- (9) Difficulties caused by natural disasters.
- (10) Public utilities.
- (11) Telecommunications.

Whenever possible without detriment to the above priorities, preference shall be given to independent refiners and marketers (1) in the carrying out of such priorities, and (2) in other cases where all other conditions are equal and a choice must be made between allocation of supplies to an independent or to a major company.

e. *Where to request assistance*—Requests for assistance should be sent to the appropriate regional office of the Office of Oil and Gas, or to the Office of Oil and Gas representative at the regional office of the Office of Emergency Preparedness with a copy to the Director, Office of Oil and Gas, Department of the Interior, Washington, D.C. 20240. Appendix A provides addresses of these regional offices and the States covered by each office.

4. *Complaints*—The Office of Oil and Gas will receive complaints from anyone who feels he is not receiving a proper allocation of supplies. Complaints should be made in writing, documenting the bases for the complaint, to the addresses in appendix A to be consid-



ered officially. Suppliers are requested to provide each regional office with the appropriate contracts to facilitate informal review and resolution of problems by mutual consent.

If it deems it necessary, the Office of Oil and Gas may require a public hearing and submission of data, by suppliers, on their 1971 and 1972 exchanges and/or sales of crude oil, unfinished oil, and products. These data will include the names and addresses of customers, the amounts of crude oil and products sold to them, the legal relationship between major oil companies and customers, and whatever other information the Office of Oil and Gas believes necessary to conduct the hearing. The Office of Oil and Gas will then verify the accuracy of complaints against a supplier and, if justified, impose mandatory allocation on the supplier.

5. *Price—Products.*—The price at which petroleum products (including liquefied petroleum gases) shall be sold by refiners and wholesale distributors to independent marketers, wholesale distributors, and other unaffiliated customers shall not exceed normal refinery or terminal rack prices, or normal delivered domestic contract barge or cargo prices charged by major companies.

b. *Crude oil.*—The price at which major oil companies shall sell crude oil to independent refiners shall not exceed the posted crude oil prices at the time of sale, plus an applicable pipeline transportation charge.

c. *Limitation.*—No price controls are contemplated in this program other than these promulgated by the Cost of Living Council.

6. *Preemption.*—For the allocation program to be successful it is imperative that supplies of crude oil and refined products be made on a coordinated national basis. Accordingly, the States should refrain from adopting independent allocation programs which would obstruct the smooth and equitable functioning of the national program. To the fullest extent legally permissible under the authority granted by the Economic Stabilization Act Amendments of 1973, it is the intent of this program to federally preempt the States from entering the field of allocation of crude oil and refinery products.

7. *Exceptions.*—The intent of this program is to assure adequate supplies for essential needs and provide an equitable basis for assuring that independent members of all segments of the industry obtain sufficient supplies to meet their customers' needs. If the results of some aspects of the program are contrary to this intent, the supplier affected may request that the Office of Oil and Gas grant an exception on the basis of unintended results.

8. *Changes in program—Revisions.*—Immediately following the initiation of this program, the Oil Policy Committee shall begin hearings to determine any changes that may be required to make the program equitable to all classes of suppliers and purchasers, and whether the program should be made mandatory. The Chairman of the Oil Policy Committee will designate an ad hoc board to conduct such hearings and report its findings to the Oil Policy Committee. The board shall be composed of representatives of the Interior, Treasury, Justice, and Commerce Departments, GSA/OEP, and any other representatives as the Chairman of the Oil Policy Committee may feel appropriate. The Chairman of the Oil Policy Committee shall designate the Chairman of the Board.

Supplemental guidelines and procedures published by the Office of Oil and Gas may be issued as appropriate.

b. *Additional measures.*—The Oil Policy Committee will also investigate and recommend additional measures that should be undertaken to encourage allocations by major suppliers.

Dated May 21, 1973.

DUKE R. LIGON,  
Director.

## APPENDIX A

OOG REGIONAL OFFICES  
AND

## STATES COVERED BY EACH REGION

## Regional Offices:

## OOG Region 1:

Custom House Building, 10th floor, 2 India Street, Boston, Mass. 02109, telephone: (Temporarily not occupied; call OOG Representative at OEP Region 1).

## OOG Representative, OEP Region 1:

JFK Federal Building, room 2003, E. Boston, Mass. 02203, telephone: 617-223-4271.

## OOG Representative, OEP Region 2:

26 Federal Plaza, room 1347, New York, N.Y., telephone: 212-264-8980.

## OOG Representative, OEP Region 3:

2 Penn Center Plaza, suite 915, Philadelphia, Pa. 19102, telephone: 215-597-9403.

## OOG Region 4:

South Street Federal Building, Old Federal Square, room 650, 600 South Street, New Orleans, La. 70130, telephone: 504-527-6681.

## OOG Representative, OEP Region 4:

Suite 750, 1375 Peachtree Street NE., Atlanta, Ga. 30309, telephone: 404-526-3641.

## OOG Region 5:

300 South Wacker Drive, room 565, Chicago, Ill. 60606, telephone: 312-353-5119 and 353-1818.

## OOG Representative, OEP Region 5:

300 South Wacker Drive, room 520, Chicago, Ill. 60606, telephone: 312-353-1500.

## OOG Region 6:

Federal Center, Denton, Tex., telephone: 214-749-9371.

## OOG Representative, OEP Region 6:

Federal Building, 1100 Commerce Street, room 13C28, Dallas, Tex. 75202, telephone: 214-749-1411.

## OOG REGION 7:

Building 710, Denver Federal Center, Denver, Colo. 80225, telephone: 303-234-2596.

## OOG Representative, OEP Region 7:

Trader National Bank Building, 1125 Grand Avenue, room 1500, Kansas City, Mo. 64106, telephone: 816-374-5916.

## OOG REGION 8:

(Covered by region 7.)

## OOG Representative, OEP Region 8:

Building No. 67, room 370, Denver Federal Center, Denver, Colo. 80225, telephone: 303-234-3271.

## OOG REGION 9:

450 Golden Gate Avenue, Box 26032, San Francisco, Calif. 94120, telephone: 415-556-2833.

## OOG Representative, OEP Region 9:

120 Montgomery Street, San Francisco, Calif. 94104, telephone: 415-556-8794.

## OOG REGION 10:

(Covered by region 9.)

## OOG Representative, OEP Region 10:

Room M-16, Arcade Building, 1319 Second Avenue, Seattle, Wash. 98101, telephone: 206-442-1310.

## States covered by each region

Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

New Jersey, New York, Puerto Rico, and Virgin Islands.

Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and District of Columbia.

Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, and Canal Zone.

Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.

Arkansas, Louisiana, Oklahoma, New Mexico, and Texas.

Iowa, Kansas, Missouri, and Nebraska.

Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming.

Arizona, California, Hawaii, Nevada, American Samoa, Guam, and Trust Territory of the Pacific Islands.

Alaska, Idaho, Oregon and Washington.

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## TRIBUTE TO SENATOR WALLACE F. BENNETT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 5 minutes.

Mr. OWENS. Mr. Speaker, although I have served in the U.S. House of Representatives for only a short time, my long

involvement in political affairs has given me an opportunity to follow the activities of the senior member of the Utah delegation in Congress.

From my perspective, I have learned that Senator WALLACE F. BENNETT is a man of courage, forthrightness, and action who will leave a significant mark on the laws governing our country. His an-

nounced retirement plans for next year have resulted in many Utahans looking back on his nearly 23 years of service in the U.S. Senate, to thank him for help in assisting in Utah projects, and calling attention to his hard work and honesty in pursuing Utah's interests in the Congress.

To be candid, I do not agree with much of Senator BENNETT's political philosophy, but the Senator has always made his position on issues and policies clear, for citizens and voters to know and evaluate freely. Our political system is made more viable when all sides debate issues openly and candidly. Senator BENNETT has never been accused of hedging on his views, and thus he has furthered the cause of honesty in political dialog.

Former President Harry Truman once said of his friend, and long-time political opponent, Senator Robert Taft:

He and I did not agree on public policy, but he knew where I stood and I knew where he stood. We need intellectually honest men like Senator Taft.

In Senator BENNETT, the people of Utah have been fortunate to have had a man who let them know where he stood.

But while we have disagreed on political issues, I have supported many times his efforts in behalf of the State of Utah. In fact, his service to the State began years before I began active work in politics and has continued for two decades.

Others have described in detail the Senator's Utah accomplishments, but I feel they warrant noting. He was long a champion of the upper Colorado storage project, and he was influential in seeing the missile industry grow to national prominence in Utah. He worked hard to see the Great Salt Lake lands be conveyed to the State, and his help was necessary to the continued development of Utah's lead and zinc industry which was threatened by foreign imports.

Senator BENNETT was first elected to the Senate in 1950, and today many Americans, confused and worried at the immense problems that confront us, have sought the simplicity of earlier times. Nostalgia has replaced hope.

We cannot accept such an attitude. There will be challenges, even great ones, in the future. Old ideas will be replaced by new. Men will disagree. Because of this, there will always be a need for a two-party system. Political competition, if fought on the issues and in the open, is the very basis of the American democratic system. We will always need more honest warriors like Senator BENNETT.

#### PRIVATELY MANAGED ENERGY RESULTS IN PUBLIC CRISIS

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, for months now we have been hearing about a shortage of gasoline and other petroleum products. It started last winter, when there were shortages of heating oil throughout the Midwest and other sections of our country. It was only thanks

to a fairly mild winter that the worst effects of such shortages were averted.

Up until just a few days ago, there were daily news stories about how there was not enough gasoline to meet the demand that summer motoring had placed upon the petroleum industry. There were shortfalls in the production of various other kinds of fuels. The farmers in the Midwest threatened that they would not be able to harvest their crops—thus adding to the projected shortages of food we have also been hearing so much about—unless they could be assured of adequate supplies of fuel for their tractors, combines, and other heavy equipment.

Now we are told there is going to be enough oil and gasoline to go around. Stations which had been closed on weekends are now opening, and are open for longer hours at that. The rise in gas prices seems to have reached some kind of plateau. The scare appears to be over.

But is it really? And more importantly, was there ever really a scare? Did we ever really run out of gas?

The Federal Power Commission recently released a study that implicates a number of major oil companies in an unspoken conspiracy to take advantage of a genuine temporary shortage in oil, and use that shortage to drive small independent marketers out of business. This is an idea that many people have put forth in the past few weeks, and one which has been vehemently denied by the giants of the oil industry.

They say that the shortages are caused by many complex factors, among which are the fact that refineries for some reason have not been producing gasoline at peak capacity, that there are not enough refineries to meet the demand for petroleum products, that the lead time to build new refineries, and their cost, would make it unlikely that any new refineries could be built in the near future. These are all technically valid reasons, but each of them raises serious questions.

First, why are the refineries not producing at peak capacity when there is peak demand? Based on figures compiled by the American Petroleum Institute, the 250 refineries in the United States are operating at an average of 93 percent of their rated capacity. Is this simply a problem of there being not enough refineries to meet current and projected needs? I doubt it, for any new refineries built may well be operating below capacity as well. What is needed is not merely more refineries, but ways to keep all refineries operating at or near their full capacity.

The American public is literally at the mercy of the oil industry. There is ultimately nothing in this country which a consumer uses that does not in some way rely on an adequate supply of fuel oil. That goes for everything from the produce on the grocer's shelves, to the eight-track stereo in our cars, to the power for the overhead lamps in a hospital operating room. Since the more stringent emissions controls have gone into effect, our consumption of gasoline and other petroleum products has increased even more. Coal is no longer being used in many large cities as a source of power and light. Cars with the

new emissions control devices guzzle more gas than ever before.

I would not for a moment suggest that we ease our fight against air pollution for the sake of easing the energy crunch. What I would suggest is that we take a lesson from recent events. They have taught us, if nothing else, that what this Nation needs is a coherent policy on the development and use of our energy resources. We have not had such a policy in the more than 30 years since World War II, and in those 30 years, the United States has become the major source of energy consumption in the world. We are 6 percent of the world's population, and we use one-third of the world's supply of energy. We used this energy without any thought as to whether we really needed so much, or what effects it would have on the rest of the world, or what we would do when the supply began to run low.

It is not just the consumer who must think about the cost of gasoline for his new car. It is also the responsibility of the Federal Government, for it is they who put the consumer in a position in which he would have to use more gasoline. It is not just power-generating plants who must think about how to retool from coal to low-sulfur fuel oils, and the cost of doing so. It is also the responsibility of the Federal Government, whose clean-air regulations made this retooling necessary.

It is ludicrously shortsighted to rush headlong into an antipollution program without giving serious thought to the spillover effects throughout the economy. One cannot decree that high-sulfur coal may not be used without taking into consideration what will happen when replacements for this fuel must be found. One cannot require cars to be built with more efficient emissions control devices without taking into account what this will do to the gasoline supply and demand picture.

The President has finally taken a first step in appointing the distinguished Governor of Colorado, John Love, as the new energy "czar." If fuel shortages are to be a way of life for this Nation for the next few years, then it is vitally important to have a strong administrator taking charge of how our supply of fuels is to be used to greatest advantage. But a strong administrator is only of limited effectiveness without a clear-cut energy policy, and this is something which we simply do not have. Nor do I see anything promising on the horizon.

There are numerous suggestions as to how we may ease the energy shortage, but so far none of these have been incorporated into an official response to the energy crisis. The Senate has passed a mandatory fuel allocation program, but such rationing is viewed with extreme disfavor by many Members of the House of Representatives and by the administration. I ask you, Mr. Speaker, can we afford to make the fuel crisis a political football, or to kill any hope of an integrated energy policy by arguing over syntax and word meanings? The interests of the country, of the 210 million men, women and children who look to us for leadership require no less than a total commitment to working out a fuel policy



which meets the needs of consumers and producers alike.

We need more than a list of do's and don'ts for consumers. We need a set of tangible incentives for conservation of our gasoline supplies. Why not impose a set of progressive taxes on cars of varying size and horsepower? If someone wants to own a big car, which uses gas uneconomically, why should he not pay for the privilege? And further, ought not the Federal Government itself set the pace by limiting its procurement to automobiles which are small and economical? What a slap in the face it is to consumers who must pay nearly half a dollar for a gallon of gasoline, to see some Assistant Under Secretary driving around in a chauffeured limousine that gets 8 miles to the gallon. Is this really necessary, Mr. Speaker?

Since the fuel industry is so vital to the well-being of our people, we should seriously consider whether it is in the best interests of the country to leave it entirely in private hands—and that is where it is now. Something which we have come to rely on so thoroughly ought to be regarded as a public utility, and regulated accordingly. Such a proposal merits serious and judicious consideration by this body.

And the foreign policy implications of the energy crisis must not escape us either. Already, King Faisal of Saudi Arabia has threatened to cut off our supply of oil from that country unless American policy toward Israel changes radically. The more reliant we become on oil from the Middle East, the more susceptible we will become to such political blackmail. Importation of oil from the Persian Gulf states will be a necessity in the years ahead, no matter how much we curtail our use of petroleum products through conservation and the development of other sources of power. But we must, if we are to maintain our commitment to Israel, never become so dependent on Middle Eastern oil that we are forced to make unwise concessions in our foreign policy.

It is not just for the sake of our relations with Israel that we should seek to curtail our use of Middle Eastern Oil. Western Europe and Japan have long been dependent on the Middle East to supply their petroleum needs, and they, unlike the United States, have few other resources to look to. If we become competitors with our allies for Middle Eastern oil supplies, we may well be court- ing international havoc.

The Europeans and Japanese have learned how to live with limited supplies of petroleum fuels. Their automobiles are on the average, half the size of American cars, and use half as much fuel to get the same mileage. We overcool and overheat our homes, wasting still more fuel. European petroleum reserves are at the level of a 65-day supply, while in the United States, the reserve would last for less than 40 days. European oil refineries have taken advantage of technological advances which allow the production of petroleum products with little or no air and water pollution.

Mr. Speaker, when we hear talk of an energy crisis in the United States, we are not just hearing talk manufactured

as part of a vast anticompetitive conspiracy. There is indeed an energy crisis, but it is not one limited to temporary shortages in gasoline. It is a crisis of nationwide proportions, one in which it becomes every day more apparent how little the Federal Government has done to provide for this Nation's future energy needs.

There is no such thing as a perpetual motion machine. A machine needs fuel to run. The American machine is running out of fuel, at least the kinds of fuel we have come to rely on. Those ultimately in charge of the machine—the Federal Government—have done little to see to it that fuel supplies are maintained. At a time when we are anxiously looking for new sources of oil, research funds to the Bureau of Mines to carry on their shale oil project have been cut by half. Shale oil reserves in the Western United States are estimated to be able to produce 5 million barrels of oil per day for the next 300 years before the reserves are exhausted. With such rich reserves, it could only be in the best interests of the Federal Government to increase funds for development of economical extraction methods.

Coal is another rich energy resource. Use of coal has drastically declined since clean air standards went into effect. But there are ways, technologically feasible and not prohibitively expensive, for turning coal into high-quality pipeline gas. The Bureau of Mines estimates that the U.S. coal reserve is 1,600 billion tons. If 75 percent of our energy needs was met by coal—six times the current level of utilization—it would take nearly 200 years to deplete our known reserves. But where is Government interest in developing this vast untapped potential? Is it possible to make use of it and at the same time not lessen the quality of our environment—either by air pollution or by strip mining? Is it economically feasible, given the necessity of some increase in price over more conventional sources of gas and oil? These are questions which deserve answers.

Mr. Speaker, I wish it were otherwise, but we must face the fact that the United States can no longer go on using gas and oil as though there were no tomorrow. There is a tomorrow, and it is here now. We must, if we are to survive into the next century, take decisive measures to develop new sources of energy, to allocate that energy as efficiently as possible, and to use it sparingly. We have not only ourselves to think of, but our Nation's future.

#### THE GREAT TRAIN RESCUE

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, the June 19, 1973, issue of *Newsday* carried an editorial entitled "The Great Train Rescue," which discussed the Northeast railroad crisis and some of the solutions which have been proposed. The editorial concludes that:

The profit motive cannot be the sole determining factor for an essential public service.

I have introduced a bill, H.R. 7373, which would insure the continued operation of the lines of the bankrupt railroads in the Northeast. Later this week, I will reintroduce this legislation with cosponsors. The *Newsday* editorial correctly emphasizes the Federal Government's role in finding a long-range solution to the railroad crisis, and I am inserting this article at this point in the RECORD:

#### THE GREAT TRAIN RESCUE

Plans are well under way to revitalize Western Europe's already adequate railroad systems. The hope is that by 1980 most of Europe's major cities will be linked by trains capable of carrying passengers and goods at speeds up to 150 MPH. Japan, which already has one 150-MPH line, is now laying track for several others. Only in the United States, and particularly in the northeastern states, are trains regarded as white elephants hardly worth saving.

Six of the Northeast's 11 railroads are already in bankruptcy, and three of them have petitioned the courts for permission to end service and sell off their assets. And it's entirely possible that two weeks from now a federal judge will rule that the Penn Central, the nation's largest railroad, should go out of business.

That would be a body blow to the economy of the entire northeastern region, and there is a broad consensus in Congress that it cannot be allowed to happen. But there is no consensus whatsoever on how to save the Penn Central and its sick sisters.

Transportation Secretary Claude Brinegar has added to the confusion by putting forth an inadequate and unrealistic proposal that would, in effect, wash the federal government's hands of any responsibility for maintaining rail service in the Northeast.

Brinegar would leave the problem in the lap of private enterprise—which has already demonstrated that it can no longer provide adequate service. He advocates a one-time federal outlay of \$40,000,000 as sufficient inducement for private investors to rush in with several billion in new capital.

We doubt that. It took \$350,000,000 of public funds to turn the Long Island Railroad into a reasonable facsimile of an adequate rail line—and the LIRR still loses more than \$40,000,000 every year. A \$40,000,000 subsidy wouldn't even cover the annual debt service of the Penn Central.

Brinegar would sweeten the kitty for private investors by establishing a quasi-public Northeast Railroad Corporation, which would be sponsored by the government but financed and run mostly by private enterprise. And he would have Congress give the new corporation authority to drop routes—or entire railroads—if they fail to show a profit.

Brinegar's plan relies almost entirely on the balance sheet to determine which routes will be retained and which abandoned. There is general agreement in Congress that many overlapping routes in the Northeast can be phased out without creating undue hardship. The Transportation Department is now working on a "core system" of service that would be maintained, but Brinegar refuses to tell Congress which routes his department considers essential. He implies that in most cases that decision would be left up to private entrepreneurs, which means placing in jeopardy the economic lifelines of hundreds of companies and municipalities.

The idea of creating a quasi-public agency to consolidate and run the Northeast's failing railroads has considerable merit. But the agency must be adequately financed by Congress, and the public must have a voice in determining what constitutes essential service. The profit motive cannot be the sole determining factor for an essential public service.

The outlook now is that Congress will come up with some short-term financing to keep the Penn Central and the other bankrupt lines running for another year or so. That will buy time, but it will do nothing to rehabilitate the railroads, nor will it solve their long-range problems. That will take a complete reorganization, and the quicker Congress gets on with that job the better. Surely we Americans are resourceful enough to do at least as well as the Europeans and the Japanese.

#### NIXON REFUSES TO FILL AMTRAK VACANCY

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, nearly a century ago, one of the wealthy railroad magnates was asked whether he felt any responsibility to the public. His reply was: "The public be damned."

Although intercity passenger service has now been transferred to a quasi-public board, this attitude still seems to prevail.

Several years ago, the Congress established the National Railroad Passenger Corporation, or Amtrak. The Board of Directors of Amtrak was to include representatives of the Federal Government, the railroad industry, rail labor, and one consumer representative. In view of the dubious quality of Amtrak's service, we might well question whether one representative of the general public was enough. But what is really shocking is that this consumer seat on the Board has been vacant for a long time, and that the President has taken no action to fill it.

During the 92d Congress, Mr. Nixon submitted to the Senate the name of Rose Fannucci to be the consumer representative on the Board. The credentials of the nominee, a San Francisco attorney, were not particularly strong, but a confirmation hearing was scheduled in the Senate. Then, a day or two before the hearing, Ms. Fannucci decided that her appearance on Capitol Hill would interfere with a trip to Europe. She asked the Senate to postpone the hearing, which they quite properly refused to do.

That was the last any of us heard about the consumer position until 2 months ago, when, during testimony before the Senate Commerce Committee, an administration official indicated that an appointment might be made "within 6 months."

Mr. Speaker, the inaction of the President on this vacancy is an affront to the millions of Americans who depend upon passenger rail service. There are under consideration at the present time plans to abolish the present Amtrak Board, and to replace it with a more responsive body—with more consumer representatives. But for the time being, I call upon President Nixon to name a candidate for the present vacancy—hopefully, someone who is truly concerned with the quality of rail passenger travel in this country. The taxpayers are supporting Amtrak, and they have a right to at least this token representation on the Board of Directors.

So that my colleagues may see the disproportion of industry-oriented members on the Amtrak Board, I am inserting a list of the present members:

David Kendall, former vice president, Chrysler Corp.

Gen. Frank Besson, former U.S. Army Chief of Transportation.

John Gilhooley, president and chairman of the board, Transport of New Jersey.

Louis Menk, chairman of the board, Burlington Northern Railroad.

William Moore, president, Penn Central Transportation Co.

William Quinn, chairman of the board, Milwaukee Road.

Hon. Claude Brinegar, Secretary of Transportation.

Roger Lewis, president, Amtrak.

David Bradshaw, attorney.

Charles Luna, former president, United Transportation Union.

Vacancy, consumer representative.

#### SUPREME COURT RULING ON OBSCENITY

(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, I congratulate the majority members of the U.S. Supreme Court for their ruling on obscenity. The decision was close—5 to 4 against present day permissiveness. It reverses earlier obscenity rulings by which the liberal Earl Warren court had struck down long-standing statutes against obscenity and allowed obscene material to be forced upon the American public. Justice Douglas was a dissenter, as expected. The liberal press disagreed with the decision. This also was to be expected.

While the ruling does not go as far as many Americans wish, it does represent a step toward the needed goal of eliminating smut from the newsstands and movie houses of America. By placing the primary decision as to what is unacceptable back into the hands of local authority, the Court has returned to the communities the right to decide what will be seen and sold. The effects already are apparent in that some objectionable material has been banned from the newsstands. The net result can be nothing but good for our Nation.

The key to the new ruling lies in Chief Justice Burger's opinion that "contemporary community standards" must be a guide to determining what is obscene. Second, the Court has left it to the States to determine by law that which is "offensive" and finally, the outlawed material must lack "literary, artistic, political, or scientific value." The Court went on to say this value must be "serious." The ruling will not take smut from the American scene, but it will help.

And so, we have taken a small step back toward the kind of society which is decent for our children and grandchildren. This is as it should be. This is what many of us have been hoping for.

There have been many instances, Mr. Speaker, when I have not agreed with rulings by the Supreme Court, particularly those of the Warren court. I felt they were consistently undermining our

Nation's Constitution. I sincerely hope that the present Court will continue to restore sound precepts in moderation.

#### WATERGATE WITCH HUNT

(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, the Cincinnati Enquirer on Sunday, July 1, 1973, reprinted an article from the London Daily Express. This point of view should give the domestic media, including networks, newspapers, editorial writers, commentators, and others a suggestion that there is, indeed, more than one point of view.

We should all study the following:

[From the Cincinnati Enquirer, July 1, 1973]  
BEHIND THE GREAT WATERGATE WITCH HUNT  
(By Angus Maude MP)

[The following expression of opinion, by a member of the British House of Commons, is reprinted from London's Sunday Express.]

Have the Americans taken leave of their senses? Looking objectively at the handling of the Watergate affair and its ramifications, one is almost forced to the conclusion that they have.

It is pretty horrifying to watch the way in which supposedly responsible Americans in the higher echelons of politics and public affairs are going about the business of discrediting not only their President, but the whole system of government in the United States.

The press and the other media are enthusiastically urging them on and reveling in the resultant mess. Every accusation against President Nixon and his staff, however, untested and however tainted its source, is given the widest publicity.

Every possible innuendo is used to slant the impression given to the public apparently in the hope of fixing the people's verdict before half the evidence has been heard.

Perhaps the most nauseating feature of the campaign is the self-righteous pretense of the smearers that they are only "acting in the public interest" and "helping to get at the facts." The only facts that they are interested in are those that can be used to discredit the President; and the way the campaign has been handled is not in the public interest at all, but deeply damaging to the United States and to all the best things for which America stands.

All the half-forgotten, elderly whiz-kids of the Jack Kennedy era have been writing articles—many of them syndicated over here—viciously venting their traditional hatred of President Nixon, but adding sentimentally that the whole horrible business is really a blessing in disguise which will lead to much-needed reforms in the system of government.

Clearly they see it as a Heaven-sent bandwagon on which they can hitch a ride toward the ultimate triumph of Sen. Edward Kennedy. That a victory for this deplorable man would be for them and for most of the Eastern American liberal establishment a desirable consummation of the present campaign is sufficient guide to their sense of values.

Of course, the Watergate affair is a sorry mess. It is at least obvious that the President appointed some pretty strange people to his personal and political staffs. But the widespread assumption that he himself is guilty of corruption and illegal practices is still unsupported by convincing evidence.

In default of this, his detractors have resorted to the argument that if he were not guilty he would already have proved himself innocent—which is a typical inversion of the



principles of fairness and justice for which they purport to stand.

The important point, however, is this: Whatever truth emerges at the end of the inquiries, whether the President is vindicated or brought down, the whole business is being handled and exploited in a way calculated to do the most, not the least, lasting damage to America and to the true interests of its people.

Mr. Nixon's enemies, of course, are saying smugly that it is his handling of the affair that is doing all the damage; but even a cursory study of the American press coverage makes it clear that this is not true. They are out to destroy him, and they do not seem to care who or what suffers in the process.

Of course, I do not know what, if anything, the President has to hide. But at this critical juncture for both the American economy and his own foreign policy, he carries a burden of responsibility that must make him hesitate to become personally involved too deeply in the comparative irrelevancy of the Watergate inquiries. Any responsible householder is more concerned about an imminent threat to the fabric of his building than about a temporary smell in the drains.

You would have thought that any educated American could foresee the desperate consequences of a major constitutional crisis at this time. And that any responsible commentator over here would hesitate before light-heartedly handing out more ammunition to America's enemies in this country. Yet the British Broadcasting Corp. (BBC) seems to be positively reveling in it.

Why have the BBC—and indeed ITV—news and current-affairs men been playing up the Watergate business so assiduously? They cannot really believe that the British public find it all that riveting.

They, like their American counterparts, seem to be actuated by a compulsive hatred of Mr. Nixon. Everything is slanted against him. Often they refer to him contemptuously just as "Nixon"—a familiarity they would never resort to with, say, Mr. Brezhnev or General Amin.

Is this just a fixation of intellectual liberals? Or are our media too so deeply infiltrated by anti-American leftists that they feel compelled to attack the one man who seemed likely to save America and restore its influence in world affairs?

Let us remember two things about President Nixon:

He won his landslide election victory because the American people recognized his practical achievements and wanted him to complete the job.

He seemed to be halting the hopeless drift toward anarchy and violence in which the country was involved. Peace had returned to the chaotic university campuses. A stand was at last being made for law and order. He was getting to grips with the problem of inflation.

Mr. Nixon brought to its only possible end the hopeless, bloody struggle in Vietnam—a struggle to which Kennedy and Johnson had committed America at the wrong time and on the wrong terms. He had laid the foundation of detente with Russia and China.

America, and indeed the whole Western world, already owes him quite a lot. If he survives we may come to owe him a great deal more. No possible successor is likely to be a statesman of anything like his caliber.

#### TO ALL U.S. SENATORS AND REPRESENTATIVES

The backlash to the Watergate spectacular is growing throughout America and Europe. Friends and business acquaintances in West Germany, France and Italy express views similar to those above by a British Statesman.

The grand jury has to investigate and the prosecutor has to prosecute those guilty, regardless of the Senate Show. Why was there not a Senate investigation in 1960 and 1964, when the political linen was much

dirtier than now? Could it be because it was Democratic linen?—James A. Gardner, Netherland-Hilton, Cincinnati.

### IMPOSSIBLE "DEMANDS" AND THE FUEL CRISIS

(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, Earl W. McMunn, editor of the Ohio Farmer, wrote an editorial in the current July issue which should be of interest to all Americans concerned with energy and environment.

The article follows:

#### IMPOSSIBLE "DEMANDS" AND THE FUEL CRISIS (By Earl W. McMunn)

If we're to have a favorable environment, we must tip the balance of nature in favor of people. This is something the rabid environmentalists have overlooked. In their zeal for returning everything to the hands of nature, they ignore the most important consideration of all. It is that our country is swarming with people.

Mother nature, working alone, has harsh but effective methods of keeping populations under control. But the people are here, thanks to the bounty of our production system. We can do a better job of cleaning up the environment. We have already made giant steps in this direction. But we can't let over-zealous activists destroy the economy and with it our ability to support the people of this country.

Already, there are signs that people in increasing numbers are getting the message. It is that there are trade-offs in almost everything we do. A price tag is always attached. There are undesirable waste products from every production operation. This is true whether it is a cattle feedlot, or a giant industrial plant. We must handle these waste products in an acceptable manner. But we dare not demand such sterility that we force the entire operation to close.

There is little question but what irresponsible demands of ill-informed activists were a big factor in creating the energy crisis. These demands slowed down development and production of energy just at a time when it was needed most. Now, many of the same critics are trying to point the accusing finger at someone else.

An example is Ralph Nader, the so-called "consumer watchdog." Passing through Columbus recently, he declared that the big gasoline companies have created the gasoline shortage to win concessions from Washington. And, that their goals are to gain tax breaks and win permission to build the Alaskan pipeline.

There is need for economic reward if we are to have adequate fuel supplies. Some of this may take the form of tax incentives. And, the Alaskan pipeline is no doubt needed to bolster our domestic fuel supplies. But, the energy crisis is the result of soaring demand which has outstripped our ability to produce—at least within our present pattern of costs.

What has happened is that we have used a large share of our cheap energy. We have had abundant supplies of coal, oil, and gas. Some of the coal has been converted into electric power. These fuels powered our automobiles, ran our industrial plants and transformed farming into a power operation.

The energy crisis was no doubt triggered by the Federal Clean Air Act of 1970 which called for drastic action to remove polluting substances from the atmosphere. Under standards called for in the act, much of the nation's soft coal was no longer suitable for generating electric power—largely because of the high sulphur content. This caused

some electric power companies to turn to oil and gas.

Car manufacturers were also required to meet rigid emission standards. The standards were met, but at the expense of greater fuel consumption. During the same period, a greater number of affluent Americans were also adding to the number of cars on the road. These and other factors all helped trigger the energy crisis.

But whatever our feelings about clean air, there is good evidence that present stringent regulations are adding to the energy crisis. Alan G. Loofbourrow made this point when he spoke recently at a symposium on the energy crisis at the Battelle Memorial Institute in Columbus. He is vice-president for engineering and for research of the Chrysler Corporation and estimated that catalytic devices to control nitrogen oxides in automobile exhausts will add \$42 billion to the U.S. oil import bill between 1975 and 1985.

The question is how much of the cost is really justified. Loofbourrow said: "If the health of the nation were at stake, then there would be no doubt that any control system would be worth almost any cost. But as the National Academy of Sciences said, the standards have been set without any apparent regard to the health effects of automotive emissions."

The engineer pointed out that the yield of gasoline is less when producing unleaded gasoline, and that cars running on this kind of fuel have higher fuel consumption. "The Office of Emergency Preparedness puts the penalty in the range of 15 to 20 percent," he said.

We still have massive coal supplies. But demand was shifted from sulphur-bearing coal and fuel oil to natural gas. This created shortages where none had existed before.

It is also true that demand is so great that we have been exhausting our cheap and easily-available supplies of oil and gas. One short-sighted policy of the federal government was regulation of natural gas prices at the well head by the Federal Power Commission.

This price regulation was started in 1954. It held prices to artificially low levels. It increased the demand for gas, but reduced the incentive to take risk in drilling to explore for new supplies. The result was predictable. Demand now exceeds the available supply.

It is a safe bet that fuel costs must continue to rise. We have used up much of the supply which is easiest and cheapest to reach. New environmental regulations are making coal mining more expensive. The same applies to off-shore drilling for gas and oil. Some groups even attempt to block oil imports because of the danger that there may be a spill at sea. And it is clear that we must draw an increasing share of our oil supplies from overseas sources. Here we run into problems of balance of payments and uncertainty of supplies.

Figures from various agencies studying the energy situation confirm the expectation of higher costs. The National Petroleum Council, for instance, predicts that oil prices will rise from 60 to 125 percent between now and 1985. This is in terms of constant dollars. It is also estimated that natural gas may go up by 80 to more than 200 percent in price. Coal and uranium are likely to increase by 25 to 30 percent.

So it's clear that the people of this country have some choices to make. It is a question whether we will do the things that are needed to increase supplies of oil, gas, coal and nuclear energy. A basic question is whether suppliers are permitted to operate in an economic climate which offers the chance for a profit. Oil drillers react to price controls in the same manner as cattle feeders. In both cases, controls result in less production.

Our Nation runs on purchased energy. This is true for farming just as it is for the

rest of the economy. We can live with reasonable efforts to improve the environment. We can't tolerate the demands of those who are against every effort to increase our energy supplies.

Secretary of the Interior Rogers Morton said it well in recent testimony on the energy crisis:

"Give us an energy policy, they say, that will provide the consumer with the type of fuel he wants in the amounts he needs—at the time he must have it—and at the lowest possible price. Assume us this energy will be from secure and reliable source.

"But don't drill offshore on my coastline—don't build any pipelines across my land—don't strip any coal—don't build any refineries or storage facilities in my area—abolish the oil import program—but don't move oil in by tanker for this might pollute our waters.

"Give us an energy policy that guarantees protection of the environment and where use of energy does not intrude upon our aesthetic values or damage the ecology of the land. Give us an energy policy that will maximize national security—and yet not impinge upon normal trade between nations."

#### PERSONAL ANNOUNCEMENT

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, I was unavoidably absent from the floor for rollcalls 138, 192, 197, 198, 199, 202, 230, 251, and 257. Had I been present and voting, I would have voted "aye" on rollcalls 138, 197, 198, 199, 202, 230, and 251. I would have voted "nay" on rollcalls 192 and 257.

#### CONSTITUTIONAL CRISIS

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, more and more distinguished political commentators are pointing out the intolerable paralysis of the Federal Government which confronts the Nation. This situation is the result of the public's loss of confidence in the administration which has been brought on by daily revelations of misbehavior in office by high Government officials.

Under the Constitution as presently written, the President and Vice President are locked in for a 4-year term, and the only way out is by resignation or impeachment. In a recent Newsweek editorial, Stewart Alsop, the distinguished columnist, presented a powerful commentary on the constitutional dilemma in which we find ourselves, entitled "A Paralegic Presidency."

Marquis Childs also has written a strong column in the Washington Post, "The Major Issue: Can Mr. Nixon Govern?" I am including these articles for reprinting in the CONGRESSIONAL RECORD at the conclusion of my statement, and I urge my colleagues to take serious note of the sentiments they express.

In the May 26 issue of the New Republic, "T.R.B." has written that—

(A fault of the American form of government) is the frozen four year term. Under a parliamentary system if a credibility collapse occurs a vote of no confidence is taken for

granted, then an election and a new mandate. But our 18th-century government lacks it. It is like a building with no fire escape. Today we have a President who probably can't govern and we are stuck with him for three years. Impeachment, resignation?—hardly likely. Quaintly enough, Mr. Nixon last week embraced the Mansfield proposal of a Constitutional amendment to let the chief executive serve only one term, for six years. So if burglaries discredited him in the first year, we should have him and his Watergate clowns for five years and couldn't chuck him.

These three commentators, without explicitly saying so, point to the need for interim elections as a solution to this type of constitutional crisis.

On May 9 I introduced H.J. Res. 547, a constitutional amendment which would permit the Congress, by a majority vote of both Houses, to call a new Presidential election at any time, if it determined that the President had so lost public confidence that he was unable to govern effectively. If such an election vote were vetoed by an incumbent President, a two-thirds vote of both House and Senate would be required to override. In such an election, the President would be eligible to stand for reelection.

I developed this proposal and offered it for congressional consideration as a solution to the form of constitutional crisis presently confronting the Nation—the President, having lost public confidence, no longer governs effectively, but he is unwilling to resign, and the Congress is not yet inclined to initiate impeachment proceedings. As a result, the Federal Government is virtually paralyzed and drifting aimlessly. Necessary policies are not being formulated in the executive branch, essential social programs flounder, the "energy crisis" is exacerbated by conflicting policies of various Government agencies, and international confidence in the dollar has nose-dived to an all-time low.

Unfortunately, under our present constitutional framework, no mechanism exists for coping with this type of governmental crisis. Presidents are elected for 4-year terms, and, unless Congress is willing to take the step of removing the President from office through impeachment proceedings, no amount of loss of public confidence can force out a President. Impeachment itself would be a lengthy procedure which literally could immobilize the Government for the duration of the congressional proceeding probably many weeks, and risk tearing apart the fabric of our American society. The "cure" of impeachment for a President who has lost public confidence might well be as dangerous as retaining him in office.

Other forms of parliamentary Western government avoid this dilemma by providing that if the Government loses public confidence, new elections are called and the voters give their mandate as to who should lead the Nation. This "safety valve," which characterizes the English, German, Italian, and Scandinavian forms of government, permits an orderly public referendum and transition of power, if necessary, when an elected government can no longer function effectively. The legislation which I have proposed would provide our con-

stitutional structure with this vital flexibility.

The present lamentable state of our National Government, caused by widespread loss of public confidence and Presidential inability to govern, underscores the necessity for enactment of this constitutional amendment to provide a mechanism for a new Presidential election before a President's 4-year term of office has run its course.

The articles follow:

[From Newsweek, July 9, 1973]

#### A PARALEGIC PRESIDENCY

(By Stewart Alsop)

WASHINGTON.—To continue to believe that President Nixon was wholly innocent of any involvement in the Watergate cover-up requires, by this time, a major act of faith. Mr. Nixon is not the sort of man who inspires major acts of faith.

John Dean III, in the week that was, resembled a small, quietly competent spider, weaving his web slowly, inexorably, around his far larger victim. It was useless to remind oneself that spiders are not nice insects, and that squealers are not nice people. Dean's seemingly total lack of human qualities—that soporific, gravel-voiced monotone, that blandly meaningless face—made the spider's performance all the more convincing.

If Dean was lying, his lie was the most complex, the most detailed, the most carefully prepared, in the long history of lies since Ananias. A heroic effort to keep an open mind remains necessary, but if the pro-Nixon witnesses, or Mr. Nixon himself, can extricate the President from the web John Dean has woven, it will be a miracle.

The miracle will be all the more miraculous because we have had a preview of the President's defense, in the long, pettyfogging memorandum sent the Ervin committee by White House counsel J. Fred Buzhardt. If the Buzhardt memorandum is the President's best defense, then the President has no defense.

#### TOUGHING IT OUT

Suppose, then, that the President is stuck in the web woven by spider Dean. Suppose that most of the Congress and most of the country become convinced that the President was guilty of obstruction of justice, which is a felony, a major criminal act. What then? Bar an act of God, there seem to be three possible answers.

The first and most likely answer is that Mr. Nixon will "tough it out," a favorite White House phrase, that he will remain in the White House until Jan. 20, 1977. This is a way of saying that the country will probably be presided over for the next three years and more by a paralegic President.

The Presidential paralysis is evident already in several ways. As the Cambodia votes in the House indicate, he can no longer count on the conservative coalition that was his basic constituency on Capitol Hill. From now on, any White House proposal is likely to be fought on the Hill just because it comes from the White House.

The President no longer fully controls even his own White House turf. With the appointments of Elliot Richardson and Archibald Cox, the President has in effect abdicated control of the Justice Department, an essential instrument of Presidential power. Back to Woodrow Wilson and beyond, the No. 2 man in the White House has always been totally the President's man. Melvin Laird is his own man, not the President's.

Unless the miracle of extrication can be achieved, the Presidential paralysis will spread as the President's prestige and popularity sink. By some, the enfeeblement of the Presidency is regarded as a Good Thing, on the theory that it is past time that the power of the Presidency be reduced and the power of Congress restored. In fact, the brief



periods of Congressional domination have been sad and futile, from the Reconstruction era on. The reason is simple. It is not possible for a committee of 535, or even a committee of 100, to run a big country sensibly.

#### IMPEACHMENT

The breakup of the inner Nixon Administration, which has already occurred, was certainly a Good Thing, and its goodness becomes clearer with every day of testimony. The picture of the inner Administration that emerges from the testimony of Dean, Magruder and company is a picture of a nest of vipers—and incompetent, paranoid vipers at that. The vipers were blandly willing to use any Federal instrument of power, including the taxing power, to "screw our political enemies," in John Dean's elegant phrase. It was essential to clear the vipers' nest out of the White House.

The vipers, as noted many weeks ago in this space, exuded a genuine Fascist smell. But Presidential paraplegia probably involves more real danger of an American form of Fascism than any nest of vipers. To judge from the Italian and German precedents, the prime preconditions for authoritarian government are the paralysis of government authority, economic crisis and the erosion of confidence in national institutions. All three conditions seem all too likely to be met.

This is why the prospect of a paraplegic Presidency is so frightening. An obvious alternative—impeachment—is almost as frightening, and maybe more so. An attempt to impeach the President could tear this country apart like no event since the Civil War, and the disaster would be multiplied if the attempt failed to gain the necessary two-thirds vote in the Senate.

This is one reason why impeachment still seems highly unlikely. There is another. The Democrats are quite aware that there would be no political advantage to them in making Vice President Agnew the incumbent President and President Nixon a martyr to millions. Yet it must be added that there is beginning to be serious impeachment talk on Capitol Hill.

#### RESIGNATION

There is a third way out—the resignation of the President. Resignation is probably as unlikely as impeachment. The "I'm not a quitter" syndrome is deeply a part of the Presidential psyche, right back to his days as an animated punching bag on the Whittier College football team. There is also a practical reason why the President seems unlikely to resign.

If President Nixon were to cease to be President, he would become plain Citizen Nixon, theoretically as liable to a summons or a subpoena or even an indictment for felony as any Citizen Smith. As the testimony has made obvious, Mr. Nixon sees himself as a man surrounded by enemies, and he may also see the White House as a necessary fortress to protect him from those enemies.

Resignation is not to be ruled out completely all the same. The President no doubt meant what he seemed to mean when he told his daughter Julie: "I want to do what is good for the country—if resigning would be good for the country, well . . ." Although there are those who will never believe it, Mr. Nixon sees himself, and has always seen himself, as a deeply patriotic man.

The time could come when it will be obvious to him and to everyone else—including the grand panjandrums of the Republican Party—that "resigning would be good for the country." Indeed, if one considers the three alternatives, it seems clear already that the President's resignation is the only tolerable way out of the tragic mess in which this country finds itself. But three years and more of a paraplegic Presidency seems a far more likely prospect. It is a frightening prospect.

[From the Washington Post, July 6, 1973]  
THE MAJOR ISSUE: CAN MR. NIXON GOVERN?

(By Marquis Childs)

The issue is no longer who is telling the truth and who is falsifying. The issue is whether President Nixon can govern the country for the next three years.

With the massive evidence accumulating the answer must be in the negative. And it is not alone Watergate. The disclosures about the chiseling on the Nixon private homes at San Clemente and Key Biscayne touch the average citizen struggling to keep up his mortgage payments and maybe fix up his backyard.

The trouble is that under the American presidential system, in contrast to parliamentary government, there are only two ways the office may be vacated. One is by resignation, the other by impeachment. The process of impeachment would paralyze the government to a far greater extent than the prolonged Senate hearings into the Watergate scandal.

The House must vote articles of impeachment, which would be a lengthy and deeply disruptive process. Then the Senate must sit as a court with the chief justice presiding, in this case Chief Justice Warren Burger was appointed by President Nixon, and he would certainly be at odds with the Democratic majority trying the President. Thus a further element of dissension would be injected into what would surely be a fierce conflict enduring for weeks if not months.

Republicans who recoil in horror from the very word impeachment seem to forget that they instituted that proceeding not long ago. Rep. Gerald Ford, minority leader in the House, proposed to impeach Justice William O. Douglas for "high crimes and misdemeanors" and he was joined by 109 other members. Ford asserted that an "impeachable offense" is whatever the House with concurrence of the Senate "considers (it) to be." Seeming to give the Congress unlimited power, this shocked many observers.

The charges against Douglas grew out of private financial dealings while he served on the court. It is one thing, of course, to impeach a judge of the high court and quite another to impeach a President of the United States. At the beginning of the last century articles of impeachment were brought against Justice Samuel Chase who was acquitted by the Senate.

If impeachment is a source of even worse paralysis than presently prevails, the other recourse—resignation—calls for an act of will on the part of the President. No man in the office has ever resigned and the odds on Nixon taking this recourse are put at 70 to 1 or higher even. His friends are saying that it would be contrary to everything in his background and temperament to quit.

What is shocking to this observer is to find influential Democrats on Capitol Hill playing politics as usual. We don't want Nixon to resign, they are saying, for then we would have Spiro Agnew built into the office for three years. With an outpouring of public sympathy and with even moderate good luck he would be entrenched for 1976 and we would have a hard time finding a candidate who could beat him.

The politics of replacing Nixon with Agnew might turn out that way. Whether the Vice President in the President's office, seemingly untouched by the scandals, could govern the country and restore confidence is another matter. The opinion widely held is that the indices, including the New York Stock Exchange, will continue to drop until confidence is restored.

In August 1923, just before a Senate investigation began to reveal the depths of the Teapot Dome scandal, President Warren Gamaliel Harding died. If he had lived he would have been implicated in that scandal by the betrayal of his cronies whom he had

appointed to high office. His attorney general and his Secretary of Interior were deeply involved with payments by big oil men.

The Vice President, Calvin Coolidge, inherited the office. Silent Cal, as he was called, had said nothing. Naming able and independent prosecutors, he stood clear of the wreckage. With rising prosperity in what was to become known as the Coolidge boom, he was re-elected in 1924 over a weak candidate picked by the deeply divided Democrats.

Teapot Dome was essentially a money scandal in comparison to Watergate, which goes to the corruption of the system itself. Embedded in that corruption is the dark shadow of whether we have a workable government. Walter Lippmann will probably never finish the book on which he has long been working with the tentative title, "The Ungovernability of Man." The present scandal would be at least a chapter.

#### U.S. PASSPORT SERVICE

(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, the bill which I am proposing today would provide three much needed changes in the structure of a vital public service organization, the Passport Office of the Department of State.

In 1955, when the present Director, Miss Frances G. Knight, took over its operation, the Passport Office was inundated with an increasing volume of work and saddled with an antiquated system more appropriate to the 1920's than the 1950's. With the help of Congress, the Passport Office was reorganized and re-equipped to bring it into line with the increasing demands made upon it by the American public. I emphasize "with the help of Congress" because this seems to be the only way to get anything done for this seriously neglected service of the State Department. The Passport Office and its Director have been described as "not in the mainstream of the Department's thinking." This may be in fact a recommendation: from my personal observation I have found the Passport Office to be very progressive; dedicated to its public service role; responsive, truthful, and forthright in its contacts with the Congress and the public; and most important it has demonstrated exceptional foresight in trying to plan for the future.

The modernization of the Passport Office which took place in the mid-1950's was a major and beneficial change but the demand for services increased to the point where a system adequate for the mid-1950's and early 1960's could no longer cope with the demands of today.

Consider that in 1955, the Passport Office was composed of about 350 employees and issued a half million passports. This volume grew in 1965 to 450 employees and 1¼ million passports. In fiscal year 1972 the Passport Office had 786 employees and issued over 2.6 million passports. Some projections indicate continuing growth to 4 million passports in 1976 and over 6 million in 1980.

Due to a lack of foresight, support, and assistance by some people in the State Department, the Passport Office is not organizationally or financially equipped to render the kind of service which the pub-

lic demands and for which it pays. In recent years the State Department, while denying or ignoring all recommendations for improvements from the Passport Office, attempted to meet these demands with short-range interim solutions, obviously too little and too late. To provide more passport acceptance facilities, the Department authorized some 700 post offices to accept passport applications. While this provides an additional convenience for the public and to some small extent lessens crowds at the courts and 10 passport field agencies, the post offices do not issue passports and this is where the real crisis exists. Another patchwork remedy was the establishment of second shifts at night in two Passport Agencies but this is obviously a short-term project which has caused more problems than it has solved. The training, supervision, attrition rate of night shift employees pose more problems than are solved by this experiment.

To cope with these very real problems which presently exist in passport operations, my bill provides first for an organizational change which recognizes the importance of this public service in the hierarchy of the State Department. It would establish a U.S. Passport Service within the Department of State with a Director responsible directly to the Secretary of State for the administration of the service. The structure of the service would be comparable to the Immigration and Naturalization Service in the Department of Justice and it would clear away some of the bureaucratic deadwood which has consistently impeded the progress of the Passport Office. The Passport Office is presently a constituent office of the Bureau of Security and Consular Affairs which is responsible through the Under Secretary for Management to the Secretary for its administration. This Bureau, which is largely foreign service oriented is not equipped to manage a growing public service organization. It has, for the most part, duplicated functions and snarled progress in endless redtape. The value of this Bureau can be judged by the fact that in 1970, a committee appointed by the Secretary of State headed by former Senator Leverett Saltonstall and composed of high ranking officials, both public and private, recommended that it be abolished as unnecessary.

Two previous inhouse surveys of the Bureau of Security and Consular Affairs have come to the same conclusion. Since the Bureau was established by Congress, it can and should be abolished by Congress as a costly duplication of work performed by other areas of the Department of State.

My bill would provide that the Director of the new U.S. Passport Service would be appointed by the Secretary at the GS-18 level. What is most important about this proposal is that it would not subject the Service to the vagaries of either politically oriented Schedule C appointees or itinerant Foreign Service officers neither of which are equipped to provide the kind of continuity which a business type, technically oriented public service requires. It is a known fact the Passport Office citizenship attorneys, fraud detectors, and adjudicators require

years of precedent experience to rate as experts in their fields.

The next major change which my bill would effect is to provide the Service with the authority to establish and maintain passport agencies and service offices where there is a need for convenient and efficient public service. My bill provides, with one exception, that any such agency or office must be self-sustaining within 1 year of its establishment. This means, in essence, that the fees which it collects must exceed the direct cost of its operation. At the present time, the Passport Office, in addition to its own facilities in Washington, operates 10 agencies located strategically around the United States. Each of these facilities returns revenue in excess of the direct cost of their operation.

There is an urgent need for the establishment of additional facilities in various parts of the country to meet the growing passport, travel, and citizenship requirements of the public. Our Nation has grown rapidly and has become increasingly involved in international travel. The tremendous growth in air travel has created international ports of entry in areas never envisioned even 10 to 15 years ago.

The Passport Office watching this trend over the years has consistently recommended that new agencies and offices be established in areas such as Michigan and Texas where the volume of work and need for public service can easily justify them. The State Department, ill-advised by an inherent bureaucracy, not knowledgeable, not interested nor concerned with the practical facts has consistently rejected these recommendations despite ample evidence of their need. In other words, the State Department has refused to participate in an orderly expansion and decentralization of the passport function for over 5 years.

The State Department has denounced all attempts of the Passport Office efforts at decentralization as "proliferation" despite the President's repeated requests and support of decentralizing services to U.S. citizens. Many of us have received lengthy bureaucratic explanations attempting to justify the Department's negative position on virtually all recommendations for the support and improvement of passport services. None of these communications have been responsive to the inquiries nor to the public need.

The State Department would be well advised to heed the words of two Presidents. President Lyndon Johnson in a memorandum to Department heads on November 1, 1965, stated:

The task of Government is to serve the public. It has been my deep and continuing concern to assure that each American receives from his government the fastest, most efficient and most courteous service.

He directed the then Chairman of the Civil Service Commission to provide a program to "improve the quality of service and to make the government more accessible to the people it serves."

On March 27, 1969, President Nixon in a statement on restructuring Government service systems stated:

Business learned long ago that decentralization was a means to better performance. It's time the government learned the same lesson.

The third major provision of my bill would establish a passport service fund. This is essentially a revolving fund which would permit the Passport Service to use some of the revenue which it returns each year to the Treasury to provide the more efficient and convenient service to the public. The Passport Office has for years returned millions of dollars to the Treasury over and above its direct costs. In fiscal year 1972, for example, the Passport Office collected \$25,955,783 in passport fees in the United States. Its direct domestic operating cost was \$11,382,548. An excess or revenue of \$14,573,235 was returned to the U.S. Treasury. To charge up the high cost of the Foreign Service to this revenue in order to show a loss is absurd and deceptive.

So-called revolving funds are neither new nor unusual in the Federal Government. In 1968 there were 127 such revolving fund accounts in the Treasury Department. Of these, 89 were so-called public revenue enterprise funds such as established by my bill. A public enterprise fund is one which derives its revenue from sources totally outside the Government.

In 1970, the Bureau of the Budget set up five criteria for the establishment of revolving funds. The organization for which such a fund is established must:

First. Have a continuing cycle of operation in which expenditures generate receipts.

Second. Have a fund which is substantially self-sustaining.

Third. Have many transactions of a purely business nature.

Fourth. Systematically disclose the relationship between revenue and expense and the subsidy, if any, supplied by the Government.

Fifth. Have a substantial need for flexibility to meet unforeseen requirements.

The U.S. Passport Service as established in my bill precisely meets each and every one of these criteria.

It is important to point out here that the establishment of this fund does not provide the Passport Service with authority for unbridled expenditures. My bill also provides for elaborate accounting procedures, an annual business-type budget and periodic audits by GAO with reports to the President and the Congress. The fund would simply provide much needed flexibility in financing the Passport Service which the outmoded budget procedures of the State Department simply cannot do. A prime example of the lack of ability or willingness of this system to respond occurred in connection with a request by the Passport Office for funds to carry out vitally needed research to design a new passport and develop new methods for its issuance to meet the ever-increasing demand. The original request was made in August 1968. These urgently needed funds were not provided until July 22, 1971, some 23 months later, despite a declaration of support by the President. The stultifying effects of the State Department's bu-



reaucracy cannot be permitted to torpedo the public service to U.S. citizens by the Passport Office.

In summary, Mr. Speaker, I think that this bill will provide the organizational and financial flexibility needed in the passport operation to provide the kind of service to the public advocated by Presidents of both parties and, indeed, by a great many of my colleagues on both sides of the aisle in both Houses of the Congress. In this regard, I do not want to leave the impression that my bill is unique. Over the years since 1955 some 30 bills have been introduced in the House and the Senate containing some provisions similar to my proposal. Each one in turn has been objected to by the Department of State. However, I believe that the bill which I am introducing today contains a composite of the best from all of these bills and provides a vehicle which can command the bipartisan support required to pass this much needed reform, which already is several years too late.

The need for legislation of this type is urgent requiring expeditious action by Congress. I ask my colleagues to demonstrate the ability of Congress to respond quickly and effectively when the situation demands.

#### THE MILITARY MAW—PART II

(Mrs. SCHROEDER asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, the Military Procurement Authorization Bill, H.R. 6722, on which we will be voting in the near future, is bloated with unnecessary programs.

Because I do not believe that a fat military is necessarily a strong one, I think we would all benefit if this legislation were cut back to what is absolutely necessary to maintain our strong national defense posture.

Particularly wasteful is the \$657 million authorization for further construction of the CVAN-70 nuclear aircraft carrier. Of all the fat in the military budget, this item stands alone for sheer wastefulness. I object to it for the following reasons:

First, our attack carrier fleet is currently and in the foreseeable future more than adequate to meet assigned tasks and threats even under "worst-case" conditions. We will soon have three nuclear carriers in the fleet, not counting CVAN-70, and they will stand alone in the world in their size and strength. One of these three carriers has twice the firepower of an old carrier. The Soviet Union, in comparison, has no attack carrier fleet, and the one flattop it has is limited in its function and poses virtually no threat to our military superiority at sea.

Second, attack carriers such as this contribute only marginally to any realistic, or desirable, mission. They have no strategic role at all. It is a ship in search of a mission. They are highly vulnerable. The Navy justifies their construction on the basis of "power display and projec-

tion" and "sea control." Ignoring the questionable wisdom of such mission definitions, and their undesirable foreign policy implications, these jobs can be done better and less expensively by other weapons now deployed or under active development.

Third, this ship will cost nearly \$1 billion, not counting possible cost overruns. The first of five necessary complements of aircraft will cost an additional billion dollars, and the essential nuclear support ships a further billion dollars. Thus, the true initial costs of this weapons system will exceed \$3 billion.

Under the circumstances, the cost is just not worth it, and I believe the money could be put to better use elsewhere.

To cancel this boondoggle means that we would have to pay whopping termination costs to contractors. The total may reach as high as \$100 million. But I believe it is worth it. After all, it makes good sense to get out if it only costs us three percent of the total project costs. While I would have preferred that our military planners had been sufficiently foresighted not to have drawn us into this mess in the first place, I believe we would be doing everyone a service by stopping the project now, at vast savings to everyone, particularly the hard-pressed taxpayer.

"RIGHT ON, HANK" DANIELS SAYS TO AARON—14TH DISTRICT CONGRESSMAN SAYS "RECORDS ARE MADE TO BE BROKEN"

(Mr. DOMINICK V. DANIELS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DOMINICK V. DANIELS. Mr. Speaker, on a Saturday in May 38 years ago at Pittsburgh's Forbes Field, George Herman Ruth hit three towering homeruns, numbers 712, 713 and 714 of his brilliant career. These homeruns were the last hit by the immortal Babe as he was ending his days as an active player with the down at the heels Boston Braves, then owned by the late Judge Emil Fuchs, who, oldtimers will recall, managed from a swivel chair in the dugout.

Mr. Speaker, having been born in Jersey City and having lived all my life in Hudson County I qualify as one of the most long standing fans of the "Bambino." As a young boy I can recall many of his epic four-baggers at the Polo Grounds in Manhattan just across the river from Jersey City and later at Yankee Stadium in the Bronx which even today is known by the sobriquet "The House that Ruth Built." I yield to no one as an admirer of Babe Ruth.

For almost 40 years, his lifetime total of homeruns—like Lou Gehrig's record of playing 2,130 consecutive games—seemed to be a mark far out of reach of mortal man. I could not conceive of anyone hitting 715 homeruns and indeed until recently there were no challengers. Such sluggers as Hank Greenberg, Mickey Mantle, Ted Williams, and Joe DiMaggio fell far short of the Babe's lifetime mark.

This year, however, it appears likely

that Atlanta's great outfielder Henry Aaron will top the Ruth mark and will become the home-run champion of all time. Today he is within 18 round-trippers of the Babe's total of 714.

Mr. Speaker, even as Hank Aaron approaches the total, he has been the victim of some ugly racism because there are some white bigots who resent a black man breaking the record of a white star. This is, of course, an idiotic attitude and unworthy of both the national pastime and of Babe Ruth himself.

Mr. Speaker, I am sure that if Babe Ruth were alive today he would be saying "Right on, Hank" just as millions of other Americans, white and black, are saying today. Somehow I can hear the Babe's raspy voice saying "Give it a ride, kid" as Hank cranks up for 714, an event which should take place some time late this season or early next year.

Records are made to be broken and the memory of Babe Ruth will live on in the hearts of all who loved him. I am proud to join with my friend from California (Mr. ANDERSON) in paying tribute to Hank Aaron, a worthy successor to the mantle of the Sultan of Swat. Hank Aaron has been a great baseball player and a fine example for young America. I am proud to cosponsor this resolution and wish him every success in the future.

#### JOINT RESOLUTION HONORING SAMUEL E. SANDERS

(Mr. BROYHILL of North Carolina asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BROYHILL of North Carolina. Mr. Speaker, during my service on the House Select Committee on Small Business, I have been extremely impressed by the work of the Service Corps of Retired Executives—SCORE—a management counseling program organized by the Small Business Administration. SCORE has been instrumental in the continued development and success of many small businesses by providing them with the valuable business and management expertise of retired businessmen. The result is a reinforcement and strengthening of the free enterprise system and community services in America.

I am particularly pleased to commend the 1973 SCORE Man of the Year for North Carolina, Mr. Samuel E. Sanders of Asheville, N.C. Mr. Sanders, a successful businessman and active promoter of SCORE, also became a double winner when he was named the 1973 SCORE Man of the Year for the southeastern region of the United States.

I know my colleagues will join in my congratulations to Mr. Sanders, a man who through his dedication to SCORE and America's small business system, has earned a deserved honor as SCORE Man of the Year for 1973 for North Carolina and the southeastern region.

Mr. Chairman, I would like to insert for the Record the resolution passed by the North Carolina general assembly honoring Mr. Sanders for the service he has rendered his community, State, and America's free enterprise system.

**A JOINT RESOLUTION HONORING SAMUEL E. SANDERS, THE 1973 SOUTHEASTERN REGIONAL SCORE MAN OF THE YEAR**

Whereas, Samuel E. Sanders was born in Raleigh, Wake County, North Carolina, on January 20, 1892, and was graduated from Oak Ridge Military Institute and attended North Carolina State University; and

Whereas, after becoming a District Sales Manager for a nationwide concern in charge of their North Carolina Office in Raleigh, he applied for Officer's Training Camp in 1917 and was commissioned a Second Lieutenant, Field Artillery, and was promoted to First Lieutenant before his discharge in 1919; and

Whereas, after the war he became Eastern Sales Manager for Butler Brothers of New York and the General Sales Manager of Monument Mills, a textile manufacturer; and

Whereas, he moved to Asheville in 1938 to start his own business which later became S. E. Sanders Company; and

Whereas, he has been active in civic and cultural affairs in Asheville by serving as a Director of the Asheville Chamber of Commerce, a Director of the Asheville Art Museum, Vice President of the Civic Arts Council, Treasurer of the Tri-States Arts Council, President of the Land of the Sky Civic Ballet, President of the Asheville Kennel Club, and President of the Chapter of the Americans United, as well as a Mason for fifty-three years, and a Shriner for twenty-eight years; and

Whereas, for five years Mr. Sanders has been a Volunteer for SCORE, the Service Corps of Retired Executives, a management counseling program sponsored by the Small Business Administration, and has been Chairman of the Asheville Chapter for two years; and

Whereas, in this capacity, he has been responsible for television editorials promoting SCORE, he has appeared on a half-hour television interview program devoted entirely to SCORE, he has contacted all of the financial institutions in Asheville and surrounding communities on behalf of SCORE, and he has encouraged them to sponsor a series of ads in the Asheville Citizen and the Asheville Times, which resulted in a dramatic increase in requests for counseling; and

Whereas, for his contributions, Mr. Sanders has been selected not only SCORE Man of the Year for the State of North Carolina, but also SCORE Man of the Year for the Southeastern Region of the United States;

Now, therefore, be it resolved by the Senate, the House of Representatives concurring:

Section 1. That Samuel E. Sanders is hereby commended and congratulated for being selected SCORE Man of the Year for the State of North Carolina and for the Southeastern Region of the United States.

Sec. 2. That the General Assembly of North Carolina wishes Mr. Sanders all good fortune in the competition for the National SCORE Man of the Year.

Sec. 3. That a copy of this resolution shall be duly certified by the Secretary of State and by him transmitted to Samuel E. Sanders.

Sec. 4. This resolution shall become effective upon ratification.

**LEAVE OF ABSENCE**

By unanimous consent, leave of absence was granted to:

Mr. PEPPER (at the request of Mr. O'NEILL) for today on account of illness.

Mr. DANIELSON (at the request of Mr. O'NEILL) for today on account of illness in family.

Mr. GUDE (at the request of Mr. GERALD R. FORD) for today on account of death in family.

**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. KASTENMEIER, for 15 minutes, today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. MARAZITI) and to include extraneous matter, and to revise and extend their remarks:)

Mr. ANDERSON of Illinois, for 30 minutes, today.

Mr. RAILSBACK, for 10 minutes, today.

Mr. KEMP, for 10 minutes, today.

Mr. WALSH, for 10 minutes today.

Mr. HOGAN, for 5 minutes, today.

(The following Members (at the request of Mr. BREAUX) to revise and extend their remarks and to include extraneous matter:)

Mr. VANIK, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. O'NEILL, for 5 minutes, today.

Mr. BIAGGI, for 5 minutes, today.

Mr. GIBBONS, for 5 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

Mr. COTTER, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. RUNNELS, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

**EXTENSION OF REMARKS**

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MITCHELL of Maryland, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost \$467.50.

Mr. ALEXANDER, immediately following the remarks of Mr. RAILSBACK in the Committee of the Whole today.

Mr. KASTENMEIER, 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 \$627.

(The following Members (at the request of Mr. MARAZITI) and to include extraneous matter:)

Mr. DERWINSKI in two instances.

Mr. TOWELL of Nevada.

Mr. HANRAHAN in three instances.

Mr. BELL.

Mr. PRICE of Texas.

Mr. ANDERSON of Illinois in two instances.

Mr. FROELICH.

Mr. HUNT.

Mr. SMITH of New York.

Mr. SYMMS in two instances.

Mr. MILLER in six instances.

Mr. FORSYTHE.

Mr. KEMP.

Mr. DU PONT in two instances.

Mr. NELSEN.

Mr. ESCH in two instances.

Mr. FREY.

Mr. RONCALLO of New York.

Mr. WHALEN.

Mr. GOLDWATER.

Mr. COHEN.

Mr. JOHNSON of Pennsylvania.

Mr. PARRIS in five instances.

Mr. HINSHAW in two instances.

(The following Members (at the re-

quest of Mr. BREAUX) and to include extraneous matter:)

Mr. GIAIMO in 10 instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. ANDREWS of North Carolina.

Mr. MANN in five instances.

Mr. THOMPSON of New Jersey in 10 instances.

Mr. LEGGETT in six instances.

Mr. LITTON.

Mr. EVINS of Tennessee in three instances.

Mr. ICHORD.

Mr. DE LUGO.

Mr. HARRINGTON in three instances.

Mr. MAHON.

Mr. EDWARDS of California.

Mr. RANGEL in 10 instances.

Mr. BRASCO in five instances.

Mr. ANDERSON of California in two instances.

Mr. ADAMS.

Mr. WILLIAM D. FORD.

Mr. DOMINICK V. DANIELS.

Mr. BENNETT.

Mr. ROONEY of New York in two instances.

**ENROLLED BILLS SIGNED**

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which were thereupon signed by the Speaker:

H.R. 7528. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

**ADJOURNMENT TO 11 O'CLOCK ON THURSDAY, JULY 12, 1973**

Mr. CLAY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 38 minutes p.m.), under its previous order, the House adjourned until tomorrow Thursday, July 12, 1973, at 11 o'clock a.m.

**EXECUTIVE COMMUNICATIONS, ETC.**

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1134. A letter from the Director, Office of Management and Budget, transmitting the administration's views on proposed legislation (H.R. 8606) to amend the Small Business Act; to the Committee on Banking and Currency.

1135. A letter from the Assistant Secretary of Defense, Installations and Logistics, Department of Defense, transmitting a report of procurement from small and other business firms for July 1972 to March 1973, pursuant to section 10(d) of the Small Business Act; to the Committee on Banking and Currency.

1136. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to provide for the enlistment and commissioning of women in the Coast Guard Reserve, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1137. A letter from the Acting Administrator, U.S. Environmental Protection Agency, transmitting a report entitled "Alaska Village



Demonstration Projects" pursuant to section 113 of Public Law 92-500 (86 Stat. 816); to the Committee on Public Works.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 484. Resolution providing for the consideration of H.R. 8547. A bill to amend the Export Administration Act of 1969, to protect the domestic economy from the excessive drain of scarce materials and commodities and to reduce the serious inflationary impact of abnormal foreign demand (Rept. No. 93-371). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 485. Resolution providing for the consideration of H.R. 8606. A bill to amend the Small Business Act (Rept. No. 93-372). 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. ANNUNZIO:

H.R. 9184. A bill to amend titles 39 and 5, United States Code, to eliminate certain restrictions on the rights of officers and employees of the Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 9185. A bill to amend the Postal Reorganization Act of 1970, title 39, United States Code, to provide for uniformity in labor relations; to the Committee on Post Office and Civil Service.

By Mr. DEVINE (for himself and Mr. CLANCY):

H.R. 9186. A bill to transfer the functions of the Passport Office to a new agency of the Department of State to be known as the "U.S. Passport Service", to establish a Passport Service Fund to finance the operations of the U.S. Passport Service, and for other purposes; to the Committee on Foreign Affairs.

By Mr. FASCELL (for himself, Mr. BAFALIS, Mr. BURKE of Florida, Mr. FREY, Mr. FUQUA, Mr. GIBBONS, Mr. GUNTER, Mr. LEHMAN, Mr. PEPPER, Mr. ROGERS, and Mr. YOUNG of Florida):

H.R. 9187. A bill to establish the Fort Zachary Taylor National Historic Site, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FASCELL:

H.R. 9188. A bill to amend the Communications Act of 1934 for 1 year with respect to certain agreements relating to the broadcasting of home games of certain professional athletic teams; to the Committee on Interstate and Foreign Commerce.

By Mr. FROELICH:

H.R. 9189. A bill to repeal section 131 of title 13, United States Code, providing for mid-decade censuses of manufactures, mineral industries, and other businesses; to the Committee on Post Office and Civil Service.

By Mr. GINN:

H.R. 9190. A bill to amend the Federal Trade Commission Act (15 U.S.C. 44, 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. GONZALEZ:

H.R. 9191. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service;

to the Committee on Post Office and Civil Service.

By Mr. HOGAN:

H.R. 9192. A bill to amend title 28 of the United States Code to create an additional judicial district in southern Maryland; to the Committee on the Judiciary.

By Mr. McSPADEN (for himself, Mr. JONES of Oklahoma, Mr. CAMP, Mr. JARMAN, and Mr. STEED):

H.R. 9193. A bill to provide for the conveyance of certain real property to the State of Oklahoma for National Guard purposes; to the Committee on Armed Services.

By Mr. MIZELL:

H.R. 9194. A bill to provide for the study of the alternative uses including the recreational, conservation, and preservation uses, of the New River; to the Committee on Public Works.

By Mr. O'HARA (for himself, Mr. WILLIAM D. FORD, Mrs. BURKE of California, Mr. POBELL, Mr. REES, and Mr. TALCOTT):

H.R. 9195. A bill to amend the Federal Meat Inspection Act in order to provide that States may not have less strict standards with respect to marketing, labeling, packaging, and ingredient requirements than those made under the Federal Meat Inspection Act; to the Committee on Agriculture.

By Mr. O'HARA (for himself and Mr. DELLENBACK):

H.R. 9196. A bill to amend section 411 (a) of the Higher Education Act of 1965, as amended, with respect to the dates of and procedures for submission and disapproval of the basic opportunity grant family contribution schedule; to the Committee on Education and Labor.

By Mr. OWENS:

H.R. 9197. A bill to amend title 13, United States Code, to assure confidentiality of information furnished in response to questionnaires, inquiries, and other requests of the Bureau of the Census, to provide for a mid-decade sample survey of population, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PICKLE:

H.R. 9198. A bill to provide that the Secretary of Transportation shall protect the needs of interstate commerce for railroad freight cars by certifying his approval or disapproval of plans submitted to him by grain exporters regarding their proposed use of railroad freight cars in connection with certain sales of grain for export, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RAILSBACK:

H.R. 9199. A bill to amend title 35, United States Code, "Patents," and for other purposes; to the Committee on the Judiciary.

By Mr. RAILSBACK (for himself and Mr. COHEN):

H.R. 9200. A bill to amend title 18 of the United States Code by adding a new chapter 404 to establish an Institute for Continuing Studies of Juvenile Justice; to the Committee on the Judiciary.

By Mr. RAILSBACK (for himself, Mr. DRINAN, Mr. CONYERS, and Mr. RANGEL):

H.R. 9201. A bill to amend title 18, United States Code, to permit a Federal court, upon the recommendation of the U.S. prosecutor, to place certain persons charged with Federal crimes in programs of community supervision and services; to the Committee on the Judiciary.

By Mr. RANDALL:

H.R. 9202. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection of income tax returns by Federal agencies; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 9203. A bill to reform consent decree procedures, to increase penalties for violation of the Sherman Act, and to revise the

Expediting Act as it pertains to appellate review; to the Committee on the Judiciary.

By Mr. ROONEY of Pennsylvania:

H.R. 9204. A bill to amend section 223 of the Communications Act of 1934 to prohibit harassing telephone calls made to collect alleged debts, and to inform the public of their right to be free from harassing, coercive, abusive, and obscene telephone calls; to the Committee on Interstate and Foreign Commerce.

By Mr. ALEXANDER:

H.R. 9205. A bill to amend the Agricultural Adjustment Act of 1938 with respect to peanuts; to the Committee on Agriculture.

By Mr. ANDERSON of California (for himself, Mr. ROONEY of Pennsylvania, Mr. KYROS, Mr. GUDE, Mr. HECHLER of West Virginia, Mr. HORTON, Mr. HELSTOSKI, Mr. LEHMAN, Mr. HARRINGTON, Mrs. GRASSO, Mr. NIX, Mr. DE LUGO, Mr. DAVIS of Georgia, Mrs. GRIFFITHS, Mr. McCLOSKEY, Mr. BAFALIS, Mr. EDWARDS of California, Mr. WHITEHURST, Mr. KEATING, Ms. ABZUG, Mr. RODINO, Mr. PATTEN, Mr. STARK, Mr. THOMPSON of New Jersey, and Mr. STUDDS):

H.R. 9206. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. ANDERSON of California (for himself, Mr. ROONEY of Pennsylvania, Mr. KYROS, Mr. GUDE, Mr. WALDIE, Mr. FRENZEL, Mr. O'BRIEN, Mr. CHARLES WILSON of Texas, Mr. BROWN of California, Mr. CONYERS, Mr. CORMAN, Mr. BUCHANAN, Mr. HUDNUT, Mr. WILLIAMS, Mr. BINGHAM, and Mr. COUGHLIN):

H.R. 9207. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. BROWN of California (for himself and Mr. CORMAN):

H.R. 9208. A bill to establish the National Professions Foundation; to the Committee on Education and Labor.

By Mr. BROWN of California:

H.R. 9209. A bill to establish in the State of California the Channel Islands National Park, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 9210. A bill to provide information for more effectively dealing with national energy problems by directing the National Science Foundation to conduct a study of emission control equipment and techniques applicable to the smokestacks of coal-burning powerplants and offer recommendations for their improvement; to the Committee on Science and Astronautics.

By Mr. CRONIN:

H.R. 9211. A bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolism, and Digestive Diseases in order to advance the national attack on diabetes; to the Committee on Interstate and Foreign Commerce.

By Mr. DRINAN (for himself, Mr. DONOHUE, Mr. HARRINGTON, Mr. MOAKLEY, and Mr. STUDDS):

H.R. 9212. A bill to amend the National Science Foundation Act of 1950 in order to establish a framework of national science policy and to focus the Nation's scientific talent and resources on its priority problems, and for other purposes; to the Committee on Science and Astronautics.

By Mr. GRAY (for himself, Mr. KLUZYSKI, Mr. BLACKBURN, and Mr. MURPHY of Illinois):

H.R. 9213. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTENMEIER (for himself, Mr. BADILLO, Mr. BROWN of California, Mr. BURTON, Mr. CONYERS, Mr. DELLUMS, Mr. DIGGS, Mr. DRINAN, Mr. ECKHARDT, Mr. EDWARDS of California, Mr. HARRINGTON, Mr. HELSTOSKI, Ms. HOLTZMAN, Mr. KOCH, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. OWENS, Mr. RANGEL, Mr. REES, Mr. REUSS, Mr. ROSENTHAL, Mr. SEIBERLING, Mr. STARK, and Mr. WALDIE):

H.R. 9214. A bill to amend title 18 of the United States Code to provide a code of accountability and liability for Government officials engaged in making national security policy; to the Committee on the Judiciary.

By Mr. NELSEN (for himself and Mr. FUQUA):

H.R. 9215. A bill to amend the National Capital Planning Act of 1952 as amended, and for other purposes; to the Committee on District of Columbia.

By Mr. ROE:

H.R. 9216. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

H.R. 9217. A bill to establish a U.S. Fire Administration and 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. ROONEY of New York:

H.R. 9218. A bill to require that a percentage of U.S. oil imports be carried on U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. STEED (for himself, Mr. JARMAN, Mr. CAMP, Mr. JONES of Oklahoma, and Mr. MCSADDEN):

H.R. 9219. A bill to declare that the United States hold certain land in trust for the absentee Shawnee Tribe of Indians of Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. GINN:

H.J. Res. 657. Joint resolution proposing an amendment to the Constitution to provide that, except in time of war or economic emergency declared by the Congress, expenditures of the Government may not exceed the reve-

nues of the Government during any fiscal year; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.J. Res. 658. Joint resolution, a national education policy; to the Committee on Education and Labor.

By Mr. SANDMAN:

H.J. Res. 659. Joint resolution proposing an amendment to the Constitution of the United States guaranteeing the right to life to the unborn, the ill, the aged, or the incapacitated; to the Committee on the Judiciary.

By Mr. WALSH (for himself, Mr. McEWEN, and Mr. RONCALLO of New York):

H.J. Res. 660. Joint resolution providing that certain mass transit service operated wholly within one State shall be subject to regulation by that State, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITTEN:

H. Con. Res. 266. Concurrent resolution to provide for the printing of committee hearings on the Relationship of Pesticides to Environmental Issues and other matters; to the Committee on House Administration.

By Mr. ANDERSON of California (for himself, Mr. BROWN of California, Mr. RANGEL, Mr. McDADE, Mr. ESHLEMAN, Mr. DAVIS of Georgia, Mr. ROSENTHAL, Mr. CONYERS, Mr. HENDERSON, Mr. GUNTER, Mr. OBEY, Mr. RODINO, Mr. BUCHANAN, Mr. DOMINICK V. DANIELS, Mr. HAWKINS, Mr. WILLIAMS, and Mr. STEIGER of Wisconsin):

H. Res. 486. Resolution saluting Hank Aaron for his achievements both on and off the baseball field; to the Committee on the Judiciary.

By Mr. ANDERSON of California (for himself, Mr. HARVEY, Mrs. COLLINS of Illinois, Mrs. CHISHOLM, Mr. DELLUMS, Mr. YOUNG of Georgia, Mrs. BURKE of California, Mr. CLAY, Ms. ABZUG, Mr. DANIELSON, Mr. YOUNG of Alaska, Mr. RIEGLE, Mr. MINISH, Mr. O'BRIEN, Mr. KEMP, Mr. DORN, Mr. MONTGOMERY, Mr. STARK, and Mr. MICHEL):

H. Res. 487. Resolution saluting Hank Aaron for his achievements both on and off the baseball field; to the Committee on the Judiciary.

By Mr. CRONIN:

H. Res. 488. Resolution relating to the em-

ployment of student congressional interns in the House of Representatives; to the Committee on House Administration.

By Mr. GIBBONS (for himself, Mr. ANDREWS of North Dakota, Mr. ASPIN, Mr. BERGLAND, Mr. BRASCO, Mr. BURGNER, Mr. CLEVELAND, Mr. COLLIER, Mr. DAN DANIEL, Mr. DULSKI, Mr. EDWARDS of California, Mr. GUNTER, Ms. HOLTZMAN, Mr. HUBER, Mr. KETCHUM, Mr. LONG of Maryland, Mr. MILFORD, Mr. MOAKLEY, Mr. NIX, Mr. PODELL, Mr. REES, Mr. ROSENTHAL, Mr. ROY, Mr. RUNNELS, and Mr. SIKES):

H. Res. 489. Resolution to amend the Rules of the House of Representatives to establish as a standing committee of the House the Committee on Energy, and for other purposes; to the Committee on Rules.

By Mr. GIBBONS (for himself, Mr. THONE, Mr. TIERNAN, Mr. VEYSEY, Mr. WOLFF, and Mr. WON PAT):

H. Res. 490. Resolution to amend the Rules of the House of Representatives to establish as a standing committee of the House the Committee on Energy, and for other purposes; to the Committee on Rules.

## MEMORIALS

Under clause 4 of rule XXII,

275. The SPEAKER presented a memorial of the Legislature of the State of California, relative to funding to enforce the necessary laws for the protection of the California desert; to the Committee on Interior and Insular Affairs.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. CHISHOLM:

H.R. 9220. A bill for the relief of Albert and Margerita Harris; to the Committee on the Judiciary.

By Mrs. GRIFFITHS:

H.R. 9221. A bill for the relief of Bogdan Bereznicki; to the Committee on the Judiciary.

By Mr. SHOUP:

H.R. 9222. A bill for the relief of John E. Voth; to the Committee on the Judiciary.

## SENATE—Wednesday, July 11, 1973

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

### PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou, in whose life we find our life, through the gift of whose spirit we do our work and bear our burdens, grant us now the sense of Thy nearness. We would open our hearts freely to Thy spirit, our minds to Thy law, and our wills to Thy quickening energy. Dwell in us and make us fruitful. Amen.

### THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, July 10, 1973, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

### COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

### EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider a nomination on the Executive Calendar, beginning with New Report.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. The nomination on the Executive Calendar, under New Report, will be stated.

### COUNCIL OF ECONOMIC ADVISERS

The second assistant legislative clerk read the nomination of Gary L. Seevers, of Virginia, to be a member of the Council of Economic Advisers.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

### LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

### ORDER FOR STAR PRINT OF S. 1560

Mr. ROBERT C. BYRD. Mr. President, on July 6, the Emergency Employment